

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 370** HLS 19RS 425

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 14, 2019	1:36 PM	Author: STOKES
Dept./Agy.: LA Dept. of Insurance/Office of Group Benefits		Analyst: Zachary Rau
Subject: Drug Benefits for Persons with Metastatic Cancer		

INSURANCE/HEALTH

EG SEE FISC NOTE SG EX

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Provides relative to prescription drug benefits for persons with stage-four advanced, metastatic cancer

Proposed law states that not health coverage plan in LA may use step therapy or fail first protocols to restrict prescription benefits for the treatment of stage-four, metastatic cancer or associated conditions if one of the following applies: the prescribed drug/drug regimen has approved indication from the US Food & Drug Administration (FDA); the prescribed drug/drug regimen has approved indicated from the National Comprehensive Cancer Network Drugs and Biologics Compendium; or if the the prescribed drug/drug regimen is supported by peer-reviewed, evidence-based literature. Proposed law shall not apply if the health plan's preferred drug/drug regimen is considered an equivalent or high-ranked evidence based option as compared to the prescribed drug/drug regimen according to the National Comprehensive Cancer Network Guidelines Categories of Evidence and Consensus or the Categories of Preference. Proposed law requires notification by providers to health insurers when prescribing drugs for conditions associated with stage-four, metastatic cancer when requesting authorization. Effective upon governor's signature.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The Office of Group Benefits reports that the proposed legislation as written will result in minimal or no expenditure impact based upon its current drug formulary makeup. Furthermore, the LA Dept. of Insurance reports that proposed law will have a negligible effect on the private insurance market, as the majority of costs would be in the few cases where patents have expired on certain drugs and private insurers are unable to steer patients to use more affordable generic drugs with equal or better efficacy rather than using name-brand drugs.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
Staff Director