

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 370** HLS 19RS 425  
 Bill Text Version: **REENGROSSED**  
 Opp. Chamb. Action: **W/ SEN FLOOR AMD**  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> June 3, 2019	10:41 AM	<b>Author:</b> STOKES
<b>Dept./Agy.:</b> LA Dept. of Insurance/Office of Group Benefits		<b>Analyst:</b> Zachary Rau
<b>Subject:</b> Drug Benefits for Persons with Metastatic Cancer		

INSURANCE/HEALTH REF SEE FISC NOTE SG EX Page 1 of 1  
 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 preferred drug/drug regimen is considered a clinical equivalent, contains identical active ingredient(s), and is proven to have the same efficacy. Proposed law requires notification by providers to health insurers when prescribing drugs for conditions associated with stage-four, metastatic cancer when requesting authorization. Proposed law defines "health coverage plan" to include plans subject to provisions of proposed law that are administered by a pharmacy benefit manager. Effective upon governor's signature.

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

<b>REVENUES</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>5 -YEAR TOTAL</b>
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Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

**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*  


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**Evan Brasseaux**  
**Staff Director**