

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 426** SLS 20RS 721
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **w/ HSE FLOOR AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: May 29, 2020	3:08 PM	Author: BARROW
Dept./Agy.: LA Dept. of Insurance/Office of Group Benefits		Analyst: Zachary Rau
Subject: Insurance Coverage for COVID-19 Tests and Treatments		

INSURANCE CLAIMS REF INCREASE SG EX See Note Page 1 of 1
 Requires health insurance coverage for COVID-19 (Coronavirus) diagnostic testing. (gov sig)

Proposed law mandates health insurance coverage for COVID-19 diagnostic and antibody tests, as well as antiviral drugs when ordered by a physician for the treatment of a patient suspected of having COVID-19. Proposed law exempts the aforementioned services from patient cost sharing until December 31, 2021. Proposed law defines certain terms for the purposes of proposed law. Effective upon governor's signature or lapse of gubernatorial action.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	\$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>	\$0
Annual Total			\$0	\$0	\$0	\$0

REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	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>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law is anticipated to increase SGF and SGR expenditures by an indeterminable, but potentially significant amount. Discussions with staff at the LA Dept. of Insurance (LDI) and the Office of Group Benefits (OGB) indicate that any potential cost exposure to the state fisc is associated with the exclusion on cost-sharing (copayments, deductibles, coinsurance, etc.) for diagnostic testing, antibody testing, and antiviral drugs for COVID-19 until December 31, 2021. Typically health insurers already cover diagnostic testing, antibody testing, and pharmaceutical drugs are part of their usual coverage, but these services are subject to cost-sharing requirements. As a result, expenditures of SGR (associated with OGB) and SGF (defraying of costs for benefits in excess of the base-benchmark plans offered on the Health Insurance Exchanges) will increase by an unknown amount for FY 21 and the first half of FY 22. After the exclusion on cost-sharing sunsets on December 31, 2021, it can be assumed expenditures would normalize as cost-sharing for these services resumes. The Legislative Fiscal Office has solicited quantitative information from the LA Dept. of Insurance and the Office of Group Benefits regarding the proposed measure, but was unable to include them in this analysis due to time constraints.

Note: Pursuant to LA R.S. 24:603.1, the proposed law is also anticipated to increase claims expenses and premiums by an unknown amount for the private insurance market.

REVENUE EXPLANATION

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

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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