

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



Fiscal Note On: **SB 464** SLS 22RS 1097  
 Bill Text Version: **ENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.: **REVISED**

<b>Date:</b> May 12, 2022	2:25 PM	<b>Author:</b> TALBOT
<b>Dept./Agy.:</b> LDH		<b>Analyst:</b> Shawn Hotstream
<b>Subject:</b> genetic testing		

MEDICAID EG +\$937,115 GF EX See Note Page 1 of 1  
 Provides relative to Medicaid coverage for genetic testing of critically ill infants with no diagnosis. (8/1/22)

Propose law requires LDH to include coverage on a fee for service basis for rapid whole genome sequencing testing of an infant who is enrolled in a Medicaid managed care program and meets certain criteria.

<b>EXPENDITURES</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$937,115	\$964,809	\$1,112,450	\$1,282,632	\$1,480,787	<b>\$5,777,793</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$67,253	\$193,567	\$222,883	\$256,940	\$296,171	<b>\$1,036,814</b>
Federal Funds	\$2,099,607	\$2,423,736	\$2,795,462	\$3,226,127	\$3,725,543	<b>\$14,270,475</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$3,103,975</b>	<b>\$3,582,112</b>	<b>\$4,130,795</b>	<b>\$4,765,699</b>	<b>\$5,502,501</b>	<b>\$21,085,082</b>

  

<b>REVENUES</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>5 -YEAR TOTAL</b>
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<b>Annual Total</b>	<b>\$67,253</b>	<b>\$193,567</b>	<b>\$222,883</b>	<b>\$256,940</b>	<b>\$296,171</b>	<b>\$1,036,814</b>

**EXPENDITURE EXPLANATION**

Providing Medicaid coverage for whole genome sequencing testing is projected to result in significant additional Medicaid expenditures by approximately \$3.1 M in FY 23, increasing to \$5.5 M in FY 27. The estimate is based on 2 LAB CPT billing codes for this test and the department's current lab reimbursement methodology (pay at 75% of the Medicare rate). The fiscal note is based on the following calculations and assumptions;

- 1) 396 babies estimated eligible in FY 23 (based on 5% of infants admitted to Level III and IV NICU in Louisiana)
- 2) cost of rapid sequencing tests for one baby and parents estimated at \$7,838
- 3) first year Medicaid cost projection is \$3.1 M (396 babies @\$3,773.40 and parents @\$2,032.46)
- 4) 15% projected increase in cost in future years based on utilization

Note: In specific cases, testing may result in an indeterminable cost avoidance. To the extent a timely test results in a reduction in medical testing or treatment, or a reduction in NICU bed days, a Medicaid savings may result, however any savings is indeterminable and would be on a case by case basis.

**REVENUE EXPLANATION**

Statutory Dedications in the revenue table above represent revenues generated from a 5.5% premium tax of the premiums paid to the managed care organizations.

Senate  
 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**  
**Interim Deputy Fiscal Officer**