



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 459** HLS 22RS 791
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 25, 2022	8:57 AM	Author: OWEN, CHARLES
Dept./Agy.:		Analyst: Shawn Hotstream
Subject: Life-Sustaining Care Act		

HEALTH CARE RE INCREASE GF EX See Note Page 1 of 1
 Enacts the Life-Sustaining Care Act

Proposed law provides that no healthcare providers shall deny coverage for the provision or continuation of a directed life-sustaining procedure or service when requested by a patient. If a healthcare provider is unwilling to provide a directed life-sustaining procedure, the provider may transfer the patient to another healthcare institution capable of and willing to provide the procedure.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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	2022-23	2023-24	2024-25	2025-26	2026-27	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						

EXPENDITURE EXPLANATION

Mandating health coverage for certain life-sustaining procedures is anticipated to result in a significant, but indeterminable increase in State General Fund expenditures in FY 23 and future fiscal years. Under this measure, a patient can direct the provision of a life-sustaining procedure (consent to medical treatment on their behalf), requiring a provider to either provide such procedure or transfer the patient to a provider or facility that will, and mandates coverage of the directed procedures by health coverage plans. Life sustaining procedures are not clearly defined in the bill, and could include expensive treatments whose use for life sustaining treatment is classified as experimental, medications considered off label, ventilation, durable medical equipment, transplants, and therapies which have a high evidentiary threshold, and are not typically covered by insurance.

Individual market (state general fund impact):

Information provided by DOI indicates impacts on individual market premiums are likely to be dramatic, but indeterminable. As this would be considered a state benefit mandate, the Patient Protection and Affordable Care Act requires the state to defray any cost projected in this bill as it applies to the individual market, creating a significant SGF impact.

Office of Goup Benefits (Fees and Self Generated revenue impact):

Based on information provided by Blue Cross/Blue Shield of Louisiana (OGB's third party administrator), OGB is projected to experience an indeterminable increase in its self funded medical and pharmacy claims expenditures under this measure, which is not anticipated to be absorbed by OGB's fund balance. Increases in claims can be significant, depending on the the expansiveness of services that are mandated to be covered. To the extent OGB's fund balance falls below \$250 M (actuarilly recommended fund balance), OGB may be required to seek additional revenue authority, either from State General Fund appropriations, or an increase to OGB's fees revenues collected through premium increases. Increases in OGB premiums are passed on directly to the active and retired employees participating in the OGB program, as well as their employers (state agencies).

LDH:

LDH believes this measure does not apply to the Medicaid managed care organizations (MCO's), therefore has no fiscal impact to the department.

REVENUE EXPLANATION

To the extent OGB will be required to increase premiums to cover projected costs of medical and pharmacy claims increases as a result of this bill, revenues will increase to the Office of Group Benefits.

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}

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