



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 348** SLS 22RS 400
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: June 6, 2022 8:51 AM **Author:** CLOUD
Dept./Agy.: Office of Group Benefits
Subject: Transparency in Prior Authorizations **Analyst:** Patrice Thomas

GROUP BENEFITS PROGRAM EN SEE FISC NOTE See Note Page 1 of 1
 Provides a process for the appeal of denied medical benefits by the Office of Group Benefits. (7/1/22)

Beginning January 1, 2023, proposed law provides that the Office of Group Benefits (OGB) shall require every health plan it offers to furnish in writing or electronically, within one business day of a written or oral request by a healthcare provider, the medical criteria and any other requirements that must be satisfied in order for a particular healthcare service, procedure, or prescription drug to be prior authorized by the health plan. Upon the denial of a prior authorization by a health plan offered through its office, proposed law provides that OGB shall require the health plan to provide with the written notification of the denial a copy of the applicable law, regulation, policy, procedure, or medical criterion or guideline that was used by the health plan to deny the prior authorization or how to access such law, regulation, policy, procedure, or medical criterion or guideline that is publicly accessible. Proposed law effective July 1, 2022.

EXPENDITURES	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>5 -YEAR TOTAL</u>
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	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>5 -YEAR TOTAL</u>
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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 proposed law requires OGB to provide transparency in prior authorization for all its six (6) health plan vendors and pharmacy benefit manager. Under the proposed law, if requested by a healthcare provider, OGB shall require all its health plans to furnish a written or electronic response, within one business day, of the prior authorization criteria for healthcare service, procedure, or prescription drug. If prior authorization is denied, OGB shall require all its health plans to provide a copy of the applicable law, regulation, policy, procedure, or medical criterion or guideline that was used in that determination.

To comply with the proposed law, OGB reports their vendors and contractors will mail information required under this measure on paper forms, which will result in additional costs. To the extent additional costs are significant, the costs may be passed on to OGB in the form of higher administrative fees in future fiscal years.

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
 Interim Deputy Fiscal Officer