



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

Fiscal Note On: **SB 148** SLS 24RS 311  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.: **REVISED**

<b>Date:</b> March 20, 2024 10:17 AM	<b>Author:</b> MIZELL
<b>Dept./Agy.:</b> Insurance, Office of Group Benefits, and Medicaid	<b>Analyst:</b> Patrice Thomas
<b>Subject:</b> Mandated Coverage Postpartum Mental Health Screening	

HEALTH/ACC INSURANCE OR INCREASE GF EX See Note Page 1 of 1  
 Provides relative to postpartum depression. (8/1/24)

Proposed law prohibits health coverage plans and LA Medicaid from utilizing step therapy or fail first protocols as the basis for restricting prescriptions approved by the United States Food and Drug Administration (FDA) for the treatment of postpartum depression (PPD), except when the preferred drug or drug regimen is considered clinically equivalent for therapy, contains identical active ingredient(s), and is proven to have the same efficacy. Proposed law mandates coverage of screenings for postpartum depression or related mental health disorders, applicable to all commercial health insurers, Office of Group Benefits, and LA Medicaid. Proposed law is effective January 1, 2026 (new health coverage plans) and January 1, 2025 (existing health coverage plans and LA Medicaid).

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	
Federal Funds	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>						
REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

Proposed law will increase expenditures in the Medicaid Program; and have no direct material effect on pharmacy and medical claims expenditures in the Office of Group Benefits (OGB) or health insurance policies issued under the health insurance exchanges/marketplace. Proposed law mandates coverage of screenings for postpartum depression (PPD) or related mental health disorders and prohibits the use of step therapy or fail first protocols as a basis for restricting prescription benefits for drugs approved by the FDA for treat of PPD.

**LA Department of Health, Medicaid - \$85,061,671 (SGF, Stat Ded, and Federal Impact)** - The LA Department of Health (LDH), Medicaid Program reports the proposed law will result in an increase in expenditures of \$85,061,671 annually (\$25,146,357 SGF, \$2,105,276 statutorily dedicated Medical Assistance Trust Fund - MATF, and \$57,810,038 Federal) to cover a more expensive prescription drug to treat PPD. Proposed law prohibits using step therapy or fail first protocols as the basis for restricting approved prescription drugs to treat postpartum depression. LDH anticipates increased utilization of the very expensive prescription drug Zurzuvaez™ (zuranolone), which will increase expenditures in the prescription class by \$21,265,418 per quarter (from currently \$4,161,074 per quarter to an estimated \$25,416,492 per quarter), or \$85,061,671 per year. In subsequent fiscal years, LDH indicates a 6% inflationary increase.

FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 28-29	Total
\$85,061,671	\$90,165,371	\$95,575,293	\$101,309,811	\$107,388,400	\$479,500,546

Note: The LFO cannot corroborate the net impact provided by the department. However, the LFO acknowledges that the requirements of the proposed law will result in increased expenditures within LDH as a result of prohibiting step therapy or fail first protocols for PPD.

**Office of Group Benefits Impact** - OGB reports no direct material effect on pharmacy and medical claims expenditures under this measure. OGB's contracted pharmacy benefit manager (PBM), CVS Caremark, which provides PBM services for all the self-funded plans except the Pelican HSA 775 plan, reports that the two prescription drugs which are FDA approved to treat PPD (Zurzuvaez™ and ZULRESSO®, generic name brexanolone) are available to plan members with appropriate PPD diagnosis and are not subject to step therapy or fail first protocols. OGB contracts with Blue Cross and Blue Shield of LA (BCBSLA) to provide medical third-party administration and PBM services via Express Scripts for the Pelican HSA 775 plan. BCBSLA reports all five of OGB's self-insured health plans already provide coverage for postpartum depression screenings or related mental health disorders.

**Insurance Exchanges Impact (SGF Defrayal)** - The LA Department of Insurance reports the proposed law is not anticipated to have an impact on health insurance policies issued under the health insurance exchanges/marketplace.

**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}

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