



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

Fiscal Note On: **HB 253** HLS 24RS 545  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 4, 2024	5:36 PM	<b>Author:</b> STAGNI
<b>Dept./Agy.:</b> Municipal and parish fire departments		<b>Analyst:</b> Tanesha Morgan
<b>Subject:</b> Cancer screenings		

FIRE PROTECT/FIREMEN OR INCREASE LF EX See Note Page 1 of 2  
 Provides relative to cancer screenings for certain firefighters and fire service employees

Proposed law requires that classified firefighters employed as full-time paid employees of municipal or parish fire departments or fire protection districts, fire service employees employed by non profit corporations under contract with fire protection districts, and volunteer firefighters be provided cancer screening examinations. Proposed law requires that the cancer screenings examinations be conducted by a physician not less than three years after the start of employment or volunteer service and every three years thereafter during the course of employment or service. Proposed law requires that the examination include, but not be limited to the following cancers: (1) Colon (2) Lung (3) Bladder (4) Oral (5) Thyroid. Proposed law requires that retired firefighters and fire service employees be provided cancer screening examinations by their former employers pursuant to proposed law. Additionally requires employers and former employers to pay for the costs of cancer screening examinations. Proposed law provides that no firefighter or fire service employee shall be required to participate in cancer screening examinations.

EXPENDITURES	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	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</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**

The proposed bill is anticipated to have a significant ongoing expense for municipal and parish fire departments, fire protection districts, and non-profit corporations that employ firefighters and fire service employees in Louisiana associated with cancer screenings for certain firefighters and fire service services employees, volunteers, and retirees.

The proposed bill mandates cancer screenings for an estimated 17,800 to 23,800 firefighters, fire service employees, volunteers, and retirees in Louisiana. The associated costs, including the full cost of screenings for uninsured individuals and co-pays, deductibles, and increased insurance premiums for insured individuals, must be entirely covered by the employers (municipal and parish fire departments, fire protection districts, and non-profit corporations), with no out-of-pocket expenses for the employees. This is expected to result in significant ongoing costs for these employers. Participation in the screenings is voluntary for the employees.

According to the actuarial analysis prepared by LDI, the proposed law is expected to increase expenditures associated with private insurance for firefighters and fire service employees in Louisiana. The aggregate cost of the requirement in FY 25 is projected to range from \$651,240 (low) to \$977,400 (high). In the following years (FY 26-29), the aggregate cost is expected to increase each year due to medical inflation, reaching \$814,203 (high) to \$1,221,980 (low) by FY 29. The aggregate extra premium for the review procedure in FY 25 is estimated to range from \$766,165 (high) to \$1,149,882 (low). Similar to the aggregate cost, the aggregate extra premium in FY 26-29 is projected to increase each year due to medical inflation, reaching \$957,886 (high) to \$1,437,623 (low) by FY 29.

On an individual policy level, the annual premium increase in FY 25 is expected to range from \$85.13 (high) to \$127.76 (low). The annual premium increase per policy in FY 26-29 is also projected to increase each year due to medical inflation, reaching \$106.43 (high) to \$159.74 (low) by FY 29. The percentage premium change is estimated to range from 0.50% (low) to 0.75% (high). The analysis is based on several assumptions, including an insured population of approximately 9,000 firefighters and fire service employees in Louisiana, a range of per employee per month (PEPM) costs for cancer screenings, a monthly health insurance premium of \$1,200, a stationary insured population, medical inflation rates of 8% in the first year and 5% thereafter, and a premium loss ratio of 85%. **See details on page 2.**

**REVENUE EXPLANATION**

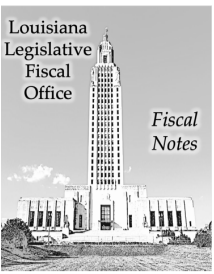
There is no anticipated direct material effect on governmental revenues as a result of this measure.

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}

**Patrice Thomas**  
 Deputy Fiscal Officer

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**CONTINUED EXPLANATION from page one:**

**Premium Cost Determination**

Aggregate cost of the requirement in FY 25  
 Cost = insured population x PEPM cost x 12 months  
 FY 25 (High)=9,000x\$6.03x12=\$651,240  
 FY 25 (Low)=9,000x\$9.05x12=\$977,400  
 Aggregate cost in FY 26-29  
 Cost = insured population x PEPM cost x 12 months x medical inflation  
 FY 26 (High)=9,000x\$6.03x12x1.08=\$703,339  
 FY 26 (Low)=9,000x\$9.05x12x1.08=\$1,055,592  
 FY 27 (High)= \$703,339 x1.05=\$738,506  
 FY 27 (Low)= \$1,055,592 x1.05=\$1,108,372  
 FY 28 (High)= \$738,506 x1.05=\$775,431  
 FY 28 (Low)= \$1,108,372 x1.05= \$1,163,790  
 FY 29 (High)=\$775,431 x1.05=\$814,203  
 FY 29 (Low)= \$1,163,790x1.05) =\$1,221,980

**Premium Increase Determination**

Aggregate extra premium for the review procedure in FY 25  
 Premium = (insured population x PEPM cost x 12 months) / loss ratio  
 FY 25 (High)=(9,000x\$6.03x12)/0.85= \$766,165  
 FY 25 (Low)=(9,000x\$9.05x12)/0.85= \$1,149,882  
 Aggregate extra premium in FY 26-29  
 Premium = (insured population x PEPM cost x 12 months x medical inflation) / loss ratio  
 FY 26 (High)=(9,000x\$6.03x12x1.08)/0.85= \$827,458  
 FY 26 (Low)=(9,000x\$9.05x12x1.08)/0.85= \$1,241,873  
 FY 27 (High)=\$827,458 x1.05=\$868,831  
 FY 27 (Low)= (\$1,241,873 x1.05)=\$1,303,967  
 FY 28 (High)=\$868,831x1.05=\$912,272  
 FY 28 (Low)=\$1,303,967 x1.05=\$1,369,165  
 FY 29 (High)=\$912,272 x1.05=\$957,886  
 FY 29 (Low)=\$1,369,165 x1.05)=\$1,437,623

**Aggregate Extra Premium Determination**

Annual premium increase per policy in FY 25  
 Premium = (PEPM cost x 12 months) / loss ratio  
 FY 25 (High)=\$6.03x12/0.85=\$85.13  
 FY 25 (Low)=\$9.05x12/0.85=\$127.76  
 Annual premium increase per policy in FY 26-29  
 Premium = (PEPM cost x 12 months x medical inflation) / loss ratio  
 FY 26 (High)=\$6.03x12x1.08/0.85=\$91.94  
 FY 26 (Low)=\$9.05x12x1.08/0.85=\$137.99  
 FY 27 (High)=\$92 x1.05)= \$96.54  
 FY 27 (Low)= (\$138x1.05)=\$144.89  
 FY 28 (High)=\$97x1.05)= \$101.36  
 FY 28 (Low)= (\$145x1.05)=\$152.13  
 FY 29 (High)=\$101x1.05)=\$106.43  
 FY 29 (Low)= (\$152x1.05)=\$159.74

Percentage premium change caused by the passage of this bill  
 Percent = PEPM cost/average monthly premium  
 Low=\$6.03/\$1,200=0.50%  
 High=\$9.05/\$1,200=0.75%

**Assumptions:**

The calculations are assumed to apply on a fiscal year basis  
 The bill is not expected to have any effect on the general Louisiana population  
 Louisiana's insured population of firefighter and fire service employees is approximately 9,000  
 Cost of cancer screening for PEPM - Low=\$6.03 (Internet Research)  
 Cost of cancer screening for PEPM - High=\$9.05 (Internet Research)  
 The assumed monthly health insurance premium is \$1,200  
 The total insured population is assumed to be stationary (entries equal exits)  
 Medical inflation is assumed to be 8%, then 5% thereafter  
 The assumed premium loss ratio is 85%

**Senate**  
Dual Referral Rules  
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