

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 766** HLS 26RS 1078
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 28, 2026	12:21 PM	Author: FREEMAN
Dept./Agy.: Louisiana Department of Insurance/Group Benefits		
Subject: Coverage for orally administered anti-cancer medications		Analyst: Anthony Shamis

INSURANCE/HEALTH EG +\$373,684 SG EX See Note Page 1 of 1
 Provides relative to coverage for orally administered anti-cancer medications

Present law provides for parity in coverage between orally administered anti-cancer medications and intravenously administered or injected anti-cancer medications. Proposed law modifies current law by expanding oral medication parity requirements. Proposed law prohibits a health insurance issuer from providing coverage for orally administered anti-cancer medications on a basis that results in greater out-of-pocket costs or more restrictive access than that imposed for intravenously administered or injected anti-cancer medications. Cost sharing for orally administered anti-cancer medications shall be applied toward the enrollee's deductible and annual out-of-pocket maximum in the same manner as other covered benefits under the health coverage plan. Proposed law prohibits a health insurance issuer from implementing or utilizing a copayment adjustment program that adjusts, reduces, excludes, or otherwise fails to credit manufacturer or third-party financial assistance toward an enrollee's deductible, cost sharing obligation, or annual out-of-pocket maximum. Proposed law defines the terms "anti-cancer medications," "copayment adjustment program," and "specialty tier." Proposed law applies to individual and group health coverage plans, qualified health plans offered through a health benefit exchange, nonfederal governmental plans, and the Office of Group Benefits, to the maximum extent permitted under federal law.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$373,684	\$381,905	\$390,307	\$398,894	\$407,670	\$1,952,460
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law is anticipated to increase SGR expenditures for self-funded health plan pharmacy claims by \$373,684 within the Office of Group Benefits (OGB) in FY 27 due to the elimination of the Variable Copay Program (VCP). Beginning in FY 28, a 2.2% medical inflation (MI) factor is applied. This projected increase is based on a July 1, 2026, effective date and information provided by OGB's contracted Pharmacy Benefit Manager (PBM), Livinti. The proposed law prohibits health coverage plans from imposing prior authorization, dollar limits, member cost-sharing provisions, specialty tier placement, formulary classification, benefit category determinations, or other cost-sharing or utilization management requirements on orally administered anti-cancer medications if such requirements result in greater out-of-pocket costs or more restrictive access than those applied to intravenously administered or injected anti-cancer medications.

Unless OGB Fund Balance is utilized, a SGF appropriation will be required to cover the state portion of the increase in premium costs. Regardless, SGF makes up approximately 42% of premium collections. As of 1/31/26, OGB reports a \$406 M fund balance. OGB indicates that the costs associated with eliminating the VCP Program may be absorbed within the existing fund balance reserve. The expenditure estimate is based upon requirements of the proposed law as well as the following assumptions: (1) the provisions will become effective on 7/01/26, (2) no change in OGB self-funded health plan membership in future fiscal years from current levels, (3) OGB will rely on the cost projections provided by Livinti. In future fiscal years, a MI factor of 2.2% is applied, based on Consumer Price Index data for medical care in the Southern United States through the end of 2025.

Based on these assumptions, the expenditures to cover the projected increase in pharmacy claims expenditures, due to the elimination of the VCP Program are as follows:

	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	Total
Increased pharmacy Claims:	\$373,684	\$381,905	\$390,307	\$398,894	\$407,670	\$1,952,460

Expenditure Calculations = 12 months (Based on an analysis provided by Livinti, adjusted for MI for FY 27-31)
 Base Cost = \$365,640 for projected increase in pharmacy claims expenditures, due to the elimination of the VCP.

- FY 27 = \$373,684 = \$365,640 x 2.2% MI (\$155,894 SGF)
- FY 28 = \$381,905 = \$373,684 x 2.2% MI (\$159,323 SGF)
- FY 29 = \$390,307 = \$381,905 x 2.2% MI (\$162,829 SGF)
- FY 30 = \$398,894 = \$390,307 x 2.2% MI (\$166,411 SGF)
- FY 31 = \$407,670 = \$398,894 x 2.2% MI (\$170,072 SGF)

REVENUE EXPLANATION

OGB does not anticipate that the proposed law will require premium increases; therefore, there is no expected impact on self-generated revenues collected from premiums. OGB indicates that the costs associated with eliminating the VCP Program may be absorbed within the existing fund balance reserve. As of January 31, 2026, the OGB fund balance was \$406 million.

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}

Alan M. Boxberger
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Legislative Fiscal Officer