LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 345** HLS 11RS 613
Bill Text Version: **ENROLLED**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: June 20, 2011 2:48 PM
Author: LAFONTA
Dept./Agy.: Department of Insurance/Office of Group Benefits (OGB)
Subject: Prescription Drug Formulary
Analyst: Travis McIlwain

INSURANCE/HEALTH EN SEE FISC NOTE SG EX

Provides relative to coverage of prescription drugs by health benefit plans, including through a drug formulary

Proposed legislation requires notification and disclosure by a health benefit plan of covered prescription drugs, including through the use of a drug formulary. Proposed legislation limits modification of such a formulary during a plan year.

Effective January 1, 2012.

EXPENDITURES	2011-12	2012-13	2013-14	2014-15	2015-16	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	$0	$0	$0	$0	$0	**$0**
Annual Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

REVENUES	2011-12	2012-13	2013-14	2014-15	2015-16	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

The expenditure impact of this bill is indeterminable. The proposed law requires that the Department of Insurance (DOI) approve the form of notice which will have no expenditure impact. The form of notice provides information on contacting the health insurance issuer to determine changes in the drug formulary. The DOI does not anticipate any additional expenditures associated with the form review specified within this proposed bill. However, if the proposed bill provides for the commissioner of insurance and the DOI to comment on the modification of the drug formulary, the Legislative Fiscal Office believes the DOI would likely need an additional person on staff or a consultant with knowledge of prescription drug formularies (see page 6, line 16 - 18).

Health insurance issuer, as defined by the proposed bill, does not include the Office of Group Benefits or its pharmacy benefit manager contractor (Catalyst Rx). Thus, there is no anticipated direct material effect on OGB's expenditures as a result of this measure.

REVENUE EXPLANATION

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

Senate	Dual Referral Rules	House
☐ 13.5.1 >= $100,000 Annual Fiscal Cost {S&H}		☐ 6.8(F)1 >= $500,000 Annual Fiscal Cost {S} 6.8(F)2 >= $100,000 Annual SGF Cost {H&S}
☐ 13.5.2 >= $500,000 Annual Tax or Fee Change {S&H}		☐ 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

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