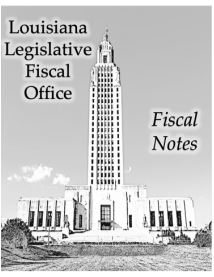


LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 155** SLS 26RS 340
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 24, 2026 6:45 PM **Author:** TALBOT
Dept./Agy.: Department of Insurance/Office of Group Benefits **Analyst:** Anthony Shamis
Subject: Coverage of dental services for cancer patients

HEALTH/ACC INSURANCE OR INCREASE GF EX See Note Page 1 of 2
 Provides for coverage of certain dental care when connected with cancer treatment. (gov sig)

Proposed law requires coverage for medically necessary dental procedures for an insured who has been diagnosed with cancer. Required coverage includes: (1) fluoride treatment and dental procedures that are medically necessary to reduce the risk of infection, eliminate infection, or treat tooth loss or decay within 30 days prior to beginning cancer treatments, (2) dental procedures that are medically necessary to reduce the risk of infection, eliminate infection, or treat tooth loss or decay that is a direct or indirect result of cancer treatment, and (3) an obturator as medically necessary for treatment of an insured that has a defective oral cavity as a direct or indirect result of cancer treatment. The coverage required under this measure shall include coverage for laboratory assessments, medications, and treatments. A healthcare insurer is not required to provide coverage for routine preventive dental care, including cleaning and sealants. Proposed law does not include a plan providing excepted benefits as defined in R.S. 22:1061. Proposed law applies to any new policy, contract, program or health coverage plan issued on or after January 1, 2027. Any policy, contract or plan in effect prior to January 1, 2027, shall convert to conform to the provisions of the Act no later than January 1, 2028. Proposed law becomes effective upon signature of the governor, or after the lapse of time for gubernatorial action.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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.	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

EXPENDITURE EXPLANATION

Proposed law is anticipated to result in an increase of \$2.4 M to \$5.3 M in FY 27, with costs increasing in future fiscal years. Proposed law will increase annualized SGR claims expenditures by \$144,000 to \$968,210 within the Office of Group Benefits (OGB), as well as a potential increase of State General Fund expenditures associated with a mandate to health insurance policies issued under the insurance exchanges by \$2.3 M to \$4.8 M beginning in FY 27 and subsequent fiscal years. Furthermore, proposed law will increase claims expenditures for the private health insurance industry by an estimated \$5.8 M to \$12 M, or \$0.64 to \$1.33 per member per month (PMPM) in FY 27 (see Expenditure Explanation on Page 2).

OGB (\$144,000 - \$968,000 SGR):

OGB's medical Third Party Administrator (TPA) estimates that this legislation may increase OGB claims expenditures in order to provide medically necessary dental procedures for individuals who have been diagnosed with cancer by a cost ranging from \$0.07 to \$0.47 PMPM for OGB's self-funded health plan population, excluding Medicare primary members. Based upon the assumptions listed below, the expenditures to cover medically necessary dental procedures for individuals who have been diagnosed with cancer are as follows:

	FY 26-27*	FY 27-28	FY 28-29	FY 29-30	FY 30-31	Total
Low	\$ 72,101	\$ 147,373	\$ 150,615	\$ 153,931	\$ 157,315	\$ 681,335
High	\$ 484,105	\$ 989,511	\$1,011,280	\$1,033,528	\$1,056,265	\$4,574,689

*FY 27 expenditures have been pro-rated to reflect the 1/01/27 benefit coverage effective date.

Unless OGB Fund Balance is utilized, SGF appropriation will be required to cover the state portion of the increase in premium costs. SGF makes up approximately 42% of premium collections. As of 1/31/2026, OGB reports a \$406 M fund balance. The expenditure estimate is based upon requirements of the proposed law as well as the following assumptions: (1) as of 3/01/26, the current OGB member population in the five self-funded health plans is 167,973 (excluding Medicare primary members) and membership will remain constant. (2) Medicare-primary plan members are excluded from the calculations. (3) OGB will rely on the low-end and high-end PMPM cost estimates provided by Louisiana Blue. (4) The coverage will become effective on 1/01/27. (5) In future fiscal years, a medical inflation factor of 2.2%, based on Consumer Price Index data for medical care in the Southern United States through the end of 2025.

EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

If claims expenditures cannot be absorbed by OGB's actuarially recommended target fund balance amount of \$309 M, it may be required to decrease or eliminate benefits currently available to participants of OGB's health benefit and life insurance programs, or seek additional revenue, either in the form of a direct appropriation from SGF, or by an increase in OGB's SGR through a premium rate increase for OGB's self-funded health plans.

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



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CONTINUED EXPLANATION from page one:

EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

Based on the aforementioned methodology, the PMPM cost estimates a range from a low of \$0.07 PMPM to a high of \$0.47 PMPM, and a medical inflation (MI) factor of 2.2% compounding annually. Below are expenditure calculations utilized to project the cost within OGB utilizing the assumptions listed above.

Expenditure Calculations

Expenditure Calculations = membership population x PMPM cost x 12 months
Base Cost (Low) = \$ 141,097 = 167,973 x \$0.07 x 12 months
Base Cost (High) = \$947,368 = 167,973 x \$0.47 x 12 months

FY 27 (Low) = \$ 144,201 = \$ 141,097 x 2.2% MI (\$ 60,158 SGF)
FY 27 (High) = \$ 968,210 = \$ 947,368 x 2.2% MI (\$403,919 SGF)

FY 28 (Low) = \$ 147,373 = \$ 144,201 x 2.2% MI (\$61,481 SGF)
FY 28 (High) = \$ 989,511 = \$ 968,210 x 2.2% MI (\$412,805 SGF)

FY 29 (Low) = \$ 150,615 = \$ 147,373 x 2.2% MI (\$62,834 SGF)
FY 29 (High) = \$1,011,280 = \$ 989,511 x 2.2% MI (\$421,866 SGF)

FY 30 (Low) = \$ 153,929 = \$ 150,615 x 2.2% MI (\$ 64,216 SGF)
FY 30 (High) = \$1,033,528 = \$1,011,280 x 2.2% MI (\$431,168 SGF)

FY 31 (Low) = \$ 157,315 = \$ 153,929 x 2.2% MI (\$ 65,629 SGF)
FY 31 (High) = \$1,056,265 = \$1,033,528 x 2.2% MI (\$440,654 SGF)

Notes: A full 12 months was used for FY 27 to calculate medical inflation in the out-years.

Insurance Exchanges Impact (\$2.3 M to \$4.8 M SGF):

Proposed law may increase SGF expenditures beginning in FY 27 and subsequent fiscal years according to an analysis provided by the health actuary at LDI. The state would be required to fund health claims expenditures associated with medically necessary dental procedures for policies issued by qualified health plans through the health insurance exchange beginning in FY 27 with estimated costs of \$2.3 M (low) to \$4.8 M (high). Claims expenses associated with proposed law would be paid out by the State Treasury Department. LDI bases this analysis on the following assumptions: (1) the calculations are on a fiscal year basis. (2) The exchange population is approximately 300,000. (3) The estimated cost of \$0.64 PMPM (low) to \$1.33 PMPM (high) over the entire insured population. Based upon the aforementioned assumptions, the estimated annual cost increases for insurance providers associated with claims are as follows:

Aggregate Cost Determination (prepaid for 12 months)
(exchange population x PMPM cost x 12 months)
FY 27 (Low) - 300,000 x \$0.64 PMPM x 12 months = \$2,304,000
FY 27 (High) - 300,000 x \$1.33 PMPM x 12 months = \$4,788,000

PRIVATE INSURANCE IMPACT

Pursuant to R.S. 24:603.1, the information below is the projected private insurance impact of proposed law. Based upon an actuarial analysis prepared by LDI, the proposed law is anticipated to increase expenditures associated with claims by \$5.8 M (low) to \$12 M (high) and premium increases by \$7 M (low) to \$14 M (high) for private insurers and the insured. LDI bases this analysis on the following assumptions: (1) The calculations are on a fiscal year basis. (2) The exchange population is approximately 750,000. (3) The number of affected individuals is estimated using Louisiana cancer incidence data. (4) Medical inflation (MI) rate of 3%. (5) First-year shock (common variation) is 5%. (6) The premium loss ratio is 85%. (7) The estimated cost is \$0.64 PMPM (low) to \$1.33 PMPM (high) over the entire insured population. Based upon the aforementioned assumptions, the estimated annual cost increases for insurance providers associated with claims are as follows:

Aggregate Cost Determination
(exchange population x PMPM cost x 12 months)
FY 27 (Low) - 750,000 x \$0.64 PMPM x 12 months = \$ 5,760,000
FY 27 (High) - 750,000 x \$1.33 PMPM x 12 months = \$11,970,000

Aggregate Extra Premium Determination
(PMPM cost x 12 months) / medical loss ratio)
FY 27 (Low) - (\$0.64 x 12 months) / 85% = \$ 9.04
FY 27 (High) - (\$1.33 x 12 months) / 85% = \$18.78

Premium Increase Determination
(aggregate cost / 85%)
FY 27 (Low) - \$5,760,000 / 85% = \$6,776,471
FY 27 (High) - \$11,970,000 / 85% = \$14,082,353

Senate Dual Referral Rules
[X] 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
[] 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
[X] 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}

Signature of Alan M. Boxberger
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