

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 774** HLS 26RS 354
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 7, 2026	8:13 PM	Author: BOYER
Dept./Agy.: Louisiana Department of Insurance/Group Benefits		Analyst: Anthony Shamis
Subject: Insurance coverage for hearing aids		

INSURANCE/HEALTH OR INCREASE GF EX See Note Page 1 of 2
 Provides relative to insurance coverage for hearing aids

Present law requires hearing aid coverage for children under the age of 18.

Proposed law modifies present law by extending the age requirement from 18 to 26 for hearing aid coverage under an individual's insurance policy or contract, provided that the hearing aids are fitted and dispensed by a licensed audiologist or licensed hearing aid specialist following medical clearance by a physician licensed to practice medicine and an audiological evaluation medically appropriate to the age of the individual.

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.	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.	\$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 result in an indeterminable increase in expenditures in FY 27, with costs increasing in future fiscal years. Proposed law will increase annualized SGR claims expenditures by \$20,600 to \$61,801 within the Office of Group Benefits (OGB), as well as a potential increase in SGF expenditures associated with a mandate to health insurance policies issued under the insurance exchanges beginning in FY 27 and subsequent fiscal years.

Note: Because the proposed law creates a new mandated benefit, the Louisiana Department of Insurance (LDI) is currently conducting an actuarial analysis to determine the extent to which the required coverage exceeds EHB benchmark standards and triggers state defrayal obligations. LDI is working with its consulting actuary to develop an estimate of potential defrayal costs. Upon receipt of this information, the fiscal note will be updated to reflect any anticipated SGF impact.

OGB (\$20,600 - \$61,801 SGR):

OGB's medical Third Party Administrator (TPA) estimates that this legislation may increase OGB claims expenditures in order to extend coverage for hearing aids to members age 18-26 by a cost ranging from \$0.01 to \$0.03 PMPM for OGB's self-funded health plan population, excluding Medicare primary members. Based upon the assumptions listed below, the expenditures to extend coverage for hearing aids to members age 18-26 are as follows:

	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	Total
Low	\$20,600	\$21,053	\$21,516	\$21,989	\$22,473	\$107,631
High	\$61,801	\$63,161	\$64,551	\$65,971	\$67,422	\$322,906

Unless OGB Fund Balance is utilized, an 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 extending coverage for hearing aids to members ages 18 through 26 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) 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 change in eligibility for hearing aid benefits will become effective on 7/01/26, (5) in future fiscal years, a medical inflation 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. **EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO**

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 extending coverage for hearing aids to members ages 18 through 26 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}

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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 \$0.01 PMPM to a high of \$0.03 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) = \$20,157 = 167,973 x \$0.01 x 12 months

Base Cost (High) = \$60,470 = 167,973 x \$0.03 x 12 months

FY 27 (Low) = \$20,600 = \$20,157 x 2.2% MI (\$ 8,594 SGF)

FY 27 (High) = \$61,801 = \$60,470 x 2.2% MI (\$25,782 SGF)

FY 28 (Low) = \$21,053 = \$20,600 x 2.2% MI (\$ 8,783 SGF)

FY 28 (High) = \$63,161 = \$61,801 x 2.2% MI (\$26,350 SGF)

FY 29 (Low) = \$21,516 = \$21,053 x 2.2% MI (\$ 8,976 SGF)

FY 29 (High) = \$64,551 = \$63,161 x 2.2% MI (\$26,929 SGF)

FY 30 (Low) = \$21,989 = \$21,516 x 2.2% MI (\$ 9,174 SGF)

FY 30 (High) = \$65,971 = \$64,551 x 2.2% MI (\$27,522 SGF)

FY 31 (Low) = \$22,473 = \$21,989 x 2.2% MI (\$ 9,376 SGF)

FY 31 (High) = \$67,422 = \$65,971 x 2.2% MI (\$28,127 SGF)

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal 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}

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