



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 1154** HLS 26RS 2660
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 14, 2026 8:40 PM	Author: GLORIOSO
Dept./Agy.: Department of Insurance and Medicaid	
Subject: Prohibits PA requirements for certain generic medications	Analyst: Anthony Shamis

INSURANCE OR INCREASE GF EX See Note Page 1 of 1
 Prohibits prior authorizations requirements for certain generic medications prescribed by qualified physicians

Proposed law adds definitions for the terms "board-certified physician," "commercial insurer," "generic medication," and "prior authorization" to present law. Proposed law provides that the term "commercial insurer" shall not include federal, state, or local governmental health plans. Proposed law prohibits a commercial insurer or a Medicaid managed care organization (MCO) from requiring prior authorization (PA) for the dispensing or reimbursement of a generic medication if the prescription for the medication is issued by a board-certified physician whose specialty certification includes the medical indication for which the drug is prescribed. Proposed law applies to any new policy, contract, health coverage plan, or Medicaid managed care contract issued on and after January 1, 2027. Any policy, contract, health coverage plan, or Medicaid managed care contract in effect prior to January 1, 2027, shall convert to conform to the provisions of proposed law no later than January 1, 2028.

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.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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 increase expenditures by an indeterminable, but potentially significant amount within the Louisiana Department of Health (LDH) and the private health insurance industry in FY 27 and subsequent fiscal years. The projected increase is associated with provisions prohibiting commercial insurers and Medicaid Managed Care Organizations (MCOs) from requiring prior authorization (PA) for the dispensing or reimbursement of generic medications when prescribed by a board-certified physician under specified circumstances.

Information provided by LDH indicates that the measure will impact Medicaid program expenditures; however, the department is still evaluating the magnitude of the impact. Upon receipt of additional information, the fiscal note will be updated to reflect anticipated costs. To the extent that expenditures increase through Medicaid MCOs, costs will be reflected across State General Fund (SGF), Statutory Dedications from the Medical Assistance Trust Fund (MATF), and federal funds through increased per member per month (PMPM) payments associated with the removal of PA requirements for generic drugs in certain circumstances.

LDI indicates that there may be a significant impact on the Private Insurance Industry as a result of removing PA requirement for generic drugs in certain circumstances for commercial insurers. As a result, insurers will likely lose a key utilization management tool, which may increase utilization and associated costs. These costs may be reflected in premium rate increases.

REVENUE EXPLANATION

Proposed law is anticipated to result in an indeterminable increase in Statutory Dedication Revenues in MATF within LDH. The revenue increase is a direct result of the 5.5% premium tax collections levied on MCO payments. To the extent that the proposed law increases utilization and associated costs, those costs will be incorporated into the actuarially sound capitation payments made by LDH to MCOs, thus increasing premium tax collections.

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