



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 920** HLS 26RS 178
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

| | |
|--|----------------------------------|
| Date: April 14, 2026 9:28 PM | Author: JORDAN |
| Dept./Agy.: Office of Group Benefits, Medicaid, Insurance | Analyst: Cristian Nedelea |
| Subject: Price limit of GLP-1 medication for health insurance plans | |

INSURANCE/HEALTH OR INCREASE GF EX See Note Page 1 of 2
 Requires drug manufacturers to limit pricing of GLP-1 medications for health insurance plans

Proposed law prohibits health coverage plans from imposing a cost-sharing provision for GLP-1 medications in the health coverage plan's formulary if the total amount an insured or enrollee is required to pay is more than \$200 for a thirty-day supply, regardless of the amount or type of GLP-1 medication needed to fill the insured's prescription.

Proposed law provides that limitations on GLP-1 medications for drug manufacturers apply to any health plan coverage for whom a provider issues a prescription, regardless of the insured's specific medical condition or diagnosis. It specifically requires the Louisiana Medicaid program to cover GLP-1 medications regardless of the enrollee's specific medical condition or diagnosis, when a provider issues a prescription.

| 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 | 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. | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | |
| 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 result in an indeterminable but significant increase in expenditures within the LA Department of Health (LDH), the Office of Group Benefits (OGB), and the LA Department of Insurance (LDI) in FY 27, with costs increasing in future fiscal years. Proposed law will result in an indeterminable but significant increase in SGF, Statutory Dedications out of Medical Assistance Trust Fund (MATF), and Federal within the LDH in FY 27. OGB estimates that proposed law will increase SGR claims expenditures by an amount ranging from \$49.3 M to \$246.5 M in FY 27, with costs increasing in future fiscal years. A significant increase of SGF expenditures is anticipated from a mandate to health insurance policies issued under the insurance exchanges by \$133.4 M to \$190.3 M beginning in FY 27, with costs increasing in subsequent fiscal years. Furthermore, proposed law will increase claims expenditures for the private health insurance industry by an estimated \$300.2 M to \$428.2 M, or \$37.06 to \$52.87 per member per month (PMPM) beginning in FY 27. Proposed law requires any health plan to cover GLP-1 medications regardless of the enrollee's specific medical condition or diagnosis, when a provider issues a prescription. Additionally, it prohibits health coverage plans from charging an insured more than \$200 for a thirty day supply of GLP-1 medications.

Louisiana Department of Health

Proposed law is anticipated to result in an indeterminable but significant increase in SGF, Statutory Dedications - MATF, and Federal expenditures within the Louisiana Medicaid program in FY 27, with costs increasing in subsequent fiscal years. **The LFO has requested a fiscal note worksheet from Louisiana Department of Health.** At the time of publication, LDH is continuing to analyze the requirements of proposed law to determine potential expenditure impacts. Upon receipt of additional information regarding the projected expenditures associated with the requirements of this legislation, this fiscal note will be revised accordingly. At this time, LFO is unable to determine the fiscal impact without data and input from the department.

Office of Group Benefits (OGB) (Self-Generated Revenue Impact)

OGB estimates that this legislation will significantly increase its self-funded pharmacy claims expenditures in order to cover GLP-1 medications regardless of the enrollee's specific medical condition or diagnosis, when a provider issues a prescription. Based upon the assumptions listed below and a tiered utilization rate (uptake), the expenditures to cover this benefit range are as follows:

Utilization

| Rate | FY 26-27 | FY 27-28 | FY 28-29 | FY 29-30 | FY 30-31 | Total |
|------|---------------|---------------|---------------|---------------|---------------|-----------------|
| 10% | \$49,296,505 | \$50,381,028 | \$51,489,411 | \$52,622,178 | \$53,779,866 | \$257,568,988 |
| 20% | \$98,593,010 | \$100,762,056 | \$102,978,821 | \$105,244,356 | \$107,559,731 | \$515,137,974 |
| 50% | \$246,482,525 | \$251,905,141 | \$257,447,054 | \$263,110,889 | \$268,899,328 | \$1,287,844,937 |

EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

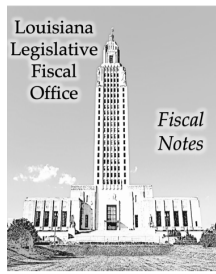
REVENUE EXPLANATION

If claims expenditures cannot be absorbed by OGB's actuarially recommended target fund balance amount of \$309 M, OGB 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. Proposed law is anticipated to result in an indeterminable increase in Statutory Dedications - MATF revenues within LDH resulting from the 5.5% premium tax collections levied on managed care organizations expenditures.

Senate
 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

The expenditure estimates are based upon the following assumptions: (1) As of 3/01/2026, the OGB's self-funded health plan membership is 211,984, of which 191,592 are age 12 and older (both Wegovy and Zepbound are FDA-approved for use in patients age 12 and older), and membership is assumed to remain constant in future years. (2) The coverage will become effective on 7/01/2026. (3) OGB's contracted actuary, Gallagher, estimated the 2026 annual per-utilizer cost, net of \$200 member cost share, discounts and rebates, for injectable weight loss medications to be \$6,828 for Wegovy and \$5,760 for Zepbound. Using these two annual net costs, OGB calculated an annual per-utilizer cost of \$6,294 to be used for this analysis. (4) Per LDH's Office of Public Health, the obesity rate in Louisiana was approximately 40% in 2023. (5) In future fiscal years, a medical inflation (MI) factor of 2.2% is applied annually, based on Consumer Price Index data for medical care in the Southern United States through the end of FY 25.

Projected membership with obesity: 76,637 = 191,592 (age 12+) x 40% obesity rate
Projected 2026 Annual Net Cost: \$482,353,278 = 76,637 members x \$6,294 annual per-utilizer cost

Projected Annual Cost at 10%, 20%, and 50% member utilization rates (uptake):

| | 10% | 20% | 50% |
|------------------|---------------------|----------------------|----------------------|
| Annual Base Cost | \$48,235,328 | \$96,470,656 | \$241,176,639 |
| 2.2% MI | \$1,061,177 | \$2,122,354 | \$5,305,886 |
| FY 27 | \$49,296,505 | \$98,593,010 | \$246,482,525 |
| 2.2% MI | \$1,084,523 | \$2,169,046 | \$5,422,616 |
| FY 28 | \$50,381,028 | \$100,762,056 | \$251,905,141 |
| 2.2% MI | \$1,108,383 | \$2,216,765 | \$5,541,913 |
| FY 29 | \$51,489,411 | \$102,978,821 | \$257,447,054 |
| 2.2% MI | \$1,132,767 | \$2,265,534 | \$5,663,835 |
| FY 30 | \$52,622,178 | \$105,244,356 | \$263,110,889 |
| 2.2% MI | \$1,157,688 | \$2,315,376 | \$5,788,440 |
| FY 31 | \$53,779,866 | \$107,559,731 | \$268,899,328 |

Insurance Exchanges (SGF Defrayal Impact)

Proposed law will 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 providing coverage for GLP-1 medications as required by the proposed law for policies issued by qualified health plans through the health insurance exchange beginning in FY 27 with estimated costs of \$133.4 M (low) to \$190.3 M (high). Defrayal 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 per member per month (PMPM) cost of \$37.06 (low) to \$52.87 (high) over the entire insured population. (4) Assumed a medical inflation rate of 7% for future years. 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 \$37.06 PMPM x 12 months = \$133,416,000
 FY 27 (High) - 300,000 x \$52.87 PMPM x 12 months = \$190,332,000

| | FY 26-27 | FY 27-28 | FY 28-29 | FY 29-30 | FY 30-31 | Total |
|------|---------------|---------------|---------------|---------------|---------------|-----------------|
| Low | \$133,416,000 | \$142,755,120 | \$152,747,978 | \$163,440,337 | \$174,881,160 | \$767,240,596 |
| High | \$190,332,000 | \$203,655,240 | \$217,911,107 | \$233,164,884 | \$249,486,426 | \$1,094,549,657 |

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 \$300.2 M (low) to \$428.2 M (high) and premium increases by \$353.2 M (low) to \$503.8 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 insured population through employers is approximately 675,000. (3) The premium loss ratio is 85%. (4) The estimated cost is \$37.06 PMPM (low) to \$52.87 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) - 675,000 x \$37.06 PMPM x 12 months = \$300,186,000
 FY 27 (High) - 675,000 x \$52.87 PMPM x 12 months = \$428,247,000

Premium Increase Determination

(aggregate cost / 85%)
 FY 27 (Low) - \$300,186,000 / 85% = \$353,160,000
 FY 27 (High) - \$428,247,000 / 85% = \$503,820,000

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
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 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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