



**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**

Fiscal Note On: **HB 869** HLS 26RS 43  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 14, 2026	10:38 PM	<b>Author:</b> LYONS
<b>Dept./Agy.:</b> Louisiana Department of Insurance/Group Benefits		
<b>Subject:</b> Glucose-improving medications based on body mass index		<b>Analyst:</b> Anthony Shamis

INSURANCE/HEALTH OR INCREASE EX See Note Page 1 of 2  
 Provides relative to expand glucose-improving medications coverage to individuals based on body mass index

Proposed law requires coverage of injectable drugs to improve glucose levels or for weight loss. Proposed law prohibits a health coverage plan renewed, delivered, or issued in Louisiana from denying coverage for an injectable drug to lower glucose levels or weight loss if all of the following apply: (1) the drug has been approved by the U.S. Food and Drug Administration (FDA) for use to lower glucose levels or for weight loss, (2) the drug is prescribed by a licensed healthcare provider for the treatment of prediabetes, gestational diabetes, or obesity when a covered person is diagnosed with such condition and the drug is medically necessary, and (3) the drug is on the insurer's formulary or preferred drug list, if any. Proposed law allows coverage required under this legislation to be subject to annual deductibles, coinsurance, and copayment provisions as are consistent with those established under the health coverage plan and may be subject to prior authorization. A health coverage plan may require provisions that an injectable drug continue to be medically necessary as certified by the treating healthcare provider. A health coverage plan may include provisions that a covered person participate in a lifestyle management plan administered by the plan. Proposed law applies to any new policy, contract, or health coverage plan issued on and after January 1, 2026. Any policy, contract or plan in effect prior to January 1, 2026, shall convert to conform to the provisions of the Act no later than January 1, 2027.

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.	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.	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 expected to increase expenditures by an indeterminable amount in FY 27 and subsequent fiscal years due to the required coverage of injectable drugs to improve glucose levels or for weight loss. Proposed law is expected to increase SGR claims by an estimated \$31.5 M to \$157.3 M 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 insurance exchanges in FY 27, with costs increasing in future 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 the Essential Health Benefits 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, this fiscal note will be updated to reflect any anticipated SGF impact.*

**OGB (\$31.4 M - \$157.3 M SGR):**

OGB estimates that the proposed legislation will significantly increase self-funded health plan pharmacy claims expenditures in FY 27 as a result of providing coverage for injectable medications for the treatment of obesity. OGB consulted its actuary, Gallagher, to obtain per-utilizer cost estimates for FDA-approved injectable weight loss medications. For purposes of this analysis, OGB focused on the two most commonly utilized agents, Wegovy and Zepbound.

Information provided by Gallagher indicates that the 2026 annual per-utilizer net cost to OGB's self-funded health plan, after member cost share, pricing discounts, and applicable rebates, is estimated at \$8,568 for Wegovy and \$7,500 for Zepbound. For this analysis, OGB utilized a blended annual net cost of \$8,034 per utilizer. Based on the assumptions listed below and a tiered utilization rate (uptake), the expenditures to cover this expenditure range are as follows:

**Utilization**

Rate	FY 26-27*	FY 27-28	FY 28-29	FY 29-30	FY 30-31	Total
10%	\$31,462,355	\$64,309,053	\$65,723,852	\$67,169,777	\$68,647,512	\$297,312,549
20%	\$62,924,710	\$128,618,106	\$131,447,704	\$134,339,554	\$137,295,024	\$594,625,098
50%	\$157,311,774	\$321,545,265	\$328,619,261	\$335,848,885	\$343,237,560	\$1,486,562,745

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

**EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO**

**REVENUE EXPLANATION**

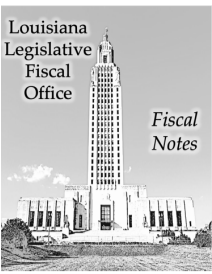
If claims expenditures cannot be absorbed by OGB's actuarially recommended target fund balance amount of \$309 M, OGB may be required to decrease or eliminate benefits currently available to participants of OGB's health benefit and life insurance programs, or seek additional revenue, either in the form 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.

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*  
 Alan M. Boxberger  
 Legislative Fiscal Officer

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 869** HLS 26RS 43  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

**Date:** April 14, 2026 10:38 PM **Author:** LYONS  
**Dept./Agy.:** Louisiana Department of Insurance/Group Benefits  
**Subject:** Glucose-improving medications based on body mass index **Analyst:** Anthony Shamis

**CONTINUED EXPLANATION from page one:**

**EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE**

The expenditure estimates are based upon the following assumptions: (1) No change in OGB self-funded plan membership in future fiscal years from current levels. (2) OGB will update its formularies and/or preferred drug lists to include Wegovy and Zepbound for the treatment of obesity. (3) OGB will focus solely on the impact of providing coverage for benefits for injectable drugs for the treatment of obesity. (4) Per LDH's Office of Public Health, the obesity rate in Louisiana was approximately 40% in 2023. (5) OGB will rely on the blended cost of \$8,034 per utilizer. (6) 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. (7) Coverage for the benefits provided by this legislation will become effective on January 1, 2027.

Projected membership with obesity: 76,637 = 191,592 (age 12+) x 40% obesity rate  
**Projected 2026 Annual Net Cost: \$615,701,658** = 76,637 members x \$8,034 annual per-utilizer cost

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

	<u>10%</u>	<u>20%</u>	<u>50%</u>
Annual Base Cost	\$61,570,166	\$123,140,332	\$307,850,829
2.2% MI	\$1,354,544	\$2,709,087	\$6,772,718
<b>FY 27</b>	<b>\$62,924,710</b>	<b>\$125,849,419</b>	<b>\$314,623,547</b>
2.2% MI	\$1,384,343	\$2,768,687	\$6,921,718
<b>FY 28</b>	<b>\$64,309,053</b>	<b>\$128,618,106</b>	<b>\$321,545,265</b>
2.2% MI	\$1,414,799	\$2,829,598	\$7,073,996
<b>FY 29</b>	<b>\$65,723,852</b>	<b>\$131,447,704</b>	<b>\$328,619,261</b>
2.2% MI	\$1,445,925	\$2,891,850	\$7,229,624
<b>FY 30</b>	<b>\$67,169,777</b>	<b>\$134,339,554</b>	<b>\$335,848,885</b>
2.2% MI	\$1,477,735	\$2,955,470	\$7,388,675
<b>FY 31</b>	<b>\$68,647,512</b>	<b>\$137,295,024</b>	<b>\$343,237,560</b>

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*  
**Alan M. Boxberger**  
**Legislative Fiscal Officer**