



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

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

Date: April 26, 2026	3:34 PM	Author: GLORIOSO
Dept./Agy.: Department of Insurance and Medicaid		Analyst: Anthony Shamis
Subject: Prohibits PA requirements for certain generic medications		

INSURANCE EG +\$3,132,421 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 that is not an opioid, 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 and the wholesale acquisition cost is no more than \$250 per prescription. 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.	\$3,132,421	\$6,264,841	\$6,264,841	\$6,264,841	\$6,264,841	\$28,191,785
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$11,467,579	\$22,935,159	\$22,935,159	\$22,935,159	\$22,935,159	\$103,208,215
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$14,600,000	\$29,200,000	\$29,200,000	\$29,200,000	\$29,200,000	\$131,400,000
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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

Note: This fiscal note has been revised to include an expenditure estimate for the Medicaid Program that was not provided by the Louisiana Department of Health (LDH) at the time the original fiscal note was published.

The Louisiana Department of Health (LDH) reports that proposed law will increase net Medicaid expenditures by an estimated \$14.6 million (\$3.1 M SGF and \$11.5 M Federal) as a result of removing prior authorization for the dispensing or reimbursement of generic medications that are not an opioid and reduced pharmacy rebate collections that are used to offset Medicaid pharmacy costs in FY 27. Costs are prorated for six months in FY 27 assuming a January 1, 2027 start date. Beginning in FY 28, a full 12 months of expenditures are reflected.

Note: The LFO is unable to independently corroborate the cost estimates provided by LDH. To the extent net pharmacy expenditures are higher or lower based on reduced rebate offsets, the actual expenditure impact would vary accordingly. Additionally, the LFO is unaware of any assumptions used in LDH's analysis regarding increased expenditures associated with prohibiting PA requirements for generic drugs prescribed by certain board-certified physicians. Furthermore, the LFO is unaware of assumptions used regarding the cost differential between generic and brand-name drugs.

REVENUE EXPLANATION

Proposed law is expected to result in an indeterminable decrease in federal revenues collected by LDH to offset Medicaid pharmacy expenditures.

Note: Based on the information provided by LDH, the LFO is unable to determine the impact to federal revenue collections to LDH.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}


Alan M. Boxberger
Legislative Fiscal Officer