



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 42** SLS 25RS 227
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: April 22, 2025	8:36 PM	Author: SELDERS
Dept./Agy.: Insurance/Health/Group Benefits		
Subject: Perinatal Behavioral Health		Analyst: Anthony Shamis

HEALTH CARE OR INCREASE GF EX See Note Page 1 of 2
Provides relative to perinatal behavioral health treatment. (8/1/25)

Proposed law requires any health benefit plan offered by a health insurance issuer that provides mental health benefits to provide coverage for voluntary inpatient treatment for a patient with a perinatal psychiatric diagnosis, including inpatient admissions, overnight stays, and medications resulting from treatments, as well as infusions, prescriptions, and counseling. All levels of maternal mental health inpatient treatment shall be considered medically necessary and not excluded from coverage. Medicaid Managed Care Organizations (MCOS) shall provide coverage for voluntary inpatient treatment for a Medicaid recipient with a perinatal psychiatric diagnosis.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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						

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	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 increase SGF expenditures in the health care exchanges by \$400,000 to \$430,000 beginning in FY 26 and increasing to \$450,000 to \$500,000 in subsequent fiscal years (plus annual medical inflation growth) according to an analysis provided by the LA Department of Insurance (LDI) actuary. Under the Affordable Care Act (ACA), any state benefit mandate, through legislative or regulatory action, that exceeds what is considered an essential health benefit (EHB) would subject the state to defrayal costs. The proposed law would be considered a state benefit mandate; therefore, the state may be required to make payments to defray the cost of additional required benefits specified under this proposed law. Defrayal costs are estimated to be between a low of \$400,000 and a high of \$430,000. Furthermore the proposed law will increase claims expenditures for the health insurance industry by an estimated \$1 M - \$1.1 M, and increase premiums by \$1.2 - \$1.3 M for private insurers and the insured in FY 26 (see Expenditure Explanation on page 2).


Insurance Exchanges Impact (State General Fund Defrayal Impact)

Proposed law will increase SGF expenditures beginning in FY 26 and subsequent fiscal years according to an analysis provided by the LDI health actuary. The state would be required to refund health claims expenditures associated with providing coverage for perinatal behavioral health treatment for policies issued by qualified health plans through the health insurance exchange beginning in FY 26 with estimated claims costs totaling approximately \$400,000 to \$430,000 SGF and a potential phase-up of \$450,000 to \$500,000 by FY 27. Claims expenses associated with the proposed law would be paid out by the state Treasury Department. LDI bases this analysis on the following assumptions: the calculations are on a fiscal year basis; the exchange population is approximately 300,000 and the insured population is assumed to be stationary; medical cost inflation is 3%; the premium loss ratio is 85%. The estimated cost for perinatal behavioral health is between \$0.22 PMPM (low) and \$0.24 PMPM (high) on an average \$1,200 monthly premium over the entire insured population based on research and analysis.

SEE EXPENDITURE EXPLANATION ON PAGE 2

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate	Dual Referral Rules	House	
<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}	
			 Patrice Thomas Deputy Fiscal Officer



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CONTINUED EXPLANATION from page one: Page 2 of 2

Proposed law will have no expenditure impact on the Office of Group Benefits (OGB), because OGB self-funded health plans provide coverage of perinatal psychiatric diagnoses as part of mental health and substance use benefits. Proposed law requires Medicaid Managed Care Organizations (MCO) to provide coverage for voluntary inpatient treatment for a Medicaid recipient with a perinatal psychiatric diagnosis. However the Louisiana Department of Health (LDH) states that they cannot enact provisions required by this legislation pursuant to federal law (USC 1396a), because legally, medical necessity criteria cannot be removed from the managed care entitiy and placed with an external physician. To the extent MCOS are required to cover these services, there will be a significant, yet indeterminable fiscal impact.

PRIVATE INSURANCE IMPACT

Pursuant to R.S. 24:603.1, the information below is the projected impact of the proposed law on the private insurance market. Based upon an actuarial analysis prepared by LDI, the proposed law is anticipated to increase expenditures associated with claims by \$1 M - \$1.1 M and premium increases by \$1.2 M - \$1.3 M for private insurers and the insured in FY 26 with phase-up costs of an estimated \$1.8 M - \$2 M claims and \$2.1 M - \$2.3 M premiums by FY 30. LDI bases this analysis on the following assumptions: the calculations are on a fiscal year basis; the exchange population is approximately 750,000 and the insured population is assumed to be stationary, entries equal exits; medical cost inflation (MI) is 3% in FY ; the premium loss ratio is 85%; and the **estimated cost is between \$0.22 PMPM and \$.24 PMPM over the entire insured population, which represents an annual premium increase between 0.09% (low) to 0.20% (high) on an average monthly premium/PMPM of \$1,200.** Based upon the aforementioned assumptions, the estimated annual cost increases for insurance providers associated with claims are as follows:

Aggregate Cost Determination

Aggregate cost = PMPM x (Number of Policies) x 12 months

FY 26 (Low) - 375,000 x \$0.22 PMPM x 12 months = \$990,000 (\$495,000 for 6 months)
FY 26 (High) - 375,000 x \$0.24 PMPM x 12 months = \$1,080,000 (\$540,000 for 6 months)

FY 27 (Low) - 375,000 x \$0.25 PMPM x 12 months = \$1,125,000
FY 27 (High) - 375,000 x \$0.28 PMPM x 12 months = \$1,260,000

Premium Increase Determination

Aggregate premium for the requirement in a given fiscal year = **Aggregate Cost / Loss Ratio**

FY 26 (Low) = \$990,000 / 0.85 = \$1,164,706
FY 26 (High) = \$1,080,000 / 0.85 = \$1,270,588

FY 27 (Low) = (.25 x 12) / 0.85 = \$3.53
FY 27 (High) = (.28 x 12) / 0.85 = \$3.96

Aggregate Extra Premium Determination

Annual premium increase per policy in a given fiscal year = **(PMPM X 12 Months) / (Loss Ratio**

FY 26 (Low) = (.22 x 12) / 0.85 = \$3.11
FY 26 (High) = (.24 x 12) / 0.85 = \$3.39

FY 27 (Low) = (.25 x 12) / 0.85 = \$3.53
FY 27 (High) = (.28 x 12) / 0.85 = \$3.96

Senate

Dual Referral Rules

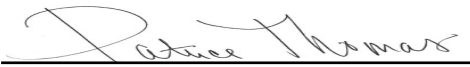
House

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

☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

☒ 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}


Patrice Thomas
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