



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **SB 129** SLS 25RS 334  
Bill Text Version: **ORIGINAL**  
Opp. Chamb. Action:  
  
Proposed Amd.:  
Sub. Bill For.:

<b>Date:</b> April 22, 2025	9:46 PM	<b>Author:</b> PRESSLY
<b>Dept./Agy.:</b> Insurance		
<b>Subject:</b> Required Proton Therapy Coverage for Cancer		<b>Analyst:</b> Anthony Shamis

INSURERS OR INCREASE SG EX See Note Page 1 of 2  
Requires health insurers to cover proton therapy for cancer patients. (8/1/25)

Proposed law requires health plans to cover proton therapy treatment for cancer patients.

Proposed law allows coverage required under this legislation to be subject to annual deductibles, coinsurance, and copayments established under the health coverage plan.

EXPENDITURES	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.	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	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 will increase Self-Generated expenditures by between \$.9M to \$1.5M within the office of Group Benefits (OGB) for coverage of Proton Beam Therapy (PBT) for the treatment of several conditions that are not considered medically necessary. Louisiana Department of Insurance (LDI) reports that PBT is already covered by much of the industry, so there is not expected to be a significant impact as a result of the proposed legislation.

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

OGB’s self-funded health plans provide for PBT for treatment of several conditions, however, there are some uses that are considered not medically necessary. OGB’s Third Party Administrator (TPA) makes determinations for approval or denial of coverage for medical services including the application of benefits for TPA. Based upon the assumptions listed below, the expenditures to cover PBT at the level required by this legislation are as follows:

	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	Total
Low	\$ 928,497	\$ 1,903,419	\$ 1,951,005	\$ 1,999,780	\$ 2,049,774	\$ 8,832,475
High	\$ 1,450,125	\$ 2,972,756	\$ 3,047,075	\$ 3,123,252	\$ 3,201,333	\$13,794,540

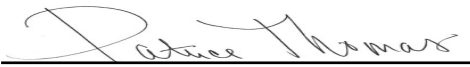
The expenditure estimate is based upon the following assumptions: (1) As of 4/01/2025, the current OGB membership in the self-funded health plans is 169,635 (excluding Medicare primary members) and membership will remain constant. (2) The coverage will become effective on 1/01/2026. (3) No change in OGB self-funded health plan membership in future fiscal years from current levels. (4) The PMPM cost estimate provided by BCBSLA ranges from \$0.89 PMPM (low) to \$1.39 PMPM (high). (5) In future fiscal years, a medical inflation factor of 2.5%, based on Consumer Price Index data for medical care in the Southern United States through the end of 2024.

See EXPENDITURE EXPLANATION on page 2

REVENUE EXPLANATION

The Office of Group Benefits (OGB) does not anticipate the proposed law to require premium increases, therefore there is no impact on self-generated revenues collected from premiums. OGB has indicated the estimated costs associated with the proposed law may be absorbed by the existing fund balance reserve. However, to the extent other legislative instruments that are enacted expand covered medical and pharmacy benefits, the cumulative impact may be material and require OGB to increase premiums to maintain an actuarially sound fund balance of \$290 M.

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

Based on the aforementioned methodology on page one, the per member per month (PMPM) cost estimates range from a low of \$0.89 PMPM to a high of \$1.39 PMPM, and a medical inflation (MI) factor of 2.5% compounding annually. Below are expenditure calculations utilized to project the cost within OGB utilizing the assumptions listed on page one.

Expenditure Calculations  
Expenditure Calculations = membership population x PMPM cost x 12 months  
Base Cost (Low) = \$ 1,811,702 = 169,635 x \$0.89 x 12 months  
Base Cost (High) = \$ 2,829,512= 169,635 x \$1.39 x 12 months  
  
FY 26 (Low) = \$ 1,856,995 = \$ 1,811,702 x 2.5% MI  
FY 26 (High) = \$ 2,900,250 = \$ 2,829,512 x 2.5% MI  
  
FY 27 (Low) = \$ 1,903,420 = \$ 1,856,995 x 2.5% MI  
FY 27 (High) = \$ 2,972,757 = \$ 2,900,251 x 2.5% MI  
FY 28 (Low) = \$ 1,951,006 = \$ 1,903,420 x 2.5% MI  
FY 28 (High) = \$ 3,047,076 = \$ 2,972,757 x 2.5% MI  
  
FY 29 (Low) = \$ 1,999,781 = \$ 1,951,006 x 2.5% MI  
FY 29 (High) = \$ 3,123,253 = \$ 3,047,076 x 2.5% MI  
  
FY 30 (Low) = \$ 2,049,776 = \$ 1,999,781 x 2.5% M  
FY 30 (High) = \$ 3,201,334 = \$ 3,123,253 x 2.5% MI  
  
Total (Low)\* = \$ 8,832,475  
Total (High)\* = \$12,794,540  
\*The Total does not include the Base Costs.

**PRIVATE INSURANCE IMPACT (including Insurance Exchanges Impact)**  
LDI reports that PBT is already covered by much of the industry, so there is not expected to be a significant impact as a result of the proposed legislation.

<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}	<b>Patrice Thomas</b> <b>Deputy Fiscal Officer</b>