



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 357** HLS 26RS 1103
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 7, 2026	8:07 AM	Author: ECHOLS
Dept./Agy.: Louisiana Works		
Subject: Updates to Medical Fee Reimbursement Schedules		Analyst: Darynn Hoppe

WORKERS COMPENSATION RE +\$100,000 SD EX See Note Page 1 of 1
 Provides for the adoption of a medical fee reimbursement schedule for workers' compensation

Present law provides that medical fee reimbursement schedule shall include charges limited to the mean of the usual and customary charges for such care, services, treatment, drugs, and supplies.

Proposed law instead requires that the reimbursement schedule be reasonable when compared to the workers' compensation reimbursement schedule and have similar characteristics of surrounding states. Proposed law also requires that any necessary adjustments to the schedule shall be made annually and supported by data and information provided for in present law and proposed law. Proposed law requires the assistant secretary to perform certain tasks and requires the Office of Workers' Compensation to report quarterly to the House and Senate committees on labor and industrial relations regarding the rate study and process.

EXPENDITURES	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Ded./Other	\$100,000	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$100,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$100,000					\$100,000

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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

Proposed law requires the Louisiana Workforce Commission (LWC) to adjust the state's workers' compensation medical fee reimbursement schedule to align with rates of states with similar characteristics to Louisiana. The schedule will dictate payments to all providers in the state for services related to workers' compensation. The Office of Risk Management (ORM) provides workers' compensation insurance for state employees. To the extent the bill affects the amount owed for medical reimbursements, premiums billed to state agencies may need to be adjusted by an indeterminable amount, represented by SGR in the table above.

Implementing the proposed changes will require LWC to review reimbursement schedules of states with similar characteristics, collect data, provide communication opportunities for all stakeholders and, ultimately, promulgate a revised medical fee schedule that will become effective January 1, 2027. Though LWC reports progress in completing a fee schedule, LFO believes the timeline for completion as mandated in the bill may result in significant additional costs, if the January 1, 2027, effective date is even achievable. Based on the compressed timeline between the bill's potential enactment then implementation, and testimony during the 2024 Regular Session, LFO estimates upwards of \$100,000 could be required in additional contractual costs to meet the parameters of the bill and is the basis of the dual referral.

The Office of Workers' Compensation Administration (OWCA) will also be responsible for ongoing evaluations, communication with all external stakeholders, mandated annual adjustments, and quarterly reporting to the Legislature. LWC reports that these tasks can be handled with existing staff and will not result in any additional costs to the agency. LFO cannot corroborate or refute the ability of existing staff to handle on-going efforts of the schedule process but assumes once the schedule is in place and initial timelines are met, routine updates will be manageable.

REVENUE EXPLANATION

Annually, the Assistant Secretary determines an assessment to be collected by each employer to be deposited into the OWCA Fund for Office of Workers' Compensation program expenses. Additional expenses associated with the bill may or may not increase the annual workers compensation assessment. In FY 26, the fund has an appropriation of \$19.01 M with anticipated annual collections to date of \$19.01 M (official forecast of 12/11/2026) and a beginning balance of \$3.98 M.

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| <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 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