



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 291** HLS 26RS 911
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 14, 2026	2:55 PM	Author: BERAULT
Dept./Agy.: Louisiana Department of Insurance/Group Benefits		Analyst: Anthony Shamis
Subject: Adverse actions based solely on network status		

INSURANCE/HEALTH EG INCREASE EX See Note Page 1 of 1
 Prohibits health insurers from taking adverse payment or contracting actions against participating facilities based solely on another provider's network status
Present law establishes requirements for the payment of provider claims, prohibits contractual waivers, and provides that violations constitute unfair or deceptive acts or practices in the business of insurance.

Proposed law prohibits a health insurance issuer from reducing claim payments or suspending or terminating a provider agreement with a licensed healthcare facility that is a participating provider based solely on the network participation status of another provider contributing to a component of patient care at the facility.

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 anticipated to result in an indeterminable, but significant increase in expenditures in FY 27 and subsequent fiscal years. Proposed law is expected to increase SGR claims expenditures by an estimated \$21 M to \$90 M annually within the Office of Group Benefits (OGB). Additionally, the proposal may have an indeterminable impact on expenditures within the Louisiana Department of Insurance (LDI). The anticipated increase in expenditures is associated with provisions prohibiting insurers from taking adverse payment or contracting actions against participating facilities based solely on another provider's network status.

OGB (\$21 M - 90 M SGR):

According to the Office of Group Benefits' (OGB) third-party administrator, the proposed legislation will allow in-network hospitals and facilities to utilize out-of-network providers without consideration of downstream cost impacts to employer groups and plan members. In such cases, out-of-network providers may elect to utilize the federal No Surprises Act (NSA) Independent Dispute Resolution (IDR) process to obtain awards significantly greater than standard in-network rates.

OGB estimates the fiscal impact using a range of utilization assumptions. The low-end estimate reflects approximately \$6 million in increased claims costs and \$15 million in associated administrative and arbitration expenses. The high-end estimate reflects approximately \$41 million in increased claims costs and \$49 million in administrative and arbitration expenses.

These estimates assume that 20% (low-end) to 50% (high-end) of claims for anesthesia, pathology, radiology, and emergency room (ER) services currently provided by in-network providers at in-network facilities would shift to out-of-network status and initiate the IDR process. Under a full migration scenario, in which 100% of such providers were to elect to go out-of-network and pursue IDR, OGB estimates costs of approximately \$143 million in increased claims expenditures and \$108 million in administrative and arbitration fees, for a total of \$252 million annually. The IDR process includes an administrative fee of \$115 per dispute, payable to the Centers for Medicare and Medicaid Services (CMS) by both parties. The number of providers that may migrate is indeterminable.

Unless OGB Fund Balance is utilized, SGF appropriation will be required to cover the state portion of the increase in premium costs. SGF makes up approximately 42% of current premium collections. As of 1/31/2026, OGB reports a \$406 M fund balance.

LDI (Indeterminable):

Any potential expenditure impact to LDI is unknown at this time. LDI is currently working with its consulting actuary to develop an estimate of potential costs. Upon receipt of this information, the fiscal note will be updated to reflect any anticipated expenditure impacts.

REVENUE EXPLANATION

If claims expenditures cannot be absorbed by OGB's actuarially recommended target fund balance amount of \$309 M, it 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}

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