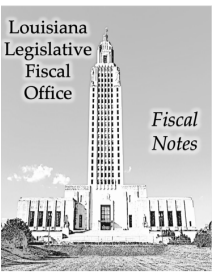


LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 465** SLS 26RS 680
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 21, 2026 6:47 PM	Author: MCMATH
Dept./Agy.: Office of Group Benefits	
Subject: Provides for payments to healthcare providers	Analyst: Anthony Shamis

HEALTH CARE OR +\$14,142,247 SG EX See Note Page 1 of 1
 Provides for payments to healthcare providers. (8/1/26)

Proposed law modifies present law governing standards for the receipt and processing of nonelectronic claims, the receipt and processing of electronic claims, remittance advice requirements, payment standards, limitations on claim filing, recoupment of health insurance claims payments, and nonelectronic claims submissions.
Proposed law removes the exemption of the Office of Group Benefits' (OGB) from present law.
Proposed law prohibits contractual waivers and further provides that any attempted waiver shall be void.
Proposed law provides for prior authorization requirements for electronic claims.
Proposed law removes provisions related to just and reasonable grounds for noncompliance.

Effective August 1, 2026.

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.	\$14,142,247	\$14,142,247	\$14,142,247	\$14,142,247	\$14,142,247	\$70,711,235
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

The Office of Group Benefits (OGB) reports that proposed law is anticipated to increase SGR expenditures for self-funded health plan medical claims by approximately \$14.1 M in FY 27. The increase is the result of removing existing exemptions applicable to OGB related to the processing of healthcare provider claims by health insurance issuers, remittance advice requirements, claims payment timeframes, and claims payment recoupments.

The increase in OGB self-funded health plan expenditures in FY 27 is based on an analysis performed by OGB's Third Party Administrator (TPA), Louisiana Blue, and assumes an effective date of July 1, 2026. According to Louisiana Blue, these changes are anticipated to increase medical claims costs by limiting the plan's ability to prevent, detect, and recover improper payments. Shortened prepayment, audit, and recoupment timeframes are expected to reduce payment integrity effectiveness, resulting in increased unrecovered overpayments and higher net claims costs. Louisiana Blue estimates that approximately \$3,041,972 in claim recoupments beyond 180 days will go unrecovered and that fraud, waste, and abuse-related claim losses will increase by approximately \$11,100,275.

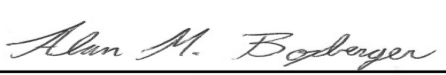
Unless OGB Fund Balance is utilized, an SGF appropriation will be required to cover the state portion of the increase in premium costs. Regardless, SGF makes up approximately 42% of premium collections. As of 1/31/26, OGB reports a \$406 M fund balance.

Note: The LFO cannot independently corroborate the expenditure estimate provided by OGB's TPA, Louisiana Blue, related to the removal of OGB's exemption from present law. To the extent that actual claims experience, provider behavior, and implementation of the provisions of this measure differ from the assumptions utilized, the resulting fiscal impact may vary.

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.

<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