

**LEGISLATIVE FISCAL OFFICE**

**Fiscal Note**



Fiscal Note On: **HB 482** HLS 08RS 1122  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 30, 2008 9:17 AM	<b>Author:</b> RICHMOND
<b>Dept./Agy.:</b> Office of Group Benefits (OGB)	<b>Analyst:</b> Travis McIlwain
<b>Subject:</b> Exception for OGB relative to employer-provided health plan	

INSURANCE/HEALTH OR SEE FISC NOTE GF EX Page 1 of 1  
 Provides an exception for Office of Group Benefits programs relative to an employer-provided health plan

Proposed legislation exempts the Office of Group Benefits (OGB) from the provisions contained within R.S. 22:226(A)(2), which restricts an employer from imposing upon an employee or retiree who does not utilize a designated mail order pharmacy a copayment fee or other condition not imposed upon employees or retirees who utilize the designated mail order pharmacy.

Effective August 15, 2008.

<b>EXPENDITURES</b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>2010-11</u></b>	<b><u>2011-12</u></b>	<b><u>2012-13</u></b>	<b><u>5 -YEAR TOTAL</u></b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>2010-11</u></b>	<b><u>2011-12</u></b>	<b><u>2012-13</u></b>	<b><u>5 -YEAR TOTAL</u></b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
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Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

Proposed legislation will allow the OGB to offer incentives to its members for utilizing pharmacy mail order programs. To the extent that members of OGB utilize mail order prescription services. Mercer, the OGB contracted actuary, is projecting a 0.5% to 2% cost avoidance within the prescription drug program currently administered by Catalyst Rx. For FY 08, OGB estimates paid claims for prescription drugs will be approximately \$196.9 million and OGB could have a total cost avoidance of approximately \$1.0 million to \$4.0 million. However, the extent of the cost avoidance is contingent upon the specific provisions of this legislation being adopted in the plan through the administrative rule making process.

**REVENUE EXPLANATION**

To the extent cost avoidance does materialize, the OGB's premium structure could be modified as a result of these avoidances.

Senate                      Dual Referral Rules  
 13.5.1 >= \$500,000 Annual Fiscal Cost  
 13.5.2 >= \$500,000 Annual Tax or Fee Change

House  
 6.8(F) >= \$500,000 Annual Fiscal Cost  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

*Robert E. Hosse*  
**Robert E. Hosse**  
**LFO Staff Director**