



LOUISIANA DEPARTMENT OF INSURANCE  
TIMOTHY J. TEMPLE  
COMMISSIONER

August 28, 2024

The Honorable Cameron Henry  
President, Louisiana State Senate  
P.O. Box 94183  
Baton Rouge, LA 70804

**ELECTRONIC TRANSMISSION**  
[apa.senatepresident@legis.la.gov](mailto:apa.senatepresident@legis.la.gov)

The Honorable Phillip DeVillier  
Speaker, Louisiana House of Representatives  
P.O. Box 94062  
Baton Rouge, LA 70804

**ELECTRONIC TRANSMISSION**  
[apa.housespeaker@legis.la.gov](mailto:apa.housespeaker@legis.la.gov)

The Honorable Kirk Talbot  
Chairman of the Senate Insurance Committee  
P.O. Box 94183  
Baton Rouge, LA 70804

**ELECTRONIC TRANSMISSION**  
[apa.s-ins@legis.la.gov](mailto:apa.s-ins@legis.la.gov)

The Honorable Michael "Gabe" Firment  
Chairman of the House Insurance Committee  
P.O. Box 94062  
Baton Rouge, LA 70804

**ELECTRONIC TRANSMISSION**  
[apa.h-ins@legis.la.gov](mailto:apa.h-ins@legis.la.gov)

RE: Summary Report - Notice of Intent to Repeal Regulation 19 – Inclusion of Burial Plots, Vaults, etc., as Part of Funeral Service – Change in Reserve Basis

Dear President Henry, Speaker DeVillier, Senator Talbot, and Representative Firment:

The Louisiana Department of Insurance (LDI) hereby submits the following summary report required by [La. R.S. 49:966\(D\)\(1\)\(b\)](#) and announces its intention to proceed to finalize Regulation 19, which was published as a Notice of Intent in the July 2024 edition of the *Louisiana Register*.

Interested persons were provided an opportunity to submit comments to the LDI on the proposed regulation. The LDI did not receive any written or oral comments by the expiration of the comment period.

Subject to legislative oversight, the LDI intends to submit the proposed amendment to Regulation 19 to the Office of the State Register for final publication in the October 2024 edition of the Louisiana Register. A copy of the summary report will be placed on the LDI's website in accordance with [La. R.S. 49:966\(D\)\(1\)\(c\)](#).

Enclosure: Notice of Intent to Repeal Regulation 19 – Inclusion of Burial Plots, Vaults, etc., as Part of Funeral Service – Change in Reserve Basis

Ms. Sullivan is responsible for responding to inquiries regarding this proposed Rule. The deadline for submitting written comments is at 4:30 p.m. on August 29, 2024.

### Public Hearing

Interested persons may submit a written request to conduct a public hearing by U.S. mail to the Office of the Secretary ATTN: LDH Rulemaking Coordinator, Post Office Box 629, Baton Rouge, LA 70821-0629; however, such request must be received no later than 4:30 p.m. on August 9, 2024. If the criteria set forth in R.S. 49:961(B)(1) are satisfied, LDH will conduct a public hearing at 9:30 a.m. on August 29, 2024 in Room 118 of the Bienville Building, which is located at 628 North Fourth Street, Baton Rouge, LA. To confirm whether or not a public hearing will be held, interested persons should first call Allen Enger at (225) 342-1342 after August 9, 2024. If a public hearing is to be held, all interested persons are invited to attend and present data, views, comments, or arguments, orally or in writing.

Michael Harrington, MBA, MA  
Secretary

## FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

### RULE TITLE: Pharmacy Benefit Management Program—Drug Shortages

#### I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

It is anticipated that implementation of this proposed rule will have no programmatic fiscal impact to the state other than the cost of promulgation for FY 24-25. It is anticipated that \$864 (\$432 SGF and \$432 FED) will be expended in FY 24-25 for the state's administrative expense for promulgation of this proposed rule and the final rule.

This proposed rule amends the provisions governing the Pharmacy Benefits Management Program in order to align the language in the Louisiana Administrative Code with the required changes requested by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) to the State Plan relative to shortages of drugs not on the covered drug list, including drugs authorized for import by the Food and Drug Administration (FDA) that may be covered when deemed medically necessary during drug shortages identified by the FDA.

#### II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

It is anticipated that the implementation of this proposed rule will have no effect on revenue collections other than the federal share of the promulgation costs for FY 24-25. It is anticipated that \$432 will be collected in FY 24-25 for the federal share of the expense for promulgation of this proposed rule and the final rule.

#### III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NONGOVERNMENTAL GROUPS (Summary)

This proposed rule amends the provisions governing the Pharmacy Benefits Management Program in order to align the language in the Louisiana Administrative Code with the required changes requested by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) to the State Plan relative to shortages of drugs not on the covered drug list, including drugs authorized for import by the Food and Drug Administration (FDA) that may be covered when deemed medically necessary during drug

shortages identified by the FDA. Implementation of this proposed rule will not result in costs to providers and small businesses in FY 24-25, FY 25-26, and FY 26-27, and will be beneficial by aligning the administrative rule with the federal regulations governing the Pharmacy Benefits Management Program.

#### IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

This rule has no known effect on competition and employment.

Kimberly Sullivan, JD  
Medicaid Executive Director  
2407#041

Patrice Thomas  
Deputy Fiscal Officer  
Legislative Fiscal Office

## NOTICE OF INTENT

### Department of Insurance Office of the Commissioner

Regulation 19—Inclusion of Burial Plots, Vaults, etc., as  
Part of Funeral Service—Change in Reserve Basis  
(LAC 37:XIII.Chapter 63)

The Department of Insurance, pursuant to the authority of the Louisiana Insurance Code, R.S. 22:1 et seq., and in accordance with the Administrative Procedure Act, R.S. 49:950 et seq., hereby gives notice of its intent to *Regulation 19—Inclusion of Burial Plots, Vaults, etc., as Part of Funeral Service—Change in Reserve Basis*. The Department of Insurance is repealing Regulation 19 as existing statutory language provides sufficient guidance, and regulatory clarification is no longer necessary.

#### Title 37

#### INSURANCE

#### Part XIII. Regulations

#### Chapter 67. Regulation 19—Inclusion of Burial Plots, Vaults, etc., as Part of Funeral Service— Change in Reserve Basis

#### §6701. Policy Directive Number Six to All Insurance Issuing Funeral Policies

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, July 9, 1962, repealed LR 50:

#### Family Impact Statement

1. Describe the Effect of the Proposed Regulation on the Stability of the Family. The proposed amended regulation should have no measurable impact upon the stability of the family.

2. Describe the Effect of the Proposed Regulation on the Authority and Rights of Parents Regarding the Education and Supervision of their Children. The proposed amended regulation should have no impact upon the rights and authority of children regarding the education and supervision of their children.

3. Describe the Effect of the Proposed Regulation on the Functioning of the Family. The proposed amended regulation should have no direct impact upon the functioning of the family.

4. Describe the Effect of the Proposed Regulation on Family Earnings and Budget. The proposed amended regulation should have no direct impact upon family earnings and budget.

5. Describe the Effect of the Proposed Regulation on the Behavior and Personal Responsibility of Children. The proposed amended regulation should have no impact upon the behavior and personal responsibility of children.

6. Describe the Effect of the Proposed Regulation on the Ability of the Family or a Local Government to Perform the Function as Contained in the Rule. The proposed amended regulation should have no impact upon the ability of the family or a local governmental unit to perform the function as contained in the rule.

#### **Poverty Impact Statement**

1. Describe the Effect on Household Income, Assets, and Financial Security. The proposed amended regulation should have no effect on household income assets and financial security.

2. Describe the Effect on Early Childhood Development and Preschool through Postsecondary Education Development. The proposed amended regulation should have no effect on early childhood development and preschool through postsecondary education development.

3. Describe the Effect on Employment and Workforce Development. The proposed amended regulation should have no effect on employment and workforce development.

4. Describe the Effect on Taxes and Tax Credits. The proposed amended regulation should have no effect on taxes and tax credits.

5. Describe the Effect on Child and Dependent Care, Housing, Health Care, Nutrition, Transportation and Utilities Assistance. The proposed amended regulation should have no effect on child and dependent care, housing, health care, nutrition, transportation and utilities assistance.

#### **Small Business Analysis**

The impact of the proposed regulation on small businesses as defined in the Regulatory Flexibility Act has been considered. It is estimated that the proposed action is not expected to have a significant adverse impact on small businesses. The agency, consistent with health, safety, environmental and economic welfare factors has considered and, where possible, utilized regulatory methods in the drafting of the proposed regulation that will accomplish the objectives of applicable statutes while minimizing the adverse impact of the proposed regulation on small businesses.

1. Identification and Estimate of the Number of the Small Businesses Subject to the Proposed Rule. The proposed amended regulation should have no measurable impact upon small businesses.

2. The Projected Reporting, Record Keeping, and Other Administrative Costs Required for Compliance with the Proposed Rule, Including the Type of Professional Skills Necessary for Preparation of the Report or Record. The proposed amended regulation should have no measurable impact upon small businesses.

3. A Statement of the Probable Effect on Impacted Small Businesses. The proposed amended regulation should have no measurable impact upon small businesses.

4. Describe any Less Intrusive or Less Costly Alternative Methods of Achieving the Purpose of the Proposed Rule. The proposed amended regulation should have no measurable impact on small businesses; therefore, will have no less intrusive or less cost alternative methods.

#### **Provider Impact Statement**

1. Describe the Effect on the Staffing Level Requirements or Qualifications Required to Provide the Same Level of Service. The proposed amended regulation will have no effect.

2. The Total Direct and Indirect Effect on the Cost to the Provider to Provide the Same Level of Service. The proposed amended regulation will have no effect.

3. The Overall Effect on the Ability of the Provider to Provide the Same Level of Service. The proposed amended regulation will have no effect.

#### **Public Comments**

Interested persons who wish to make comments may do so by writing to Evelyn Danielle Linkford, Staff Attorney, Louisiana Department of Insurance, P.O. Box 94214, Baton Rouge, LA 70804-9214, by faxing comments to (225) 342-7821, or electronically at [regulations@ldi.la.gov](mailto:regulations@ldi.la.gov). Comments will be accepted through the close of business, 4:30 p.m., August 10, 2024.

Timothy J. Temple  
Commissioner

### **FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES RULE TITLE: Regulation 19—Inclusion of Burial Plots, Vaults, etc., as Part of Funeral Service—Change in Reserve Basis**

#### **I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)**

The proposed regulation change will not result in additional costs or savings for state and local government units. The proposed regulation change is to repeal Regulation 19 as existing statutory language provides sufficient guidance, and regulatory clarification is no longer necessary.

#### **II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)**

The proposed regulation will have no impact on the state or local government revenues.

#### **III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NONGOVERNMENTAL GROUPS (Summary)**

The proposed regulation change will not result in any costs and/or economic benefits to directly affected persons or non-governmental groups. The proposed regulation change promulgates Regulation 19 due to existing statutory language providing sufficient guidance, and regulatory clarification is no longer necessary.

#### **IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)**

The proposed rule will have no impact upon competition and employment in the state.

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Legislative Fiscal Officer  
Legislative Fiscal Office