
DIGEST

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HB 312 Engrossed

2016 Regular Session

Davis

Abstract: Reconstitutes and repurposes the La. Mandated Health Benefits Commission. Eliminates the 2004-2008 moratorium on health insurance mandates.

Present law provides for a 17-member La. Mandated Health Benefits Commission within the Dept. of Insurance (DOI). Provides that the duties of the commission shall encompass:

- (1) An optional review of all proposed legislation that would mandate coverage by health insurers of specifically enumerated benefits, services, conditions, or medical products.
- (2) To annually report findings and recommendations, if any, on mandated benefits proposals to the legislature.

Present law specifies the factors that the commission shall consider when reviewing mandated benefits proposals. Provides for staffing by the office of health insurance of DOI.

Requires the commission to meet annually, no later than 60 days prior to the date that the regular session of the legislature convenes for that year, to review mandated benefits proposals received by Jan. 15. Requires the commission to report its findings to the House and Senate insurance committees no later than 30 days prior to the date that the regular session of the legislature convenes. Requires the commission to consider, analyze, and report to the House and Senate committees on insurance prior to the regular legislative session on proposed mandated benefits submitted to the commission after Jan. 15 of each year. Requires the House and Senate insurance committees to consider the commission's report when a mandated benefit proposal is brought before them.

Proposed law abolishes the La. Mandated Health Benefits Commission provided for in present law.

Proposed law instead provides for a 5-member La. Mandated Health Benefits Commission. Provides that this commission shall consist of the chairman of the House Insurance Committee, the chairman of the Senate Insurance Committee, the commissioner of administration, and two persons appointed by the commissioner of insurance. Further provides that the commission shall be staffed by the office of health, life, and annuity within DOI.

Proposed law states that, pursuant to federal law, the annual cost of any mandated benefit in excess of Essential Health Benefits (EHBs) for Qualified Health Plans (QHPs) shall be a legal obligation of the state of La. and shall be defrayed by the state through direct reimbursement to any health insurance issuer entitled to such reimbursement pursuant to such federal law.

Proposed law provides the duties of the commission shall include:

- (1) Reviewing proposed legislation in any legislative session to determine if the legislation creates a mandated health benefit that would require the state to defray the costs of the mandate for QHPs in excess of EHBs pursuant to federal law. Provides that after such review, the commission, if it determines that a mandate for QHPs is in excess of EHBs, shall, in consultation with DOI, notify the House and Senate committees on insurance of the commission's determination that a mandate has been proposed and shall provide an actuarial cost projection for the cost of the proposed mandate for QHPs and non-QHPs. Provides that if the legislature enacts a mandate that is in excess of EHBs, the commission shall determine what the cost of the enacted mandate is to all QHPs and shall, by majority vote in an open meeting, adopt an actuarially sound cost estimate for the first plan or policy year for the mandate. Subsequently requires the commission to tender the cost estimate to the division of administration, the speaker of the House of Representatives, the president of the Senate, and the chairman of the House Appropriations Committee, the chairman of the House Insurance Committee, the chairman of the Senate Finance Committee, and the chairman of the Senate Insurance Committee. Specifies that for any subsequent policy or plan years, the commission shall include historical experience of the cost of the mandate in excess of EHBs in its deliberative process. Further requires that, following adoption of the cost estimate, the commission shall, in conjunction with DOI, give formal notice of such adoption in the State Register.
- (2) Conducting the review process specified in (1) above for any mandate that was enacted after December 31, 2011, and, if determined to be a mandate in excess of EHBs for QHPs, requiring the commission to follow the process for adoption of the cost of the enacted mandate in the manner prescribed in (1) above.
- (3) Promulgating rules and regulations pursuant to the Administrative Procedure Act.
- (4) Any functions necessary and proper for the completion of its duties.

Proposed law further provides that any health insurance issuer that issues QHPs shall have the right to appear and be heard and to submit information to the commission for consideration.

Proposed law additionally provides that any health insurance issuer that objects to the commission's adoption of the cost estimate of a mandate shall have the right to file an appeal in the 19th Judicial District Court within 30 days of the adoption of such cost estimate.

Proposed law defines "health insurance issuer" for purposes of proposed law.

Present law requires that existing health insurance mandates undergo an actuarial cost analysis by DOI, to be reported to the House and Senate insurance committees prior to commencement of the 2003 Regular Session of the Legislature for their periodic reevaluation. Further requires that any mandate enacted after Jan. 1, 2001, also undergo an actuarial cost analysis by DOI, the results of which shall be reported to the House and Senate committees on insurance prior to commencement of the fourth regular session of the legislature after the regular session in which it was enacted or reenacted for their periodic reevaluation. Further provides for a mandate moratorium from 2004 to 2008 by providing that health insurers shall not be required to deliver, issue, or renew a health

benefit plan on or after Jan. 1, 2004, and before Dec. 31, 2008, that includes any additional mandated benefit or mandated option beyond those statutory requirements in effect for health benefit plans on July 2, 2003.

Proposed law eliminates present law.

(Amends R.S. 36:686(F); Adds R.S. 22:2187; Repeals R.S. 22:1047, 2186, and 2186.1)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Reconstitute and repurpose the La. Mandated Health Benefits Commission.
2. Give any health insurance issuer that issues QHPs the right to appear and be heard and to submit information to the commission.
3. Give any health insurance issuer that objects to the commission's adoption of the cost estimate of a mandate the right to file an appeal within 30 days of such adoption.
4. Add a definition of "health insurance issuer" for purposes of proposed law.