

2015 Regular Session

SENATE BILL NO. 191

BY SENATOR CLAITOR

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

GROUP BENEFITS PROGRAM. Provides for the organization of the Office of Group Benefits. (1/1/16)

1 AN ACT

2 To amend and reenact R.S. 42:802(B)(7), 881, and the introductory paragraph of 882(A) and

3 (A)(5), and to enact R.S. 39:21.3(G), R.S. 42:802(D), and 881(B), relative to the

4 Office of Group Benefits; to provide for oversight of the Office of Group Benefits;

5 to provide for estimating the operational and actuarial costs of group benefits

6 programs; to provide for the duties of the Group Benefits Policy and Planning Board;

7 to provide for the membership of the Group Benefits Policy and Planning Board; to

8 provide for an effective date; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 39:21.3(G) is hereby enacted to read as follows:

11 §21.3. Consensus estimating conferences; duties and principals

12 \* \* \*

13 **G. Group Benefits Estimating Conference.**

14 **(1) Duties. The Group Benefits Estimating Conference shall develop**

15 **official information relating to group health and life insurance planning,**

16 **premium rates, and budgeting as is determined by the conference principals to**

17 **be needed for the state planning and budgeting system.**

1                    **(2) Principals. The principals of the Group Benefits Estimating**

2                    **Conference are as follows:**

3                    **(a) A member of the professional staff of the office of the governor to be**  
4                    **appointed by the governor.**

5                    **(b) A member of the professional staff of the division of administration**  
6                    **to be appointed by the commissioner of administration.**

7                    **(c) A member of the professional staff of the legislature who shall have**  
8                    **fiscal expertise to be appointed by the president of the Senate.**

9                    **(d) A member of the professional staff of the legislature who shall have**  
10                   **forecasting expertise to be appointed by the speaker of the House of**  
11                   **Representatives.**

12                   **(e) A member of the professional staff of the Office of Group Benefits**  
13                   **who shall have forecasting expertise to be appointed by the commissioner of**  
14                   **administration.**

15                   **(3) Principal to preside over meetings. The principal representing the**  
16                   **office of the governor shall preside over sessions of the conference.**

17    \*           \*           \*

18                   Section 2. R.S. 42:802(B)(7), 881, and the introductory paragraph 882(A) and (A)(5)  
19                   are hereby amended and reenacted and R.S. 42:802(D), and 881(B) are hereby enacted to  
20                   read as follows:

21                   §802. Powers and duties; Office of Group Benefits

22    \*           \*           \*

23                   B. In addition, the office shall have the following powers and duties:

24    \*           \*           \*

25                   (7) ~~To~~ **Subject to the board's review and approval, to** establish premium  
26                   rates, under the direction of the commissioner of administration and in consultation  
27                   with actuaries for the life, health, and other benefit programs offered through the  
28                   office. **The commissioner of administration shall also use any official**  
29                   **information developed by the Group Benefits Estimating Conference in the**

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development of premium rates.

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D.(1) Notwithstanding any other provision of this Section to the contrary, any new plan of benefits or the annual plan of benefits submitted under the direction of the commissioner of administration for the life, health, and other benefit programs offered through the Office of Group Benefits or any contracts negotiated through the Office of Group Benefits under the provisions of Chapter 17 of Subtitle III of Title 39 of the Louisiana Revised Statutes of 1950 as provided in Subsections A and B(8) of this Section shall be subject to review and final approval by the appropriate standing committees of the legislature having jurisdiction over review of agency rules by the Office of Group Benefits as designated by R.S. 49:968(B)(21)(c), or the subcommittees on oversight of such standing committees, and the office of state procurement of the division of administration.

(2) The implementation of these programs or contracts shall constitute a rule as defined by R.S. 49:951(6) and shall be adopted and implemented through the procedures set forth in the Administrative Procedure Act.

(3) Additionally, any adjustments to such contracts in the amount of one million dollars or more shall require the review and approval of the oversight committees before the modified contracts may be implemented. Such adjustments shall indicate the fiscal impact to the plan of benefits as well as the rate structure, if any, over the subsequent three years or maximum contract period.

\* \* \*

§881. Establishment of the Group Benefits Policy and Planning Board

A. There is hereby established the Group Benefits Policy and Planning Board within the Office of Group Benefits. The board shall review and approve life and health benefit programs offered to eligible employees, including the proposed rate structure which will support the life and health benefit plan. Annually, the chief

1 executive officer shall submit any proposed changes to the rate structure, and the  
 2 associated life and health benefits programs to the board to review and approve  
 3 prior to the final adoption of the plan. The plan submitted by the commissioner  
 4 of administration shall include an estimate of the costs and an estimated rate  
 5 structure for a five year period. The board shall submit a written report to the  
 6 commissioner of administration, the chief executive officer of the Office of  
 7 Group Benefits, and the appropriate legislative oversight committees, including any  
 8 comments and recommendations regarding modifications to such proposed benefit  
 9 plans and the associated rates.

10 B. The Group Benefits Policy and Planning Board shall use any official  
 11 information provided by the Group Benefits Estimating Conference as may be  
 12 necessary in the review and approval of benefits plans and proposed rate  
 13 structures required by this Section.

14 §882. Composition of board

15 A. Membership and qualifications. The board shall be composed of ~~sixteen~~  
 16 eighteen members, ~~fifteen~~ seventeen of whom shall be voting members, as follows:

17 \* \* \*

18 (5) ~~Two~~ Four members who shall be elected by retired participants in the  
 19 health benefits programs offered by the Office of Group Benefits and who shall be  
 20 voting members, as follows:

21 (a) ~~One~~ Two retiree members who shall be elected from among retired  
 22 teachers or other retired school employees.

23 (b) ~~One~~ Two retiree members who shall be elected from among retired state  
 24 employees.

25 \* \* \*

26 Section 3. This Act shall become effective on January 1, 2016; if vetoed by the  
 27 governor and subsequently approved by the legislature, this Act shall become effective on  
 28 January 1, 2016, or on the day following such approval by the legislature, whichever is later.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jay R. Lueckel.

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## DIGEST

SB 191 Original

2015 Regular Session

Claitor

Present law provides for consensus estimating conferences and provides for their duties and principals.

Proposed law retains present law and provides for the creation of the Group Benefits Estimating Conference.

Proposed law provides for the duties and principals of the Group Benefits Estimating Conference.

Present law provides for the powers and duties of the Office of Group Benefits.

Proposed law retains present law and adds that the commissioner of administration shall use any official information developed by the Group Benefits Estimating Conference in the development of premium rates.

Proposed law also provides that any new plan of benefits or the annual plan of benefits submitted by the commissioner of administration through the Office of Group Benefits or any contract negotiated by the Office of Group Benefits shall be subject to review and approval by the appropriate standing committees or subcommittees of the legislature having jurisdiction over agency rules by the Office of Group Benefits and the office of state procurement of the division of administration.

Proposed law further provides that any adjustments to such contracts in the amount of one million dollars shall require review and approval of the oversight committees before implementation. Such adjustments shall show the fiscal impact to the plan of benefits as well as the rate structure, if any, over the subsequent three years or maximum contract period.

Present law establishes the Group Benefits Policy and Planning Board and provides that it shall review life and health benefit programs offered to eligible employees.

Proposed law retains present law and adds the board shall review and approve the proposed rate structure that supports the life and health benefit plan.

Proposed law provides that the chief executive officer shall submit any proposed changes of the rate structure to the board who shall approve prior to final adoption of the plan.

Proposed law provides the plan submitted by the commissioner of administration shall include an estimate of the costs and an estimated rate structure for a five-year period.

Present law requires the board to submit a written report to the appropriate legislative oversight committees regarding modifications of the proposed benefit plans.

Proposed law retains present law and adds that the board shall submit a written report to the commissioner of administration and the chief executive officer of the Office of Group Benefits in addition to the appropriate legislative oversight committees, regarding modifications of the proposed benefit plans.

Proposed law adds that the board shall use any official information provided by the Group Benefits Estimating Conference as may be necessary in the review and approval of benefits plans and proposed rate structures.

Present law provides for the composition of the board.

Proposed law changes present law in regards to board composition from sixteen members to eighteen members, further providing that seventeen shall be voting members.

Proposed law also changes present law by increasing the number of voting members from two to four members who shall be elected by retired participants of the health benefits programs offered by the Office of Group Benefits.

Proposed law further provides that of the four members, two shall be elected from retired teachers or other retired school employees and two shall be elected from retired state employees.

Effective January 1, 2016.

(Amends R.S. 42:802(B)(7), 881, 882(A)(intro para) and (A)(5); adds R.S. 39:21.3(G), R.S. 42:802(D), and 881(B))