The original instrument was prepared by Cheryl Cooper. The following digest, which does not constitute a part of the legislative instrument, was prepared by Nancy Vicknair.

DIGEST

SB 554 Reengrossed

2018 Regular Session

Claitor

<u>Present law</u> requires employer and employee contributions for payment of premiums for group benefits to be deposited directly with the Office of Group Benefits (OGB).

<u>Proposed law</u> retains <u>present law</u> and requires employer and employee contributions for payment of premiums for group benefits to be deposited directly with OGB or its third-party administrator.

Excludes from the deposit requirement premiums associated with either of the following:

- (1) Any individual Medicare marketplace health reimbursement arrangement contracted by OGB for Medicare-eligible enrollees.
- (2) Health plans administered by LSU.

<u>Present law</u> requires the loss of eligibility for coverage under both the life insurance plan and the health and accident insurance plan by any person convicted of fraudulently obtaining funds from OGB.

Proposed law permits OGB to retroactively cancel coverage in the following instances:

- (1) To the extent the cancellation of coverage is attributable to a failure by the enrollee to timely pay required premiums or contributions toward the cost of coverage.
- (2) The cancellation of coverage is initiated by the enrollee or dependent.

<u>Proposed law</u> provides the enrollee whose coverage is cancelled pursuant to <u>proposed law</u> is liable to OGB for all benefits paid by the office on behalf of the enrollee and dependents after the effective date of rescission or cancellation of coverage.

<u>Present law</u> requires coverage of any person with a developmental disability who acquired such disability prior to attaining the age of 21, with one parent whose coverage of such person was terminated as a result of lost employment of the parent and one parent who is an employee.

<u>Proposed law</u> permits OGB to offer group insurance coverage to the following dependents of an enrollee:

(1) The spouse of the enrollee.

- (2) A child or grandchild of the enrollee, until the end of the month the child reaches the age of 26, unless coverage is terminated earlier.
- (3) A dependent for whom the enrollee has court-ordered legal custody or court-ordered legal guardianship until the dependent turns 18.

<u>Present law</u> permits OGB participating employers to deduct from the employee's pay the employee's portion of the premiums for benefit programs.

<u>Proposed law</u> retains <u>present law</u> and allows deduction of surcharges and other voluntary contributions authorized by the employee in writing.

<u>Present law</u> permits OGB to impose a surcharge, payable solely by the participant employer, upon any class of employees or retirees. Further requires OGB to remove the participant employer and all of its employees and retirees from participation in OGB programs for failure to pay the surcharge.

<u>Proposed law</u> retains <u>present law</u> and authorizes OGB to impose a surcharge on an enrollee and to remove an enrollee and his dependents for failing to pay the surcharge.

Present law provides for filling vacancies on the OGB Policy and Planning Board.

<u>Proposed law</u> retains <u>present law</u> and requires the board to fill a vacancy by appointment in the event no person qualifies to run for one or more elected positions. Requires the board to promulgate rules to implement <u>proposed law</u>.

Effective August 1, 2018.

(Amends R.S. 42:805(D), 807, 808(E), 809, 857, 883(A); adds R.S. 42:808(F) and 882(D)(3); repeals R.S. 42:804, 854(A) and (B), and 855 and R.S. 22:1002)

Summary of Amendments Adopted by Senate

<u>Committee Amendments Proposed by Senate Committee on Senate and Governmental</u> <u>Affairs to the original bill</u>

1. Removes OGB's ability to retroactively cancel any health or life insurance coverage of an enrollee or of his dependents if the enrollee engages in an act, practice, or omission that, in the opinion of OGB, constitutes fraud.

Senate Floor Amendments to engrossed bill

1. Makes technical changes.