SLS 20RS-205 **ORIGINAL**

2020 Regular Session

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SENATE BILL NO. 174

BY SENATOR BERNARD

HEALTH/ACC INSURANCE. Provides relative to health insurance. (8/1/20)

1	AN ACT
2	To amend and reenact R.S. 22:1063(C), 1068(B)(2), 1074(B)(2), 1091(B)(9), 1092(I), and
3	the introductory paragraph of R.S. 22:2401, relative to health insurance; to make
4	technical changes in references to federal law; and to provide for related matters.
5	Be it enacted by the Legislature of Louisiana:
6	Section 1. R.S. 22:1063(C), 1068(B)(2), 1074(B)(2), 1091(B)(9), 1092(I), and the
7	introductory paragraph of R.S. 22:2401 are hereby amended and reenacted to read as
8	follows:
9	§1063. Prohibiting discrimination against individual participants and beneficiaries
10	based on health status
11	* * *
12	C. A health insurance issuer offering group health insurance coverage shall
13	not rescind such coverage with respect to an enrollee or insured once the enrollee or
14	insured is covered under such coverage involved, except that this Subsection shall

not apply to an enrollee or insured who has performed an act or practice that

constitutes fraud or makes an intentional misrepresentation of material fact. Such

coverage may not be cancelled except with prior notice to the enrollee or insured,

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1	and only as permitted by shall comply with any applicable federal law or regulation
2	pursuant to 42 U.S.C.A. Section 300gg-12, (Public Health Services Act). The
3	provisions of this Subsection shall not apply to limited benefit health insurance
4	policies or contracts, disability income, long-term care, nursing home care, home
5	health care, community based care, dental or vision benefits, Medicare supplement,
6	specified disease or illness, hospital indemnity or other fixed indemnity insurance,
7	workers' compensation or similar insurance.
8	* * *
9	§1068. Guaranteed renewability of coverage for employers in the group market
10	* * *
11	B. A health insurance issuer may non-renew or discontinue health insurance
12	coverage offered in connection with a group health plan in the small or large group
13	market based only on one or more of the following:
14	* * *
15	(2) The plan sponsor has performed an act or practice that constitutes fraud
16	or made an intentional misrepresentation of material fact. Such health insurance
17	coverage may not be cancelled except with prior notice to the enrollee or insured,
18	and only as permitted by shall comply with any applicable federal law or regulation
19	pursuant to 42 U.S.C. A. Section 300gg-12, (Public Health Services Act). The
20	provisions of this Paragraph shall not apply to limited benefit health insurance
21	policies or contracts authorized to be issued in this state. The provisions of this
22	Subsection shall not apply to limited benefit health insurance policies or contracts,
23	disability income, long-term care, nursing home care, home health care, community
24	based care, dental or vision benefits, Medicare supplement, specified disease or
25	illness, hospital indemnity or other fixed indemnity insurance, workers'
26	compensation or similar insurance.
27	* * *
28	§1074. Guaranteed renewability of individual health insurance coverage

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1	D. 11 hearth histrance issuer may non-tenew of discontinue hearth histrance
2	coverage of an individual in the individual market based only on one or more of the
3	following:
4	* * *
5	(2) The individual has performed an act or practice that constitutes fraud or
6	made an intentional misrepresentation of material fact. Such health insurance
7	coverage may not be cancelled except with prior notice to the enrollee or insured,
8	and only as permitted by shall comply with any applicable federal law or regulation
9	pursuant to 42 U.S.C. Section 300gg-12, (Public Health Services Act). The
10	provisions of this Paragraph shall not apply to limited benefit health insurance
11	policies or contracts authorized to be issued in this state. The provisions of this
12	Subsection shall not apply to limited benefit health insurance policies or contracts,
13	disability income, long-term care, nursing home care, home health care, community
14	based care, dental or vision benefits, Medicare supplement, specified disease or
15	illness, hospital indemnity or other fixed indemnity insurance, workers'
16	compensation or similar insurance.
17	* * *
18	§1091. Health insurance plans subject to rate review
19	* * *
20	B. As used in this Subpart, the following terms shall have the meanings
21	ascribed to them in this Section:
22	* * *
23	(9) "Index rate" means the average rate resulting from the estimated
24	combined claims experience for all Essential Health Benefits, pursuant to 42 U.S.C.
25	18022, Section 1302(b) of the Patient Protection and Affordable Care Act, of all
26	nontransitional and nongrandfathered health plan coverage within a health insurance
27	issuer's single, statewide risk pool in the individual market and within a health
28	insurance issuer's single, statewide risk pool in the small group market, with a

separate index rate being calculated for each market. Health insurance issuers may

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1 make any market-wide and plan- or product-specific adjustments to an index rate as 2 permitted or as required by federal law, rules, or regulations. In the event this rate 3 cannot be determined by reference to 42 U.S.C. 18022, Section 1302(b) of the 4 Patient Protection and Affordable Care Act, the commissioner of insurance shall promulgate rules pursuant to the Administrative Procedure Act, R.S. 5 49:950 et seq., to define a substantially similar alternative. 6 7 8 §1092. Health insurance issuers; rate filings and rate increases 9 10 I. For any rate increase that meets or exceeds the federal review threshold, 11 the department shall post a notice of final determination on its website and undertake 12 any other actions necessary pursuant to Section 2794 of the Public Health Service 13 Act federal law. 14 §2401. Requirements of federal laws and regulations; minimum requirements 15 16 Health insurance issuers shall implement effective processes for appeals of coverage determinations and claims pursuant to Section 2719 of the Public Health 17 Service Act (42 U.S.C. 300gg-19) and any federal regulations promulgated pursuant 18 19 thereto by the United States Department of Labor and the United States Department 20 of Health and Human Services. The processes shall comply with any applicable federal law or regulation. Under such processes, a health insurance issuer shall, at 21 a minimum: 22 23 The original instrument and the following digest, which constitutes no part

The original instrument and the following digest, which constitutes no par of the legislative instrument, were prepared by LG Sullivan.

DIGEST 2020 Regular Session

Bernard

SB 174 Original

Present law contains various specific references to federal health insurance law.

<u>Proposed law</u> retains <u>present law</u> and changes specific references to general requirement to comply with applicable federal laws and regulations.

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Effective August 1, 2020.

(Amends R.S. 22:1063(C), 1068(B)(2), 1074(B)(2), 1091(B)(9), 1092(I), and $2401(intro\ para))$