

2020 Regular Session

SENATE BILL NO. 174

BY SENATOR BERNARD

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

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AN ACT

To amend and reenact R.S. 22:1063(C), 1068(B)(2), 1074(B)(2), 1091(B)(9), 1092(I), and the introductory paragraph of R.S. 22:2401, relative to health insurance; to make technical changes in references to federal law; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1063(C), 1068(B)(2), 1074(B)(2), 1091(B)(9), 1092(I), and the introductory paragraph of R.S. 22:2401 are hereby amended and reenacted to read as follows:

§1063. Prohibiting discrimination against individual participants and beneficiaries based on health status

* * *

C. A health insurance issuer offering group health insurance coverage shall not rescind such coverage with respect to an enrollee or insured once the enrollee or 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,

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.

* * *

9 §1068. Guaranteed renewability of coverage for employers in the group market

* * *

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:

* * *

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.

* * *

28 §1074. Guaranteed renewability of individual health insurance coverage

* * *

1 B. A health insurance issuer may non-renew or discontinue health insurance
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
29 separate index rate being calculated for each market. Health insurance issuers may

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**
 5 **shall promulgate rules pursuant to the Administrative Procedure Act, R.S.**
 6 **49:950 et seq., to define a substantially similar alternative.**

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 * * *

15 §2401. Requirements of federal laws and regulations; minimum requirements

16 Health insurance issuers shall implement effective processes for appeals of
 17 coverage determinations and claims ~~pursuant to Section 2719 of the Public Health~~
 18 ~~Service Act (42 U.S.C. 300gg-19) and any federal regulations promulgated pursuant~~
 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**
 21 **federal law or regulation.** Under such processes, a health insurance issuer shall, at
 22 a minimum:

23 * * *

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

DIGEST

SB 174 Engrossed 2020 Regular Session Bernard

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

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

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))