

SENATE BILL NO. 56

BY SENATOR TALBOT

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AN ACT

To amend and reenact R.S. 22:242(7) and 243(F), relative to licensing requirements for health maintenance organizations; to provide for the organization of a health maintenance organization as either a business or nonprofit corporation; to provide with respect to nonprofit corporation law; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:242(7) and 243(F) are hereby amended and reenacted to read as follows:

§242. Definitions

As used in this Subpart:

\* \* \*

(7) "Health maintenance organization" means any corporation organized **as either a business corporation or a nonprofit corporation** and domiciled in this state which undertakes to provide or arrange for the provision of basic health care services to enrollees in return for a prepaid charge. The health maintenance organization may also provide or arrange for the provision of other health care services to enrollees on a prepayment or other financial basis. A health maintenance organization is ~~deemed~~ **considered** to be an insurer for the purposes of R.S. 22:73, 96, 691 through 713, **691.1 through 691.27**, Subpart II of Part III of this Chapter, R.S. 22:731 ~~et seq.~~ **through 737**, R.S. 22:1022 and 1023, ~~Part II of Chapter 7 of this Title,~~ R.S. 22:1921 through 1929, and ~~Chapter 9 of this Title,~~ R.S. 22:2001 ~~et seq~~ **through 2045**. A health maintenance organization shall not be considered an insurer for any other purpose.

\* \* \*

1 §243. Incorporation

2 \* \* \*

3 F. The provisions of R.S. 12:1-101 through R.S. 12:1-1705, **R.S. 12:201**  
4 **through 269**, and other provisions of the Louisiana Revised Statutes of 1950,  
5 relative to business **and nonprofit** corporations, shall apply to the regulation of the  
6 business and the conduct of the affairs of any health maintenance organization which  
7 has been incorporated pursuant to the provisions of this Subpart. If a conflict exists  
8 between the provisions of this Subpart and the provisions of Title 12, the provisions  
9 of this Subpart shall govern.

10 Section 2. The provisions of this Act shall be given retroactive application.

11 Section 3. This Act shall become effective upon signature by the governor or, if not  
12 signed by the governor, upon expiration of the time for bills to become law without signature  
13 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
14 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
15 effective on the day following such approval.

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_