

2024 Regular Session

HOUSE BILL NO. 616

BY REPRESENTATIVE GREEN

INSURANCE/HEALTH: Provides relative to actuarial reviews of healthcare legislation

1 AN ACT

2 To enact Part VIII of Chapter 11 of Title 22 of the Louisiana Revised Statutes of 1950, to
3 be comprised of R.S. 22:2188, and to repeal Part VIII of Chapter 11 of Title 22 of
4 the Louisiana Revised Statutes of 1950, comprised of R.S. 22:2187, relative to
5 actuarial reviews of healthcare legislation; to require the Department of Insurance
6 to contract with entities to perform actuarial reviews; to require relative to public
7 meetings; to provide relative to legislators' requests for actuarial reviews; to outline
8 intended outcomes; to provide relative to the commissioner of administration; to
9 provide for certain appropriations; to repeal the Louisiana Mandated Health Benefits
10 Commission; and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. Part VIII of Chapter 11 of Title 22 of the Louisiana Revised Statutes of
13 1950, comprised of R.S. 22:2188, is hereby enacted to read as follows:

14 PART VIII. LOUISIANA MANDATED HEALTH ACTUARIAL ANALYSIS

15 §2188. Actuarial reviews of proposed healthcare legislation

16 A. On or before December first, the department shall retain by contract one
17 or more entities that have experience in actuarial reviews and healthcare policy for
18 the purpose of performing actuarial reviews of legislative proposals that may impose
19 a new health benefit coverage mandate on health benefit plans or reduce or eliminate
20 coverage mandated under health benefit plans. At least one of the contracted entities

1 shall be an actuary or actuarial firm with experience analyzing health insurance
2 premiums. The contractors, under the direction of the department, shall conduct
3 actuarial reviews of up to six legislative proposals, regardless of the number of
4 legislative proposals that are requested for each regular legislative session by
5 members of the legislature.

6 B. On or before September first, the department shall convene a public
7 meeting to obtain input and recommendations from stakeholders concerning the
8 methodology for conducting the analysis described in Subsection D of this Section.

9 C.(1) A member of the legislature who requests an actuarial review of a
10 legislative proposal shall submit the request to the department no later than
11 December first of the year preceding the regular session of the legislature in which
12 the legislative proposal will be proposed.

13 (2) Both of the following apply for each regular session of the legislature:

14 (a) If the department receives more than six legislative proposals on or
15 before December first of the year preceding the regular session of the legislature, it
16 shall notify the chairmen of the House Committee on Insurance and the Senate
17 Committee on Insurance of the requests and the need to select the proposals that the
18 contractors will review.

19 (b) The respective chairmen shall notify the department of three selections
20 each by December fifteenth of the year preceding the regular session of the
21 legislature.

22 D. A contractor shall consider in its actuarial review the predicted effects of
23 the legislative proposal during the five years immediately following the effective
24 date of the legislative proposal, or during another time period following the effective
25 date of the legislative proposal if such consideration is more actuarially feasible,
26 including all of the following:

27 (1) An estimate of the number of state residents who will be directly affected
28 by the legislative proposal.

1 (2) Estimates of changes in the rates of utilization of specific healthcare
2 services that may result from the legislative proposal.

3 (3) Estimates concerning any changes in consumer cost sharing that would
4 result from the legislative proposal.

5 (4) Estimates of any increases or decreases in premiums charged to covered
6 persons or employers for health benefit plans offered in the individual, small group,
7 and large group markets that would result from the legislative proposal.

8 (5) An estimate of the out-of-pocket healthcare cost changes associated with
9 the legislative proposal.

10 (6) An estimate of the potential long-term healthcare cost changes associated
11 with the legislative proposal.

12 (7) An estimate of the amounts necessary to defray the cost of the mandate
13 for health insurance products subject to state or federal laws requiring payments to
14 defray such costs.

15 (8) Identification of any potential health benefits for individuals or
16 communities that would result from the legislative proposal.

17 (9) To the extent practicable, the social and economic impacts of the
18 legislative proposal.

19 E. Contractors shall provide all of the following in the report of an actuarial
20 review performed pursuant to this Section:

21 (1) Information described in Paragraph (D)(4) of this Section in terms of
22 percentage increase or decrease and in terms of per-member, per-month charges.

23 (2) Information described in Paragraph (D)(5) of this Section in terms of
24 dollar amounts.

25 (3) Information described in Paragraph (D)(7) of this Section in terms of
26 per-member, per-month costs and monthly enrollment estimates by a health benefit
27 plan.

28 (4) If available, information concerning who would benefit from any cost
29 changes and health benefits from the legislative proposal, as identified in Paragraphs

1 (D)(3) through (D)(8) of this Section, and any disproportionate effects that the
2 legislative proposal would have on state residents, which information, if available,
3 shall be disaggregated, at a minimum, by race, ethnicity, sex, gender, and age.

4 (5) To the extent practicable, a qualitative analysis of the impact of the
5 legislative proposal. For purposes of this Paragraph, a member of the legislature
6 who requests an actuarial review of a legislative proposal pursuant to this Section
7 may designate one or more persons to provide data to the contractors in order to
8 inform this qualitative analysis.

9 F. In performing actuarial reviews of legislative proposals, the contractors
10 may utilize data from any reasonable source, including data collected from insurers.
11 Insurers shall provide information to, and otherwise cooperate with, the contractors
12 and the department for purposes of this Section.

13 G. A request for an actuarial review pursuant to this Section and the final
14 report resulting from such a request shall be treated as confidential, except by the
15 member of the legislature or the chairmen of the House Committee on Insurance and
16 Senate Committee on Insurance for the purpose of coordinating selections pursuant
17 to Subsection C of this Section, until the legislative proposal that is the subject of the
18 actuarial review is introduced in the regular legislative session following submission
19 of the request for the actuarial review or, if no such legislative proposal is
20 introduced, until after the end of the legislative session following the submission of
21 the request.

22 H. Upon enactment of any legislative proposal for which a defrayal cost has
23 been estimated pursuant to Paragraph (D)(7) of this Section, the department shall
24 notify, in writing, the commissioner of administration and the chairmen of the House
25 Committee on Appropriations and the Senate Committee on Finance of the estimated
26 cost. Upon receipt of the written notification, the commissioner of administration
27 shall request an appropriation to pay the estimated defrayal cost of each enacted
28 legislative proposal prior to implementation in the subsequent plan year.

1 I. Each year following initial implementation, the department shall require
 2 insurers to provide actuarial estimates, based on appropriate claims and other data,
 3 of the per-member, per-month amount necessary to defray the cost of the enacted
 4 mandate for the subsequent plan year. After determining these estimates to be
 5 actuarially sound, the department shall notify the commissioner of administration
 6 and the chairmen of the House Committee on Appropriations and the Senate
 7 Committee on Finance of the amounts needed to defray the cost of the enacted
 8 mandates for each health benefit plan. The commissioner of administration shall
 9 request an appropriation to pay these amounts prior to implementation in the
 10 subsequent plan year.

11 J. Notwithstanding any other provision of law to the contrary, the department
 12 shall not engage any contractor to perform an actuarial review as described in this
 13 Section unless the department determines that there are adequate resources available
 14 within existing appropriations to compensate the contractor for actuarial review.

15 Section 2. The department shall retain contracted entities, as required in R.S.
 16 22:2188(A) of this Act, by December 1, 2024.

17 Section 3. The department shall convene a public meeting, as required in R.S.
 18 22:2188(B) of this Act, by September 1, 2024.

19 Section 4. Part VIII of Chapter 11 of Title 22 of the Louisiana Revised Statutes of
 20 1950, comprised of R.S. 22:2187, is hereby repealed in its entirety.

21 Section 5. The Louisiana State Law Institute is hereby directed to redesignate Part
 22 VIII of Chapter 11 of Title 22 of the Louisiana Revised Statutes of 1950, comprised of R.S.
 23 22:2188, enacted by Section. 1 of this Act, as R.S. 22:2187.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 616 Original

2024 Regular Session

Green

Abstract: Requires legislative review and actuarial analysis of proposed, mandated healthcare legislation.

Proposed law requires the Dept. of Insurance (DOI) to implement a process for actuarial reviews of healthcare legislation. By Dec. 1, 2024, proposed law requires DOI to contract with one or more entities with experience in actuarial reviews and healthcare policy for the purpose of performing actuarial reviews of legislative proposals.

Proposed law requires at least one of the contracted entities to be an actuary or actuarial firm with experience analyzing health insurance premiums. Requires contractors to conduct actuarial reviews of up to 6 legislative proposals, regardless of the number of legislative proposals that are requested for each regular legislative session.

Proposed law requires DOI to hold a public meeting no later than Sept. 1, 2024, to obtain input and recommendations from stakeholders.

Proposed law requires legislators requesting actuarial reviews of legislative proposals to submit requests to DOI no later than Dec. 1st of the year preceding the regular session of the legislature in which the legislative proposal will be proposed. Requires DOI to notify the chairmen of the respective House and Senate Committees on Insurance of the requests and selection of proposals for contractors' review. Further requires each respective chairman to notify DOI of 3 proposed selections by Dec. 15 of the year preceding the regular session of the legislature.

Proposed law requires contractors to consider in actuarial reviews the predicted effects of the legislative proposal during the 5 years immediately following the effective date of the proposal, or during another time period following the effective date of the proposal if such consideration is more actuarially feasible. Predicted effects include but are not limited to certain estimated cost changes with respect to consumer cost sharing, premiums, out-of-pocket expenses, impacts to health benefit plans, and social and other economic impacts.

Proposed law requires contractors to provide certain information regarding actuarial reviews including but not limited to enrollment estimates of health benefit plans and certain disaggregated demographic information.

Proposed law provides for qualitative analysis of the impact of legislative proposals. Authorizes a legislator who requests an actuarial review of a legislative proposal to designate one or more persons to provide data to contractors in order to inform the qualitative analysis. Authorizes contractors performing legislative reviews to use data from any reasonable source, including data collected from insurers. Further requires insurers to provide information to and cooperate with contractors and DOI.

Proposed law provides that the reports of actuarial reviews are confidential, except to the requesting legislator or the respective chairmen of the House and Senate Committees on Insurance, until the legislative proposal is introduced in the following regular legislative session, or if no legislative proposal is introduced, until after the end of the legislative session following the submission of the request.

Proposed law requires DOI to provide written notification to the commissioner of administration and the chairmen of the House Appropriations Committee and Senate Finance Committee of the estimated defrayal cost. Upon receipt of the written notification, proposed law requires the commissioner of administration to request an appropriation to pay the estimated defrayal cost of each enacted legislative proposal prior to implementation in the subsequent plan year.

Proposed law requires insurers to provide actuarial estimates, based on appropriate claims and data of the per-member, per-month amount necessary to defray the cost of the enacted mandate for the subsequent plan year. Requires estimates to be actuarially sound. Requires DOI to notify the commissioner of administration and the chairmen of the House Appropriations Committee and Senate Finance Committee of the amounts needed to defray the cost of the enacted mandates for each health benefit plan. Further requires the

commissioner of administration to request an appropriation to pay these amounts prior to implementation in the subsequent plan year.

Proposed law prohibits DOI from engaging a contractor to perform an actuarial review unless DOI determines adequate resources within existing appropriations for compensation.

Present law provides for the La. Mandated Health Benefits Commission. Proposed law repeals present law and authorizes the La. State Law Institute to redesignate proposed law.

(Adds R.S. 22:2188; Repeals R.S. 22:2187)