



1                    **PART VII. LOUISIANA MANDATED HEALTH BENEFITS**

2                                    **ACTUARIAL ANALYSIS**

3                    **§2183. Actuarial reviews of proposed healthcare legislation**

4                                    **A. On or before December 1, 2024, the Department of Insurance shall**  
5                    **retain by contract one or more entities that have experience in actuarial reviews**  
6                    **and healthcare policy for the purpose of performing actuarial reviews of**  
7                    **legislative proposals that may impose a new health benefit coverage mandate**  
8                    **on health benefit plans or reduce or eliminate coverage mandated under health**  
9                    **benefit plans. At least one of the contractors shall be an actuary or actuarial**  
10                   **firm with experience analyzing health insurance premiums. The contractors,**  
11                   **under the direction of the Department of Insurance, shall conduct actuarial**  
12                   **reviews of up to six legislative proposals, regardless of the number of legislative**  
13                   **proposals that are requested for each regular legislative session by members of**  
14                   **the legislature.**

15                                   **B. On or before September 1, 2024, the Department of Insurance shall**  
16                   **convene a public meeting to obtain input and recommendations from**  
17                   **stakeholders concerning the methodology for conducting the analysis provided**  
18                   **for in Subsection D of this Section.**

19                                   **C.(1) A member of the legislature who requests an actuarial review of a**  
20                   **legislative proposal shall submit the request to the Department of Insurance no**  
21                   **later than December 1 of the year preceding the regular legislative session in**  
22                   **which the legislative proposal will be considered.**

23                                   **(2) For each regular legislative session, the following procedure shall**  
24                   **apply:**

25                                   **(a) If the Department of Insurance receives more than six legislative**  
26                   **proposals on or before December 1 of the year preceding the regular legislative**  
27                   **session, the department shall notify the chairmen of the Senate and House**  
28                   **committees on insurance of the requests and the need to select the proposals**  
29                   **that the contractors will review.**

1           **(b) The chairmen shall notify the Department of Insurance of three**  
2           **selections each by December 15 of the year preceding the regular legislative**  
3           **session.**

4           **D. An actuarial review performed by the contractors pursuant to this**  
5           **Section shall consider the predicted effects of the legislative proposal during the**  
6           **five years immediately following the effective date of the legislative proposal, or**  
7           **during another time period following the effective date of the legislative**  
8           **proposal if such consideration is more actuarially feasible, including but not**  
9           **limited to all of the following:**

10           **(1) An estimate of the number of state residents who will be directly**  
11           **affected by the legislative proposal.**

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

14           **(3) Estimates concerning any changes in consumer cost-sharing that**  
15           **would result from the legislative proposal.**

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

20           **(5) An estimate of the out-of-pocket healthcare cost changes associated**  
21           **with the legislative proposal.**

22           **(6) An estimate of the potential long-term healthcare cost changes**  
23           **associated with the legislative proposal.**

24           **(7) An estimate of the amounts necessary to defray the cost of the**  
25           **mandate for health insurance products subject to state or federal laws requiring**  
26           **payments to defray the costs.**

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

29           **(9) To the extent practicable, the social and economic impacts of the**

1        **legislative proposal.**

2                **E. An actuarial review performed pursuant to this Section shall do all of**  
3        **the following:**

4                **(1) Present the information required by Paragraph (D)(4) of this Section**  
5        **in terms of percentage increase or decrease and in terms of per-member,**  
6        **per-month charges.**

7                **(2) Present the information required by Paragraph (D)(5) of this Section**  
8        **in terms of dollar amounts.**

9                **(3) Present the information required by Paragraph (D)(7) of this Section**  
10       **in terms of per-member, per-month costs and monthly enrollment estimates by**  
11       **health plan.**

12               **(4) Provide, if available, information concerning who would benefit from**  
13       **any cost changes and health benefits from the legislative proposal, as required**  
14       **by Paragraphs (D)(3) and (5) through (8) of this Section, and any**  
15       **disproportionate effects that the legislative proposal would have on state**  
16       **residents, which information, if available, shall be disaggregated, at a minimum,**  
17       **by race, ethnicity, sex, gender, and age.**

18               **(5) Include, to the extent practicable, a qualitative analysis of the impact**  
19       **of the legislative proposal. For the purposes of this Paragraph, a member of the**  
20       **legislature who requests an actuarial review of a legislative proposal pursuant**  
21       **to this Section may designate one or more persons to provide data to the**  
22       **contractors in order to inform this qualitative analysis.**

23               **F. In performing actuarial reviews of legislative proposals, the**  
24       **contractors may utilize data from any reasonable source, including data**  
25       **collected from insurance carriers. Insurance carriers shall provide information**  
26       **to, and otherwise cooperate with, the contractors and the Department of**  
27       **Insurance for purposes of this Section.**

28               **G. A request for an actuarial review pursuant to this Section and the**  
29       **final report resulting from the request shall be treated as confidential, except**

1 the information may be used by the requesting member of the legislature or by  
2 the chairmen of the Senate and House committees on insurance for the purpose  
3 of coordinating selections pursuant to Subsection C of this Section, until the  
4 legislative proposal that is the subject of the actuarial review is introduced in  
5 the regular legislative session following submission of the request for the  
6 actuarial review or, if no legislative proposal is introduced, until after the end  
7 of the legislative session following the submission of the request.

8 H. Upon enactment of any legislative proposal for which a defrayal cost  
9 has been estimated pursuant to Subsection D of this Section, the Department of  
10 Insurance shall notify, in writing, the commissioner of administration and the  
11 chairmen of the Senate Committee on Finance and House Committee on  
12 Appropriations of the estimated cost. Upon receipt of the written notification,  
13 the commissioner of administration shall request an appropriation to pay the  
14 estimated defrayal cost of each enacted legislative proposal prior to  
15 implementation in the subsequent plan year.

16 I. Each year following initial implementation, the Department of  
17 Insurance shall require insurance carriers to provide actuarial estimates, based  
18 on appropriate claims and other data, of the per-member, per-month amount  
19 necessary to defray the cost of the enacted mandate for the subsequent plan  
20 year. After determining these estimates to be actuarially sound, the Department  
21 of Insurance shall notify the commissioner of administration and the chairmen  
22 of the Senate Committee on Finance and House Committee on Appropriations  
23 of the amounts needed to defray the cost of the enacted mandates for each  
24 health plan. The commissioner of administration shall request an appropriation  
25 to pay these amounts prior to implementation in the subsequent plan year.

26 J. Notwithstanding any other provision of law to the contrary, the  
27 Department of Insurance shall not engage any contractor to perform an  
28 actuarial review pursuant to this Section unless the department determines that  
29 there are adequate resources available within existing appropriations to



Proposed law provides that an actuarial review performed pursuant to proposed law shall consider the predicted effects of the legislative proposal during the five years immediately following the effective date of the legislative proposal, or during another time period following the effective date of the legislative proposal if such consideration is more actuarially feasible, including but not limited to specific enumerated factors.

Proposed law provides for the format in which the results of the actuarial review shall be reported.

Proposed law provides that the actuarial review shall include, to the extent practicable, a qualitative analysis of the impact of the legislative proposal. Further provides that a member of the legislature who requests an actuarial review of a legislative proposal may designate one or more persons to provide data for the review.

Proposed law provides for the length of time that a request for an actuarial review and the final report resulting from the request are to be treated as confidential and provides an exemption from the Public Records Law, R.S. 44:1et seq.

Proposed law requires the commissioner of administration to request an appropriation to pay the estimated defrayal cost of each enacted legislative proposal.

Proposed law prohibits LDI from engaging any contractor to perform an actuarial review pursuant to proposed law unless the department determines that there are adequate resources available within existing appropriations to compensate the contractor for actuarial review.

Present law creates the La. Mandated Health Benefits Commission, within the Department of Insurance, to review proposed legislation in any session of the legislature for the purpose of determining if the legislation creates a mandated health benefit that would require the state to defray the costs of the mandate. Present law further provides for the commission's membership, powers, duties, functions, and responsibilities.

Proposed law repeals present law.

Effective August 1, 2024.

(Amends R.S. 44:4.1(B)(11); adds R.S. 22:2183; repeals R.S. 22:2187)