

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 or a Louisiana-based university department or
2 academic faculty with experience analyzing health insurance premiums. The
3 department shall ensure that contractors are independent and free from conflicts of
4 interest that might affect the neutrality of the actuarial reviews. The contractors,
5 under the direction of the department, shall conduct actuarial reviews of legislative
6 proposals.

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

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

14 D. A contractor shall consider in its actuarial review the predicted effects of
15 the legislative proposal during the five years immediately following the effective
16 date of the legislative proposal, or during another time period following the effective
17 date of the legislative proposal if such consideration is more actuarially feasible,
18 including all of the following:

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

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

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

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

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

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

3 (7)(a) An estimate of the amounts necessary to defray the cost of the mandate
4 for health insurance products subject to state or federal laws requiring payments to
5 defray such costs, including an evaluation of whether the legislative proposal
6 includes a mandate requiring defrayal of costs.

7 (b) The department may seek the evaluation described in this Paragraph prior
8 to requesting the remaining actuarial review required by this Section.

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

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

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

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

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

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

22 (4) If available, information concerning who would benefit from any cost
23 changes and health benefits from the legislative proposal, as identified in Paragraphs
24 (D)(3) through (D)(8) of this Section, and any disproportionate effects that the
25 legislative proposal would have on state residents, which information, if available,
26 shall be disaggregated, at a minimum, by race, ethnicity, sex, gender, and age.

27 (5) To the extent practicable, a qualitative analysis of the impact of the
28 legislative proposal. For purposes of this Paragraph, a member of the legislature
29 who requests an actuarial review of a legislative proposal pursuant to this Section

1 may designate one or more persons to provide data to the contractors in order to
2 inform this qualitative analysis.

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

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

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

23 I. Each year following initial implementation, the department shall require
24 insurers to provide actuarial estimates, based on appropriate claims and other data,
25 of the per-member, per-month amount necessary to defray the cost of the enacted
26 mandate for the subsequent plan year. After determining these estimates to be
27 actuarially sound, the department shall notify the commissioner of administration
28 and the chairmen of the House Committee on Appropriations and the Senate
29 Committee on Finance of the amounts needed to defray the cost of the enacted

1 mandates for each health benefit plan. The commissioner of administration shall
2 request an appropriation to pay these amounts prior to implementation in the
3 subsequent plan year.

4 J. Nothing in this Section delegates or requires delegation of any state or
5 federal authority to a non-state entity, including but not limited to the authority to
6 request fiscal impact analyses from the legislative fiscal office or the authority to
7 make determinations regarding the legal status of state benefit mandates pursuant to
8 state and federal law.

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

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

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

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

20 Section 5. The Louisiana State Law Institute is hereby directed to redesignate Part
21 VIII of Chapter 11 of Title 22 of the Louisiana Revised Statutes of 1950, comprised of R.S.
22 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 Engrossed

2024 Regular Session

Green

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

Proposed law requires the La. Dept. of Insurance (LDI) to implement a process for actuarial reviews of healthcare legislation. By Dec. 1, 2024, proposed law requires LDI 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, or a university department or academic faculty based in the state of La. with experience analyzing health insurance premiums. Further requires contractors to be independent and free from conflicts of interest.

Proposed law requires LDI 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 LDI no later than Dec. 1st of the year preceding the regular session of the legislature in which the legislative proposal will be proposed.

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 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 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 LDI.

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 LDI 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 LDI 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 does not delegate state or federal authority to a non-state entity, including authority to request fiscal impact analyses from the legislative fiscal office, or the authority to make determinations regarding the legal status of state benefit mandates.

Proposed law prohibits LDI from engaging a contractor to perform an actuarial review unless LDI 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)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Add that a contractor may be a La.-based university department or academic faculty with experience analyzing health insurance premiums.
2. Require the department to ensure that contractors are independent and free from conflicts of interest that might affect neutrality of actuarial reviews.
3. Delete language relative to limiting the number of reviews to 6 legislative proposals.
4. Require the estimate of the amounts necessary to defray the cost of the mandates for health insurance products to include an evaluation of whether the legislative proposal includes a mandate requiring defrayal of costs. Authorize LDI to seek this evaluation prior to requesting the remaining actuarial review required in proposed law.
5. Provide that proposed law does not delegate state or federal authority to a non-state entity, including authority to request fiscal impact analyses from the legislative fiscal office, or authority to make determinations regarding the legal status of state benefit mandates pursuant to state and federal law.
6. Make technical changes.