

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 provide with respect to the confidentiality of  
10 certain information; to repeal the Louisiana Mandated Health Benefits Commission;  
11 and to provide for related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. Part VIII of Chapter 11 of Title 22 of the Louisiana Revised Statutes of  
14 1950, comprised of R.S. 22:2188, is hereby enacted to read as follows:

15 PART VIII. LOUISIANA MANDATED HEALTH ACTUARIAL ANALYSIS

16 §2188. Actuarial reviews of proposed healthcare legislation

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

1 coverage mandated under health benefit plans. At least one of the contracted entities  
2 shall be an actuary or actuarial firm or a Louisiana-based university department or  
3 academic faculty with experience analyzing health insurance premiums. The  
4 department shall ensure that contractors are independent and free from conflicts of  
5 interest that might affect the neutrality of the actuarial reviews. The contractors,  
6 under the direction of the department, shall conduct actuarial reviews of legislative  
7 proposals.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1       and the chairmen of the House Committee on Appropriations and the Senate  
2       Committee on Finance of the amounts needed to defray the cost of the enacted  
3       mandates for each health benefit plan. The commissioner of administration shall  
4       request an appropriation to pay these amounts prior to implementation in the  
5       subsequent plan year.

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

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

16              L. Any claims, reimbursement, and other data, cost estimates, and other  
17       information provided by a health insurer, health plan, or other health insurance issuer  
18       to a contractor, the department, or any other entity pursuant to the provisions of this  
19       Section shall be kept confidential.

20       Section 2. The department shall retain contracted entities, as required in R.S.  
21       22:2188(A) of this Act, by December 1, 2024.

22       Section 3. The department shall convene a public meeting, as required in R.S.  
23       22:2188(B) of this Act, by September 1, 2024.

24       Section 4. Part VIII of Chapter 11 of Title 22 of the Louisiana Revised Statutes of  
25       1950, comprised of R.S. 22:2187, is hereby repealed in its entirety.

26       Section 5. The Louisiana State Law Institute is hereby directed to redesignate Part  
27       VIII of Chapter 11 of Title 22 of the Louisiana Revised Statutes of 1950, comprised of R.S.  
28       22:2188, enacted by Section. 1 of this Act, as R.S. 22:2187.

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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)]

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HB 616 Reengrossed

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 requires data and other records disclosed by a health insurer, health plan, or other health insurance issuer pursuant to proposed law to be kept confidential.

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.

The Committee Amendments Proposed by House Committee on Appropriations to the engrossed bill:

1. Require data and records disclosed by a health insurer, health plan, or other health insurance issuer pursuant to proposed law to be kept confidential.
2. Make technical changes.