

Regular Session, 2013

SENATE BILL NO. 246

BY SENATOR NEVERS

FUNDS/FUNDING. Provides for the dedication of revenues realized from the expansion of health insurance coverage pursuant to the Affordable Care Act. (8/1/13)

1 AN ACT

2 To enact Subpart O-1 of Part II-A of Chapter 1 of Subtitle I of Title 39 of the Louisiana  
3 Revised Statutes of 1950, to be comprised of R.S. 39:100.65, relative to the  
4 dedication of certain revenues; to establish the Health Care Insurance Coverage  
5 Equity Fund in the state treasury; to provide for the dedication of monies to and  
6 deposits into the fund; to provide for the use of monies in the fund; and to provide  
7 for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. Subpart O-1 of Part II-A of Chapter 1 of Subtitle I of Title 39 of the  
10 Louisiana Revised Statutes of 1950, comprised of R.S. 39:100.65, is hereby enacted to read  
11 as follows:

12 **SUBPART O-1. HEALTH CARE INSURANCE COVERAGE EQUITY FUND**

13 **§100.65. Health Care Insurance Coverage Equity Fund**

14 **A. As used in this Subpart, except where the context requires otherwise,**  
15 **the following terms shall have the meaning ascribed to them in this Section:**

16 **(1) "ACA" and "Affordable Care Act" mean the following acts of**  
17 **congress, collectively:**

1           (a) The Patient Protection and Affordable Care Act, which originated  
2           as H.R. 3590 in the One Hundred Eleventh United States Congress and became  
3           Public Law 111-148.

4           (b) The Health Care and Education Reconciliation Act, which originated  
5           as H.R. 4872 in the One Hundred Eleventh United States Congress and became  
6           Public Law 111-152.

7           (2) "Department" means the Department of Health and Hospitals.

8           (3) "Health Insurance Marketplace" means the federal vehicle created  
9           to help individuals, families, and small businesses shop for and select health  
10           insurance coverage in a way that permits comparison of available qualified  
11           health plans based upon price, benefits, services, and quality, regardless of the  
12           governance structure of the marketplace.

13           (4) "Medicaid" means the medical assistance program provided for in  
14           Title XIX of the Social Security Act.

15           (5) "Qualified Health Plan" means a federally certified individual health  
16           insurance plan offered by a carrier through the federal Health Insurance  
17           Marketplace.

18           B. There is hereby established in the state treasury, as a special fund, the  
19           Health Care Insurance Coverage Equity Fund, hereinafter referred to as the  
20           "fund".

21           C. The source of monies deposited into the fund shall be:

22           (1) Any state savings realized in uncompensated care cost payments  
23           which would no longer be necessary because of the expansion of health  
24           insurance coverage options resulting from both an expansion of the state  
25           Medicaid program and the creation of a Health Insurance Marketplace  
26           pursuant to opportunities afforded the states under the Affordable Care Act,  
27           after first having been credited to the Bond Security and Redemption Fund as  
28           required by Article VII, Section 9(B) of the Constitution of Louisiana.

29           (2) Taxes collected under the provisions of R.S. 22:842 from health care

1 premium assessments paid for new policies written as a result of or through the  
2 Health Insurance Marketplace created for the state of Louisiana pursuant to the  
3 Affordable Care Act after first having been credited to the Bond Security and  
4 Redemption Fund as required by Article VII, Section 9(B) of the Constitution  
5 of Louisiana.

6 (3) Any monies appropriated by the legislature, including donations,  
7 gifts, grants, or any other monies, which may be provided by law.

8 (4) Deposits to the fund from the sources set forth in Paragraphs (1) and  
9 (2) of this Subsection shall not occur unless and until the federal government  
10 gives approval for the expansion to the Medicaid program via amendment to  
11 the Medicaid state plan or federal waiver, including but not limited to utilizing  
12 a private insurance option that includes premium assistance and supplemental  
13 cost sharing subsidies.

14 D. Monies in the fund shall be invested in the same manner as monies  
15 in the state general fund. Interest earned on the investment of monies shall be  
16 deposited in and credited to the fund. Unexpended and unencumbered monies  
17 in the fund at the end of the fiscal year shall remain in the fund.

18 E. Subject to legislative appropriation, monies in the fund shall be  
19 appropriated to the department solely to provide for:

20 (1) Future obligations of any expansion of the Medicaid program as  
21 approved by the federal government through amendments to the Medicaid state  
22 plan or federal waivers, including but not limited to utilizing a private  
23 insurance option that includes premium assistance and supplemental cost  
24 sharing subsidies for eligible individuals to enroll in a qualified health plan  
25 through the Health Insurance Marketplace created pursuant to the Affordable  
26 Care Act. Such expansion program shall be designed to reform the Medicaid  
27 program so that it is a fiscally sustainable, cost-effective, personally responsible,  
28 and opportunity-driven program utilizing competitive and value-based  
29 purchasing to:

- 1                    **(a) Maximize the available service options.**
- 2                    **(b) Promote accountability, personal responsibility, and transparency.**
- 3                    **(c) Encourage and reward health outcomes and responsible choices.**
- 4                    **(d) Promote efficiencies that will deliver value to the taxpayers.**
- 5                    **(2) The development and implementation of a strategy to inform**
- 6                    **Medicaid recipient populations whose needs would be reduced or better served**
- 7                    **through participation in the Health Insurance Marketplace.**

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Martha S. Hess.

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DIGEST

Nevers

SB No. 246

Proposed law establishes the Health Care Insurance Coverage Equity Fund, hereinafter the "fund", as a special fund in the state treasury.

Proposed law provides the source of monies deposited into the fund shall be:

- (1) Any state savings realized in uncompensated care cost payments which would no longer be necessary because of the expansion of health insurance coverage options resulting from both an expansion of the state Medicaid program and the creation of a Health Insurance Marketplace pursuant to opportunities afforded the states under the Affordable Care Act, after first having been credited to the Bond Security and Redemption Fund.
- (2) Taxes collected under the provisions of R.S. 22:842 from health care premium assessments paid for new policies written as a result of or through the Health Insurance Marketplace created for the state of Louisiana pursuant to the Affordable Care Act after first having been credited to the Bond Security and Redemption Fund.
- (3) Any monies appropriated by the legislature, including donations, gifts, grants, or any other monies, which may be provided by law.

Proposed law further provides that deposits to the fund from the sources set forth in Paragraphs (1) and (2) of this Subsection shall not occur unless and until the federal government gives approval for the expansion to the Medicaid program via amendment to the Medicaid state plan or federal waiver, including but not limited to utilizing a private insurance option that includes premium assistance and supplemental cost sharing subsidies.

Proposed law provides that subject to legislative appropriation, monies in the fund shall be appropriated to the Department of Health and Hospitals solely to provide for:

- (1) Future obligations of any expansion of the Medicaid program as approved by the federal government through amendments to the Medicaid state plan or federal waivers utilizing a private insurance option that includes premium assistance and supplemental cost sharing subsidies for eligible individuals to enroll in a qualified health plan through the Health Insurance Marketplace created pursuant to the Affordable Care Act. Such expansion program shall be designed to reform the Medicaid program so that it is a fiscally sustainable, cost-effective, personally responsible, and opportunity-driven program utilizing competitive and value-based

purchasing to:

- (a) Maximize the available service options.
  - (b) Promote accountability, personal responsibility, and transparency.
  - (c) Encourage and reward health outcomes and responsible choices.
  - (d) Promote efficiencies that will deliver value to the taxpayers.
- (2) The development and implementation of a strategy to inform Medicaid recipient populations whose needs would be reduced or better served through participation in the Health Insurance Marketplace.

Effective August 1, 2013.

(Adds R.S. 39:100.65)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the original bill

1. Changes name of "Health Benefit Exchange" to "Health Insurance Marketplace" and revises definition.
2. Revises definition of Qualified Health Plan.
3. Provides that federal approval to the Medicaid state plan or federal waiver may include, but not be limited to utilizing a private insurance option.
4. Deletes reference to legislative enactment in the design of the expansion program.