

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 614** HLS 13RS 993

Bill Text Version: **RE-REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

|                                                                               |                                   |
|-------------------------------------------------------------------------------|-----------------------------------|
| <b>Date:</b> May 15, 2013 7:20 PM                                             | <b>Author:</b> HUVAL              |
| <b>Dept./Agy.:</b> Louisiana Department of Insurance                          | <b>Analyst:</b> Alan M. Boxberger |
| <b>Subject:</b> Provide for licensing and regulation of health ins navigators |                                   |

INSURANCE/HEALTH RR INCREASE SG EX See Note Page 1 of 1  
Provides for licensing and regulation of individuals and entities as health insurance navigators for a health benefit exchange

Proposed law provides for licensing and regulation by the commissioner of insurance of individuals and entities as navigators for health benefit exchanges authorized under the federal Patient Protection and Affordable Care Act (PPACA); establishes qualifications for individual navigators associated with health benefit exchanges; provides that entities acting as navigators or supervising navigators shall obtain a navigator entity license and establishes requirements; provides for the duration of a navigator license as well as renewal and late fees; requires certain ongoing training and continuation requirements for navigators; prohibits certain acts by navigators; authorizes the commissioner to place on probation, suspend, revoke, refuse to issue, renew or reinstate a navigator license; provides for levy of a fine not to exceed \$500 for violations; provides for restitution; authorizes examination and review of business affairs and records; requires disclosure by navigators of administrative actions taken by governmental agencies or criminal prosecution; provides for notification of navigator termination; exempts existing licensed insurance producers from proposed law; and authorizes promulgation of rules.

| EXPENDITURES        | 2013-14    | 2014-15    | 2015-16    | 2016-17    | 2017-18    | 5 -YEAR TOTAL     |
|---------------------|------------|------------|------------|------------|------------|-------------------|
| State Gen. Fd.      | \$0        | \$0        | \$0        | \$0        | \$0        | <b>\$0</b>        |
| Agy. Self-Gen.      | INCREASE   | INCREASE   | INCREASE   | INCREASE   | INCREASE   |                   |
| Ded./Other          | \$0        | \$0        | \$0        | \$0        | \$0        | <b>\$0</b>        |
| Federal Funds       | \$0        | \$0        | \$0        | \$0        | \$0        | <b>\$0</b>        |
| Local Funds         | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <b><u>\$0</u></b> |
| <b>Annual Total</b> |            |            |            |            |            |                   |

| REVENUES            | 2013-14    | 2014-15    | 2015-16    | 2016-17    | 2017-18    | 5 -YEAR TOTAL     |
|---------------------|------------|------------|------------|------------|------------|-------------------|
| State Gen. Fd.      | \$0        | \$0        | \$0        | \$0        | \$0        | <b>\$0</b>        |
| Agy. Self-Gen.      | INCREASE   | INCREASE   | INCREASE   | INCREASE   | INCREASE   |                   |
| Ded./Other          | \$0        | \$0        | \$0        | \$0        | \$0        | <b>\$0</b>        |
| Federal Funds       | \$0        | \$0        | \$0        | \$0        | \$0        | <b>\$0</b>        |
| Local Funds         | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <b><u>\$0</u></b> |
| <b>Annual Total</b> |            |            |            |            |            |                   |

**EXPENDITURE EXPLANATION**

Proposed law will result in an indeterminable increase in expenditures for the Louisiana Department of Insurance (LDI). Proposed law provides for the licensing and regulation of individuals and entities as health insurance navigators for health benefit exchanges authorized under the federal PPACA.

The Louisiana Department of Insurance estimates the requirements detailed in proposed law will require the addition of one T.O., an Insurance Specialist 3, to handle the licensure and regulation of an estimated 1,500 to 2,000 individuals. The department estimates a total personal services expenditure of \$73,801 in FY 14 (\$49,188 salary and \$24,613 related benefits). LDI estimates additional increased operating services expenditures of \$7,591 in FY 14 to provide for employee-related overhead such as equipment maintenance, software licenses, telephone/data port, security, risk management fees, etc. LDI will also require information technology programming of the LDI data system to accommodate the new proposed license type at a one-time cost of \$44,000 (estimated at 400 hours x \$110/hour).

To the extent the number of licenses issued for navigators is significantly less than the DOI anticipates, the additional position at the DOI will likely be unnecessary. However, the LFO has been unable to determine whether the DOI estimate is overstated. Regardless of the number of navigators, the DOI will at least require an additional \$44,000 for changes previously mentioned for IT programming regardless of the number of license requests.

**REVENUE EXPLANATION**

Proposed legislation is anticipated to result in an indeterminable increase in fees and self-generated revenues for the Department of Insurance (DOI). The bill provides for a \$75 initial license application fee and an annual \$50 renewal fee and the total amount of actual collections will be dependent upon the number of health insurance navigators seeking licensure. For illustrative purposes, if the DOI licenses 1,500 navigators, the total amount of initial license fee collections would equate to \$112,500 with annual revenue collections of \$75,000 from annual renewal fee collections.

In addition, this bill allows the commissioner to levy a fine not to exceed \$500 for specified violations. To the extent these violations occur and navigators pay penalties the department may realize an additional indeterminable increase in SGR revenues based on the frequency of such occurrences.

|                                                                                  |                            |                                                                                            |
|----------------------------------------------------------------------------------|----------------------------|--------------------------------------------------------------------------------------------|
| <u>Senate</u>                                                                    | <u>Dual Referral Rules</u> | <u>House</u>                                                                               |
| <input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} |                            | <input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S}                        |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}      |                            | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

*Evan Brasseaux*

**Evan Brasseaux**  
**Staff Director**