

Regular Session, 2013

HOUSE BILL NO. 638

BY REPRESENTATIVES STOKES AND TALBOT

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

1 AN ACT

2 To enact R.S. 22:1201(H), 1205(C)(7), and 1215.1 and to repeal R.S. 22:976, 981, 988,
3 1209, and 1210, relative to the Louisiana Health Plan; to provide for the cessation
4 of Louisiana Health Plan operations; to provide for a superseding plan of operations;
5 to provide for the cessation of enrollment and plan coverage; to provide for the
6 transition of plan members into the individual market; to provide for notice of
7 termination of coverage; to provide for notice to stakeholders and claimants of
8 deadlines relative to claims filing dates; to provide for the cessation of the service
9 charge to providers and health insurers; to end the assessment of fees on health
10 insurers; to provide for the continuation of board members; to provide for plan
11 reports to the House and Senate insurance committees; to provide for the
12 certification of cessation by the commissioner of insurance; to provide for the return
13 of excess funds; to provide for peremption on causes of actions and appeals; to
14 provide for effective dates; to repeal provision relative to insurers' consideration of
15 an insured's obligations to charges assessed by the Louisiana Health Plan; to repeal
16 provisions requiring insurers' obligation to educate rejected applicants about the
17 Louisiana Health Plan; to repeal provisions with respect to the Louisiana Health
18 Plan's exemption to policy conversion requirements; and to provide for related
19 matters.

20 Be it enacted by the Legislature of Louisiana:

21 Section 1. R.S. 22:1201(H), 1205(C)(7), and 1215.1 are hereby enacted to read as
22 follows:

1 (c) The board may take all actions it deems necessary to cease enrollment for
2 plan coverage by undertaking the following actions:

3 (i) Provide at least ninety days notice to current policyholders of plan
4 termination.

5 (ii) Terminate all existing plan coverage at the end of the calendar day on
6 December 31, 2013, provided that there is a minimum of one individual health
7 insurance company authorized to provide individual health insurance coverage in the
8 state at a rate not to exceed the usual and customary rate as of January 1, 2014. In
9 the absence of any other individual health insurance company authorized to provide
10 individual health insurance coverage in this state, the Louisiana Health Plan shall
11 continue to provide such coverage until there is a minimum of one individual health
12 insurance company authorized to provide individual health insurance coverage in this
13 state on or after January 1, 2014.

14 (iii) Amend plan policies and provide adequate notice to policyholders,
15 agents of policyholders, and providers that in order for such persons to be
16 reimbursed, a claim for plan services is required to be filed by the earlier of one
17 hundred eighty days after the plan coverage ends on December 31, 2013, or three
18 hundred sixty-five days after the date of service giving rise to the claim.

19 (d) This Section does not require the board to revise plan benefits to comply
20 with federal law or to maintain plan coverage for any individual after December 31,
21 2013.

22 (e) After plan coverage terminates pursuant to this Section, the board shall
23 take reasonable steps to dissolve all significant operation of the plan by December
24 31, 2015.

25 (f) Notwithstanding any other provision of this Subsection, in order to
26 facilitate an efficient cessation of operations, the following provisions shall apply:

27 (i) Until the cessation of Louisiana Health Plan's operations, the board may
28 continue to use existing contractors without the need to issue competitive requests
29 for proposals.

1 (ii) The board shall remain in effect in accordance with the provisions of
2 R.S. 22:1204. The term of each board member shall be extended until the date the
3 High Risk Pool concludes all business and the commissioner of insurance has
4 certified the cessation of operations in accordance with Subparagraph (j) of this
5 Paragraph.

6 (g) By August 30, 2013, the board shall submit to the commissioner a plan
7 of operation, to be approved by the commissioner. Such plan of operation shall
8 include a dissolution plan and shall supersede the current plan of operation in order
9 to implement with the action required by this Paragraph. The new plan of operation
10 shall go into effect upon signature by the commissioner.

11 (h) Billing of service charges pursuant to R.S. 22:1209 shall cease for claims
12 incurred before January 1, 2014. Final service charge fees and reports shall be due
13 and payable on January 31, 2014. Collection of all service charges legally due shall
14 continue until cessation of operations. Nothing herein shall prohibit the auditing of
15 any and all eligible providers, employers, insurance arrangements, or insurers.

16 (i) Effective December 31, 2013, fees assessed to participating health
17 insurers and insurance arrangements under R.S. 22:1210 shall cease. Billing of the
18 assessment based on participating health insurer premiums from calendar year 2013
19 shall be made no later than February 10, 2014. Payment of the assessment shall be
20 made by the participating health insurers no later than March 31, 2014. Any
21 participating health insurer that has not paid the assessment for calendar year 2013
22 by the March 31, 2014, deadline shall be reported to the commissioner for sanctions.
23 Sanctions for refusal to timely pay a required assessment shall include the sanctions
24 enumerated in R.S. 22:13 or 16, at the discretion of the commissioner.

25 (j) The commissioner shall certify the cessation of operations of each pool
26 under the Louisiana Health Plan. The High Risk Pool and HIPAA Plan may be
27 certified as having completed the cessation of operations separately or together, at
28 the commissioner's discretion. The board may also submit the completed dissolution
29 plan at different times based upon the finality of claim submissions or other factors.

1 §1215.1. Peremption

2 Dissolution of the operations of the Louisiana Health Plan requires the
3 expeditious determination of its outstanding liabilities. As such, each of the
4 following provisions shall apply:

5 A. Any action against the plan, the board, the employees of the plan, or any
6 combination thereof shall be subject to a preemptive period ending on December 31,
7 2014, at which time the right to assert a cause of action shall be extinguished.

8 B. All appeals by policyholders or providers must be made within the
9 guidelines of the policy. In no event shall any appeal by a policyholder or provider
10 be commenced after September 30, 2014.

11 C. Notwithstanding the provisions of this Section, nothing herein shall limit
12 the immunity from liability provided by R.S. 22:1203(D).

13 Section 2. R.S. 22:976, 981, 988, 1209, and 1210 are hereby repealed in their
14 entirety.

15 Section 3. Section 2 of this Act shall become effective on December 31, 2014.

16 Section 4. Sections 1, 3, and 4 of this Act shall become effective upon signature by
17 the governor or, if not signed by the governor, upon expiration of the time for bills to
18 become law without signature by the governor, as provided by Article III, Section 18 of the
19 Constitution of Louisiana. If vetoed by the governor and subsequently approved by the
20 legislature, this Act shall become effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____