

HOUSE SUMMARY OF SENATE AMENDMENTS

HB 370

2015 Regular Session

Broadwater

INSURANCE/GROUP-STATE: Establishes the Group Benefits Actuarial Committee and requires an annual actuary study on the premium rate structure and approval by the panel of recommended changes to the premium rates charged for members of the Office of Group Benefits

Synopsis of Senate Amendments

1. Adds a representative of OGB selected by the OGB board to the Group Benefits Actuarial Committee.
2. Adds requirement that approval, rejection, or modification of a rate recommendation be done by a two-thirds vote of the committee present and voting.
3. Clarifies that the establishment of benefit plans shall be through rule promulgation and adoption.

Digest of Bill as Finally Passed by Senate

Present law provides with respect to the powers and duties of the Office of Group Benefits (OGB). Authorizes OGB to administer all aspects of program benefits for group insurance, including authorization to appoint an independent actuary, adopt and promulgate rules, prepare and submit a budget, designate a depository for money under its control, establish benefit plans and premium rates under the direction of the commissioner of administration, negotiate contracts, administer and provide for the administration of a qualified cafeteria plan, authorize small debts, and procure internal auditing service contracts.

Proposed law retains present law with respect to the authority of OGB to establish benefit plans under the direction of the commissioner of administration, but clarifies that the authority to establish benefit plans shall be subject to promulgation and adoption of rules in accordance with the Administrative Procedure Act.

Proposed law retains present law with respect to the authority of OGB to establish premium rates under the direction of the commissioner of administration, but requires review and final approval of premium rates by the Group Benefits Actuarial Committee (committee) established by proposed law.

Proposed law defines "benefit plan" for purposes of present law and proposed law regarding state group insurance as coverages offered by the plan to eligible persons, including copayments, deductibles, costs of prescription drugs, or any other medical costs associated with health care that are required to be paid directly by the covered person.

Proposed law requires that an actuarial study of the program and the premium rate structure be performed at least annually by the actuary appointed by OGB and that the study be submitted to both OGB and the committee no less than 30 days prior to a new plan year.

Proposed law establishes the Group Benefits Actuarial Committee, to be comprised of the commissioner of insurance, or his designee, the state treasurer, or his designee, the legislative auditor, or his designee, and a representative of OGB selected by the OGB board. Further requires the commissioner of insurance to serve as chairman of the committee.

Proposed law requires OGB to annually submit its premium rate recommendation to the committee for review and approval, regardless of whether any changes to the premium rate

are recommended. Requires the premium rate recommendation to be submitted no less than 30 days prior to the new plan effective dates. Requires premium rates and changes to be approved by the committee before implementation.

Proposed law requires OGB to submit any recommended premium rate changes during a plan year no less than 30 days prior to the recommended date of change. Further requires an actuarial study relative to the recommended change be submitted to the committee.

Proposed law requires the committee to hold a public hearing for review of an actuarial study and premium rate recommendation and that OGB provide notice to all plan members, whether active or retired. Requires the committee to approve, modify, or reject the recommended premium rate recommendation by a two-thirds vote of the members present and voting. Requires OGB to implement the premium rate approved by the committee.

Proposed law requires the commissioner of insurance to promulgate rules and regulations for implementation of proposed law.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 42:802(B)(6) and (7); Adds R.S. 42:802.1(F), 812, and 891-893)