ENROLLED

2015 Regular Session

HOUSE BILL NO. 370

BY REPRESENTATIVES BROADWATER, EDWARDS, AND SHADOIN

1	AN ACT
2	To amend and reenact R.S. 42:802(B)(6) and (7) and to enact R.S. 42:802.1(F), 812, and
3	Part VI of Chapter 12 of Title 42 of the Louisiana Revised Statutes of 1950, to be
4	comprised of R.S. 42:891 through 893, relative to the Office of Group Benefits; to
5	provide for the powers and duties of the Office of Group Benefits; to provide for
6	definitions; to provide with respect to an annual actuarial report; to provide with
7	respect to premium rates; to establish the Group Benefits Actuarial Committee; to
8	provide for rule promulgation; to provide for an effective date; and to provide for
9	related matters.
10	Be it enacted by the Legislature of Louisiana:
11	Section 1. R.S. 42:802(B)(6) and (7) are hereby amended and reenacted and R.S.
12	42:802.1(F), 812, and Part VI of Chapter 12 of Title 42 of the Louisiana Revised Statutes
13	of 1950, comprised of R.S. 42:891 through 893, are hereby enacted to read as follows:
14	§802. Powers and duties; Office of Group Benefits
15	* * *
16	B. In addition, the office shall have the following powers and duties:
17	* * *
18	(6) To establish benefit plans, under the direction of the commissioner of
19	administration, for the life, health, and other benefit programs offered through the
20	office, subject to promulgation in accordance with the provisions of the
21	Administrative Procedure Act. This duty shall include the responsibility to ensure,
22	to the greatest extent practicable, that the plans for benefits and coverages available
23	for employees in all parts of the state are comparable with respect to coverages
24	offered.

Page 1 of 4

1	(7) To at least annually establish premium rates, under the direction of the
2	commissioner of administration and in consultation with actuaries for the life, health,
3	and other benefit programs offered through the office as approved by the Group
4	Benefits Actuarial Committee in accordance with R.S. 42:891 et seq. The
5	establishment of the premium rate is not subject to promulgation in accordance with
6	the Administrative Procedure Act and shall not be subject to approval of the
7	appropriate standing committees of the legislature having jurisdiction over review
8	of agency rules of the Office of Group Benefits as designated by R.S.
9	49:968(B)(21)(c) or the subcommittee on oversight of such standing committees.
10	* * *
11	§802.1. Benefit plans for provision of coverage through a fully insured product
12	provided by a health maintenance organization domiciled in Louisiana
13	* * *
14	F. As used in this Chapter, "benefit plan" shall mean the coverages offered
15	by the plan to eligible persons, including copayments, deductibles, costs of
16	prescription drugs, or any other medical costs associated with health care that are
17	required to be paid directly by the covered person.
18	* * *
19	<u>§812. Actuarial study</u>
20	The independent actuary appointed in accordance with R.S. 42:802(B)(4)
21	shall at least annually perform an actuarial study of the program and the premium
22	rate structure necessary and appropriate to ensure that it is and remains financially
23	and actuarially sound. The actuarial study shall include an actuarial analysis of all
24	relevant claims experience data collected and maintained by the office, including any
25	established reserves of previously collected premium rates. The annual actuarial
26	study shall be submitted by the actuary to both the office and the Group Benefits
27	Actuarial Committee no less than thirty days prior to a new plan year. The
28	independent actuary shall also perform an actuarial study of any changes to the
29	premium rate recommended by the office during a plan year.
30	* * *

Page 2 of 4

1	PART VI. GROUP BENEFITS ACTUARIAL COMMITTEE
2	<u>§891. Creation</u>
3	A. There is hereby established the Group Benefits Actuarial Committee,
4	herein after referred to as "the committee", within the department of insurance. As
5	provided in this Part, the committee shall:
6	(1) Review actuarial studies submitted by the independent actuary appointed
7	by the Office of Group Benefits in accordance with R.S. 42:812.
8	(2) Review and approve premium rates for benefit programs offered through
9	the Office of Group Benefits.
10	B. The committee shall be comprised of the following voting members:
11	(1) The commissioner of insurance, or his designee, who shall serve as
12	chairman of the committee.
13	(2) The state treasurer, or his designee.
14	(3) The legislative auditor, or his designee.
15	§892. Review of actuarial study; review and approval of premium rate
16	A.(1) The Office of Group Benefits shall cause its appointed actuary to
17	annually submit to the committee no less than thirty days prior to each new plan year
18	an actuarial study as required by R.S. 42:812. The Office of Group Benefits shall
19	also submit to the committee no less than thirty days prior to the new plan year the
20	premium rate recommendation, regardless of whether any change to the premium
21	rate from the prior plan year is recommended.
22	(2) In the event the Office of Group Benefits recommends a change in the
23	premium rate change during a plan year, and implementation is recommended to
24	occur prior to the beginning of a new plan year, the Office of Group Benefits shall
25	cause its appointed actuary to submit to the committee an actuarial study relative to
26	the recommended change. The Office of Group Benefits shall submit to the
27	committee the recommended premium rate change no less than thirty days prior to
28	the recommended date of change.
29	B. Upon receiving an actuarial study and premium rate recommendation, the
30	committee shall hold a public hearing to review the actuarial study and receive

1	evidence relative to the premium rate recommendation. The hearing shall occur
2	prior to the new plan effective date or the implementation date of the recommended
3	premium rate. The Office of Group Benefits shall give notice to all plan members,
4	whether active or retired, of the premium rate recommendation and the date, time,
5	and location of the committee's public hearing.
6	C. The committee shall either approve, modify, or reject the premium rate
7	recommendation.
8	D. The Office of Group Benefits shall implement the premium rate approved
9	by the committee.
10	§893. Rules and Regulations
11	The commissioner of insurance shall promulgate rules and regulations in
12	accordance with the Administrative Procedure Act to implement this Part. The rules
13	and regulations promulgated by the commissioner shall be subject to approval of the
14	appropriate standing committees of the legislature having jurisdiction over review
15	of agency rules of the Department of Insurance as designated by R.S. 49:968(B)(14).
16	* * *
17	Section 3. This Act shall become effective upon signature by the governor or, if not
18	signed by the governor, upon expiration of the time for bills to become law without signature
19	by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
20	vetoed by the governor and subsequently approved by the legislature, this Act shall become
21	effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____

Page 4 of 4