

2018 Regular Session

SENATE BILL NO. 554

BY SENATOR CLAITOR

GROUP BENEFITS PROGRAM. Provides with respect to the Office of Group Benefits.
(8/1/18)

AN ACT

To amend and reenact R.S. 42:805(D), 807, 808(E), 809, 857, and 883(A), to enact R.S. 42:808(F), and 882(D)(3), and to repeal R.S. 42:804, 854(A) and (B), and 855, and R.S. 22:1002, relative to the Office of Group Benefits; to provide for coverage of dependents; to eliminate certain requirements regarding fee schedules and funding; to authorize the office to rescind, cancel, or discontinue coverage; to clarify the extent of payroll deduction authority; to authorize the office to impose surcharges on enrollees; to provide for board membership in certain circumstances; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 42:805(D), 807, 808(E), 809, 857, and 883(A) are hereby amended and reenacted and R.S. 42:808(F) and 882(D)(3) are hereby enacted to read as follows:

§805. Collection and deposit of contributions

* * *

D. ~~All~~ (1) Except as provided in Paragraph (2) of this Subsection,
 employer and employee contributions for the payment of premiums for group
 benefits for state employees contracted for under the provisions of this Chapter shall

1 be deposited directly with the office **or its designated third-party administrator.**

2 The office shall pay all monies for such benefits as they become due and payable.

3 **(2) The provisions of this Subsection shall not apply to either of the**
4 **following:**

5 **(a) Any individual Medicare Marketplace Health Reimbursement**
6 **arrangement contracted by the office for Medicare-eligible enrollees.**

7 **(b) Health plans administered by Louisiana State University and**
8 **Agricultural and Mechanical College.**

9 * * *

10 §807. ~~Loss of eligibility~~ **Retroactive cancellation of coverage**

11 ~~Any person convicted of fraudulently obtaining funds from the Office of~~
12 ~~Group Benefits, including but not limited to any person who has been convicted~~
13 ~~under R.S. 14:26, R.S. 14:27, R.S. 14:67, or R.S. 14:133, shall immediately lose~~
14 ~~eligibility for coverage under both the life insurance plan and the health and accident~~
15 ~~insurance plan of the Office of Group Benefits. **A. The Office of Group Benefits**~~
16 **is authorized to retroactively cancel any health or life insurance coverage of an**
17 **enrollee or of his dependents if the enrollee engages in an act, practice, or**
18 **omission that, in the opinion of the office, constitutes fraud, or if the enrollee**
19 **makes an intentional misrepresentation of material fact in relation to the**
20 **coverage as determined by the office. Any such person shall be barred from**
21 **eligibility for coverage under programs offered through the office.**

22 **B. The office is authorized to retroactively cancel coverage in programs**
23 **offered through the office in the following instances:**

24 **(1) To the extent the cancellation of coverage is attributable to a failure**
25 **of the enrollee to timely pay required premiums or contributions toward the**
26 **cost of coverage.**

27 **(2) The cancellation of coverage is initiated by the enrollee or dependent.**

28 **C. When the office retroactively cancels coverage pursuant to this**
29 **Section, the enrollee shall be liable to the office for all benefits paid by the office**

1 **on behalf of the enrollee and dependents after the effective date of rescission or**
2 **cancellation of coverage.**

3 * * *

4 §808. Eligibility in group programs

5 * * *

6 E. Notwithstanding any provision of law to the contrary, ~~any person with a~~
7 ~~developmental disability who acquired such disability prior to attaining the age of~~
8 ~~twenty-one, with one parent whose coverage of such person was terminated as a~~
9 ~~result of lost employment of the parent and one parent who is an employee, as~~
10 ~~defined in Paragraphs (A)(1) and(3) of this Section, participating in life, health, or~~
11 ~~other programs sponsored by the Office of Group Benefits, shall be covered as a~~
12 ~~dependent of such parent participating in life, health, or other programs sponsored~~
13 ~~by the Office of Group Benefits, regardless of the age of the person with a~~
14 ~~developmental disability.~~ **and in particular the provisions of R.S. 22:1001, 1003,**
15 **and 1003.1, the Office of Group Benefits is authorized to offer group insurance**
16 **coverage to the following dependents of an enrollee:**

17 **(1) The spouse of the enrollee, as defined by the office.**

18 **(2) A child of the enrollee, until the end of the month the child attains the**
19 **age of twenty-six, unless coverage is terminated earlier as provide in this**
20 **Section.**

21 **(3) For purposes of this Section, "child" means:**

22 **(a) The issue of a marriage of the enrollee.**

23 **(b) A natural child of the enrollee.**

24 **(c) A legally adopted child of the enrollee or a child placed for adoption**
25 **with the enrollee.**

26 **(d) The child of a male enrollee, if a court of competent jurisdiction has**
27 **issued an order of filiation declaring the paternity of the enrollee for the child**
28 **or the enrollee has formally acknowledged the child.**

29 **(e) The issue of a previous marriage or a natural or legally adopted child**

1 of the enrollee's legal spouse, hereinafter "stepchild", which stepchild has not
2 been adopted by the enrollee and for whom the enrollee does not have
3 court-ordered legal custody, until the earliest of:

4 (i) The end of the month the enrollee is no longer married to the
5 stepchild's parent.

6 (ii) The end of the month of the death of the enrollee's spouse who is the
7 stepchild's parent.

8 (iii) The end of the month the stepchild attains the age of twenty-six.

9 (f) A grandchild in the court-ordered legal custody of and residing with
10 the grandparent enrollee, until the end of the month the grandchild attains the
11 age of twenty-six. For purposes of this Paragraph, "grandchild" means a child
12 of a child of the enrollee.

13 (g) A dependent for whom the enrollee has court-ordered legal custody
14 or court-ordered legal guardianship but who is not a child or grandchild, as
15 defined in this Paragraph, of the enrollee until the end of the month the custody
16 or guardianship order expires or the end of the month the dependent attains the
17 age of eighteen, whichever is earlier.

18 F.(1) Attainment of the respective limiting age of a child or grandchild,
19 as defined in Paragraph (E)(3) of this Section, shall not operate to terminate the
20 coverage of such child or grandchild if the child or grandchild became
21 incapable of self-sustaining employment by reason of physical or mental
22 disability prior to attaining the respective limiting age, provided that before the
23 child or grandchild reaches the limiting age, but no earlier than six months
24 prior thereto, an application for continued coverage is filed with the office on
25 a form designated by the office, and the application is subsequently approved.
26 This application shall be accompanied by an attestation from the dependent's
27 attending physician setting forth the specific physical or mental disability and
28 certifying that the child or grandchild is incapable of self-sustaining
29 employment by reason of that disability. The office may require additional

1 medical or other supporting documentation regarding the disability to process
2 the application.

3 (2) After the initial approval, the office may require the submission of
4 additional medical or other supporting documentation substantiating the
5 continuance of the disability, but not more frequently than annually, as a
6 precondition to continued coverage.

7 §809. Payroll deductions for payment of premiums, surcharges, and other
8 voluntary contributions

9 State boards, commissions, municipalities, and other public bodies may
10 deduct from the employee's pay, salary, or compensation, such parts of the
11 premiums, surcharges, and other voluntary contributions for life, health, or other
12 benefit programs offered by the office as are payable by the employee and as may
13 be authorized in writing by the employee.

14 * * *

15 §857. Authorization for surcharge

16 A. Notwithstanding any other provision of law or rule or regulation to the
17 contrary, the Office of Group Benefits may impose a surcharge, payable ~~solely~~ by
18 the participant employer or an enrollee, regardless of the source of funding, upon
19 any class of employees or retirees.

20 B.(1) In the event the participant employer does not pay the surcharge by the
21 date it is due, the office shall remove that participant employer and all of its
22 employees and retirees from participation in the Office of Group Benefits programs,
23 effective on the last day of the month in which the surcharge was due.

24 (2) This ~~Section~~ Subsection shall apply to local school boards only in the
25 event that funds are appropriated by the legislature for the payment of the surcharge
26 applicable to the local school boards.

27 C. Notwithstanding any other provision of law or rule or regulation to
28 the contrary, in the event an enrollee does not pay an enrollee surcharge or
29 portion of surcharge by the date it is due, the office shall remove that enrollee

1 **and his dependents from participation in the program for which the surcharge**
2 **was applicable, effective on the last day of the month in which the surcharge**
3 **was due.**

4 * * *

5 §882. Composition of board

6 * * *

7 D. Vacancies.

8 * * *

9 **(3) In the event that no person qualifies to run for one or more elected**
10 **positions pursuant to Paragraph (A)(4) of this Section, the remaining members**
11 **of the board shall fill the position. The board shall promulgate rules, in**
12 **accordance with the Administrative Procedure Act, to implement the provisions**
13 **of this Paragraph.**

14 * * *

15 §883. Officers; oath; meetings; quorum; minutes; reports; compensation

16 A.(1) At the first meeting held in each **fiscal** year the board shall elect one of
17 its members to serve as chairman until a new chairman is elected. At the same
18 meeting, the board shall elect from its members a vice chairman to preside at
19 meetings in the absence of the chairman and a secretary who shall be responsible for
20 keeping the records and documents of the board.

21 (2) In the event of a vacancy in the office of chairman, vice chairman, or
22 secretary, the board shall elect a member to serve in such capacity until the first
23 meeting in the following **fiscal** year.

24 * * *

25 Section 2. R.S. 42:804, 854(A) and (B), and 855 and R.S. 22:1002 are hereby
26 repealed.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Cheryl Cooper.

DIGEST

SB 554 Original 2018 Regular Session Claitor

Present law requires employer and employee contributions for payment of premiums for group benefits to be deposited directly with the Office of Group Benefits (OGB).

Proposed law retains present law and requires employer and employee contributions for payment of premiums for group benefits to be deposited directly with OGB or its third-party administrator.

Excludes from the deposit requirement premiums associated with either of the following:

- (1) Any individual Medicare Marketplace Health Reimbursement arrangement contracted by OGB for Medicare-eligible enrollees.
- (2) Health plans administered by LSU.

Present law requires the loss of eligibility for coverage under both the life insurance plan and the health and accident insurance plan by any person convicted of fraudulently obtaining funds from OGB.

Proposed law permits OGB to retroactively cancel any health or life insurance coverage of an enrollee or of his dependents if the enrollee engages in an act, practice, or omission that, in the opinion of OGB, constitutes fraud. Further permits OGB to retroactively cancel coverage in the following instances:

- (1) To the extent the cancellation of coverage is attributable to a failure by the enrollee to timely pay required premiums or contributions toward the cost of coverage.
- (2) The cancellation of coverage is initiated by the enrollee or dependent.

Proposed law provides the enrollee whose coverage is cancelled pursuant to proposed law is liable to OGB for all benefits paid by the office on behalf of the enrollee and dependents after the effective date of rescission or cancellation of coverage.

Present law requires coverage of any person with a developmental disability who acquired such disability prior to attaining the age of 21, with one parent whose coverage of such person was terminated as a result of lost employment of the parent and one parent who is an employee.

Proposed law permits OGB to offer group insurance coverage to the following dependents of an enrollee:

- (1) The spouse of the enrollee.
- (2) A child or grandchild of the enrollee, until the end of the month the child reaches the age of 26, unless coverage is terminated earlier.
- (3) A dependent for whom the enrollee has court-ordered legal custody or court-ordered legal guardianship until the dependent turns 18.

Present law permits OGB participating employers to deduct from the employee's pay the employee's portion of the premiums for benefit programs.

Proposed law retains present law and allows deduction of surcharges and other voluntary contributions authorized by the employee in writing.

Present law permits OGB to impose a surcharge, payable solely by the participant employer, upon any class of employees or retirees. Further requires OGB to remove the participant employer and all of its employees and retirees from participation in OGB programs for failure to pay the surcharge.

Proposed law retains present law and authorizes OGB to impose a surcharge on an enrollee and to remove an enrollee and his dependents for failing to pay the surcharge.

Present law provides for filling vacancies on the OGB Policy and Planning Board.

Proposed law retains present law and requires the board to fill a vacancy in the event no person qualifies to run for one or more elected positions. Requires the board to promulgate rules to implement proposed law.

Effective August 1, 2018.

(Amends R.S. 42:805(D), 807, 808(E), 809, 857, 883(A); adds R.S. 42:808(F) and 882(D)(3); repeals R.S. 42:804, 854(A) and (B), and 855 and R.S. 22:1002)