

SENATE BILL NO. 554

BY SENATOR CLAITOR

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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. AH **(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 be deposited directly with the office **or its designated third-party administrator.** The office shall pay all monies for such benefits as they become due and payable.

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

**(a) Any individual Medicare marketplace health reimbursement arrangement contracted by the office for Medicare-eligible enrollees.**

**(b) Health plans administered by Louisiana State University and**

1 Agricultural and Mechanical College.

2 \* \* \*

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

4 ~~Any person convicted of fraudulently obtaining funds from the Office of~~  
5 ~~Group Benefits, including but not limited to any person who has been convicted~~  
6 ~~under R.S. 14:26, R.S. 14:27, R.S. 14:67, or R.S. 14:133, shall immediately lose~~  
7 ~~eligibility for coverage under both the life insurance plan and the health and accident~~  
8 ~~insurance plan of the Office of Group Benefits.~~

9 **A. The office is authorized to retroactively cancel coverage in programs**  
10 **offered through the office in the following instances:**

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

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

15 **B. When the office retroactively cancels coverage pursuant to this**  
16 **Section, the enrollee shall be liable to the office for all benefits paid by the office**  
17 **on behalf of the enrollee and dependents after the effective date of rescission or**  
18 **cancellation of coverage.**

19 \* \* \*

20 §808. Eligibility in group programs

21 \* \* \*

22 E. Notwithstanding any provision of law to the contrary, ~~any person with a~~  
23 ~~developmental disability who acquired such disability prior to attaining the age of~~  
24 ~~twenty-one, with one parent whose coverage of such person was terminated as a~~  
25 ~~result of lost employment of the parent and one parent who is an employee, as~~  
26 ~~defined in Paragraphs (A)(1) and(3) of this Section, participating in life, health, or~~  
27 ~~other programs sponsored by the Office of Group Benefits, shall be covered as a~~  
28 ~~dependent of such parent participating in life, health, or other programs sponsored~~  
29 ~~by the Office of Group Benefits, regardless of the age of the person with a~~  
30 ~~developmental disability.~~ **and in particular the provisions of R.S. 22:1001, 1003,**

1 and 1003.1, the Office of Group Benefits is authorized to offer group insurance  
2 coverage to the following dependents of an enrollee:

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

4 (2) A child of the enrollee, until the end of the month the child attains the  
5 age of twenty-six, unless coverage is terminated earlier as provided in this  
6 Section.

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

8 (a) The issue of a marriage of the enrollee.

9 (b) A natural child of the enrollee.

10 (c) A legally adopted child of the enrollee or a child placed for adoption  
11 with the enrollee.

12 (d) The child of a male enrollee, if a court of competent jurisdiction has  
13 issued an order of filiation declaring the paternity of the enrollee for the child  
14 or the enrollee has formally acknowledged the child.

15 (e) The issue of a previous marriage or a natural or legally adopted child  
16 of the enrollee's legal spouse, hereinafter "stepchild", which stepchild has not  
17 been adopted by the enrollee and for whom the enrollee does not have  
18 court-ordered legal custody, until the earliest of:

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

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

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

24 (f) A grandchild in the court-ordered legal custody of and residing with  
25 the grandparent enrollee, until the end of the month the grandchild attains the  
26 age of twenty-six. For purposes of this Section, "grandchild" means a child of  
27 a child of the enrollee.

28 (g) A dependent for whom the enrollee has court-ordered legal custody  
29 or court-ordered legal guardianship but who is not a child or grandchild of the  
30 enrollee until the end of the month the custody or guardianship order expires

1 or the end of the month the dependent attains the age of eighteen, whichever is  
 2 earlier.

3 F.(1) Attainment of the respective limiting age of a child or grandchild  
 4 shall not operate to terminate the coverage of such child or grandchild if the  
 5 child or grandchild became incapable of self-sustaining employment by reason  
 6 of physical or mental disability prior to attaining the respective limiting age,  
 7 provided that before the child or grandchild reaches the limiting age, but no  
 8 earlier than six months prior thereto, an application for continued coverage is  
 9 filed with the office on a form designated by the office, and the application is  
 10 subsequently approved. This application shall be accompanied by an attestation  
 11 from the dependent's attending physician setting forth the specific physical or  
 12 mental disability and certifying that the child or grandchild is incapable of  
 13 self-sustaining employment by reason of that disability. The office may require  
 14 additional medical or other supporting documentation regarding the disability  
 15 to process the application.

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

20 §809. Payroll deductions for payment of premiums, surcharges, and other  
 21 voluntary contributions

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

27 \* \* \*

28 §857. Authorization for surcharge

29 A. Notwithstanding any other provision of law or rule or regulation to the  
 30 contrary, the Office of Group Benefits may impose a surcharge, payable ~~solo~~ by

1 the participant employer or an enrollee, regardless of the source of funding, upon  
2 any class of employees or retirees.

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

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

10 C. Notwithstanding any other provision of law or rule or regulation to  
11 the contrary, in the event an enrollee does not pay an enrollee surcharge or  
12 portion of surcharge by the date it is due, the office shall remove that enrollee  
13 and his dependents from participation in the program for which the surcharge  
14 was applicable, effective on the last day of the month in which the surcharge  
15 was due.

16 \* \* \*

17 §882. Composition of board

18 \* \* \*

19 D. Vacancies.

20 \* \* \*

21 (3) In the event that no person qualifies to run for one or more elected  
22 positions pursuant to Paragraph (A)(4) of this Section, the remaining members  
23 of the board shall fill the position by appointment. The board shall promulgate  
24 rules, in accordance with the Administrative Procedure Act, to implement the  
25 provisions of this Paragraph.

26 \* \* \*

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

28 A.(1) At the first meeting held in each fiscal year the board shall elect one of  
29 its members to serve as chairman until a new chairman is elected. At the same  
30 meeting, the board shall elect from its members a vice chairman to preside at

1 meetings in the absence of the chairman and a secretary who shall be responsible for  
2 keeping the records and documents of the board.

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

6 \* \* \*

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

\_\_\_\_\_  
PRESIDENT OF THE SENATE

\_\_\_\_\_  
SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_