

2020 Regular Session

SENATE BILL NO. 60

BY SENATOR FRED MILLS

HEALTH/ACC INSURANCE. Authorizes modification of drug coverage for a drug costing over \$300 per prescription or refill with an increase of at least 25% in the prior 365 days under certain circumstances if 30-day notice is given. (8/1/20)

1 AN ACT

2 To amend and reenact R.S. 22:1068(D)(3) and 1074(D)(3), relative to guaranteed
3 renewability of health insurance coverage; to authorize the modification of drug
4 coverage with an increase of at least twenty-five percent under certain
5 circumstances; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:1068(D)(3) and 1074(D)(3) are hereby amended and reenacted to
8 read as follows:

9 §1068. Guaranteed renewability of coverage for employers in the group market

10 * * *

11 D. A health insurance issuer may modify health insurance coverage offered
12 to a group health plan if each of the following conditions is met:

13 * * *

14 (3) The issuer notifies, on a form approved by the Department of Insurance,
15 each affected covered small or large employer and enrollee of the modification,
16 including modification of coverage of a particular product or modification of drug
17 coverage, not later than the sixtieth day before the date the modification is effective.

1 Notwithstanding the requirements of Paragraph (D)(1) of this Section,
 2 modification of drug coverage for any drug costing over three hundred dollars
 3 per prescription or refill with an increase in the wholesale acquisition cost of at
 4 least twenty-five percent in the prior three hundred sixty-five days may occur
 5 at any time provided that thirty-day notice if the modification of coverage is
 6 given.

7 * * *

8 §1074. Guaranteed renewability of individual health insurance coverage

9 * * *

10 D. A health insurance issuer may modify the health insurance coverage for
 11 a policy form offered to individuals in the individual market if each of the following
 12 conditions is met:

13 * * *

14 (3) The issuer notifies, on a form approved by the Department of Insurance,
 15 each affected individual of the modification, including modification of coverage of
 16 a particular product or modification of drug coverage, not later than the sixtieth day
 17 before the date the modification is effective. Notwithstanding the requirements of
 18 Paragraph (D)(1) of this Section, modification of drug coverage for any drug
 19 costing over three hundred dollars per prescription or refill with an increase in
 20 the wholesale acquisition cost of at least twenty-five percent in the prior three
 21 hundred sixty-five days may occur at any time provided that thirty-day notice
 22 if the modification of coverage is given.

23 * * *

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Thomas L. Tyler.

DIGEST

SB 60 Original 2020 Regular Session Fred Mills

Present law provides for guaranteed renewability of health coverage for employees in the group market and persons with individual health coverage.

Present law authorizes a health insurance issuer to modify the health insurance coverage for a policy form offered to a group health plan or to individuals in the individual market if each

of the following conditions is met:

- (1) The modification occurs at the time of coverage renewal.
- (2) The modification is approved by the commissioner of insurance and is on a uniform basis among all individuals and all small and large employers covered by the group health plan.
- (3) The insurer notifies each individual or group no later than the 60th day before the modification is effective.

Proposed law retains these provisions in present law but as to the notification requirement, modification of drug coverage is allowed at any time as to a drug costing over \$300 per prescription or refill with an increase in the wholesale acquisition cost of at least 25% in the prior 365 days provided that 30-day notice if the modification of coverage is given.

Effective August 1, 2020.

(Amends R.S. 22:1068(D)(3) and 1074(D)(3))