

SENATE BILL NO. 174

BY SENATOR BERNARD

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AN ACT

To amend and reenact R.S. 22:1063(C), 1068(B)(2), 1074(B)(2), 1091(B)(9), 1092(I), and the introductory paragraph of R.S. 22:2401, relative to health insurance; to make technical changes in references to federal law; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1063(C), 1068(B)(2), 1074(B)(2), 1091(B)(9), 1092(I), and the introductory paragraph of R.S. 22:2401 are hereby amended and reenacted to read as follows:

§1063. Prohibiting discrimination against individual participants and beneficiaries based on health status

\* \* \*

C. A health insurance issuer offering group health insurance coverage shall not rescind such coverage with respect to an enrollee or insured once the enrollee or insured is covered under such coverage involved, except that this Subsection shall not apply to an enrollee or insured who has performed an act or practice that constitutes fraud or makes an intentional misrepresentation of material fact. Such coverage may not be cancelled except with prior notice to the enrollee or insured, and ~~only as permitted by~~ **shall comply with any applicable** federal law or regulation ~~pursuant to 42 U.S.C.A. Section 300gg-12, (Public Health Services Act)~~. The provisions of this Subsection shall not apply to limited benefit health insurance policies or contracts, disability income, long-term care, nursing home care, home health care, community based care, dental or vision benefits, Medicare supplement, specified disease or illness, hospital indemnity or other fixed indemnity insurance, workers' compensation or similar insurance.

1 \* \* \*

2 §1068. Guaranteed renewability of coverage for employers in the group market

3 \* \* \*

4 B. A health insurance issuer may non-renew or discontinue health insurance  
5 coverage offered in connection with a group health plan in the small or large group  
6 market based only on one or more of the following:

7 \* \* \*

8 (2) The plan sponsor has performed an act or practice that constitutes fraud  
9 or made an intentional misrepresentation of material fact. Such health insurance  
10 coverage may not be cancelled except with prior notice to the enrollee or insured,  
11 and ~~only as permitted by~~ **shall comply with any applicable** federal law or regulation  
12 ~~pursuant to 42 U.S.C. A. Section 300gg-12, (Public Health Services Act).~~ The  
13 provisions of this Paragraph shall not apply to limited benefit health insurance  
14 policies or contracts authorized to be issued in this state. The provisions of this  
15 Subsection shall not apply to limited benefit health insurance policies or contracts,  
16 disability income, long-term care, nursing home care, home health care, community  
17 based care, dental or vision benefits, Medicare supplement, specified disease or  
18 illness, hospital indemnity or other fixed indemnity insurance, workers'  
19 compensation or similar insurance.

20 \* \* \*

21 §1074. Guaranteed renewability of individual health insurance coverage

22 \* \* \*

23 B. A health insurance issuer may non-renew or discontinue health insurance  
24 coverage of an individual in the individual market based only on one or more of the  
25 following:

26 \* \* \*

27 (2) The individual has performed an act or practice that constitutes fraud or  
28 made an intentional misrepresentation of material fact. Such health insurance  
29 coverage may not be cancelled except with prior notice to the enrollee or insured,  
30 and ~~only as permitted by~~ **shall comply with any applicable** federal law or regulation

1           pursuant to ~~42 U.S.C. Section 300gg-12, (Public Health Services Act)~~. The  
 2           provisions of this Paragraph shall not apply to limited benefit health insurance  
 3           policies or contracts authorized to be issued in this state. The provisions of this  
 4           Subsection shall not apply to limited benefit health insurance policies or contracts,  
 5           disability income, long-term care, nursing home care, home health care, community  
 6           based care, dental or vision benefits, Medicare supplement, specified disease or  
 7           illness, hospital indemnity or other fixed indemnity insurance, workers'  
 8           compensation or similar insurance.

9   \*       \*       \*

10           §1091. Health insurance plans subject to rate review

11   \*       \*       \*

12                               B. As used in this Subpart, the following terms shall have the meanings  
 13           ascribed to them in this Section:

14   \*       \*       \*

15                               (9) "Index rate" means the average rate resulting from the estimated  
 16           combined claims experience for all Essential Health Benefits, pursuant to 42 U.S.C.  
 17           18022, Section 1302(b) of the Patient Protection and Affordable Care Act, of all  
 18           nontransitional and nongrandfathered health plan coverage within a health insurance  
 19           issuer's single, statewide risk pool in the individual market and within a health  
 20           insurance issuer's single, statewide risk pool in the small group market, with a  
 21           separate index rate being calculated for each market. Health insurance issuers may  
 22           make any market-wide and plan- or product-specific adjustments to an index rate as  
 23           permitted or as required by federal law, rules, or regulations. **In the event this rate**  
 24           **cannot be determined by reference to 42 U.S.C. 18022, Section 1302(b) of the**  
 25           **Patient Protection and Affordable Care Act, the commissioner of insurance**  
 26           **shall promulgate rules pursuant to the Administrative Procedure Act, R.S.**  
 27           **49:950 et seq., to define a substantially similar alternative.**

28   \*       \*       \*

29           §1092. Health insurance issuers; rate filings and rate increases

30   \*       \*       \*

1 I. For any rate increase that meets or exceeds the federal review threshold,  
 2 the department shall post a notice of final determination on its website and undertake  
 3 any other actions necessary pursuant to ~~Section 2794 of the Public Health Service~~  
 4 ~~Act~~ **federal law**.

\* \* \*

§2401. Requirements of federal laws and regulations; minimum requirements

7 Health insurance issuers shall implement effective processes for appeals of  
 8 coverage determinations and claims pursuant to ~~Section 2719 of the Public Health~~  
 9 ~~Service Act (42 U.S.C. 300gg-19) and any federal regulations promulgated pursuant~~  
 10 ~~thereto by the United States Department of Labor and the United States Department~~  
 11 ~~of Health and Human Services.~~ **The processes shall comply with any applicable**  
 12 **federal law or regulation.** Under such processes, a health insurance issuer shall, at  
 13 a minimum:

\* \* \*

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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

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