

2020 Second Extraordinary Session

SENATE BILL NO. 56

BY SENATOR TALBOT

HEALTH/ACC INSURANCE. Provides relative to health maintenance organizations.
(gov sig) (Item # 32)

1 AN ACT

2 To amend and reenact R.S. 22:242(7) and 243(F), relative to licensing requirements for
3 health maintenance organizations; to provide for the organization of a health
4 maintenance organization as either a business or nonprofit corporation; to provide
5 with respect to nonprofit corporation law; to provide for an effective date; and to
6 provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:242(7) and 243(F) are hereby amended and reenacted to read as
9 follows:

10 §242. Definitions

11 As used in this Subpart:

12 * * *

13 (7) "Health maintenance organization" means any corporation organized **as**
14 **either a business corporation or a nonprofit corporation** and domiciled in this
15 state which undertakes to provide or arrange for the provision of basic health care
16 services to enrollees in return for a prepaid charge. The health maintenance
17 organization may also provide or arrange for the provision of other health care

1 services to enrollees on a prepayment or other financial basis. A health maintenance
 2 organization is deemed to be an insurer for the purposes of R.S. 22:73, 96, 691
 3 through 713, Subpart H of Part III of this Chapter, R.S. 22:731 et seq., R.S. 22:1022
 4 and 1023, Part II of Chapter 7 of this Title, R.S. 22:1921 through 1929, **and** Chapter
 5 9 of this Title, **and** R.S. 22:2001 et seq. A health maintenance organization shall not
 6 be considered an insurer for any other purpose.

7 * * *

8 §243. Incorporation

9 * * *

10 F. The provisions of R.S. 12:1-101 through R.S. 12:1-1705, **R.S. 12:201**
 11 **through 269**, and other provisions of the Louisiana Revised Statutes of 1950,
 12 relative to business **and nonprofit** corporations, shall apply to the regulation of the
 13 business and the conduct of the affairs of any health maintenance organization which
 14 has been incorporated pursuant to the provisions of this Subpart. If a conflict exists
 15 between the provisions of this Subpart and the provisions of Title 12, the provisions
 16 of this Subpart shall govern.

17 Section 2. The provisions of this Act shall be given retroactive application.

18 Section 3. This Act shall become effective upon signature by the governor or, if not
 19 signed by the governor, upon expiration of the time for bills to become law without signature
 20 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 21 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 22 effective on the day following such approval.

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

DIGEST

SB 56 Original

2020 Second Extraordinary Session

Talbot

Present law provides for the Health Maintenance Organization Act including definitions and provisions for incorporation.

Proposed law retains present law and expands the definition of "health maintenance organization" to include any corporation organized as either a business corporation or a nonprofit corporation.

Present law provides for the application of Business Corporation Law to health maintenance organizations.

Proposed law retains present law and includes the application of Nonprofit Corporation Law to health maintenance organizations.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 22:242(7) and 243(F))