

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 56** SLS 202ES 192

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: October 8, 2020 4:00 PM	Author: TALBOT
Dept./Agy.: Insurance	Analyst: Patrice Thomas
Subject: HMOs as Business Corporations or Nonprofit Corporations	

HEALTH/ACC INSURANCE EG NO IMPACT See Note Page 1 of 1
Provides relative to health maintenance organizations. (gov sig) (Item # 32)

Proposed law expands the definition of health maintenance organizations (HMOs) to include any corporation organized as either a business corporation or a nonprofit corporation. In addition to Business Corporation Law, proposed law expands the Nonprofit Corporation Law to health maintenance organizations.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Proposed law expands the definition of Health Maintenance Organizations (HMOs) to include any corporation organized as either a business corporation or a nonprofit corporation as well as clarifies language in nonprofit corporation law as it pertains to HMOs in Title 22 (Insurance Code) and Title 12 (Corporations and Associations). Currently, LA Department of Insurance licenses and regulates all HMOs, including nonprofit HMOs.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger
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Staff Director