

GREEN SHEET REDIGEST

HB 616

2024 Regular Session

Green

INSURANCE/HEALTH: Provides relative to actuarial reviews of healthcare legislation.

DIGEST

Proposed law requires the La. Dept. of Insurance (LDI) to implement a process for actuarial reviews of healthcare legislation. By Feb. 1, 2024, proposed law requires LDI to contract with one or more entities with experience in actuarial reviews and healthcare policy for the purpose of performing actuarial reviews of legislative proposals.

Proposed law requires at least one of the contracted entities to be an actuary or actuarial firm, or a university department or academic faculty based in the state of La. with experience analyzing health insurance premiums. Further requires contractors to be independent and free from conflicts of interest.

Proposed law requires legislators requesting actuarial reviews of legislative proposals to submit requests to LDI no later than Feb. 1st of the year preceding the regular session of the legislature in which the legislative proposal will be proposed.

Proposed law requires contractors to consider in actuarial reviews the predicted effects of the legislative proposal during the year immediately following the effective date of the proposal, or during another time period if such consideration is more actuarially feasible. Predicted effects include but are not limited to certain estimated cost changes with respect to consumer cost-sharing, premiums, out-of-pocket expenses, impacts to health benefit plans, social and other economic impacts and the amounts necessary to defray the cost of the mandate. Provides the dept. may seek an evaluation relative to the legislative proposal being a mandate prior to requesting the remainder of the actuarial review.

Proposed law requires contractors to provide certain information regarding actuarial reviews including but not limited to enrollment estimates of health benefit plans and certain desegregated demographic information.

Proposed law provides for qualitative analysis of the impact of legislative proposals. Authorizes a legislator who requests an actuarial review to designate one or more persons to provide data to contractors in order to inform the qualitative analysis. Authorizes contractors performing legislative reviews to use data from any reasonable source, including data collected from insurers. Further requires insurers to provide information to and cooperate with contractors and LDI.

Proposed law provides that the reports of actuarial reviews are confidential until the legislative proposal is introduced in the following regular legislative session or, if no legislative proposal is introduced, until after the end of the legislative session following the submission of the request.

Proposed law requires LDI to provide written notification to the commissioner of administration and the chairmen of the House Appropriations Committee and Senate Finance Committee of the estimated defrayal cost. Upon receipt of the written notification, proposed law requires the commissioner of administration to request an appropriation to pay the estimated defrayal cost of each enacted legislative proposal prior to implementation in the subsequent plan year.

Proposed law requires insurers to provide actuarial estimates, based on appropriate claims and data of the per-member, per-month amount necessary to defray the cost of the enacted mandate for the subsequent plan year. Requires estimates to be actuarially sound. Requires LDI to notify the commissioner of administration and the chairmen of the House Appropriations Committee and Senate Finance Committee of the amounts needed to defray

the cost of the enacted mandates for each health benefit plan. Further requires the commissioner of administration to request an appropriation to pay these amounts prior to implementation in the subsequent plan year.

Proposed law requires data and other records disclosed by a health insurer, health plan, or other health insurance issuer pursuant to proposed law to be kept confidential.

Proposed law does not delegate state or federal authority to a non-state entity, including authority to request fiscal impact analyses from the legislative fiscal office, or the authority to make determinations regarding the legal status of state benefit mandates.

Proposed law prohibits LDI from engaging a contractor to perform an actuarial review unless LDI determines adequate resources within existing appropriations for compensation.

Present law provides for the La. Mandated Health Benefits Commission. Proposed law repeals present law and authorizes the La. State Law Institute to redesignate proposed law.

(Adds R.S. 22:2188; Repeals R.S. 22:2187)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Add that a contractor may be a La.-based university department or academic faculty with experience analyzing health insurance premiums.
2. Require the department to ensure that contractors are independent and free from conflicts of interest that might affect neutrality of actuarial reviews.
3. Delete language relative to limiting the number of reviews to 6 legislative proposals.
4. Require the estimate of the amounts necessary to defray the cost of the mandates for health insurance products to include an evaluation of whether the legislative proposal includes a mandate requiring defrayal of costs. Authorize LDI to seek this evaluation prior to requesting the remaining actuarial review required in proposed law.
5. Provide that proposed law does not delegate state or federal authority to a non-state entity, including authority to request fiscal impact analyses from the legislative fiscal office, or authority to make determinations regarding the legal status of state benefit mandates pursuant to state and federal law.
6. Make technical changes.

The Committee Amendments Proposed by House Committee on Appropriations to the engrossed bill:

1. Require data and records disclosed by a health insurer, health plan, or other health insurance issuer pursuant to proposed law to be kept confidential.
2. Make technical changes.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the reengrossed bill

1. Makes technical changes.

2. Changes the date to request an actuarial review of legislative proposals from Dec. 1st to Feb. 1st.
3. Changes the predicted effects of the legislative proposal from 5 years to a year.
4. Provides the dept. may first request an actuarial review as to whether the legislative proposal is a mandate under federal law.