

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 614** HLS 13RS 993

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 12, 2013	10:09 AM	Author: HUVAL
Dept./Agy.: Louisiana Department of Insurance		Analyst: Alan M. Boxberger
Subject: Provide for licensing and regulation of health ins navigators		

INSURANCE/HEALTH

OR INCREASE SG EX See Note

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Provides for licensing and regulation of individuals and entities as health insurance navigators for a health benefit exchange

Proposed law provides for licensing and regulation by the commissioner of insurance of individuals and entities as navigators for health benefit exchanges authorized under the federal Patient Protection and Affordable Care Act (PPACA); establishes qualifications for individual navigators associated with health benefit exchanges; provides that entities acting as navigators or supervising navigators shall obtain a navigator entity license and establishes requirements; provides for the duration of a navigator license as well as renewal and late fees; requires certain ongoing training and continuation requirements for navigators; prohibits certain acts by navigators; authorizes the commissioner to place on probation, suspend, revoke, refuse to issue, renew or reinstate a navigator license; provides for levy of a fine not to exceed \$500 for violations; provides for restitution; authorizes examination and review of business affairs and records; requires disclosure by navigators of administrative actions taken by governmental agencies or criminal prosecution; provides for notification of navigator termination; exempts existing licensed insurance producers from proposed law; and authorizes promulgation of rules.

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$125,392	\$84,848	\$88,034	\$91,555	\$95,217	\$485,046
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$125,392	\$84,848	\$88,034	\$91,555	\$95,217	\$485,046

REVENUES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

Proposed law will increase expenditures of the Louisiana Department of Insurance (LDI) by approximately \$125,000 in FY 14 and as reflected above in FY 15-18. Proposed law provides for the licensing and regulation of individuals and entities as health insurance navigators for health benefit exchanges authorized under the federal PPACA.

The Louisiana Department of Insurance estimates the requirements detailed in proposed law will require the addition of one T.O., an Insurance Specialist 3, to handle the licensure and regulation of an estimated 1,500 to 2,000 individuals. The department estimates a total personal services expenditure of \$73,801 in FY 14 (\$49,188 salary and \$24,613 related benefits). LDI estimates additional increased operating services expenditures of \$7,591 in FY 14 to provide for employee-related overhead such as equipment maintenance, software licenses, telephone/data port, security, risk management fees, etc. LDI will also require information technology programming of the LDI data system to accommodate the new proposed license type at a one-time cost of \$44,000 (estimated at 400 hours x \$110/hour).

The operating budget impact adjusts personal services expenditures by 4% in each year after the first to account for the possibility of merit increases, and adjusts operating services expenditures by 4% to acknowledge potential inflationary costs.

REVENUE EXPLANATION

LDI will realize an increase in SGR revenues as a result of proposed law. The amount of the increase is indeterminable due to the fact that proposed law does not specify fee amounts to be assessed for the licensing application. If one assumes the navigator license fee shall be established at the same level as the existing Life, Health and Accident Producer, the estimated increase in revenue would be approximately \$112,500 to \$150,000 per year (\$75 X 1,500 to 2,000 providers).

Proposed law also allows the commissioner to levy a fine not to exceed \$500 for specified violations. To the extent these violations occur and navigators pay penalties the department may realize an additional indeterminable increase in SGR revenues based on the frequency of such occurrences.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

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