

Regular Session, 2013

SENATE BILL NO. 246

BY SENATOR NEVERS

FUNDS/FUNDING. Provides for the dedication of revenues realized from the expansion of health insurance coverage pursuant to the Affordable Care Act. (8/1/13)

1 AN ACT

2 To enact Subpart O-1 of Part II-A of Chapter 1 of Subtitle I of Title 39 of the Louisiana
3 Revised Statutes of 1950, to be comprised of R.S. 39:100.65, relative to the
4 dedication of certain revenues; to establish the Health Care Insurance Coverage
5 Equity Fund in the state treasury; to provide for the dedication of monies to and
6 deposits into the fund; to provide for the use of monies in the fund; and to provide
7 for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. Subpart O-1 of Part II-A of Chapter 1 of Subtitle I of Title 39 of the
10 Louisiana Revised Statutes of 1950, comprised of R.S. 39:100.65, is hereby enacted to read
11 as follows:

12 **SUBPART O-1. HEALTH CARE INSURANCE COVERAGE EQUITY FUND**

13 **§100.65. Health Care Insurance Coverage Equity Fund**

14 **A. As used in this Subpart, except where the context requires otherwise,**
15 **the following terms shall have the meaning ascribed to them in this Section:**

16 **(1) "ACA" and "Affordable Care Act" mean the following acts of**
17 **congress, collectively:**

1 (a) The Patient Protection and Affordable Care Act, which originated
2 as H.R. 3590 in the One Hundred Eleventh United States Congress and became
3 Public Law 111-148.

4 (b) The Health Care and Education Reconciliation Act, which originated
5 as H.R. 4872 in the One Hundred Eleventh United States Congress and became
6 Public Law 111-152.

7 (2) "Department" means the Department of Health and Hospitals.

8 (3) "Health Benefit Exchange" means the vehicle created to help
9 individuals, families, and small businesses in Louisiana shop for and select
10 health insurance coverage in a way that permits comparison of available
11 Qualified Health Plans based upon price, benefits, services, and quality,
12 regardless of the governance structure of the exchange, as provided in the ACA.

13 (4) "Medicaid" means the medical assistance program provided for in
14 Title XIX of the Social Security Act.

15 (5) "Qualified Health Plan" means an individual health insurance plan
16 offered by a carrier through the Health Benefit Exchange, as provided in the
17 ACA.

18 B. There is hereby established in the state treasury, as a special fund, the
19 Health Care Insurance Coverage Equity Fund, hereinafter referred to as the
20 "fund".

21 C. The source of monies deposited into the fund shall be:

22 (1) Any state savings realized in uncompensated care cost payments
23 which would no longer be necessary because of the expansion of health
24 insurance coverage options resulting from both an expansion of the state
25 Medicaid program and the creation of a Health Benefit Exchange pursuant to
26 opportunities afforded the states under the Affordable Care Act, after first
27 having been credited to the Bond Security and Redemption Fund as required
28 by Article VII, Section 9(B) of the Constitution of Louisiana.

29 (2) Taxes collected under the provisions of R.S. 22:842 from health care

1 premium assessments paid for new policies written as a result of or through the
2 Health Benefit Exchange created for the state of Louisiana pursuant to the
3 Affordable Care Act after first having been credited to the Bond Security and
4 Redemption Fund as required by Article VII, Section 9(B) of the Constitution
5 of Louisiana.

6 (3) Any monies appropriated by the legislature, including donations,
7 gifts, grants, or any other monies, which may be provided by law.

8 (4) Deposits to the fund from the sources set forth in Paragraphs (1) and
9 (2) of this Subsection shall not occur unless and until the federal government
10 gives approval for the expansion to the Medicaid program via amendment to
11 the Medicaid state plan or federal waiver utilizing a private insurance option
12 that includes premium assistance and supplemental cost sharing subsidies.

13 D. Monies in the fund shall be invested in the same manner as monies
14 in the state general fund. Interest earned on the investment of monies shall be
15 deposited in and credited to the fund. Unexpended and unencumbered monies
16 in the fund at the end of the fiscal year shall remain in the fund.

17 E. Subject to legislative appropriation, monies in the fund shall be
18 appropriated to the department solely to provide for:

19 (1) Future obligations of any expansion of the Medicaid program as
20 approved by the federal government through amendments to the Medicaid state
21 plan or federal waivers utilizing a private insurance option that includes
22 premium assistance and supplemental cost sharing subsidies for eligible
23 individuals to enroll in a qualified health plan through the Health Benefit
24 Exchange created pursuant to the Affordable Care Act. Such expansion
25 program shall be designed through legislative enactment to reform the
26 Medicaid program so that it is a fiscally sustainable, cost-effective, personally
27 responsible, and opportunity-driven program utilizing competitive and value-
28 based purchasing to:

29 (a) Maximize the available service options.

- 1 **(b) Promote accountability, personal responsibility, and transparency.**
- 2 **(c) Encourage and reward health outcomes and responsible choices.**
- 3 **(d) Promote efficiencies that will deliver value to the taxpayers.**
- 4 **(2) The development and implementation of a strategy to inform**
- 5 **Medicaid recipient populations whose needs would be reduced or better served**
- 6 **through participation in the Health Benefit Exchange.**

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Martha S. Hess.

DIGEST

Proposed law establishes the Health Care Insurance Coverage Equity Fund, hereinafter the "fund", as a special fund in the state treasury.

Proposed law provides the source of monies deposited into the fund shall be:

- (1) Any state savings realized in uncompensated care cost payments which would no longer be necessary because of the expansion of health insurance coverage options resulting from both an expansion of the state Medicaid program and the creation of a Health Benefit Exchange pursuant to opportunities afforded the states under the Affordable Care Act, after first having been credited to the Bond Security and Redemption Fund.
- (2) Taxes collected under the provisions of R.S. 22:842 from health care premium assessments paid for new policies written as a result of or through the Health Benefit Exchange created for the state of Louisiana pursuant to the Affordable Care Act after first having been credited to the Bond Security and Redemption Fund.
- (3) Any monies appropriated by the legislature, including donations, gifts, grants, or any other monies, which may be provided by law.

Proposed law further provides that deposits to the fund from the sources set forth in Paragraphs (1) and (2) of this Subsection shall not occur unless and until the federal government gives approval for the expansion to the Medicaid program via amendment to the Medicaid state plan or federal waiver utilizing a private insurance option that includes premium assistance and supplemental cost sharing subsidies.

Proposed law provides that subject to legislative appropriation, monies in the fund shall be appropriated to the Department of Health and Hospitals solely to provide for:

- (1) Future obligations of any expansion of the Medicaid program as approved by the federal government through amendments to the Medicaid state plan or federal waivers utilizing a private insurance option that includes premium assistance and supplemental cost sharing subsidies for eligible individuals to enroll in a qualified health plan through the Health Benefit Exchange created pursuant to the Affordable Care Act. Such expansion program shall be designed through legislative enactment to reform the Medicaid program so that it is a fiscally sustainable, cost-effective, personally responsible, and opportunity-driven program utilizing competitive and value-based purchasing to:
 - (a) Maximize the available service options.

- (b) Promote accountability, personal responsibility, and transparency.
 - (c) Encourage and reward health outcomes and responsible choices.
 - (d) Promote efficiencies that will deliver value to the taxpayers.
- (2) The development and implementation of a strategy to inform Medicaid recipient populations whose needs would be reduced or better served through participation in the Health Benefit Exchange.

Effective August 1, 2013.

(Adds R.S. 39:100.65)