

**CONFERENCE COMMITTEE REPORT
House Bill No. 638 By Representative Stokes**

June 5, 2013

To the Honorable Speaker and Members of the House of Representatives and the Honorable President and Members of the Senate.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning House Bill No. 638 by Representative Stokes, recommend the following concerning the Reengrossed bill:

1. That Amendment Nos. 1 and 2 proposed by the Legislative Bureau and adopted by the Senate on May 27, 2013, be adopted.
2. That Amendment No. 1 of Senate Floor Amendment, designated as "SFBNHB638 GUILLOTJ 2812", proposed by Senator Morrish and adopted by the Senate on May 28, 2013, be adopted.
3. That Amendment No. 1 of Senate Floor Amendment, designated as "SFAHB638 COOPERC 2720", proposed by Senator Morrish and adopted by the Senate on May 28, 2013, be rejected.
4. That the following amendments to the Reengrossed bill be adopted:

AMENDMENT NO. 1

On page 1, line 2, after "to repeal" delete "R.S. 22:1209" and in lieu thereof insert "R.S. 22:976, 981, 988, 1209,"

AMENDMENT NO. 2

On page 1, line 13, after "dates;" insert "to repeal provision relative to insurers' consideration of an insured's obligations to charges assessed by the Louisiana Health Plan; to repeal provisions requiring insurers' obligation to educate rejected applicants about the Louisiana Health Plan; to repeal provisions with respect to the Louisiana Health Plan's exemption to policy conversion requirements;"

AMENDMENT NO. 3

On page 6, line 13, after "Section 2." delete the remainder of the line and insert "R.S. 22:976, 981, 988, 1209, and 1210 are hereby repealed in their entirety."

Respectfully submitted,

Representative Julie Stokes

Senator Dan "Blade" Morrish

Representative George Gregory Cromer

Senator Ronnie Johns

Representative Marcus Hunter

Senator Gary L. Smith

CONFERENCE COMMITTEE REPORT DIGEST

House Bill No. 638 by Representative Stokes

Keyword and oneliner of the instrument as it left the House

INSURANCE/HEALTH: Provides relative to the Louisiana Health Plan

Report adopts Senate amendments to:

1. Repeal additional provisions of present law, in conjunction with proposed law.
2. Make technical changes.

Report amends the bill to:

1. Make technical changes.

Digest of the bill as proposed by the Conference Committee

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB No. 638

Present law provides for the Louisiana Health Plan (the plan) for the purpose of establishing a mechanism to insure the availability of health and accident insurance coverage to citizens of this state who, because of preexisting health conditions, cannot secure such coverage in the individual market.

Proposed law, in consideration of federal legislation which will prohibit health insurance providers in the individual market from denying applicants based on preexisting health conditions, seeks to provide for the cessation of operation of the Louisiana Health Plan.

Proposed law requires the plan to cease enrollment and coverage under the plan by Jan. 1, 2014.

Present law provides for the plan to have a board of directors, which includes the commissioner of insurance as an ex officio member, and 12 voting members.

Proposed law retains present law.

Proposed law requires the plan's board of directors to take reasonable steps to assist individuals currently covered by the plan as they transition into the individual health insurance market.

Proposed law authorizes the board to take all actions it deems necessary to cease enrollment for plan coverage and to terminate all existing plan coverage by Dec. 31, 2013, provided there is at least one individual health insurance company authorized to provide coverage at a rate not to exceed the usual and customary rate as of Jan. 1, 2004.

Proposed law requires the board to provide at least 90 days notice to current policyholders before the plan's termination.

Proposed law requires the board to notify current policyholders and their agents, as well as providers, that claims for payment or reimbursement must be filed by the earlier of 180 days

after plan coverage ends on Dec. 31, 2013, or by 365 days after the date of service giving rise to the claim.

Proposed law requires the board to take all necessary steps to end all significant operations of the plan following the termination of the plan; proposed law requires the board to have this complete by Dec. 31, 2015.

Proposed law allows the board to use existing contractors until the cessation of the plan's operations.

Proposed law provides that the board shall remain in existence in accordance with present law and that each board member's term shall be extended until such time as the High Risk Pool concludes all business and the commissioner certifies the cessation of operations as required by proposed law.

Proposed law requires the board to submit a plan of operation to the commissioner by Aug. 30, 2013. Such plan shall supersede the current plan of operation and shall include a dissolution plan.

Present law provides for hospitals treating plan members to include service charges in the plan member's bills and to remit those service charges to the plan.

Proposed law provides that the billing of service charges for claims incurred before Jan. 14, 2014, shall cease on Jan. 31, 2014. Further provides that the plan may continue the collection of service charges which are due until the cessation of the plan.

Present law authorizes the plan to assess fees to participating insurers in accordance with the provisions of present law. Present law defines "participating insurers" as all insurers issuing health insurance to citizens of this state.

Proposed law provides for the cessation of fee assessment by Dec. 31, 2013. Further provides that the billing of any fees assessed during the 2013 calendar year to be made no later than Feb. 10, 2014.

Proposed law requires participating health insurers to pay any assessments due from the 2013 calendar year by March 31, 2014.

Proposed law provides that any participating health insurer who has failed to pay the 2013 assessment by March 31, 2014, shall be reported to the commissioner for sanctions.

Proposed law requires the commissioner to certify the cessation of operations of each pool under the Louisiana Health Plan. Further allows the commissioner to certify the cessation of the HIPAA Plan and the High Risk Pool separately, or together, at the commissioner's discretion.

Proposed law permits the board to submit the dissolution plans for the HIPAA Plan and the High Risk Pool separately.

Proposed law provides that if the board has excess HIPAA funds after the commissioner certifies the cessation of the HIPAA Plan, such funds shall be returned to the participating insurers on the same basis upon which such insurers were assessed in accordance with present law.

Proposed law provides that if the board has excess High Risk Pool funds after the commissioner certifies the cessation of the High Risk Pool, those funds shall be returned to the state general fund.

Proposed law requires the board to file a report with the insurance committees of the Louisiana House of Representatives and Louisiana Senate, respectively, and the commissioner by March 1, 2016. Such report shall signify the completion of the requirements of proposed law.

Proposed law requires the commissioner to publish the certification of cessation on the Dept. of Insurance website after such time as the commissioner has satisfactorily reviewed the report which proposed law requires the board to submit to the commissioner and insurance committees of the House and Senate.

Present law provides for immunity from liability for the plan, its board members, agents and employees, and the commissioner for any cause of action arising out of any action taken by the aforementioned parties in the performance of their duties.

Proposed law retains present law.

Proposed law authorizes the commissioner to address any matters which may arise after he has issued the certification in accordance with proposed law.

Proposed law requires the state attorney general to defend any legal action against the plan, board, or its employees which are filed after the certification.

Proposed law states that causes of action against the plan, board, or its employees shall have a preemptive period of the earlier of one year after the cause of action or Dec. 31, 2014.

Present law allows the plan to charge service charges and assess fees against participating insurers.

Proposed law repeals present law.

(Adds R.S. 22:1201(H), 1205(C)(7), and 1215.1; Repeals R.S. 22:976, 981, 988, 1209 and 1210)