

SENATE BILL NO. 260

BY SENATORS BROOME AND CLAITOR

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

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AN ACT

To amend and reenact R.S. 42:802(B)(7), 881, and 882(A), (B), (D), and (E), and to enact R.S. 39:21.3(G) and R.S. 42:802(D), relative to the Office of Group Benefits; to provide for oversight of the Office of Group Benefits; to provide for estimating the operational and actuarial costs of group benefits program; to provide for the membership and duties of the Group Benefits Estimating Conference; to provide for the duties of the Group Benefits Policy and Planning Board; to provide for the membership of the Group Benefits Policy and Planning Board; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 39:21.3(G) is hereby enacted to read as follows:

§21.3. Consensus estimating conferences; duties and principals

\* \* \*

**G. Group Benefits Estimating Conference.**

**(1) Duties. The Group Benefits Estimating Conference shall develop or gather official information relating to group health and life insurance planning, premium rates, and budgeting as is determined by the conference principals to be needed for the state planning and budgeting system.**

**(2) Principals. The principals of the Group Benefits Estimating Conference are as follows:**

**(a) A member of the professional staff of the office of the governor to be appointed by the governor.**

**(b) A member of the professional staff of the division of administration to be appointed by the commissioner of administration.**

**(c) A member of the professional staff of the legislature who shall have**

1 fiscal expertise to be appointed by the president of the Senate.

2 (d) A member of the professional staff of the legislature who shall have  
3 fiscal experience to be appointed by the speaker of the House of  
4 Representatives.

5 (e) A member of the professional staff of the Office of Group Benefits  
6 who shall have fiscal experience to be appointed by the commissioner of  
7 administration.

8 (f) An individual with a minimum of five years professional experience  
9 or fiscal expertise in the industries of health insurance, actuarial services,  
10 financial services, or banking to be selected by the other principals from a list  
11 of no more than two names submitted by each of the following: the  
12 commissioner of insurance, the commissioner of financial institutions, and the  
13 legislative auditor.

14 (3) Principal to preside over meetings. The principal representing the  
15 office of the governor shall preside over sessions of the conference.

16 \* \* \*

17 Section 2. R.S. 42:802(B)(7), 881, and 882(A), (B), (D), and (E) are hereby amended  
18 and reenacted and R.S. 42:802(D) is hereby enacted to read as follows:

19 §802. Powers and duties; Office of Group Benefits

20 \* \* \*

21 B. In addition, the office shall have the following powers and duties:

22 \* \* \*

23 (7) ~~To~~ Subject to the board's review and recommendation, to establish  
24 premium rates, under the direction of the commissioner of administration and in  
25 consultation with actuaries for the life, health, and other benefit programs offered  
26 through the office. The commissioner of administration, the chief executive  
27 officer of the Office of Group Benefits, and the Policy and Planning Board shall  
28 also use any official information developed, gathered, and presented to the  
29 parties by the Group Benefits Estimating Conference in the development of  
30 premium rates.

\* \* \*

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2           D.(1) Notwithstanding any other provision of this Section to the contrary,  
3           any new plan of benefits or the annual plan of benefits submitted under the  
4           direction of the commissioner of administration for the life, health, and other  
5           benefit programs offered through the Office of Group Benefits or any  
6           professional, personal, and social services contracts other than contracts for  
7           legal services or actuarial services negotiated through the Office of Group  
8           Benefits under the provisions of Chapter 17 of Subtitle III of Title 39 of the  
9           Louisiana Revised Statutes of 1950 as provided in Subsection A and Paragraph  
10           (B)(8) of this Section or any contracts in connection therewith shall be subject  
11           to review and final approval by the appropriate standing committees of the  
12           legislature having jurisdiction over review of agency rules by the Office of  
13           Group Benefits as designated by R.S. 49:968(B)(21)(c), or the subcommittees on  
14           oversight of such standing committees, and the office of state procurement of  
15           the division of administration.

16           (2) The implementation of these programs or contracts in connection  
17           therewith shall constitute a rule as defined by R.S. 49:951(6) and shall be  
18           adopted and implemented through the procedures set forth in the  
19           Administrative Procedure Act.

20           (3) Additionally, any adjustments to such contracts in the amount of one  
21           million dollars or more shall require the review and approval of the oversight  
22           committees before the modified contracts may be implemented. Such  
23           adjustments shall indicate the fiscal impact to the plan of benefits as well as the  
24           rate structure, if any, over the subsequent three years or maximum contract  
25           period.

\* \* \*

27           §881. Establishment of the Group Benefits Policy and Planning Board

28           A. There is hereby established the Group Benefits Policy and Planning Board  
29           within the Office of Group Benefits. The board shall review and recommend life  
30           and health benefit programs offered to eligible employees, including the proposed

1 rate structure which will support the life and health benefit plan. Annually, At  
 2 least annually, the chief executive officer shall submit any proposed changes to the  
 3 rate structure and the associated life and health benefits programs to the board to  
 4 review and recommend prior to the final adoption of the plan. The plan submitted  
 5 by the chief executive officer shall include an estimate of the costs and an  
 6 estimated rate structure for a three-year period. The board shall submit a written  
 7 report to the commissioner of administration, the chief executive officer of the  
 8 Office of Group Benefits, and the appropriate legislative oversight committees,  
 9 including any comments and recommendations regarding modifications to such  
 10 proposed benefit plans and the associated rates.

11 B. The Group Benefits Policy and Planning Board shall use any official  
 12 information provided by the Group Benefits Estimating Conference as may be  
 13 necessary in the review and approval of benefits plans and proposed rate  
 14 structures required by this Section.

15 §882. Composition of board

16 A. Membership and qualifications. The board shall be composed of ~~sixteen~~  
 17 eleven voting members, ~~fifteen of whom shall be voting members,~~ as follows:

18 (1) ~~One member of the House of Representatives~~ Three members who shall  
 19 be appointed by the speaker of the House ~~who shall be a voting member~~ each of  
 20 whom shall have a minimum of five years professional experience or fiscal  
 21 expertise in the industries of health insurance, actuarial services, financial  
 22 services, or banking and shall be submitted to the Senate for confirmation.

23 (2) ~~One member of the Senate~~ Three members who shall be appointed by  
 24 the president of the Senate ~~who shall be a voting member~~ each of whom shall have  
 25 a minimum of five years professional experience or fiscal expertise in the  
 26 industries of health insurance, actuarial services, financial services, or banking  
 27 and shall be submitted to the Senate for confirmation.

28 (3) ~~The commissioner of insurance or his designee, who shall be a nonvoting~~  
 29 ~~member.~~

30 (4) ~~Five members~~ Three members who shall be appointed by the governor

1 from individuals from the private sector, who shall be voting members, as follows:  
 2 **each of whom shall have a minimum of five years professional experience or**  
 3 **fiscal expertise in the industries of health insurance, actuarial services, financial**  
 4 **services, or banking and shall be submitted to the Senate for confirmation.**

5 (a) ~~Three such members shall be appointed, one from each of the following~~  
 6 ~~occupations or professions:~~

7 (i) ~~An employee health care/employee benefits specialist.~~

8 (ii) ~~A certified public accountant.~~

9 (iii) ~~A licensed health and life insurance agent.~~

10 (b) ~~Two members shall be appointed from the private sector at large.~~

11 (c) ~~At least one of the members appointed as provided in this Paragraph shall~~  
 12 ~~be a member of a minority race.~~

13 ~~(5)(4)~~ Two members who shall be elected by retired participants in the health  
 14 benefits programs offered by the Office of Group Benefits and who shall be voting  
 15 members, as follows:

16 (a) One retiree member who shall be elected from among retired teachers or  
 17 other retired school employees.

18 (b) One retiree member who shall be elected from among retired state  
 19 employees.

20 (c) Members elected as provided in this Paragraph shall have been continuous  
 21 full-time employees for a minimum of five years as a state employee or as a teacher  
 22 or other school employee, respectively, **and shall be submitted to the Senate for**  
 23 **confirmation.**

24 ~~(6)(a) Six members who shall be elected by participants in health benefits~~  
 25 ~~programs offered by the Office of Group Benefits, and who shall be voting members,~~  
 26 ~~as follows:~~

27 (i) ~~One member who shall be elected from among the personnel of the public~~  
 28 ~~institutions of higher education in the state.~~

29 (ii) ~~One member who shall be elected from among the teachers or other~~  
 30 ~~school employees of the elementary and secondary schools of the state.~~



1 membership of the board shall be filled in the same manner as the original  
2 appointment for the remainder of the unexpired term.

3 (2) In the event of a vacancy of a member elected pursuant to ~~Paragraphs~~  
4 **Paragraph (A)(5) (4) and (6)** of this Section, the board shall fill the vacancy by  
5 appointment for the unexpired portion of the term unless the unexpired portion of the  
6 term is for a period of more than two years, in which case the appointment shall be  
7 until a successor is elected to fill the unexpired portion of the term. Such  
8 appointments and elections shall be in accordance with rules adopted and  
9 promulgated by the board **and subject to confirmation by the Senate.**

10 E. Attendance. In the event that any member of the board is absent from three  
11 consecutive scheduled board and committee meetings, the board shall declare a  
12 vacancy in that position. Such vacancy shall be filled as provided in Subsection D  
13 of this Section. Nothing in this Subsection shall be construed to prohibit the  
14 reappointment or reelection of any person removed under these provisions. ~~This~~  
15 ~~Subsection shall not apply to the member as provided in Paragraph (A)(3) of this~~  
16 ~~Section.~~

17 Section 3. This Act shall become effective on January 1, 2016; if vetoed by the  
18 governor and subsequently approved by the legislature, this Act shall become effective on  
19 January 1, 2016, or on the day following such approval by the legislature, whichever is later.

\_\_\_\_\_  
PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_