
The original instrument was prepared by LG Sullivan. The following digest, which does not constitute a part of the legislative instrument, was prepared by Christine Arbo Peck.

SB 173 Engrossed

DIGEST
2019 Regular Session

Mills

Proposed law, which takes effect only after certain delays following a final and definitive judgment ruling the Patient Protection and Affordable Care Act, P.L. 111-148, (ACA) unconstitutional, requires every health insurance policy or contract issued or issued for delivery in this state to adhere to certain standards. Provides for open enrollment, rate setting, and coverage for dependent children who are under the age of 26. Prohibits preexisting condition exclusions and annual and lifetime limits.

Proposed law requires the attorney general to notify the commissioner, the legislature, and the Louisiana State Law Institute if a judgment ruling the ACA unconstitutional becomes final and definitive. Provides that the provisions of proposed law take effect ninety days after receipt by the commissioner of the notification.

Proposed law requires that health insurance policies cover "essential health benefits". Charges the commissioner with defining the essential health benefits that are required. Specifies that the definition shall include certain categories; among these are ambulatory patient services, emergency services, hospitalization, maternity and newborn care and pediatric services, mental health services, prescription drugs, and wellness services. Provides a framework for monitoring, assessing, and updating the definition of essential health benefits package.

Proposed law requires the commissioner to promulgate rules pursuant to the Administrative Procedure Act for purposes of implementing proposed law. Requires initial administrative rules to be adopted ninety days after final judgment of a court of competent jurisdiction on the constitutionality of ACA. Authorizes the commissioner to issue emergency rules without finding an emergency exists.

Proposed law applies to any health insurance policy or contract issued or issued for delivery in this state beginning ninety days after the attorney general notifies the commissioner that the ACA has been ruled unconstitutional. Proposed law does not abridge or affect the provisions of insurance policies or contracts already in effect until the policies or contracts are renewed.

Proposed law provides that in case of any conflict between the provisions of proposed law and any other provision of law, the provisions of proposed law shall control unless application of proposed law results in a reduction in coverage for any insured.

Proposed law provides that applicability of proposed law shall occur only if the current federal tax credit is held to be valid by a court of competent jurisdiction or is otherwise enforceable at law, or unless adequate appropriations are timely made by the federal or state government in an amount that

is calculated in the same manner as the tax credit in Section 1401 of the Patient Protection and Affordable Care Act.

Proposed law provides that it shall not apply to grandfathered coverage, health benefit plans in the large groups or to the large group market, or to limited or excepted benefits policies as defined in present law.

Proposed law establishes the "Louisiana Guaranteed Benefits Pool" to be administered by the commissioner of insurance which shall be a risk-sharing program to provide payment to health insurance issuers for claims for healthcare services provided to eligible individuals with expected high healthcare costs for the purpose of lowering premiums for health insurance coverage offered in the individual market.

Proposed law establishes program operations and parameters, actuarial analysis, approval of the program by the Joint Legislative Committee on the Budget, and enrollment or participation limitations.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 22:11.1 and 1121-1138)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Health and Welfare to the original bill

1. Changes Louisiana Department of Insurance rulemaking deadline from January 1, 2020, to ninety days after final judgment of a court of competent jurisdiction on the constitutionality of ACA.
2. Changes effective date from ten to ninety days after receipt by the commissioner of the written notification of the court's ruling in ACA.
3. Provides that proposed law does not abridge or affect the provisions of insurance policies or contracts already in effect until the policies or contracts are renewed.
4. Changes the ratio for rate setting from three to one to five to one.
5. Clarifies that the emergency department services provisions shall comply with those established in ACA for coverage and payment of services.
6. Provides that applicability of proposed law shall occur only if the current federal tax credit is held to be valid by a court of competent jurisdiction or is otherwise enforceable at law, or unless adequate appropriations are timely made by the federal

or state government in an amount that is calculated in the same manner as the tax credit in Section 1401 of the Patient Protection and Affordable Care Act.

7. Proposed law provides that it shall not apply to grandfathered coverage, health benefit plans in the large groups or to the large group market, or to limited or excepted benefits policies as defined in present law.
8. Provides for an assessment by the commissioner of insurance on nationwide individual insurance market cost stabilization programs and a report to the Legislature with findings and recommendations by March 1, 2020.
9. Establishes the "Louisiana Guaranteed Benefits Pool" to be administered by the commissioner of insurance which shall be a risk-sharing program to provide payment to health insurance issuers for claims for healthcare services provided to eligible individuals with expected high healthcare costs for the purpose of lowering premiums for health insurance coverage offered in the individual market.