
DIGEST

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Morrish

SB No. 207

Proposed law provides for definitions, including "product" and "small group" or "small employer", primarily to specify which types of health package of benefits are subject to proposed law.

Proposed law provides that whenever a health insurance issuer proposes a rate increase which exceeds a rate specified by the U.S. Dept. of Health and Human Resources in accordance with the Patient Protection and Affordable Care Act, it shall file certain information related to any proposed increase in base premium with the commissioner. Further requires the issuer to file with the commissioner, no later than 120 days in advance of the anticipated effective date of the increase, a preliminary justification for each product affected by the increase. Provides for specific information to be included in the preliminary justification by the issuer. Provides that the issuer may indicate to the commissioner that it considers certain parts of this information confidential and not subject to the La. Public Records Law. Requires the commissioner to ensure that the information received from the health insurance issuer be made available to the public on the Department of Insurance website.

Proposed law provides that within 60 days of receipt of a filing by a health insurance issuer, the commissioner to evaluate the proposed rate increase and notify the issuer of his determination. Further provides information that shall be included in the commissioner's review of the proposed rate, as well as the criteria the commissioner shall use to determine whether a rate increase is unreasonable, including whether the rate is excessive, unjustified, or unfairly discriminatory. Specifies that if the issuer does not receive a final determination within 60 days, the proposed rate increase shall be deemed reasonable.

Proposed law requires a summary of the rate increase information submitted by the insurance issuer to be published on the department's website within 15 days of the submission. Specifies that the public shall have 30 days after publication to submit comments. Prohibits the commissioner from releasing information provided by the health insurance issuer that the issuer has indicated is confidential.

Proposed law provides that within 15 days of receipt of the determination by the commissioner that a proposed rate increase is unreasonable, an issuer shall notify the commissioner whether it intends to utilize the proposed rate increase or to refile. If the issuer's intent is to utilize the rate, the notice shall include the issuer's justification for such utilization.

Proposed law requires a reviewed rate increase to be implemented within 90 days of the effective date documented in the issuer's filing. Provides that if the rate is implemented more than such date, the rate shall be void, and a new rate filing shall be required to implement the rate thereafter.

Proposed law provides that proposed law shall expire and become void after a final, nonappealable judgment by the U.S. Supreme Court that includes the merits of the provisions of Section 2794 of the Public Health Service Act and that rejects the validity of such provisions, together with any and all federal regulations promulgated in accordance therewith by any federal agency. Additionally provides that proposed law shall become null and void immediately upon congressional repeal of Section 2794 of the Public Health Service Act.

(Amends R.S. 44:4.1(B)(10); Adds R.S. 22:1098)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill.

1. Provides for additional definitions.
2. Increases the time allowed for the commissioner to evaluate the proposed rate increase from 45 days to 60 days.
3. Requires a summary of the rate increase information submitted by the insurance issuer to be published on the department's website within 15 days of the submission. Specifies that the public shall have 30 days after publication to submit comments.
4. Requires a reviewed rate increase to be implemented within 90 days of the effective date documented in the issuer's filing. Provide that if the rate is implemented more than 90 days after approval, the rate shall be void.
5. Revises the effective date language.

Senate Floor Amendments to engrossed bill

1. Technical changes made.

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Insurance to the reengrossed bill.

1. Includes high deductible health plans within the definition of "products" including them among those plans whose rates are subject to review by the commissioner.
2. Deletes definition of "small group market". Also changes definition of "small group" or "small employer".
3. Deletes 10% as the threshold rate increase for which certain information must be filed by the health insurance issuer with the commissioner. Changes this threshold rate to a rate specified by the U.S. Dept. of Health and Human Resources in accordance with the Patient Protection and Affordable Care Act.
4. Specifies that a health insurance issuer may indicate to the commissioner that it considers certain filed information confidential and not subject to La. Public Record Law. Also adds this as an exception from such law.
5. Changes the authority of the commissioner from a determination of whether a rate increase is unreasonable or otherwise unlawful to a determination only of whether a rate increase is unreasonable.

Committee Amendments Proposed by House Committee on House and Governmental Affairs to the reengrossed bill.

1. Deletes high deductible health plans from the list of exemptions to proposed law.
2. Provides technical amendments.