

SENATE BILL NO. 682 (Substitute of Senate Bill No. 107 by Senator Nevers)

BY SENATORS NEVERS, MILLS AND THOMPSON AND REPRESENTATIVES  
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1 AN ACT

2 To enact Chapter 8-B of Title 46 of the Louisiana Revised Statutes of 1950, to be comprised  
3 of R.S. 46:979.1 through 979.6, relative to the Louisiana First America Next  
4 Freedom and Empowerment Act; to provide for the creation, implementation and  
5 administration of the Louisiana First America Next Freedom and Empowerment  
6 Plan; to provide for access to basic health insurance coverage for Louisiana citizens;  
7 to provide for legislative findings and intent; to provide for application for certain  
8 federal funds; to provide relative to funding and legislative oversight; to provide for  
9 certain eligibility factors and reports; to provide relative to termination of the plan;  
10 to provide certain terms, definitions, conditions and procedures; and to provide for  
11 related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. Chapter 8-B of Title 46 of the Louisiana Revised Statutes of 1950,  
14 comprised of R.S. 46:979.1 through 979.6, is hereby enacted to read as follows:

15 **CHAPTER 8-B. LOUISIANA FIRST AMERICA NEXT**

16 **FREEDOM AND EMPOWERMENT PLAN**

17 **§979.1. Title**

18 **This Chapter shall be known and may be cited as the "Louisiana First**  
19 **America Next Freedom and Empowerment Act".**

20 **§979.2. Definitions**

21 **As used in this Chapter, the following terms shall have the following**  
22 **definitions, unless the context clearly indicates otherwise:**

1           (1) "Cost-sharing" means the portion of the cost of a covered medical  
2           service that must be paid by or on behalf of eligible individuals, consisting of  
3           copayments or coinsurance, but not deductibles.

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

5           (3) "Medicaid" means the medical assistance program provided for in  
6           Title XIX of the Social Security Act.

7           (4) "Plan" means the Louisiana First America Next Freedom and  
8           Empowerment Plan established by this Chapter.

9           (5) "Secretary" means the secretary of the Department of Health and  
10           Hospitals.

11           §979.3. Legislative findings; purpose

12           A. The Legislature of Louisiana does hereby find and declare that, due  
13           to compelling moral and economic reasons, Louisiana must enact positive  
14           reforms to move the state's health care system in the right direction.

15           B. The Legislature of Louisiana does hereby find and declare that  
16           Louisiana should expand access to affordable high quality health care. Our  
17           state must create a solid safety net for the poorest of the poor and the sickest of  
18           the sick. Louisiana must seek to offer to its citizens a health care system that  
19           allows the patient to be in control, working with his own doctor and other health  
20           care providers. Louisiana must work on reducing health care costs, since many  
21           of Louisiana's citizens struggle to afford health care. Louisiana must work to  
22           preserve and strengthen the safety net for the most vulnerable in our state,  
23           including those with pre-existing conditions. Louisiana must focus on  
24           enhancing patient choice, removing obstacles to portability, and promoting  
25           consumer selection.

26           C. The Legislature of Louisiana does hereby find and declare that true  
27           health reform puts doctors and patients, not government bureaucrats, at the  
28           heart of all health policy decisions.

29           D. The purposes of this state in implementing the Louisiana First  
30           America Next Freedom and Empowerment Plan are as follows:

1           (1) To lower health care costs by providing incentives for Louisiana  
 2           consumers to serve as smart health care shoppers, to save money by engaging  
 3           in healthy behaviors, and to take control of their health care choices.

4           (2) To protect the most vulnerable Louisiana citizens by targeting  
 5           government resources to those most at risk in our state and by enacting reforms  
 6           that would guarantee health care access to individuals with pre-existing  
 7           conditions, senior citizens, individuals with disabilities, and the unborn.

8           (3) To provide portability and choice to Louisiana consumers by offering  
 9           personalized choices so that consumers can buy the health care coverage plan  
 10           they want, not the plan a government bureaucrat tells them to purchase.

11           §979.4. Administration of the Louisiana First America Next Freedom and  
 12           Empowerment Plan

13           A. The Department of Health and Hospitals shall create and administer  
 14           the plan within the department. The department shall promulgate rules to  
 15           implement this Chapter in accordance with the Administrative Procedure Act.

16           B. In keeping with the plan's purposes set forth in R.S. 46:979.3, the  
 17           department shall on or before September 1, 2014, submit to the House and  
 18           Senate committees on health and welfare and to the governor an outline  
 19           specifying how it will seek to implement the following health care access reforms  
 20           in Louisiana beginning January 1, 2015:

21           (1) Lowering the cost of health care in Louisiana, including but not  
 22           limited to actions furthering the following goals:

23           (a) Tax equity: Giving all Louisiana consumers the same standard  
 24           deduction for health insurance, regardless of whether they obtain that health  
 25           insurance from an employer or on their own, and without raising taxes.

26           (b) A Louisiana health insurance program: Seeking any available  
 27           federal funds, including but not limited to the use of federal waivers or  
 28           Medicaid state plan amendments, so as to create an innovative and cost-effective  
 29           state health insurance program that would reduce health insurance premiums  
 30           to make coverage more affordable, guarantee access for individuals with pre-

1 existing conditions, and allow the state the option of using such funds to  
2 subsidize health insurance coverage for individuals with pre-existing conditions  
3 and low-income individuals who may not receive tax savings from a health  
4 insurance deduction.

5 (c) Health savings accounts: Further increasing participation in the  
6 plan's innovative insurance model and enhancing the ability to contain the  
7 growth of health costs by allowing individuals to create personal health savings  
8 accounts and use those funds to pay health insurance premiums, allowing for  
9 additional flexibility in benefit design.

10 (d) Greater incentives for wellness: Providing insurers and employers  
11 with additional flexibility to offer incentives for healthy behaviors, and the  
12 ability to provide those incentives on a tax-free basis, in order to accelerate  
13 efforts at changing behaviors in a way that can slow health cost growth.

14 (e) Focus on eliminating fraud: Moving away from the existing "pay  
15 and chase" model of eliminating fraud, and seeking to target those who profit  
16 from trafficking in personal health information.

17 (f) Price and quality transparency: Increasing online posting of health  
18 care services price and quality data in order to empower Louisiana patients  
19 with trusted information and provide Louisiana health care providers with a  
20 greater incentive to improve their quality practices.

21 (2) Protecting the most vulnerable Louisiana citizens, including but not  
22 limited to actions furthering the following goals:

23 (a) Guaranteed access for pre-existing conditions: Demonstrating in  
24 requests to federal funding sources that, as a condition of participation in the  
25 plan, Louisiana will guarantee access for individuals with pre-existing  
26 conditions through a high-risk pool, reinsurance, or some other method  
27 ensuring those with chronic conditions can obtain needed care.

28 (b) Premium support: Providing cost subsidies or premium assistance  
29 so that Louisiana's senior citizens are offered more health insurance choices,  
30 while seeking to make Medicare more financially solvent and sustainable for

1 future generations.

2 (c) Medicaid reforms: Seeking to work with the federal government  
3 through existing or new grant programs to demonstrate that, in exchange for  
4 a fixed funding allotment from the federal government and accountability  
5 standards, Louisiana will demonstrate flexibility in designing solutions to meet  
6 the health care needs of Louisiana citizens.

7 (d) Life protections: Seeking to strengthen conscience protections for  
8 businesses and medical providers.

9 (3) Portability and choice, including but not limited to actions furthering  
10 the following goals:

11 (a) Louisiana-based reforms to expand access: Reforming laws that  
12 govern medical licensure and construction of new medical facilities, in order to  
13 increase the supply of medical providers, including new options that may lower  
14 health care costs.

15 (b) Better access for individuals changing employers: Ending the  
16 requirement that individuals leaving their employer must exhaust COBRA  
17 continuation coverage before gaining access to the individual health insurance  
18 market, in order to alleviate a costly mandate on businesses and ease the  
19 transition into individual health coverage for those changing jobs.

20 (c) Pooling mechanisms: Allowing small businesses, fraternal  
21 organizations, civic groups, alumni associations, and other similar organizations  
22 to band together and offer health insurance to their members in order to  
23 provide new options for individuals to purchase coverage that travels with them  
24 from job to job.

25 (d) Cross-state insurance purchasing: Seeking to work with the federal  
26 government and other state governments to allow purchasing of health  
27 insurance across state lines, so as to allow Louisianians to buy the customized  
28 health insurance plan that best meets their needs.

29 (e) Lawsuit reform: Enacting common sense reforms to crack down on  
30 frivolous lawsuits in seeking to expand patient access and lower costs.

1           (f) Freedom for senior citizens to choose: Enhancing choice and  
2           competition by eliminating the arbitrary restrictions on senior citizens' choice  
3           of medical providers imposed by bureaucratic mandates, and seeking to restore  
4           the doctor-patient relationship by working with the federal government to see  
5           those onerous requirements repealed.

6           C. The department may work with any other state department in order  
7           to seek to effect the plan's purposes, and shall do so with all deliberate speed so  
8           as to effect these health care reforms in a timely manner.

9           D.(1) The department may utilize any federal or state funding, or any  
10          other source of revenue, available to implement this plan.

11          (2) Prior to implementation, the department shall develop the plan,  
12          including a determination of the cost, and submit the plan with the cost estimate  
13          to the Joint Legislative Committee on the Budget for approval.

14          E. The plan may include premium support or insurance premium  
15          subsidies for eligible individuals to enable their enrollment in a health insurance  
16          plan.

17          F. The department shall be specifically authorized to pay supplemental  
18          cost-sharing subsidies directly to health insurance plans or health savings  
19          accounts for participants in the plan.

20          G. An eligible individual offered health insurance access, enrolled in  
21          health insurance coverage or allowed to create a health savings account, shall  
22          affirmatively acknowledge the existence of all of the following facts:

23          (1) The plan shall not be a perpetual federal or state right or guaranteed  
24          entitlement.

25          (2) The plan shall be subject to cancellation upon appropriate notice.

26          (3) The plan shall not be an entitlement program.

27          H. The state may implement cost-sharing and copays, as a condition of  
28          participation in the plan, for plan participants whose earning shall exceed fifty  
29          percent of the applicable federal poverty level.

30          I. The department shall recommend appropriate adjustments in funding

1 to the legislature. Adjustments shall be made by the legislature as appropriate.

2 J. On a quarterly basis, the department shall report to the Joint  
3 Legislative Committee on the Budget, within two weeks of the end of each  
4 quarter, information regarding the following aspects of the plan:

5 (1) Plan enrollment.

6 (2) Patient experience.

7 (3) Economic impact.

8 (4) Carrier competition.

9 (5) Success in avoiding uncompensated care.

10 §979.5. Plan outcomes; reporting requirements

11 A. On or before July 1, 2015, and annually thereafter, the secretary of  
12 the department shall provide to the House and Senate committees on health and  
13 welfare and to the governor a written report covering the most recent one-year  
14 period which includes at a minimum all of the items required hereafter in this  
15 Section.

16 B. The secretary shall make the report provided for in this Section  
17 publicly available on its Internet website.

18 C. The report shall include but shall not be limited to the following  
19 items:

20 (1) Evaluation of major barriers to access to health care by participants  
21 in the Louisiana First America Next Freedom and Empowerment Plan, and  
22 recommendations for policy changes to eliminate such barriers.

23 (2) Summary of successful initiatives in this state for disease prevention  
24 and early diagnosis and management of chronic conditions among participants  
25 in the plan.

26 (3) Such other information as the secretary deems appropriate to convey  
27 a clear and sufficiently complete assessment of the impact of the plan.

28 §979.6. Termination

29 Annually during each regular session of the legislature, the legislature  
30 shall have the authority to decide whether to continue the program.

1           Section 2. This Act shall become effective upon signature by the governor or, if not  
2 signed by the governor, upon expiration of the time for bills to become law without signature  
3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
4 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
5 effective on the day following such approval.

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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GOVERNOR OF THE STATE OF LOUISIANA

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