

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 ~~(iii) One member who shall be elected from among the personnel of the~~
2 ~~Department of Health and Hospitals and the Department of Children and Family~~
3 ~~Services.~~

4 ~~(iv) One member who shall be elected from among the personnel of the~~
5 ~~Department of Transportation and Development.~~

6 ~~(v) One member who shall be elected from among the personnel of the~~
7 ~~Department of Public Safety and Corrections.~~

8 ~~(vi) One member who shall be elected from among all other personnel of~~
9 ~~state government.~~

10 ~~(b) Members elected as provided in this Paragraph shall be participants in~~
11 ~~health programs offered by the Office of Group Benefits and shall have ten years'~~
12 ~~work experience as a state employee, or teacher or other school employee,~~
13 ~~respectively, or shall have at least three years' work experience in one of the~~
14 ~~following areas: human resources, health care, employee benefits programs,~~
15 ~~executive level management, or budget management.~~

16 B. Terms. The terms of the members of the board shall be as follows:

17 (1) Each of the members as provided in Paragraphs (A)(1); **and (2)**; ~~and (3)~~
18 of this Section shall serve a four-year term concurrent with ~~his~~ **the** term of office **of**
19 **the speaker of the House of Representatives or the president of the Senate,**
20 **respectively.**

21 (2) Each of the members of the board appointed by the governor as provided
22 in Paragraph (A)~~(4)~~ **(3)** of this Section shall serve a term of six years. No such person
23 shall be appointed to serve more than two terms.

24 (3) The ~~eight~~ **two** elected members elected pursuant to ~~Paragraphs~~
25 **Paragraph (A)(5) (4) and (6)** of this Section shall serve a term of six years. No such
26 person shall be elected to serve more than two terms. The board shall adopt rules and
27 regulations to govern the election of these members.

28 * * *

29 D. Vacancies. (1) With the exception of the members elected pursuant to
30 Paragraphs ~~Paragraph (A)(5) (4) and (6)~~ of this Section, any vacancy in the

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

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____