Regular Session, 2013

HOUSE BILL NO. 638

BY REPRESENTATIVES STOKES AND TALBOT

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

1	AN ACT
2	To enact R.S. 22:1201(H), 1205(C)(7), and 1215.1 and to repeal R.S. 22:976, 981, 988,
3	1209, and 1210, relative to the Louisiana Health Plan; to provide for the cessation
4	of Louisiana Health Plan operations; to provide for a superseding plan of operations;
5	to provide for the cessation of enrollment and plan coverage; to provide for the
6	transition of plan members into the individual market; to provide for notice of
7	termination of coverage; to provide for notice to stakeholders and claimants of
8	deadlines relative to claims filing dates; to provide for the cessation of the service
9	charge to providers and health insurers; to end the assessment of fees on health
10	insurers; to provide for the continuation of board members; to provide for plan
11	reports to the House and Senate insurance committees; to provide for the
12	certification of cessation by the commissioner of insurance; to provide for the return
13	of excess funds; to provide for peremption on causes of actions and appeals; to
14	provide for effective dates; to repeal provision relative to insurers' consideration of
15	an insured's obligations to charges assessed by the Louisiana Health Plan; to repeal
16	provisions requiring insurers' obligation to educate rejected applicants about the
17	Louisiana Health Plan; to repeal provisions with respect to the Louisiana Health
18	Plan's exemption to policy conversion requirements; and to provide for related
19	matters.
20	Be it enacted by the Legislature of Louisiana:
21	Section 1. R.S. 22:1201(H), 1205(C)(7), and 1215.1 are hereby enacted to read as
22	follows:

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1	\$1201. Legislative findings; purpose; short title
2	* * *
3	H. The Louisiana Health Plan was created to provide health care coverage for
4	individuals to whom comprehensive health care coverage is not available in the
5	individual health insurance market because of preexisting health conditions. As of
6	January 1, 2014, federal law provides that health insurance carriers in the individual
7	market cannot reject applicants for health insurance coverage based upon the
8	presence of preexisting health conditions or exclude health care coverage for
9	preexisting conditions.
10	* * *
11	\$1205. Plan of operation
12	* * *
13	C. In its plan of operation the board shall:
14	* * *
15	(7) Develop an orderly plan of cessation (dissolution plan).
16	(a) It is the intent of the legislature by the enactment of this Paragraph to
17	provide for the orderly cessation of the Louisiana Health Plan's operation on
18	<u>December 31, 2013.</u>
19	(i) The Louisiana Health Plan shall cease enrollment and coverage under the
20	plan by January 1, 2014, as required by federal law.
21	(ii) No provision contained in this Section shall prohibit the Louisiana Health
22	Plan from ceasing coverage or enrollment in the plan prior to January 1, 2014, if
23	approved by the commissioner, in a superseding plan of operation as provided for in
24	this Section.
25	(b) After paying health insurance claims for plan coverage, meeting all other
26	obligations of the board set forth by this Section, and taking all reasonable steps,
27	including those set forth by this Section, to timely and efficiently assist in the
28	transition of individuals receiving plan coverage to the individual health insurance
29	market, the board shall cease operating the High Risk Pool.

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1	(c) The board may take all actions it deems necessary to cease enrollment for
2	plan coverage by undertaking the following actions:
3	(i) Provide at least ninety days notice to current policyholders of plan
4	termination.
5	(ii) Terminate all existing plan coverage at the end of the calendar day on
б	December 31, 2013, provided that there is a minimum of one individual health
7	insurance company authorized to provide individual health insurance coverage in the
8	state at a rate not to exceed the usual and customary rate as of January 1, 2014. In
9	the absence of any other individual health insurance company authorized to provide
10	individual health insurance coverage in this state, the Louisiana Health Plan shall
11	continue to provide such coverage until there is a minimum of one individual health
12	insurance company authorized to provide individual health insurance coverage in this
13	state on or after January 1, 2014.
14	(iii) Amend plan policies and provide adequate notice to policyholders,
15	agents of policyholders, and providers that in order for such persons to be
16	reimbursed, a claim for plan services is required to be filed by the earlier of one
17	hundred eighty days after the plan coverage ends on December 31, 2013, or three
18	hundred sixty-five days after the date of service giving rise to the claim.
19	(d) This Section does not require the board to revise plan benefits to comply
20	with federal law or to maintain plan coverage for any individual after December 31,
21	<u>2013.</u>
22	(e) After plan coverage terminates pursuant to this Section, the board shall
23	take reasonable steps to dissolve all significant operation of the plan by December
24	<u>31, 2015.</u>
25	(f) Notwithstanding any other provision of this Subsection, in order to
26	facilitate an efficient cessation of operations, the following provisions shall apply:
27	(i) Until the cessation of Louisiana Health Plan's operations, the board may
28	continue to use existing contractors without the need to issue competitive requests
29	for proposals.

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1	(ii) The board shall remain in effect in accordance with the provisions of
2	R.S. 22:1204. The term of each board member shall be extended until the date the
3	High Risk Pool concludes all business and the commissioner of insurance has
4	certified the cessation of operations in accordance with Subparagraph (j) of this
5	Paragraph.
6	(g) By August 30, 2013, the board shall submit to the commissioner a plan
7	of operation, to be approved by the commissioner. Such plan of operation shall
8	include a dissolution plan and shall supersede the current plan of operation in order
9	to implement with the action required by this Paragraph. The new plan of operation
10	shall go into effect upon signature by the commissioner.
11	(h) Billing of service charges pursuant to R.S. 22:1209 shall cease for claims
12	incurred before January 1, 2014. Final service charge fees and reports shall be due
13	and payable on January 31, 2014. Collection of all service charges legally due shall
14	continue until cessation of operations. Nothing herein shall prohibit the auditing of
15	any and all eligible providers, employers, insurance arrangements, or insurers.
16	(i) Effective December 31, 2013, fees assessed to participating health
17	insurers and insurance arrangements under R.S. 22:1210 shall cease. Billing of the
18	assessment based on participating health insurer premiums from calendar year 2013
19	shall be made no later than February 10, 2014. Payment of the assessment shall be
20	made by the participating health insurers no later than March 31, 2014. Any
21	participating health insurer that has not paid the assessment for calendar year 2013
22	by the March 31, 2014, deadline shall be reported to the commissioner for sanctions.
23	Sanctions for refusal to timely pay a required assessment shall include the sanctions
24	enumerated in R.S. 22:13 or 16, at the discretion of the commissioner.
25	(j) The commissioner shall certify the cessation of operations of each pool
26	under the Louisiana Health Plan. The High Risk Pool and HIPAA Plan may be
27	certified as having completed the cessation of operations separately or together, at
28	the commissioner's discretion. The board may also submit the completed dissolution
29	plan at different times based upon the finality of claim submissions or other factors.

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1	(i) If the board has excess HIPAA funds after the commissioner certifies the
2	cessation of operations of the HIPAA Plan in accordance with the provisions of this
3	Subsection, the excess funds shall be returned to the participating insurer on the same
4	basis upon which each participating insurer was assessed in accordance with the
5	provisions of R.S. 22:1210 during calendar years 2013 and 2014.
6	(ii) If the board has excess High Risk Pool funds after the commissioner
7	certifies the cessation of operations of the High Risk Pool in accordance with the
8	provisions of this Subparagraph, the High Risk Pool funds shall be returned to the
9	state general fund.
10	(k)(i) By March 1, 2016, the board or liquidator shall file a report with both
11	the Louisiana House Committee on Insurance and the Louisiana Senate Committee
12	on Insurance and the commissioner. Such report shall signify completion of the
13	requirements of this Subsection and shall include an independent auditor's report on
14	the financial statements of the pool. Such report shall be submitted in lieu of the
15	written report of operation of the plan required by R.S. 22:1204(F). The board or
16	liquidator may amend such report at a later date if necessary to complete the
17	cessation of operations of the High Risk Pool.
18	(ii) Upon a satisfactory review of the board's compliance with the cessation
19	of operations provisions of this Subsection, the commissioner shall certify that the
20	business of the High Risk Pool has concluded in accordance with state law and shall
21	publish the certification on the Department of Insurance website.
22	(1)(i) Upon certification in accordance with Subparagraph (j) of this
23	Paragraph, the operations of the High Risk Pool are terminated.
24	(ii) The state attorney general shall defend any legal action that may arise
25	against the plan, the board, or the employees of the plan that is filed after the
26	commissioner's certification of cessation of operations. This defense shall include,
27	when appropriate, a request for dismissal of any such action.
28	* * *

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1	<u>§1215.1. Peremption</u>
2	Dissolution of the operations of the Louisiana Health Plan requires the
3	expeditious determination of its outstanding liabilities. As such, each of the
4	following provisions shall apply:
5	A. Any action against the plan, the board, the employees of the plan, or any
6	combination thereof shall be subject to a peremptive period ending on December 31,
7	2014, at which time the right to assert a cause of action shall be extinguished.
8	B. All appeals by policyholders or providers must be made within the
9	guidelines of the policy. In no event shall any appeal by a policyholder or provider
10	be commenced after September 30, 2014.
11	C. Notwithstanding the provisions of this Section, nothing herein shall limit
12	the immunity from liability provided by R.S. 22:1203(D).
13	Section 2. R.S. 22:976, 981, 988, 1209, and 1210 are hereby repealed in their
14	entirety.
15	Section 3. Section 2 of this Act shall become effective on December 31, 2014.
16	Section 4. Sections 1, 3, and 4 of this Act shall become effective upon signature by
17	the governor or, if not signed by the governor, upon expiration of the time for bills to
18	become law without signature by the governor, as provided by Article III, Section 18 of the
19	Constitution of Louisiana. If vetoed by the governor and subsequently approved by the
20	legislature, this Act shall become effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____

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