Stokes (HB 638) **Act No. 325**

Prior law provided for the La. Health Plan (the plan) for the purpose of establishing a mechanism to insure the availability of health and accident insurance coverage to citizens of this state who, because of preexisting health conditions, cannot secure such coverage in the individual market.

New law, in consideration of federal legislation which will prohibit health insurance providers in the individual market from denying applicants based on preexisting health conditions, seeks to provide for the cessation of operation of the La. Health Plan.

New law requires the plan to cease enrollment and coverage under the plan by Jan. 1, 2014.

Prior law provided for the plan to have a board of directors, which included the commissioner of insurance as an ex officio member, and 12 voting members.

New law requires the plan's board of directors to take reasonable steps to assist individuals currently covered by the plan as they transition into the individual health insurance market.

New law authorizes the board to take all actions it deems necessary to cease enrollment for plan coverage and to terminate all existing plan coverage by Dec. 31, 2013, provided there is at least one individual health insurance company authorized to provide coverage at a rate not to exceed the usual and customary rate as of Jan. 1, 2004.

New law requires the board to provide at least 90 days notice to current policyholders before the plan's termination.

New law requires the board to notify current policyholders and their agents, as well as providers, that claims for payment or reimbursement must be filed by the earlier of 180 days after plan coverage ends on Dec. 31, 2013, or by 365 days after the date of service giving rise to the claim.

New law requires the board to take all necessary steps to end all significant operations of the plan following the termination of the plan; new law requires the board to have this complete by Dec. 31, 2015.

New law allows the board to use existing contractors until the cessation of the plan's operations.

New law provides that the board shall remain in existence in accordance with prior law and that each board member's term shall be extended until such time as the High Risk Pool concludes all business and the commissioner certifies the cessation of operations as required by new law.

New law requires the board to submit a plan of operation to the commissioner by Aug. 30, 2013. Such plan shall supersede the current plan of operation and shall include a dissolution plan.

Prior law provided for hospitals treating plan members to include service charges in the plan member's bills and to remit those service charges to the plan.

New law provides that the billing of service charges for claims incurred before Jan. 14, 2014, shall cease on Jan. 31, 2014. Further provides that the plan may continue the collection of service charges which are due until the cessation of the plan.

Prior law authorized the plan to assess fees to participating insurers in accordance with the provisions of prior law. Prior law defined "participating insurers" as all insurers issuing health insurance to citizens of this state.

New law provides for the cessation of fee assessment by Dec. 31, 2013. Further provides that the billing of any fees assessed during the 2013 calendar year to be made no later than Feb. 10, 2014.

New law requires participating health insurers to pay any assessments due from the 2013 calendar year by March 31, 2014.

New law provides that any participating health insurer who has failed to pay the 2013 assessment by March 31, 2014, shall be reported to the commissioner for sanctions.

New law requires the commissioner to certify the cessation of operations of each pool under the La. Health Plan. Further allows the commissioner to certify the cessation of the HIPAA Plan and the High Risk Pool separately, or together, at the commissioner's discretion.

New law permits the board to submit the dissolution plans for the HIPAA Plan and the High Risk Pool separately.

New law provides that if the board has excess HIPAA funds after the commissioner certifies the cessation of the HIPAA Plan, such funds shall be returned to the participating insurers on the same basis upon which such insurers were assessed in accordance with prior law.

New law provides that if the board has excess High Risk Pool funds after the commissioner certifies the cessation of the High Risk Pool, those funds shall be returned to the state general fund.

New law requires the board to file a report with the insurance committees of the La. House of Representatives and La. Senate, respectively, and the commissioner by March 1, 2016. Such report shall signify the completion of the requirements of new law.

New law requires the commissioner to publish the certification of cessation on the Dept. of Insurance website after such time as the commissioner has satisfactorily reviewed the report which new law requires the board to submit to the commissioner and insurance committees of the House and Senate.

Existing law provides for immunity from liability for the plan, its board members, agents and employees, and the commissioner for any cause of action arising out of any action taken by the aforementioned parties in the performance of their duties.

New law authorizes the commissioner to address any matters which may arise after he has issued the certification in accordance with new law.

New law requires the state attorney general to defend any legal action against the plan, board, or its employees which are filed after the certification.

New law states that causes of action against the plan, board, or its employees shall have a peremptive period of the earlier of one year after the cause of action or Dec. 31, 2014.

New law allows the plan to charge service charges and assess fees against participating insurers.

New law repeals prior law that provided for any health and accident policy issued in this state pursuant to present law to provide coverage without regard to any obligation an insured has for deductibles or copayments for the service charges assessed to the insured for treatment received through the La. Health Plan.

New law repeals prior law that required insurers, upon rejection of applicants for health and accident insurance, to provide such applicants with information stating that health insurance may be available through the La. Health Plan.

New law repeals prior law that exempted health coverage issued pursuant to provisions of prior law with respect to the La. Health Plan from mandatory policy conversion in the event that the policy was issued through a group plan which was subsequently terminated.

Substantive provisions of new law shall become effective upon signature of governor (June 17, 2013).

Sections relative to the repeal of prior law shall become effective on December 31, 2014.

(Adds R.S. 22:1201(H), 1205(C)(7), and 1215.1; Repeals R.S. 22:976, 981, 988, 1209 and 1210)