

Prior law provided relative to risk-based capital for health maintenance organizations, as defined in existing law.

New law provides relative to risk-based capital for health organizations, defined as the following: a health maintenance organization, as defined in existing law; a limited health service organization which bears risk; a dental or vision plan which bears risk; a hospital, medical and dental indemnity or service corporation which bears risk; a provider-sponsored organization which bears risk; or any other risk-bearing managed care organization licensed under existing law, the Insurance Code. Specifies that the term shall not include an organization that is licensed as either a life, health and accident, or property and casualty insurer under existing law, the Insurance Code, and that is otherwise subject to either the life or property and casualty risk-based capital requirements.

Prior law provided that "authorized-control level risk-based capital" meant the product of 1.25 and the number determined under the risk-based capital formula in accordance with the risk-based capital instructions.

New law provides that "authorized-control level risk-based capital" means the number determined under the risk-based capital formula in accordance with the risk-based capital instructions.

Prior law provided that "mandatory-control level risk-based capital" meant the product of ninety-five hundredths (.95) and the number determined under the risk-based capital formula in accordance with the risk-based capital instructions.

New law provides that "mandatory-control level risk-based capital" means the product of seventy hundredths (.70) and the number determined under the risk-based capital formula in accordance with the risk-based capital instructions.

Existing law provides that one instance of "company-action level event" means the filing of a risk-based capital report by a health organization that indicates that the health organization's total adjusted capital is greater than or equal to its regulatory action level risk-based capital but less than its company-action level risk-based capital.

New law additionally clarifies that a "company-action level event" means if a health organization has total adjusted capital which is greater than or equal to its company-action level risk-based capital but less than the product of its authorized-control level risk-based capital and three, and triggers the trend test determined in accordance with the trend test calculation included in the health risk-based capital instructions.

Effective Aug. 1, 2014.

(Amends the heading of Subpart D of Part III of Chapter 2 of Title 22 of the La. Revised Statutes of 1950 and R.S. 22:631(intro. para.), (4), and (6)(c) and (d) and 634(A)(1))