

SENATE SUMMARY OF HOUSE AMENDMENTS

SB 207 By Senator Morrish**KEYWORD AND SUMMARY AS RETURNED TO THE SENATE**

HEALTH/ACC INSURANCE. Provides for review of health coverage premium rates.
(8/1/12)

SUMMARY OF HOUSE AMENDMENTS TO THE SENATE BILL

1. Deletes definition of "small group market". Also changes definition of "small group" or "small employer". Removes requirement that a majority of employees of a "small employer" be employed within the state.
2. Provides that the term "individual health insurance coverage" or "individual policy" includes an employer group of one.
3. Deletes 10% as the threshold rate increase for which certain information must be filed by the health insurance issuer with the commissioner. Changes this threshold rate to a rate specified by the U.S. Dept. of Health and Human Resources in accordance with the Patient Protection and Affordable Care Act.
4. Specifies that a health insurance issuer may indicate to the commissioner that it considers certain filed information confidential and not subject to La. Public Record Law. Also adds this as an exception from such law.
5. Changes the authority of the commissioner from a determination of whether a rate increase is unreasonable or otherwise unlawful to a determination only of whether a rate increase is unreasonable.
6. Provides for factors and elements considered appropriate in determining a rate increase be consistent with federal law.
7. Deletes high deductible health plans from the list of exemptions to proposed law.

DIGEST OF THE SENATE BILL AS RETURNED TO THE SENATE

Morrish

SB No. 207

Proposed law provides for definitions, including "product" and "small group" or "small employer", primarily to specify which types of health package of benefits are subject to proposed law. Removes requirement that a majority of employees of a "small employer" be employed within the state.

Adds provision that "excepted benefits" under proposed law include short term medical insurance with a term of less than twelve months. Also provides that the term "individual health insurance coverage" or "individual policy" includes an employer group of one.

Requires that factors and elements considered appropriate in determining a rate increase be consistent with rules, regulations, manuals and interpretive documents issued by the Department of Insurance, the U.S. Dept of Health and Human Services, the Centers for Medicare and Medicaid Services, or the Center for Consumer Information and Insurance Oversight in accordance with federal law.

Proposed law provides that whenever a health insurance issuer proposes a rate increase which exceeds a rate specified by the U.S. Dept. of Health and Human Resources in accordance with the Patient Protection and Affordable Care Act, it shall file certain information related to any proposed increase in base premium with the commissioner. Further requires the issuer to file with the commissioner, no later than 120 days in advance of the anticipated effective date of the increase, a preliminary justification for each product

affected by the increase. Provides for specific information to be included in the preliminary justification by the issuer. Provides that the issuer may indicate to the commissioner that it considers certain parts of this information confidential and not subject to the La. Public Records Law. Requires the commissioner to ensure that the information received from the health insurance issuer be made available to the public on the Department of Insurance website.

Proposed law provides that within 60 days of receipt of a filing by a health insurance issuer, the commissioner to evaluate the proposed rate increase and notify the issuer of his determination. Further provides information that shall be included in the commissioner's review of the proposed rate, as well as the criteria the commissioner shall use to determine whether a rate increase is unreasonable, including whether the rate is excessive, unjustified, or unfairly discriminatory. Specifies that if the issuer does not receive a final determination within 60 days, the proposed rate increase shall be deemed reasonable.

Proposed law requires a summary of the rate increase information submitted by the insurance issuer to be published on the department's website within 15 days of the submission. Specifies that the public shall have 30 days after publication to submit comments. Prohibits the commissioner from releasing information provided by the health insurance issuer that the issuer has indicated is confidential.

Proposed law provides that within 15 days of receipt of the determination by the commissioner that a proposed rate increase is unreasonable, an issuer shall notify the commissioner whether it intends to utilize the proposed rate increase or to refile. If the issuer's intent is to utilize the rate, the notice shall include the issuer's justification for such utilization.

Proposed law requires a reviewed rate increase to be implemented within 90 days of the effective date documented in the issuer's filing. Provides that if the rate is implemented more than such date, the rate shall be void, and a new rate filing shall be required to implement the rate thereafter.

Proposed law provides that proposed law shall expire and become void after a final, nonappealable judgment by the U.S. Supreme Court that includes the merits of the provisions of Section 2794 of the Public Health Service Act and that rejects the validity of such provisions, together with any and all federal regulations promulgated in accordance therewith by any federal agency. Additionally provides that proposed law shall become null and void immediately upon congressional repeal of Section 2794 of the Public Health Service Act.

(Amends R.S. 44:4.1(B)(10); Adds R.S. 22:1091(B)(13) and 1098)

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