

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: HB 976 HLS 14RS 1049

Bill Text Version: ORIGINAL

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Table with 2 rows and 2 columns. Row 1: Date: April 1, 2014 1:57 PM, Author: STOKES. Row 2: Dept./Agy.: Louisiana Department of Insurance, Analyst: Alan M. Boxberger. Subject: Licensure and regulation of health insurance navigators.

INSURANCE/HEALTH OR INCREASE SG EX See Note Page 1 of 1
Provides for licensure and regulation of individuals and entities as health insurance navigators for a health benefit exchange

Proposed law provides for licensing/regulation by the commissioner of insurance of individuals and entities as navigators for health benefit exchanges authorized under the federal Patient Protection and Affordable Care Act (PPACA); defines a health insurance navigator; provides for certain exclusions; requires licensure; provides that the activities and duties of a navigator shall constitute transacting the business of insurance; provides for authorized activities; provides for prohibitions of certain activities; exempts certain entities and persons licensure; provides for qualifications; provides that certain entities shall obtain an entity navigator license; requires a criminal history check on each applicant; provides that a term and renewal of license; provides that a navigator must comply with any training requirements; provides for disciplinary measures and appeals; provides that the commissioner may examine and investigate the business affairs and records of any navigator or navigator entity and details reporting requirements; provieds that the commissioner may issue rules and regulations to implement and administer proposed law.

Table with 7 columns: EXPENDITURES, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total. Similar structure for REVENUES.

EXPENDITURE EXPLANATION

Proposed law will result in an indeterminable, but minimal increase in expenditures for the Louisiana Department of Insurance (LDI). Proposed law provides for the licensing and regulation of individuals and entities as health insurance navigators or navigator entities for health benefit exchanges authorized under the federal PPACA.

LDI reports there are currently 42 navigators operating in Louisiana. The department anticipates that it is capable of absorbing the additional workload required under proposed law by utilizing existing staff and expenditure authority. LDI will be required to develop a licensing process including criminal background checks. LDI will be required to engage in rules promulgation regarding the requirements of proposed law, resulting in a minor cost absorbable as part of its regular rulemaking activities.

The navigator program was originally scheduled to sunset after one year (ending between 8/31/14 and 10/1/14). To the extent that the federal government extends the program beyond the first grant period, or that navigators identify an alternative funding mechanism, the potential expenditures detailed in this section may extend into future fiscal years. To the extent that the program is not extended, the LFO assumes that proposed law may have no impact beyond the first quarter of FY 15.

REVENUE EXPLANATION

Proposed legislation may result in an indeterminable increase in fees and self-generated revenues for LDI. Proposed law implements an initial licensing fee of \$75 and a renewal fee of \$50. LDI identifies 42 navigators currently operating in Louisiana. Should all 42 navigators seek licensure, LDI would realize an increase of revenues of \$3,150 (42 x \$75) in the first year with an anticipated renewal every other year of \$2,100 (42 x \$50). To the degree that the implementation of licensure encourages or discourages additional individuals or entities to seek licensure as a health insurance navigator or navigator entity, the revenues would adjust accordingly.

Proposed law allows the commissioner to levy a fine not to exceed \$500 for specified violations. To the extent these violations occur, and navigators pay penalties, the department may realize an additional indeterminable increase in SGR revenues based on the frequency of such occurrences.

The navigator program was originally scheduled to sunset after one year (ending between 8/31/14 and 10/1/14). To the extent that the federal government extends the program, or that navigators identify an alternative funding mechanism, the potential revenues detailed in this section may extend into future fiscal years. To the extent that the program is not extended, the LFO assumes that proposed law may have no impact beyond the first quarter of FY 15.

Senate Dual Referral Rules House
13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}
6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}
6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}
Evan Brasseaux Staff Director