

2016 Regular Session

HOUSE BILL NO. 782

BY REPRESENTATIVE DAVIS

INSURANCE/HEALTH: Provides relative to certain definitions in the Insurance Code used in regulation of health insurance

1 AN ACT

2 To amend and reenact R.S. 22:1061(5)(e)(iii) and 1091(B)(13) and (22) and to enact R.S.
3 1061(5)(e)(vii), relative to certain definitions in the Insurance Code used in the
4 regulation of health insurance; to define the terms "employer","small employer",
5 "small group", "large employer", and "large group"; and to provide for related
6 matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:1061(5)(e)(iii) and 1091(B)(13) and (22) are hereby amended and
9 reenacted and R.S. 22:1061(5)(e)(vii) is hereby enacted to read as follows:

10 §1061. Definitions

11 As used in R.S. 22:984 and 1061 through 1079, the following terms ~~shall~~
12 have the following meanings:

13 * * *

14 (5) Other definitions are:

15 * * *

16 (e)

17 * * *

18 (iii) "Small employer" means, in connection with a group health plan with
19 respect to a calendar year and a plan year, an employer who employed an average of
20 at least ~~two~~ one but not more than fifty employees on business days during the

1 preceding calendar year and who employs at least ~~two employees~~ one employee on
2 the first day of the plan year.

3 * * *

4 (vii) At the option of a health insurance issuer, the health insurance issuer
5 may require that a majority of the employees covered under an employee benefit
6 plan are employed or reside in this state, and that there is a bona fide
7 employer-employee relationship to prevent the formation of employer groups
8 primarily for the purposes of buying health insurance.

9 * * *

10 §1091. Health insurance plans subject to rate review

11 * * *

12 B. As used in this Subpart, the following terms ~~shall~~ have the meanings
13 ascribed to them in this Section:

14 * * *

15 (13) "Large group" or "large employer" means, in connection with a group
16 health plan with respect to a calendar year and a plan year, an employer who
17 employed an average of at least fifty-one employees on business days during the
18 preceding calendar year and who employs at least two employees on the first day of
19 the plan year, ~~and beginning on January 1, 2016, an employer who employed an~~
20 ~~average of at least one hundred one employees on business days during the preceding~~
21 ~~calendar year and who employs at least two employees on the first day of the plan~~
22 ~~year.~~

23 * * *

24 (22) "Small group" or "small employer" means any person, firm,
25 corporation, partnership, trust, or association actively engaged in business which has
26 employed an average of at least one but not more than fifty employees on business
27 days during the preceding calendar year and who employs at least one employee on
28 the first day of the plan year, ~~and beginning on January 1, 2016, an employer who~~
29 ~~employed an average of at least one but not more than one hundred employees on~~

business days during the preceding calendar year and who employs at least one employee on the first day of the plan year. "Small group" or "small employer" shall include coverage sold to small groups or small employers through associations or through a blanket policy. For purposes of rate calculation by a health insurance issuer, a small employer group consisting of one employee shall be rated within a health insurance issuer's individual market risk pool, unless that health insurance issuer provides only employer coverage and thus has only a small group market risk pool.

* * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 782 Original

2016 Regular Session

Davis

Abstract: Redefines the terms "employer","small employer", "small group", "large employer", and "large group" for purposes of regulation of health insurance.

Present law, relative to assuring portability, availability, and renewability of health insurance coverage, defines an "employer" as any person acting directly as an employer, or indirectly in the interest of an employer, in relation to an employee benefit plan, and includes a group or association of employers acting for an employer in such capacity.

Proposed law additionally provides that, at the option of a health insurance issuer (health insurer), such issuer may require that a majority of the employees covered under an employee benefit plan are employed or reside in this state, and that there is a bona fide employer-employee relationship to prevent the formation of employer groups primarily for the purposes of buying health insurance.

Present law, relative to assuring portability, availability, and renewability of health insurance coverage, defines a "small employer", in connection with a group health plan during a calendar year and a plan year, as an employer who employed an average of at least two but not more than 50 employees on business days during the preceding calendar year and who employs at least two employees on the first day of the plan year.

Proposed law changes such definition to provide that a "small employer", in connection with a group health plan during a calendar year and a plan year, shall be an employer who employed an average of at least one but not more than 50 employees on business days during the preceding calendar year and who employs at least one employee on the first day of the plan year.

Present law, relative to review of rates of health insurance issuers (health insurers), defines a "large group" or "large employer", in connection with a group health plan with respect to a calendar year and a plan year, as an employer who employed an average of at least 51 employees on business days during the preceding calendar year and who employs at least two employees on the first day of the plan year, and beginning on Jan. 1, 2016, an employer

who employed an average of at least 101 employees on business days during the preceding calendar year and who employs at least two employees on the first day of the plan year. Further defines a "small group" or "small employer" as any person, firm, corporation, partnership, trust, or association actively engaged in business which has employed an average of at least one but not more than 50 employees on business days during the preceding calendar year and who employs at least one employee on the first day of the plan year, and beginning on Jan. 1, 2016, an employer who employed an average of at least one but not more than 100 employees on business days during the preceding calendar year and who employs at least one employee on the first day of the plan year.

Proposed law deletes the provisions of present law changing the definitions of "large group", "large employer", "small group", and "small employer" beginning on Jan. 1, 2016.

Present law additionally provides that a "small group" or "small employer" shall include coverage sold to small groups or small employers through associations or through a blanket policy. Also requires that, for purposes of rate calculation by a health insurance issuer (health insurer), a small employer group consisting of one employee shall be rated within such issuer's individual market risk pool, unless that issuer provides only employer coverage and thus has only a small group market risk pool.

Proposed law retains present law.

(Amends R.S. 22:1061(5)(e)(iii) and 1091(B)(13) and (22); Adds R.S. 22:1061(5)(e)(vii))