

Louisiana

Louisiana Insurance Commission
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Summary of Important Regulations

MEWA Regulations	No
TPA Regulations	No
Stop-Loss Regulations	No
UR Regulations	Yes

NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Health Insurance Reserves Model Regulation	None	La. Rev. Stat. Ann. §§ 22:891, 22:893
Comprehensive Health Ins. Cost Containment Model Act	None	None
Standardized Health Claims Form Model Regulation	None	La. Rev. Stat. Ann §§ 22:214.3;22:3016; La. Ins. Reg. 48
Small Employer Health Insurance Availability Model Law	None	La. Rev. Stat. Ann. §§ 22:228.5; §§22:250.1 to 22:250.16
Model Regulation To Eliminate Unfair Sex Discrimination	None	None
Health Information Privacy Model Law	None	None
Preferred Provider Arrangements Model Law	None	La. Rev. Stat. Ann. §§ 40:2201 to 40:2205
Utilization Review Model Law	None	None
Managed Care Plan Network Adequacy Model Law	None	None
Third Party Administrator Law	La. Rev. Stat. Ann. §§ 22:3019 to 22:3020.5	None
Stop-loss Insurance Model Law Louisiana	None	None

NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Jurisdiction of Health Care Providers Model Law	None	None
Standard Group Health Model Law	None	La. Rev. Stat. Ann. §§ 22:215 to 22:215.1
Group Health Insurance Mandatory Conversion Law	La. Rev. Stat. Ann. § 22:230.2	None
Group Coverage Discontinuance/ Replacement Model Regulation	None	None
Premium Rates and Renewability of Coverage-Small Groups	La. Rev. Stat. Ann. §§ 22:228.1 to 22:228.5	None
Group Coordination of Benefits Model Law	La. Ins. Reg. 32	None
Model Regulation for Certification of Health Plans	None	None
Off-Label Drug Use Model Law	None	La. Rev. Stat. Ann. § 22:215.18; Me. Rev. Stat. Ann. tit. 24 §§ 2320-F,2230-G; tit 24-A §§ 2745-E,2744-F;tit. 24-A §§2837-F, 2837-G;tit. 24-A §§ 4234-D, 4234-E
Group Health Mandatory Drug/ Alcohol Dependency Law	None	La. Rev. Stat. Ann. § 22:215.5
Model Newborn Children's Law	None	La. Rev. Stat. Ann. § 22:215.1

Health Examination Benefits Availability Law	None	La. Rev. Stat. Ann. § 22:215.14
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NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Accident and Sickness Insurance Minimum Standards Model Law	None	None
Agents and Brokers Licensing Model Law	None	La. Rev. Stat. Ann. §§ 22:111 to 22:1120
MEWA Licensing Model Law	None	None
Managing General Agents Law	La. Rev. Stat. Ann. §§ 22:1201 to 22:1207	None
Health Maintenance Organization Model Law	La. Rev. Stat. Ann. §§ 22:2001 to 22:2026	None
Insurance Information and Privacy Protection Law	None	None
Unfair Trade Practices Law	La. Rev. Stat. Ann. §§ 22:1211 to 22:1219	None
Model Regulation on Unfair Discrimination in Life and Health Insurance on the Basics of Physical or Mental Impairment	None	None
Model Regulation on Unfair Discrimination in Life and Health Insurance on the Basics of Total or Partial Blindness	None	La. Rev. Stat. Ann. § 22:652.1

NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Unfair Discrimination against Subjects of Domestic Abuse in Health Benefit Plans Model Law	None	None
Unfair Claims Settlement Practices Law	La. Rev. Stat. Ann. § 22:1214	La. Rev. Stat. Ann. § 22:1220
Improper Termination Practices Law	None	None
Employee Leasing Registration Model Law	None	None
Private Employer Workers' Compensation Group Self- Insurance Model Law	None	La. Rev. Stat. Ann. §§ 23:1195 to 23:1200.1
Public Employee Workers' Compensation Group Self- Insurance Model Law	None	None
Twenty Four Hour Coverage Pilot Project Model Law	None	La. Rev. Stat. Ann. §§ 22:21 to 22:23

State-Mandates

Benefits That Must Be Covered

- Ambulance transportation
- Breast reconstruction
- Cervical cancer screening
- Cleft palate
- Clinical trials
- Dental anesthesia
- Diabetic supplies, education
- Emergency services
- Mammography screening
- Mental health, parity
- Minimum maternity stays
- Off-label drug use
- Prostate cancer screening
- Well-child care

Benefits That Must Be Offered

- Alcoholism and drug abuse
- General mental health
- Rehabilitation care

Persons Who Must Be Allowed Coverage

- Continuation/dependents
- Continuation/employees
- Conversion to non-group
- Dependent students
- Handicapped dependents
- Newborns

Providers Who Must Be Covered

- Chiropractors
- Dentists
- Licensed Health Professionals
- Nurse Midwives
- Occupational Therapists
- Optometrists
- Pharmacists
- Physical Therapists

- Podiatrist
- Psychologists
- Social Workers
- Speech/Hearing Therapists

Coordination of Benefits

- Birthday Rule? Yes
- Divorced/Separated Rule? Yes
- Joint Custody Rule? Yes
- Active v. Inactive Rule? Yes
- Longer v. Shorter Rule? Yes
- Managed Care Rule? Yes
- COBRA Rule? Yes
- Preservation Rule? Yes

Continuation or Conversion

Continuation - Yes

Conversion – No

Patient's Bill of Rights Legislation

Yes

High Risk Health Pool

Yes- Premiums capped at 150% –200%

External Grievance System

Yes – all health plans

Basis of Filing Grievance

Medical necessity

Status of Decision of Grievance Panel

Binding on both parties

Prompt Payment of Health Claim Requirement

Yes

Regular payment – 45 days

Electronic payment – 25 days

Commentary

- Group health and accident insurance policies which provide coverage for the primary medical condition of cleft lip and cleft palate must also include benefits for secondary opinions and treatment attributable to the primary medical condition, including oral and facial surgery, surgical management and follow-up care, prosthetic treatment, orthodontic treatment and management, preventive and restorative dentistry, speech-language evaluation and therapy, audiological assessments and amplification devices, otolaryngology treatment and management, psychological assessment in counseling, and genetic assessment and counseling for the patient and parents.

- Group health and accident policies must include an option for the policyholder to select coverage for speech and language pathology therapy, physical therapy, rehabilitative services, and occupational therapy.
- Hospital or medical expense policies must provide for payment for expenses incurred by the insured for services performed by a qualified interpreter when such services are used by the insured in connection with medical treatment.¹
- Health insurance plans are required to include benefits for an annual pap test and minimum mammography exam.²
- All employers must grant 40 hours of paid leave to employees working 20 or more hours per week who donate bone marrow.
- An insurer that cancels a group health plan is liable for any claim for benefits accrued or for expenses incurred for services rendered, after the cancellation date if the claim is for an illness that was the basis of any pre-cancellation claim for which the insurer had notice. Also, group health insurers may not cancel a policy after receiving a notice of claim for any terminal, incapacitating, or debilitating condition. Also, rate limitations apply to health plans offered to small employers (those with no more than 35 employees half the time).
- The Louisiana commission of Insurance has issued an addendum to Directive Number 73 calling for the regulation of self-funded plans' reimbursement policy for chiropractic services. Specifically, the directive limits the ability of the plan to deny, or treat differently, the claim of a licensed chiropractor from those of other services.
- Premiums for health insurance policies, riders, or amendments issued in the state may not be increased more than once in the first 12 months following issuance, and only once every six months thereafter. Exceptions to the premium increase law are only for additions of newly covered persons, a change in age or location of an insured and an increase in the level of benefits provided under the policy.
- Every health insurance policy must provide coverage for the diagnosis and treatment of attention deficit/hyperactivity disorder.

MEWA Regulation

Louisiana has not enacted a version of the NAIC Model Act concerning jurisdiction over health care providers; however, a statutory scheme providing for licensing and regulation of self-funders by the Commissioner of Insurance demonstrates the state's intent to monitor the activities of the MEWAs.³ Single employer plans and plans which can show evidence of coverage under ERISA are not subject to this regulation.

Because Louisiana has established a statutory scheme specifically governing self-funders, no other provisions of the insurance code are applicable to such entities unless expressly stated in the code.

A complete copy of the plan, setting forth eligibility requirements, employee contributions, benefits provided, limitations and exclusions, and provisions relating to the termination of individual coverage, must be filed with the commissioner of Insurance within 30 days after the date of providing insurance coverage.

Each self-funder must provide an annual auditor's statement and an annual report signed by the person in charge of the insurance program. The Commission of Insurance must make an examination of each self-funder at least one every three years.

TPA Regulations

TPAs doing business in this state must notify the Consumer Affairs Office by sending a notarized statement identifying the TPA and the types of plans the TPA administers. If the TPA administers plans exempted from departmental regulation, then only the filing of a notarized statement is required. If the TPA administers self-funders as defined by the statute, then one of the TPA firm's officers must be licensed as a life and health insurance agent and the firm will be required to comply with all filing, reporting, and examination requirements of the statutes.⁴

Also, a third party administrator that manages self-funded life and health insurance plans must be licensed as a life insurance agent and is subject to the laws and regulations that apply to a life insurance agent. This requirement, however, does not apply to any employee of the self-funder or an administrator only managing a single employer trust.

Life and health insurance agents and companies that want to function as a third party administrators must meet the following guidelines set forth in the Insurance Commissioner's letter dated August 21, 1984:

Any third party administrator must have one of its officers licensed as a life and health agent. This officer must file with the Louisiana Insurance Department a notarized statement to the effect that he is acting as a Third Party Administrator, has been licensed as a life and health insurance agent in the State of Louisiana, and must include in this statement the name and address of each self-funded plan he administers. This includes any licensed insurance company operating as a Third Party Administrator. All licensed insurers shall be responsible for their licensed agents' compliance with this act.

Stop-Loss Regulation

No regulation is reported.

Utilization Firm Regulations

Agency Responsible ⁵	Dept. of Health
Requirements	Certification
Exemptions	HMO, Workers' compensation
Waivers	None
Comments	Provider internal reviews

Managed Care

A health benefits policy or plan may not prohibit an insured from selecting a pharmacy or pharmacist of the insured's choice, or in any manner interfering with that selection, if the chosen pharmacy or pharmacists agreed in writing to meet all the terms and requirements that apply to pharmacies or pharmacists otherwise designated under the policy or plan. The terms and conditions may include a minimum contract term of one year, if requested. However, a health benefits policy or plan is not required to provide pharmaceutical services or products.

Louisiana establishes comprehensive regulations of the utilization review industry, including state certification and confidentiality requirements, minimum operational standards, appeals procedures, and penalties for non-compliance. Louisiana prohibits insurers from requiring subscribers to use specifically designated pharmacies. Law also allows any pharmacist willing to accept the terms and conditions of participation the right to participate as a contracting provider for health policy or a health network.

Miscellaneous

State Premium Taxes

Commercial insurers, Blue Cross, and HMOs all pay 2% plus a .25% surcharge on premiums in excess of \$10,000.

Small Group Reform

None

MSA Legislation

Who May Establish	Individuals or employers
Tax Treatment	Contributions made to and interest received from a MSA are tax-exempt
Policy Deductible	Individuals: \$1,250-2,500 minimax Families: \$1,750 –3,500 minimax
Max. Annual Deposit	\$3,500 minimax; \$2,000 Individual; \$6,000 Family
Non-Medical Withdrawals	No penalty if withdrawn at end of plan year; subject to state income tax
Eligible Medical Expenses	Tracks IRS § 213

Continuation of Coverage and Conversion of Benefits

Louisiana law requires group policies to allow surviving spouses of covered members who are age 50 or older to continue coverage indefinitely. The coverage provided must be substantially identical to that received before the covered employee died. Coverage continues until one of the following occurs:

- The continuee fails to make timely payment of a required premium
- The continuee becomes eligible for Medicare or for another group insurance policy.
- The continuee remarries.

The insurer must notify the surviving spouse of the continuation option in writing. An individual who elects coverage must notify the insurer and pay the full premium within 90 days. Employers may not require individuals who request continuation coverage to have physical examinations before granting coverage.⁶

Registration of Self-Funded Plans

Every self-funded plan must file by March 1 an annual auditor's statement and annual report certifying the amount of gross annual premiums or contributions of the participating employers and their employees for the preceding year, the financial condition of the plan, an itemization of plan expenditures, and any other information required by the Commissioner of Insurance. Every health and accident self-funded plan established under ERISA must file a certified copy of the annual report required by ERISA with the Commissioner of Insurance within 210 days after the close of the preceding year.⁷

Endnotes

- ¹ La. Rev. Stat. Ann. § 22.215.10.
 - ² La. Rev. Stat. Ann. § 22.2288.1
 - ³ La. Rev. Stat. Ann. §§ 22.3001 to 22.3009.
 - ⁴ La. Rev. Stat. Ann. §§22.1581 to 22.1595.
 - ⁵ La. Rev. Stat. Ann. § 40.2721 et. seq.
 - ⁶ La. Rev. Stat. Ann. § 22.215.7.
 - ⁷ La. Rev. Stat. Ann. §§ 22.3002(17)(b) and 22.3013.
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