

## NOTICE OF INTENT

### Division of Administration Office of Group Benefits

#### Employee Benefits (LAC 32:I.Chapters 3)

In accordance with the applicable provisions of R.S. 49:950, et seq., the Administrative Procedure Act, and pursuant to the authority granted by R.S. 42:801(C) and 802(B)(1), vesting the Office of Group Benefits (OGB) with the responsibility for administration of the programs of benefits authorized and provided pursuant to Chapter 12 of Title 42 of the Louisiana Revised Statutes, and granting the power to adopt and promulgate rules with respect thereto, OGB finds that it is necessary to revise and amend several provisions of Title 32 in the Louisiana Administrative Code. This action will enhance member clarification and provide for the administration, operation, and management of health care benefits effectively for the program and member. Accordingly, OGB hereby gives Notice of Intent to adopt the following Rules to become effective January 120, 2016, unless promulgated thereafter, in which case they would become effective upon promulgation.

#### Title 32

#### EMPLOYEE BENEFITS

#### Part I. General Provisions

#### Chapter 3. Uniform Provisions—Participation in the Office of Group Benefits

##### §317. Change of Classification

A. Adding or Deleting Dependents. When a dependent is added to the enrollee's coverage due to a HIPAA Special Enrollment Event or deleted from the enrollee's coverage consistent with a change in the dependent's status, as set forth in the applicable OGB health plan document, applications made by active enrollees shall be provided to their HR liaison and applications made by retired enrollees shall be provided to OGB. Application is required to be made within 30 days of the event unless a longer application period is required by federal or state law.

B. ...

C. Effective Date of Change in Classification

1. When adding a dependent due to a HIPAA Special Enrollment Event ~~or deleting a dependent due to a change in the dependent's status~~ results in a change in classification, the change in classification will be effective on the date of the event. ~~Application for adding or deleting a dependent is required to be made within 30 days of the date of the event.~~

2. When the addition ~~or deletion~~ of a dependent changes the classification of coverage, the new premium rate will be charged for the entire month if the date of the HIPAA Special Enrollment Event ~~or the date of the change in the dependent's status~~ occurs before the fifteenth day of the month. If the date of the HIPAA Special Enrollment Event ~~or the date of the change in the dependent's status~~ occurs on or after the fifteenth day of the month, the new premium rate will not be charged until the first day of the following month.

C. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:801(C) and 802(B)(1).

HISTORICAL NOTE: Promulgated by Office of the Governor, Division of Administration, Office of Group Benefits, LR 41:341 (February 2015), effective March 1, 2015, amended LR 41:\_\_\_

#### Family Impact Statement

In compliance with Act 1183 of the 1999 Regular Session of the Louisiana Legislature, the impact of this proposed Rule on the family has been considered. It is anticipated that this Rule will have no net impact on family functioning, stability and autonomy as described in R.S. 49:972.

#### Poverty Impact Statement

Because the impact of the proposed action is based on the plan selected by each individual enrollee, the impact is indeterminable as to:

1. household income, assets, and financial security;
2. early childhood or educational development;
3. employment and workforce development;
4. taxes and tax credits; or
5. child and dependent care, housing, health care, nutrition, transportation, and utilities assistance.

#### Small Business Statement

The impact of the proposed Rule on small businesses as defined in the Regulatory Flexibility Act has been considered. It is estimated that the proposed action is not expected to have a significant adverse impact on small businesses. The agency, consistent with health, safety, environmental and economic welfare factors has considered and, where possible, utilized regulatory methods in the drafting of the proposed Rule that will accomplish the objectives of applicable statutes while minimizing the adverse impact of the proposed Rule on small businesses.

#### Provider Impact Statement

The proposed Rule should not have any known or foreseeable impact on providers as defined by HCR 170 of 2014 Regular Legislative Session. In particular, there should be no known or foreseeable effect on:

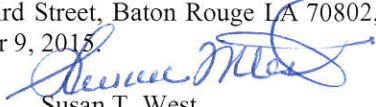
1. the effect on the staffing level requirements or qualifications required to provide the same level of service;
2. the total direct and indirect effect on the cost to the providers to provide the same level of service; or
3. the overall effect on the ability of the provider to provide the same level of service.

#### Public Comments

Interested persons may submit written comments via the U.S. Mail to Susan T. West, Chief Executive Officer, Office of Group Benefits, P.O. Box 44036, Baton Rouge, LA 70804. All comments must be received no later than 4:30 p.m. on November 9, 2015.

#### Public Hearing

A public hearing on this proposed Rule may be scheduled for November 24, 2015, at 10 a.m. in the Louisiana Purchase Room, located on the first floor of the Claiborne Building, located at 1201 N. Third Street, Baton Rouge LA 70802, if requested by November 9, 2015.

  
Susan T. West  
Chief Executive Office

10-7-15

## **FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES**

### **RULE TITLE: Employee Benefits**

#### **I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)**

The proposed administrative rule changes may potentially result in an indeterminable decrease in state expenditures.

The Office of Group Benefits (OGB) proposes to change the rules governing the application period allowed for making a change in classification resulting from an addition of a dependent. Current rules provide that the application to add a dependent, due to a federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) Special Enrollment Event, by an actively employed or retired enrollee of an OGB sponsored health plan must be made within 30 days of the event. There may be instances in which federal regulations require that the enrollment period resulting from a HIPAA Special Enrollment Event be greater than the 30-day period currently provided for by the administrative rules governing OGB. For example, a HIPAA Special Enrollment right arises for employees and their dependents who lose coverage under a State Children's Health Insurance Program (CHIP) or Medicaid or who are eligible to receive premium assistance under those programs. The employee or dependent must request enrollment within 60 days of the loss of coverage. There may be instances where failure to comply with such a rule would cause an employer or health insurance issuer to be out of compliance with the federal Patient Protection and Affordable Care Act (ACA) or HIPAA, which could result in penalties being assessed to the employer. The cost savings (by means of penalty avoidance) to state or local government units associated with this proposed administrative rule change is indeterminable, as the OGB is not able to accurately estimate how many members this could impact.

The OGB proposes to amend the impending administrative rule change effective January 1, 2016 that would enact the practice of mid-month adjustment of premiums billed to provide an enrollee a partial refund in premiums for the month in which the enrollee's classification changes due to a dependent's change in status resulting in the loss of coverage for the dependent, and is effective before the 15th of the month. This premium refund practice is not required under existing state or federal law. If the impending administrative rule change is not revised, the refunding process will have to be conducted manually, requiring additional manpower hours. Furthermore, OGB may experience an indeterminable increase in state expenditures, through the partial refunding of premiums to affected enrollees. The number of enrollees who would experience a change in classification due to the deletion of a dependent as a result of a change in the dependent's status is indeterminable as the OGB is not able to accurately estimate how many enrollees will experience such a change.

#### **II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)**

The specific revenue impact to the OGB as a result of the proposed rule changes cannot be accurately determined, as it is dependent upon member circumstances for which the population is not known. It is likely that the population of members who would be affected by the proposed rule change is small and will not result in any substantial impact to the revenues of the agency.

#### **III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS (Summary)**

The cost or economic benefits to persons directly affected by the proposed rule changes cannot be accurately determined as the OGB is not in a position to know how many enrollees will experience such a change.

#### **IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)**

There is no measurable impact on competition and employment anticipated in association with these proposed administrative rule changes. The proposed rule changes are eligibility rule changes and will not impact benefits offered, which are a significant component of the compensation package of state and certain local public sector employment. Individuals consider compensation packages across alternative private and public sector employment opportunities. For those who could be impacted in the future, these eligibility rule changes will make the compensation package less beneficial. The proposed rule changes may influence the decisions to seek and accept employment in both the public and private sectors.

Susan T. West  
Chief Executive Officer

Evan Brasseaux  
Staff Director  
Legislative Fiscal Officer