

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 634** HLS 12RS 1199

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 15, 2012 7:24 AM	Author: HUVAL
Dept./Agy.: Department of Insurance	Analyst: Alan M. Boxberger
Subject: Provides relative to certain fees for health maintenance	

INSURANCE/HMO

EG SEE FISC NOTE SG RV See Note

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Provides relative to certain fees for health maintenance organizations

Present law provides for certain fees relative to health maintenance organizations, specifically a \$2.50 fee for filing a charter, other documents and amendments and a \$3 fee per page for certified copies of any document. Proposed law deletes present law detailed in R.S. 22:269(B)(2) and (5) to remove conflicting provisions and establishes that prevailing fees to the Insurance Code shall apply to health maintenance organizations as per R.S. 22:821(B)(4) and (8), providing for a fee of \$25.00 for filing a charter, other documents, and amendments and a \$0.25 fee per page for certified copies of any document.

EXPENDITURES	2012-13	2013-14	2014-15	2015-16	2016-17	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2012-13	2013-14	2014-15	2015-16	2016-17	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The proposed law may produce an insignificant increase in revenue collected by the Louisiana Department of Insurance (LDI). The proposed law removes conflicting provisions for fees relative only to health maintenance organizations (HMOs). The fee for filing a charter and certified copies will be applicable to the Insurance Code as contained in R.S. 22:821(B)(4)(8). Standardizing fees according to the Insurance Code for health maintenance organizations will permit a standardized fee schedule for all entities. For health maintenance organizations, the proposed law will increase filing a charter or amendments from \$5 to \$25, an increase of \$20, and fees for certified copies of any document will decrease from \$3 to \$0.25 per page, a decrease of \$2.75. Since FY 06, the LDI had 6 amendments to articles of HMOs and 11 applications for new HMOs. Assuming this trend continues, this fiscal note assumes 2 articles of application for amendments or new applications to be filed annually which will increase revenues by approximately \$40 annually (\$20 increase x 2 applications). Costs to insurers would be low since amendments to HMO articles are rare, with the majority having not amended their articles since formation. The loss of \$2.75 revenue per certified copy is impossible to estimate due to the inability to anticipate demand or need for copies but is considered to be negligible.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}

Evan Brasseaux

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
Staff Director