

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 122** SLS 20RS 128

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 10, 2020 9:35 AM	Author: CARTER, TROY
Dept./Agy.: Office of Group Benefits	Analyst: Patrice Thomas
Subject: Notice for Over Age Dependent Coverage	

GROUP BENEFITS PROGRAM OR INCREASE SG EX See Note Page 1 of 1
Provides relative to notice and appeal rights for over-age dependent coverage by any health plan offered under the purview of the Office of Group Benefits. (8/1/20)

Proposed law provides that at least 8 months before a child or grandchild reaches the limiting age of 26, the Office of Group Benefits (OGB) shall send notice that coverage expires unless an application for continued coverage is filed. Proposed law stipulates the notices shall state that if the application is not filed prior to the date the child or grandchild reaches age 26 that coverage will terminate, and the notice shall explain the right to appeal to a review panel if the application is not submitted timely. Proposed law requires the application to be submitted no earlier 6 months before age 26. Proposed law provides that if continued coverage is denied due to failure to provide documentation, upon submission of documentation, the parent or grandparent may appeal to an appeal review panel to reinstate coverage. If an application is not submitted before the limiting age, proposed law provides that the parent or grandparent may appeal to a review panel to reinstate coverage. Under proposed law, the appeal review panel may reinstate coverage. Proposed law is effective August 1, 2020.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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						
REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	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

EXPENDITURE EXPLANATION

Proposed law will result in a minimal expenditure increase to the Office of Group Benefits (OGB) as a result of increased mailing costs. Proposed law requires OGB to mail notices to plan members that have dependent children who are within 8 months of reaching the limiting age of 26. The notices are required to explain that dependent coverage will expire unless an application for continued coverage is filed within 6 months of the child turning age 26, as well as appeal rights if the plan member fails to apply timely. According to OGB, the agency would be required to mail 2,685 covered dependent children notices in FY 21, with an anticipated cost of \$1,476.75 (2,685 x \$0.55 first-class postage). The LFO assumes approximately 2,700 notices will be mailed each year.

For informational purposes: In 2019, OGB received 28 applications for continued coverage.

REVENUE EXPLANATION

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

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
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Staff Director