

2020 Second Extraordinary Session

SENATE BILL NO. 56

BY SENATOR TALBOT

HEALTH/ACC INSURANCE. Provides relative to health maintenance organizations.  
(gov sig) (Item #32)

1 AN ACT

2 To amend and reenact R.S. 22:242(7) and 243(F), relative to licensing requirements for  
3 health maintenance organizations; to provide for the organization of a health  
4 maintenance organization as either a business or nonprofit corporation; to provide  
5 with respect to nonprofit corporation law; to provide for an effective date; and to  
6 provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:242(7) and 243(F) are hereby amended and reenacted to read as  
9 follows:

10 §242. Definitions

11 As used in this Subpart:

12 \* \* \*

13 (7) "Health maintenance organization" means any corporation organized **as**  
14 **either a business corporation or a nonprofit corporation** and domiciled in this  
15 state which undertakes to provide or arrange for the provision of basic health care  
16 services to enrollees in return for a prepaid charge. The health maintenance  
17 organization may also provide or arrange for the provision of other health care

1 services to enrollees on a prepayment or other financial basis. A health maintenance  
 2 organization is ~~deemed~~ **considered** to be an insurer for the purposes of R.S. 22:73,  
 3 96, ~~691 through 713~~, **691.1 through 691.27**, ~~Subpart H of Part III of this Chapter,~~  
 4 R.S. 22:731 ~~et seq.~~ **through 737**, R.S. 22:1022 and 1023, ~~Part H of Chapter 7 of this~~  
 5 ~~Title,~~ R.S. 22:1921 through 1929, and ~~Chapter 9 of this Title,~~ R.S. 22:2001 ~~et seq~~  
 6 **through 2045**. A health maintenance organization shall not be considered an insurer  
 7 for any other purpose.

\* \* \*

9 §243. Incorporation

\* \* \*

11 F. The provisions of R.S. 12:1-101 through R.S. 12:1-1705, **R.S. 12:201**  
 12 **through 269**, and other provisions of the Louisiana Revised Statutes of 1950,  
 13 relative to business **and nonprofit** corporations, shall apply to the regulation of the  
 14 business and the conduct of the affairs of any health maintenance organization which  
 15 has been incorporated pursuant to the provisions of this Subpart. If a conflict exists  
 16 between the provisions of this Subpart and the provisions of Title 12, the provisions  
 17 of this Subpart shall govern.

18 Section 2. The provisions of this Act shall be given retroactive application.

19 Section 3. This Act shall become effective upon signature by the governor or, if not  
 20 signed by the governor, upon expiration of the time for bills to become law without signature  
 21 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 22 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 23 effective on the day following such approval.

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The original instrument was prepared by Cheryl Cooper. The following  
 digest, which does not constitute a part of the legislative instrument, was  
 prepared by Jeanne Johnston.

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DIGEST

SB 56 Reengrossed

2020 Second Extraordinary Session

Talbot

Present law provides for the Health Maintenance Organization Act including definitions and provisions for incorporation.

Proposed law retains present law and expands the definition of "health maintenance

organization" to include any corporation organized as either a business corporation or a nonprofit corporation.

Present law provides for the application of Business Corporation Law to health maintenance organizations.

Proposed law retains present law and includes the application of Nonprofit Corporation Law to health maintenance organizations.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 22:242(7) and 243(F))

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Make technical corrections.