

NOTICE OF INTENT

**Department of Insurance
Office of the Commissioner**

**REGULATION 46 – Long-Term Care Insurance
(LAC 37:XIII.Chapter 19)**

The Department of Insurance, pursuant to the authority of the Louisiana Insurance Code, R.S. 22:1 et seq., and in accordance with the Administrative Procedure Act, R.S. 49:950, et seq., hereby gives notice of its intent to amend LAC 37:XIII.1907.

The purpose of LAC 37:XIII.1901 et seq. (Regulation 46 – Long-Term Care Insurance) is to implement the long-term care insurance provisions of the Louisiana Insurance Code, La. R.S. 22:1181 - 1191. In July 2017, the Department of Insurance amended LAC 37:XIII.1901 et seq. to adopt changes made to date to the National Association of Insurance Commissioners' long-term care insurance model regulation, to adopt model regulation definitions, to make necessary technical amendments and redesignations to existing sections of LAC 37:XIII.1901 et seq. to accommodate the model regulation, and to make other technical amendments.

As published in July 2017, LAC 37:XIII.1907, as amended, contains a duplicate definition. The amendments intended to change the name of the definition for "*Skilled Nursing Care, Intermediate Care, Personal Care, Home Care and other services*" to "*Skilled Nursing Care, Personal Care, Home Care, Specialized Care, Assisted Living Care, and Other Services*". This change in the definition name reflected a change in terms used throughout the amended regulation. The amended regulation, as published, included the same definition twice: one with the amended name and one with the former name. LAC 37:XIII.1907 is being amended to delete the duplicated definition with the former and now obsolete definition name.

**Title 37
INSURANCE
PART XIII. Regulations**

Chapter 19. Regulation 46 – Long-Term Care Insurance

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§1907. Policy Definitions

A. ...

* * *

Skilled Nursing Care, Intermediate Care, Personal Care, Home Care and other services –
Repealed



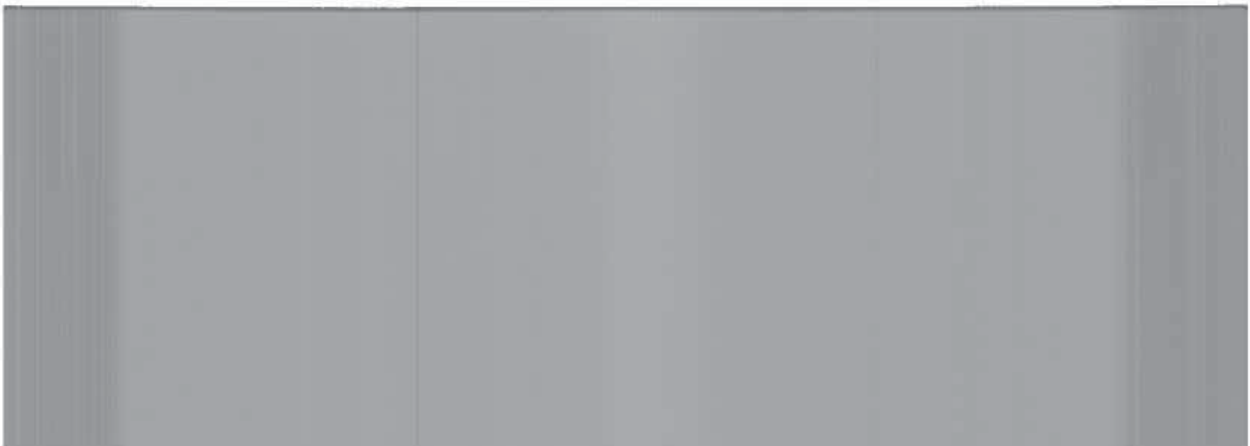
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B. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:1186(A), 22:1186(E), 22:1188(C), 22:1189, and 22:1190.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 19:1153 (September 1993), amended LR 23:976 (August 1997, LR 43:1394 (July 2017) (effective January 1, 2018), amended LR:

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

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Department: Louisiana Department of Insurance
Office: Management & Finance
Rule Title: Long-Term Care Insurance
Effective Date: Upon Publication

**SUMMARY
(Use Complete Sentences)**

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

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

The proposed rule change will not result in any additional costs or savings for state or local governmental units. The proposed rule change deletes a duplicative definition. Rule changes published in July 2017, added a duplicative definition regarding skilled nursing care. The amendments published in July 2017 were intended to change the name of the definition for "Skilled Nursing Care, Intermediate Care, Personal Care, Home Care and other services" to "Skilled Nursing care, Personal Care, Home Care, Specialized Care, assisted Living Care, and other services," however a new definition was added, resulting in two similar definitions. The proposed rule change deletes the definition that LDI intended to delete and replace in the July 2017 rule changes.

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

The proposed rule change will not affect revenue collections for state or local governmental units.

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

The proposed rule change will not result in any costs or benefits to directly affected persons or non-governmental groups.

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

The proposed rule change will not affect competition and employment.



Nicholas Lorusso, Chief Deputy Commissioner
La. Department of Insurance

11/8/2018

Date of Signature



Legislative Fiscal Officer or Designee

11/9/18

Date of Signature

FISCAL AND ECONOMIC IMPACT STATEMENT

FOR ADMINISTRATIVE RULES

The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriated legislative oversight subcommittee in its deliberations on the proposed rule.

Provide a brief summary of the content of the rule (if proposed for adoption or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the Notice of Intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of the current and proposed rules with amended portions indicated).

The amended Regulation 46 will not result in costs or savings to the Department of Insurance or any other state or local government units. Regulation 46 – Long-Term Care Insurance is to implement the long-term care insurance provisions of the Louisiana Insurance Code. In July 2017, the Department of Insurance amended Regulation 46 to adopt changes made to date to the National Association of Insurance Commissioners’ long-term care insurance model regulation, to adopt model regulation definitions, to make necessary technical amendments and redesignations to existing sections. As published in July 2017, as amended, contains a duplication definition. The amendments were intended to change the name of the definition for “Skilled Nursing Care, Intermediate Care, Personal Care, Home Care and other services” to “Skilled Nursing care, Personal Care, Home Care, Specialized Care, assisted Living Care, and other services”. Regulation 46 is being amended to delete the duplicated definition.

A. Summarize the circumstances which require this action. If the action is required by federal regulation, attach a copy of the applicable regulation.

The Department of Insurance is tasked with administering the Insurance Code, which regulates the business of insurance in all of its phases. The amendment of Regulation 46 is to delete a duplicate definition, which is necessary in clarity of terms used throughout the regulation.

B. Compliance with Act 11 of the 1986 First Extraordinary Session:

1.) Will the proposed rule change result in any increase in expenditure of funds? If so, specify the amount and the source.

No increase in expenditure of funds is anticipated as a result of the proposed rule change.

2.) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

- (a) _____ Yes. If yes, provide documentation.
- (b) _____ No. If no, provide justification as to why this rule change should be published at this time.

**FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET**

I. A. COSTS OR SAVINGS TO STATE AGENCIES RESULTING FROM ACTION PROPOSED.

1. What is the anticipated increase (decrease) in costs to implement the proposed action?

LDI does not anticipate any implementation costs (savings) as a result of proposed rule change.

COSTS	FY 18-19	FY 19-20	FY 20-21
OPERATING EXPENSES	0	0	0
PROFESSIONAL SERVICES	0	0	0
OTHER CHARGES	0	0	0
EQUIPMENT	0	0	0
TOTAL	0	0	0
MAJOR REPAIR/CONSTR	0	0	0
POSITIONS (Number)	0	0	0

2. Provide a narrative explanation of the costs or savings shown in "A.1" above, including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

The proposed rule change will not result in any additional costs or savings for state or local governmental units. The proposed rule change deletes a duplicative definition. Rule changes published in July 2017, added a duplicative definition regarding skilled nursing care. The amendments published in July 2017 were intended to change the name of the definition for "Skilled Nursing Care, Intermediate Care, Personal Care, Home Care and other services" to "Skilled Nursing care, Personal Care, Home Care, Specialized Care, assisted Living Care, and other services," however a new definition was added, resulting in two similar definitions. The proposed rule change deletes the definition that LDI intended to delete and replace in the July 2017 rule changes.

3. Sources of funding for implementing the proposed rule or rule change.

SOURCE	FY 18-19	FY 19-20	FY 20-21
STATE GENERAL FUND	0	0	0
AGENCY SELF-GENERATED	0	0	0
DEDICATED	0	0	0
FEDERAL FUNDS	0	0	0
OTHER (SPECIFY)	0	0	0
TOTAL	0	0	0

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

No additional funding is necessary to implement the proposed rule change.

B. COSTS OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED.

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustments in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

The proposed rule change will have no impact on local governmental revenues.

2. Indicate the sources of funding of local governmental unit(s) which will be affected by these cost or savings.

No source of funding is necessary; there is no impact on local governmental units as a result of the proposed rule change.

**FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET
(Continued)**

II. A. What increase (decrease) in revenues can be anticipated from the proposed action?

The amended regulation will have no impact on state or local governmental revenues.

SOURCE	FY 18-19	FY 19-20	FY 20-21
STATE GENERAL FUND	0	0	0
AGENCY SELF-GENERATED	0	0	0
DEDICATED	0	0	0
FEDERAL FUNDS	0	0	0
OTHER (SPECIFY)	0	0	0
TOTAL	0	0	0

B. Provide a narrative explanation of each increase or decrease in revenues shown in "A". Describe all data, assumptions and other methods used in calculating these increases or decreases.

The proposed rule change will not affect revenue collections for state or local governmental units.

III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS.

A. What persons or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effect on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.) they may have to incur as a result of the proposed action.

The proposed rule change will not result in any costs or benefits to directly affected persons or non-governmental groups.

B. Also provide an estimate and a narrative description of any impact on receipts and/or income resulting from this rule or rule change to these groups.

IV. EFFECTS ON COMPETITION AND EMPLOYMENT.

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

The proposed rule change will not affect competition and employment.

FAMILY IMPACT STATEMENT

Attachment to Regulation 46

LONG-TERM CARE INSURANCE

I. Describe the effect of the proposed regulation on the stability of the family.

The proposed amended regulation should have no measurable impact upon the stability of the family.

II. Describe the effect of the proposed regulation on the authority and rights of parents regarding the education and supervision of their children

The proposed amended regulation should have no impact upon the rights and authority of children regarding the education and supervision of their children.

III. Describe the effect of the proposed regulation on the functioning of the family.

The proposed amended regulation should have no direct impact upon the functioning of the family.

IV. Describe the effect of the proposed regulation on family earnings and budget.

The proposed amended regulation should have no direct impact upon family earnings and budget.

V. Describe the effect of the proposed regulation on the behavior and personal responsibility of children.

The proposed amended regulation should have no impact upon the behavior and personal responsibility of children.

VI. Describe the effect of the proposed regulation on the ability of the family or a local government to perform the function as contained in the rule.

The proposed amended regulation should have no impact upon the ability of the family or a local governmental unit to perform the function as contained in the rule.

POVERTY IMPACT STATEMENT

Attachment to Regulation 46

LONG-TERM CARE INSURANCE

I. Describe the effect on household income, assets, and financial security.

The proposed amended regulation should have no effect on household income assets and financial security.

II. Describe the effect on early childhood development and preschool through postsecondary education development.

The proposed amended regulation should have no effect on early childhood development and preschool through postsecondary education development.

III. Describe the effect on employment and workforce development.

The proposed amended regulation should have no effect on employment and workforce development.

IV. Describe the effect on taxes and tax credits.

The proposed amended regulation should have no effect on taxes and tax credits.

V. Describe the effect on child and dependent care, housing, health care, nutrition, transportation and utilities assistance.

The proposed amended regulation should have no effect on child and dependent care, housing, health care, nutrition, transportation and utilities assistance.

PROVIDER IMPACT STATEMENT

Attachment to Regulation 46 LONG-TERM CARE INSURANCE

- I. Describe the effect on the staffing level requirements or qualifications required to provide the same level of service.**

The proposed amended regulation will have no effect.

- II. The total direct and indirect effect on the cost to the provider to provide the same level of service.**

The proposed amended regulation will have no effect.

- III. The overall effect on the ability of the provider to provide the same level of service.**

The proposed amended regulation will have no effect.

SMALL BUSINESS STATEMENT

Attachment to Regulation 46

LONG-TERM CARE INSURANCE

The impact of the proposed regulation 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 regulation that will accomplish the objectives of applicable statutes while minimizing the adverse impact of the proposed regulation on small businesses.

I. Identification and estimate of the number of the small businesses subject to the proposed rule.

The proposed amended regulation should have no measurable impact upon small businesses.

II. The projected reporting, record keeping, and other administrative costs required for compliance with the proposed rule, including the type of professional skills necessary for preparation of the report or record.

The proposed amended regulation should have no measurable impact upon small businesses.

III. A statement of the probable effect on impacted small businesses.

The proposed amended regulation should have no measurable impact upon small businesses.

IV. Describe any less intrusive or less costly alternative methods of achieving the purpose of the proposed rule.

The proposed amended regulation should have no measurable impact on small businesses; therefore, will have no less intrusive or less cost alternative methods.