



LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER

DIRECTIVE 193 (REVISED AND REISSUED)

TO: ALL HEALTH INSURANCE ISSUERS AND HEALTH MAINTENANCE ORGANIZATIONS

FROM: JAMES J. DONELON, COMMISSIONER OF INSURANCE

RE: REQUIREMENTS FOR COMPLIANCE WITH LA R.S. 22:1065, LA R.S. 22:1075 AND REGULATION 86

DATE: SEPTEMBER 21, 2020

Directive 193 was originally issued on June 8, 2007 to provide clarification to health insurance issuers and health maintenance organizations (collectively referred to as "issuers") in reference to compliance with La. R.S. 22:1065, La. R.S. 22:1075, and Regulation 86. Directive 193 is being revised and reissued to reflect the changes to the law since the bulletin was originally issued, as well as to revise outdated references to the Louisiana Department of Health and Hospitals which was subsequently renamed the Louisiana Department of Health (LDH). Acts 2008, No.415, § 1, effective January 1, 2009, redesignated the provisions of Title 22, formerly comprising R.S. 22:1 to 22:3311, into a new format and numbering scheme comprising R.S. 22:1 to 22:2371, without changing the substance of the provisions. The substance of Directive 193 remains unchanged. Issuers are directed to comply with La. R.S. 22:1065, La. R.S. 22:1075, and Regulation 86.

In 2004, the Louisiana Legislature enacted a potential cost saving measure for the State of Louisiana to ensure that Medicaid function as the payer of last resort by allowing the LDH the right to determine if it is in the best interest of the citizens of this state to exercise the premium payment option for those qualifying newborn children who have access to individual or group health insurance coverage through the parent(s) of the newborn child. The newborn child, by operation of law, becomes a dependent under the mother or father's individual or group health plan or policy. Essentially, the LDH conducts a cost saving analysis in comparing the cost to the state via enrollment in Medicaid versus the cost of the insurance premium of a policy of health insurance. This is required in order to allow the LDH the option of paying the cost associated with a policy of health insurance if it is determined that such cost is less than the cost to the state in enrolling such newborn child in Medicaid.

Pursuant to Regulation 86, issuers shall notify policyholders of individual policies, employers and employees of group policies, and health care facilities that rendered any medical service to the newborn child of the following:

1. verification as to whether the health plan provides coverage under which the newborn child could be enrolled as a dependent or, if such coverage is not available under the health plan, an explanation of why such coverage is not available;
2. the additional amount of the premium due, if any, in order to provide dependent coverage;
3. the designated point of contact (which may be a specific position) to represent the issuer in all issues relating to the newborn child which includes the name, telephone number, facsimile number, email address and physical address of such contact; and
4. whether additional information is needed by the issuer. An issuer may request that the signature of the policyholder of an individual policy or employee and employer under a group plan be on the enrollment form. However, the failure of the policyholder, employee or employer, as applicable, to place a signature on the enrollment form shall not be a bar to the enrollment of the newborn child, as the newborn child is enrolled by operation of law.

Additionally, issuers shall provide ninety (90) days written notice to the LDH prior to the cancellation of health coverage for the potential qualifying newborn child. Such notice shall include the following:

1. the group identification/policy number or the individual identification/policy number, as applicable, including, but not limited to, the major medical identification number and the prescription drug identification number;
2. a summary of benefits, including, but not limited to, an itemization of all covered benefits and applicable co-payments and deductibles;
3. the amount of additional premium due in order to provide dependent coverage for the newborn child, including, but not limited to, the total premium due to effectuate coverage for the newborn child from date of birth;

4. the name(s) of the member subscriber and of the newborn child, and the name(s) of any and all other dependent(s) and the effective date of coverage for each person(s) named as a dependent; and
5. the designated point of contact (which may be a specific position) to represent the issuer in all issues relating to the newborn child which includes the name, telephone number, facsimile number, email address and physical address of such contact.

Finally, issuers shall, no later than three (3) days after the mailing of written notice to the LDH, provide the same documentation and information to any and all health care facilities, to include health care providers, who, prior to or on the date of the notice of cancellation, have done either of the following:

1. submitted a claim to the issuer for health care services rendered to the newborn child; or
2. provided notice to the issuer that it is rendering or has rendered health care services to the newborn child.

At the time Directive 193 was originally issued, as a matter of standard practice, all issuers were utilizing different formats and documents for the required notifications enumerated above. The different variations of the notices caused confusion among the health care industry and made the monitoring of these notices difficult for the Louisiana Department of Insurance to regulate. Therefore, the attached "Third Party Liability Notification Response" form was developed to encompass all the required notifications enumerated above in one single form to provide uniformity in the health care industry.

La. R.S. 22:1065 and La. R.S. 22:1075 require issuers to send a ninety (90) day cancellation notice of a newborn child to the LDH to allow it to conduct a cost saving analysis comparing the cost to the state of enrollment in Medicaid to the cost of the insurance premium of a policy of health insurance. This program allows the LDH the option of paying the cost associated with a policy of health insurance if it is determined that such cost is less than the cost to the state to enroll the newborn child in Medicaid. The intent of La. R.S. 22:1065 and La. R.S. 22:1075 was not to shift the cost of the health insurance premium for the newborn child to the parent(s) of Medicaid eligible newborn children. Pursuant to La. R.S. 22:1065 and La. R.S. 22:1075, issuers are prohibited from sending any billing notice to the employer for any potential qualifying newborn child until ninety (90) days after notification of the LDH.

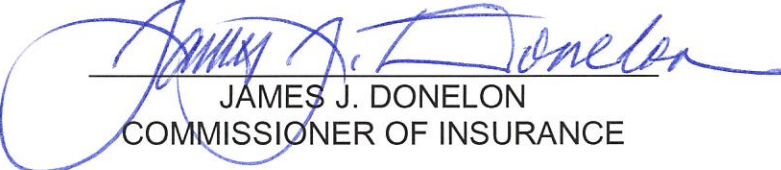
Accordingly, all issuers are directed to comply with the following:

1. Utilize the attached "Third Party Liability Notification Response" form dated September 2020, or any subsequent amendments to such form hereafter, when meeting the notification requirements enumerated above pursuant to La. R.S. 22:1065, La. R.S. 22:1075, and Regulation 86.
2. Refrain from sending any billing notices to employer groups or employees regarding a potential qualifying newborn child until after the expiration of ninety (90) days after the cancellation notice has been provided to the LDH.

Please be governed accordingly.

If there are any questions regarding this Directive, please contact the Deputy Commissioner for the Office of Health, Life, and Annuity, electronically at public@ldi.la.gov.

Baton Rouge, Louisiana, this 21st day of September, 2020.



JAMES J. DONELON
COMMISSIONER OF INSURANCE

**Health Insurance Issuer/HMO RESPONSE to a Newborn
Third Party Liability (TPL) Notification Submitted by a Health Care Facility
Louisiana Insurance Law**

Pursuant to La R.S. 22:1065, La. R.S. 22:1075, and LAC Title 37, Part XIII 11109.D, a Health Insurance Issuer or HMO is required to provide 90-day written notice to the Louisiana Department of Health (LDH) prior to the cancellation of health coverage for a newborn child who is potentially eligible under Title XIX (Medicaid) of the Social Security Act. For group and individual plans a potentially eligible newborn child is not limited to the 30-day special enrollment period under La. R.S. 22:1062. Louisiana Insurance Law requires that a newborn child who is potentially eligible under Title XIX of the Social Security Act shall have a 90-day special enrollment period.

Newborn Demographic and Private Insurance Information Provided by Health Care Facility

Health Care Facility Name	
Health Care Facility Street Address	
City, State, and Zip Code	
Health Care Facility Provider Number	
Health Care Facility Contact Name	
TPL Form Date	
TPL Receipt Date	
Admit Date of Newborn Child	
Discharge Date of Newborn Child	
Attending Provider Name	
Mother's Name	
Father's Name	
Newborn Name on Birth Certificate	
Subscriber Name	
Subscriber Date of Birth	
Subscriber Social Security Number	
Subscriber Member ID	
Group or Policy Number	
Employer Name	

Results of Newborn Eligibility Review (Check either 1 or 2)

1

<input type="checkbox"/>	ELIGIBLE for Dependent Coverage (Complete the following section)
Subscriber Mailing Address	
City, State, and Zip Code	
Employer Mailing Address	
City, State, and Zip Code	
Additional Amount of Premium Due	\$
List the names of all additional dependents covered under this Subscriber and the effective dates of coverage for each.	
Additional Information Required	

TERMINATION NOTICE: The above response form serves as formal written notice to the LDH that coverage for the newborn child named above will be terminated in 90 days from the receipt of this notice by the LDH, retroactive to the birth date, unless any premium due is received by the Health Insurance Issuer/HMO named on this form.

2

<input type="checkbox"/>	NOT Eligible for Dependent Coverage (Check appropriate reason below)
<input type="checkbox"/>	ERISA Self-Funded/ASO Account
<input type="checkbox"/>	Not our insured
<input type="checkbox"/>	Eligible for Dependent Coverage but an Individual Policy
<input type="checkbox"/>	Coverage Terminated Effective:
<input type="checkbox"/>	Other (Specify)

Health Insurance Issuer/HMO information on file with the Louisiana Department of Insurance

Insurance Company Name	
Point of Contact Name	
Street Address	
City, State, and Zip Code	
Telephone Number	
Fax Number	
E-mail Address	

NOTICE to the Employee (Subscriber) and Employer (Group) Named Above

This law requires health insurance issuers to contact the employee and employer when notified by a Louisiana hospital of the birth of a newborn determined to be potentially eligible for Medicaid coverage but where the admission record indicates the child may also be eligible for Medicaid coverage but where the admission record indicates the child may also be eligible for health coverage under a private carrier. We have received such notice on the newborn named above.

The following is the impact of this law on the Employee and Employer

Employee- You need to provide your employer with information on your newborn child so your employer can submit a full enrollment application to us. (The health insurance issuer/HMO named above).

Employer- You need to submit a completed enrollment application to us within 90 days of the newborn child's date of birth.

As required by Louisiana Insurance Law, a copy of this notice shall be sent to the LDH.

If you have questions or need additional information to bring this matter to closure, please feel free to contact your health insurance issuer/HMO or the LDH at (225) 342-9509.

By signing below, I attest to being a duly authorized representative of the above named Health Insurance Issuer/HMO and certify that this form was sent to: the Hospital, Employer Group, and Subscriber named above, as well as to the LDH.

Signature of Health Insurance Issuer/HMO Representative: _____ Date: _____

Print Name of Health Insurance Issuer/HMO Representative: _____

A copy of the TPL form submitted by the above named Health Care Facility is a required attachment to each response notice sent out.

Response notices for both ASO arrangements and fully insured plans should always be sent to both the Health Care Facility and to the LDH.

Send the LDH notice to:
Louisiana Department of Health
Third Party Liability
P.O. Box 91030
Baton Rouge, LA 70821-9030

A copy of the response notice for fully insured plans **shall be** sent to the Employee and Employer.

A copy of the response form for the ASO should **not** be sent to the Employee & Employer.