



STATE OF LOUISIANA
DIVISION OF ADMINISTRATION
OFFICE OF GROUP BENEFITS



March 14, 2025

Via email only

Senator Glen Womack
Chairman of the Senate Finance Committee
P.O. Box 94183
Baton Rouge, LA 70804
apa.s-fin@legis.la.gov

Representative Jack McFarland
Chairman of the House Appropriations
Committee
P.O. Box 94062
Baton Rouge, LA 70804
apa.h-app@legis.la.gov

Re: 2024 Annual Rulemaking Report - La. R.S. 49:966(K)

Dear Senator Womack and Representative McFarland:

Pursuant to La. R.S. 49:966(K), the Office of Group Benefits (“OGB”) hereby submits the following report documenting the rulemaking activities undertaken during calendar year 2024.

I. La. R.S. 49:966(K)(1)

During calendar year 2024, OGB enacted the following rule changes:

- Amended the Schedule of Benefits for the Magnolia Local Plus, Magnolia Open Access, Magnolia Local, Pelican HSA775, and Pelican HRA1000 plans to correct language used to describe physician office visits, flu shots and H1N1 vaccines, and ambulance services; the Prescription Drug Benefits schedules for the Magnolia Local Plus, Magnolia Open Access, Magnolia Local, and Pelican HRA1000 plans were amended to correct language used to describe the prescription drug benefits.
- Amended the maximum out-of-pocket amounts (MOOPs) for Plan Participants for whom Medicare pays primary to reflect a MOOP of \$2,000 for prescription drug coverage to comply with the federal Inflation Reduction Act.
- Amended the rules governing coverage for Surviving Spouses to provide coverage for Special Spouses in accordance with newly enacted La. R.S. 42:851(V), Act 304 of the 2024 Regular Louisiana Legislative Session.

During calendar year 2024, OGB took no actions to change rules related to any proposed fee adoption, increase, or decrease.

II. La. R.S. 49:966(K)(2)(a)

During calendar year 2024, OGB received no petitions or submissions requesting the adoption, amendment, or repeal of a rule pursuant to La. R.S. 49:964.

Office of Group Benefits

Re: 2024 Rulemaking Summary Report - La. R.S. 49:966(K)

March 14, 2025

III. La. R.S. 49:966(K)(2)(b)

During calendar year 2024, in compliance with Act 192 of the 2024 Regular Legislative Session, OGB began reviewing its rules.

a. Rules Reviewed in Calendar Year 2024

OGB's rules are located in Title 32, Employee Benefits, of the Louisiana Administrative Code. During Calendar Year 2024, Part III. Primary Plan of Benefits and Part V. Additional Plans and Operations were reviewed. The Rules contained in these Chapters are as follows:

- **Part III. Primary Plan of Benefits**

- Chapter 1. Operation of Primary Plan
 - §101. HMO Plan Structure – Magnolia Local Plus
 - §103. Deductibles
 - §105. Out of Pocket Maximums
 - §107. Schedule of Benefits
 - §109. Prescription Drug Benefits

- **Part V. Additional Plans and Operations**

- Chapter 1. Authority for OGB Alternative Plan Options
 - §101. OGB Authority
- Chapter 2. PPO Plan Structure – Magnolia Open Access Plan
 - §201. Deductibles
 - §203. Out of Pocket Maximums
 - §205. Schedule of Benefits
 - §207. Prescription Drug Benefits
- Chapter 3. Narrow Network HMO Plan Structure – Magnolia Local Plan (in certain geographical areas)
 - §301. Deductibles
 - §303. Out of Pocket Maximums
 - §305. Schedule of Benefits
 - §307. Prescription Drug Benefits
- Chapter 4. PPO/Consumer-Driven Health Plan Structure – Pelican HSA 775 Plan
 - §401. Deductibles
 - §403. Out of Pocket Maximums
 - §405. Schedule of Benefits
 - §407. Prescription Drug Benefits
- Chapter 5. PPO/Consumer-Driven Health Plan Structure – Pelican HRA 1000 Plan
 - §501. Deductibles
 - §503. Out of Pocket Maximums
 - §505. Schedule of Benefits
 - §507. Prescription Drug Benefits

b. Necessary and Consistent

Louisiana Revised Statute 49:964(D) requires “a description of whether each such rule is

Office of Group Benefits

Re: 2024 Rulemaking Summary Report - La. R.S. 49:966(K)

March 14, 2025

necessary and consistent with law and the agency’s mission.” Because there is no exception granting OGB an exemption from publishing its Schedule of Benefits in the Louisiana Administrative Code, publication of these rules described above are still necessary. OGB’s raison d’être is to administer benefit programs so these rules are consistent with the agency’s mission.

c. Analysis of Benefits and Burdens

Louisiana Revised Statute 49:964(D) requires “a determination whether the probable benefits of the rule outweigh the burdens and costs on persons regulated by the rule.”

Louisiana Revised Statute 42:802(A)(2) subjects OGB to the provisions of the Administrative Procedure Act (APA) found in La. R.S. 49:950, et seq. Because the Schedule of Benefits sets forth the deductibles, maximum out-of-pocket amounts, and copayments or coinsurance due by plan members enrolled in the various self-funded plans, OGB engages in rulemaking to comply with the APA.

Because these published Schedules of Benefits contain information pertinent to each of the self-funded plans offered by OGB, these rules are still necessary and valid. In the future, when the self-funded plans change, OGB will engage in the rulemaking process to amend these rules as appropriate.

d. Rules and Percentage Reviewed Since 2024

Lastly, La. R.S. 49:964(D) requires “a complete listing of rules reviewed by [OGB] since the beginning of the five-year period; and the percentage of [OGB’s] rules that have been reviewed by [OGB] since the beginning of the five-year period.”

The complete list of rules reviewed by OGB in calendar year 2024 since the inception of Act 192 is set forth above. As of the date of this report, the rules that have been reviewed by OGB so far comprise 22 out of 72 rules or almost 31% of OGB’s rules.

Please contact me if you have any questions regarding the contents of this report.

Sincerely,



Heath Williams
Chief Executive Officer
Office of Group Benefits

cc:

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