

NOTICE OF INTENT
Office of the Governor
Division of Administration
Office of Group Benefits

In accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., as authorized pursuant to R.S. 42:801 and 42:802, the Office of the Governor, Division of Administration, Office of Group Benefits, proposes to amend Chapter 3 of LAC 32:I, Uniform Provisions – Participation in the Office of Group Benefits. The revisions amend the Surviving Dependents/Spouse Subsection to comply with Act 304 of the 2024 Regular Legislative Session and provide the option of health coverage for a certain class of individuals who meet specific criteria.

Title 32
EMPLOYEE BENEFITS
Part I. General Provisions
Chapter 3. Uniform Provisions – Participation in the Office of Group Benefits

§319. Continued Coverage

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C. Surviving Spouse/Dependents

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5. Dependent Spouse of Deceased Retiree (Special Spouse).

- a. Notwithstanding the above, any person who previously participated in an OGB sponsored health program as a dependent spouse of a deceased retiree immediately prior to enrolling in an OGB sponsored health program as an active employee, shall, upon termination from state service, be eligible to obtain OGB health coverage as a special spouse provided all of the following conditions are met:
 - i. The person is enrolled in OGB health coverage as an active employee as of July 1, 2024.
 - ii. The person remains enrolled in OGB health coverage continuously until immediately prior to the date of termination.
 - iii. The person would have had surviving spouse coverage at the time of death of the retiree spouse but for his or her eligibility for coverage in a group health plan other than Medicare.
 - iv. The person pays the requisite premiums.
- b. A special spouse shall be entitled to receive a state contribution to premiums that is the percentage of the total premium as provided for in applicable OGB rules. The employer premium contributions for a special spouse shall be the responsibility of the school board, state agency, or political subdivision from which the deceased retiree spouse originally retired.
- c. A special spouse cannot add new dependents to special spouse coverage other than a child of the deceased retiree born after the enrollee's death.

- d. A dependent child of a special spouse and the deceased retiree may continue coverage as a dependent child of the special spouse as long as other dependent child rules are met.
- e. Participating Employer/Dependent Responsibilities
 - i. To continue coverage, it is the responsibility of the participating employer and special spouse to notify OGB in writing within 30 days of the termination of employment from state service.
 - ii. Application for continued coverage shall be made in writing to OGB within 45 days of the termination of employment from state service. Premiums for special spouse coverage shall be paid within 45 days of the coverage application date for the coverage to be effective on the date coverage would have otherwise terminated.
 - iii. Coverage for the special spouse under this Paragraph will continue until the earliest of the following:
 - (a) failure to pay the applicable premium timely; or
 - (b) eligibility of the special spouse for coverage under a group health plan other than Medicare.
 - iv. Coverage for a dependent child eligible for coverage under this Paragraph will continue until the earliest of the following events:
 - (a) failure to pay the applicable premium timely;
 - (b) eligibility of the special spouse for coverage under a group health plan other than Medicare;
 - (c) eligibility of the dependent child for coverage under any group health plan other than Medicare; or
 - (d) the attainment of the termination age for children.

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AUTHORITY NOTE: Promulgated in accordance with R.S. 42:801(C) and 802(B)(1).

HISTORICAL NOTE: Promulgated by Office of the Governor, Division of Administration, Office of Group Benefits, LR 41:341 (February 2015), effective March 1, 2015, amended LR 43:2152 (November 2017), effective January 1, 2018.

Family Impact Statement

The proposed amendments are not anticipated to have an impact on family formation, functioning, stability, or autonomy, as described in R.S. 49:972.

Poverty Impact Statement

The proposed amendments are not anticipated to have an impact on poverty, as described in R.S. 49:973.

Small Business Statement

The proposed amendments are not anticipated to have an adverse effect or economic impact on small businesses in accordance with the Regulatory Flexibility Act.

Provider Impact Statement

The proposed amendments are not anticipated to have an impact on providers of services funded by the state as described in HCR 170 of the 2014 Regular Legislative Session.

Public Comments

Interested persons may submit written comments about the proposed Rules to the Office of Group Benefits, Attn.: Margaret A. Collier, P.O. Box 44036, Baton Rouge, LA 70804 or via fax (225) 342-9917. The deadline for receipt of written comments is Thursday, October 10, 2024 by 4:30 PM.

Public Hearing

A public hearing on the proposed amendments may be held on Tuesday, October 29, 2022, beginning at 9:00 AM, in the Louisiana Purchase Room (Room 1-100) on the first floor of the Claiborne Building, located at 1201 North Third Street, Baton Rouge, LA 70802, if such a hearing is requested by Thursday, October 10, 2024 by 4:30 PM. All interested persons will be afforded an opportunity to submit data, views, or arguments, orally or in writing, at the hearing. For assistance in determining if a hearing will be held, please call OGB Customer Service at 225-925-6625, or at 1-800-272-8451.

Heath Williams
Chief Executive Officer

Fiscal and Economic Impact Statement

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

The proposed change creates a new class of individuals entitled to health coverage. The change is mandated by Act 304 of the 2024 Regular Legislative Session which amended La. R.S. 42:851 to add Subsection U, permitting a surviving dependent spouse of a deceased retiree to become a surviving spouse after having been enrolled in Office of Group Benefits (OGB) coverage as an active employee as long as certain conditions are met, including that the person must be enrolled in OGB health coverage as an active employee as of July 1, 2024.

It is estimated there are very few existing OGB plan members who previously participated in OGB health coverage programs as a dependent spouse of a deceased retiree immediately prior to enrolling in OGB health coverage as an active employee and who may therefore be entitled to continue participation in the OGB program as a surviving dependent spouse if their employment with the OGB-participating employer terminates. The state share of the premiums will be paid by the deceased spouse's agency from which s/he retired if a surviving dependent spouse elects to continue participation as a surviving dependent spouse under this proposed rule change.

As a result, there may be a minimal, net increase in expenditures to state employers as a result of the rule change. The increase in premiums paid by the employing agency will depend upon the deceased retiree's years of participation in an OGB health plan, the surviving spouse's choice of health plan, the surviving spouse's coverage level, and the surviving spouse's Medicare status. The participating agency with whom the surviving spouse is employed and enrolled with OGB as an active employee will no longer pay the state share of the surviving spouse's premiums as an active employee. So, while one participating agency may see an increase in premiums paid, another may see a decrease.¹

¹ Unless the current participating agency is the same as the one from which the deceased spouse retired in which case the amounts may offset within the agency's budget.

There may be minimal one-time costs associated with required programming updates by OGB's vendor. These costs will be performed by a vendor already contracted with OGB at the previously agreed upon rate and are estimated to cost between \$615 and \$1,320.

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

OGB does not expect an increase or decrease in revenues as a result of this rule change.

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

The proposed rule change will benefit a small number of state employees by making them eligible for surviving spouse health coverage.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule change is not expected to have an effect on competition or employment.