

NOTICE OF INTENT
Office of the Governor
Division of Administration
Office of Group Benefits
Payment of Premiums (LAC 32:I.307 and 319)

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 (OGB), proposes to amend Chapter 3 of LAC 32:I, Uniform Provisions—Participation in the Office of Group Benefits. The amendments provide that those who are not active employees are required to remit their premiums owed to OGB through an automated clearing house (ACH) ACH payment or deduction from a retirement plan distribution, if applicable. The Final Rule is intended to be effective on July 1, 2026.

Title 32
EMPLOYEE BENEFITS
Part I. General Provisions

Chapter 3. Uniform Provisions—Participation in the Office of Group Benefits

§307. Persons to be Covered

A. - A.7.b. ...

B. Retiree Coverage

1. - 2.a. ...

3. Payment of Premiums

a. Unless a retiree's agency remits the premiums in full, all retirees enrolled in OGB-sponsored coverage or who elect to continue their OGB coverage shall pay their health coverage and life insurance premiums, as applicable, by having the amount(s) deducted on a monthly basis from either their retirement plan distribution or a bank account through an automated clearing house (ACH) payment.

C. - H. ...

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 41:339 (February 2015), effective March 1, 2015, amended LR 41:2350 (November 2015), effective January 1, 2016, LR 51:1857 (November 2025), effective January 1, 2026, amended LR 52:

§319. Continued Coverage

A. - C.5.e.iv.(d). ...

6. All surviving spouses, dependents, and special spouses shall pay health coverage premiums by having the amount(s) deducted on a monthly basis from a bank account through an automated clearing house (ACH) payment.

D. - E.3.b. ...

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, amended LR 50:1822 (December 2024), amended LR 52:

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 Analysis

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 Tuesday, March 10, 2026 by 4:30 PM.

Public Hearing

Interested persons may submit a written request to conduct a public hearing to Margaret A. Collier, P.O. Box 44036, Baton Rouge, LA 70804 or via fax (225) 342-9917. The deadline for receipt of such a request is Tuesday, March 10, 2026 by 4:30 p.m. If the criteria set forth in law are met, a public hearing on the proposed amendments will be held on Wednesday, March 26, 2026, beginning at 10 a.m., in the Marbois Room (Room 1-137) on the first floor of the Claiborne Building, located at 1201 North Third Street, Baton Rouge, LA 70802. If a public hearing is held, 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 rule will result in an estimated cost to the Office of Group Benefits (OGB) of \$208.26/year to pay for the additional ACH transactions at a cost of \$0.015 per transaction, based upon average current receipts of 1,157 checks each month for retirees and survivor premium payments. Actual costs will vary based on the number of plan participants switching to ACH payments once the rule takes effect. OGB anticipates this rule will eventually result in savings because the new rule will result in fewer collections. However, these savings are indeterminable.

The proposed rule requires retirees and those with OGB coverage as a surviving spouse or dependent to have their portion of the premium deducted from their pension or paid via ACH. Currently, there is no such requirement or rule and these individuals may pay via pension deduction, ACH, or a check sent to OGB on a monthly basis.

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

The proposed rule may result in more timely revenue collections for OGB premiums due to a potential decrease in delinquent premium payments, but it is not expected to result in increased revenue to OGB since these are premiums that are already owed to OGB.

In OGB's collections process, eventually, a debt owed is sent to the Office of Debt Recovery (ODR). Per the Louisiana Administrative Code, ODR charges the debtor a 15 percent fee in addition to the debt owed. While outstanding collections issues will not be resolved as a result of this new rule, OGB may not need this collections process in the future if the proposed rule prevents future premiums from becoming delinquent, and ODR will not collect the additional fee that they charge the debtor. In calendar year 2025, ODR collected \$10,403 as their fee from OGB plan participant debt.

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

The proposed rule may result in savings for individuals who would otherwise fail to pay their premiums on time and end up owing ODR a 15 percent fee in addition to their delinquent premiums. In calendar year 2025, plan participants paid ODR \$10,403 in fees for ODR's collection operations. Plan participants who currently pay their premiums via check may also experience a negligible reduction in postage fees. For informational purposes, OGB reports that 418 plan participants had their debt enter collections in calendar year 2025.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule is not anticipated to have any effect on competition or employment.