

The Office of Group Benefits (OGB) proposes to change the rules governing the application period allowed for making a change in classification resulting from an addition of a dependent. Current rules provide that the application to add a dependent, due to a federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) Special Enrollment Event, by an actively employed or retired enrollee of an OGB sponsored health plan must be made within 30 days of the event. There may be instances in which federal regulations require that the enrollment period resulting from a HIPAA Special Enrollment Event be greater than the 30-day period currently provided for by the administrative rules governing OGB. For example, a HIPAA Special Enrollment right arises for employees and their dependents who lose coverage under a State Children's Health Insurance Program (CHIP) or Medicaid or who are eligible to receive premium assistance under those programs. The employee or dependent must request enrollment within 60 days of the loss of coverage. There may be instances where failure to comply with such a rule would cause an employer or health insurance issuer to be out of compliance with the federal Patient Protection and Affordable Care Act (ACA) or HIPAA, which could result in penalties being assessed to the employer. The cost savings (by means of penalty avoidance) to state or local government units associated with this proposed administrative rule change is indeterminable, as the OGB is not able to accurately estimate how many members this could impact.

The OGB proposes to amend the impending administrative rule change effective January 1, 2016 that would enact the practice of mid-month adjustment of premiums billed to provide an enrollee a partial refund in premiums for the month in which the enrollee's classification changes due to a dependent's change in status resulting in the loss of coverage for the dependent, and is effective before the 15th of the month. This premium refund practice is not required under existing state or federal law. If the impending administrative rule change is not revised, the refunding process will have to be conducted manually, requiring additional manpower hours. Furthermore, OGB may experience an indeterminable increase in state expenditures, through the partial refunding of premiums to affected enrollees. The number of enrollees who would experience a change in classification due to the deletion of a dependent as a result of a change in the dependent's status is indeterminable as the OGB is not able to accurately estimate how many enrollees will experience such a change.

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

The specific revenue impact to the OGB as a result of the proposed rule changes cannot be accurately determined, as it is dependent upon member circumstances for which the population is not known. It is likely that the population of members who would be affected by the proposed rule change is small and will not result in any substantial impact to the revenues of the agency.

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

The cost or economic benefits to persons directly affected by the proposed rule changes cannot be accurately determined as the OGB is not in a position to know how many enrollees will experience such a change.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no measurable impact on competition and employment anticipated in association with these proposed administrative rule changes. The proposed rule changes are eligibility rule changes and will not impact benefits offered, which are a significant component of the compensation

package of state and certain local public sector employment. Individuals consider compensation packages across alternative private and public sector employment opportunities. For those who could be impacted in the future, these eligibility rule changes will make the compensation package less beneficial. The proposed rule changes may influence the decisions to seek and accept employment in both the public and private sectors.

Susan T. West
Chief Executive Officer
1510#030

Evan Brasseur
Staff Director
Legislative Fiscal Office

NOTICE OF INTENT

**Office of the Governor
Division of Administration
Office of State Procurement**

Reverse Auction (LAC 34:V.Chapter 5)

In accordance with provisions of the Administrative Procedure Act, R.S. 49:950 et seq., and R.S. 39:1581, the Office of the Governor, Division of Administration, Office of State Procurement, proposes to amend LAC 34:V.Chapter 5, Reverse Auctions.

Reverse auction, which was authorized by Act 201 of 2011, is an innovative procurement method designed to save taxpayer dollars. Through an electronic, online bidding environment, vendors compete to provide needed materials, services, supplies or equipment for the state. Multiple sellers offer bids which meet the specifications, while competing to offer lower prices than their competitors.

The reverse auction methodology can be utilized where it is determined to be more advantageous than other procurement methods.

The proposed Rule will allow the solicitation to be advertised and posted to LaPac, the state's online bid notification website, simultaneously. This will allow the process to take a maximum of 20 days. Additionally, any vendor who is registered with the state will be allowed to bid without undergoing a pre-qualification process. The Office of State Procurement will continue to judge the responsiveness of a bid and the responsibility of the vendor after the bidding closes.

**Title 34
GOVERNMENT CONTRACTS, PROCUREMENT,
AND PROPERTY CONTROL
Part V. Procurement**

Chapter 5. Reverse Auctions

§501. Definition

[Formerly LAC 34:I.601]

A. For the purpose of this Section, using agency means the Office of State Procurement using an electronic online reverse auction process on its own behalf or on behalf of one or more state agencies.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1581.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Purchasing, LR 38:1406 (June 2012), repromulgated LR 40:1354 (July 2014), LR 40:2555 (December 2014), amended by the Office of the Governor, Division of Administration, Office of State Procurement, LR 42:

§503. Application

[Formerly LAC 34:I.603]

A. Where the using agency utilizes a reverse auction process, the head of the agency requesting a reverse auction shall have determined that the best interests of the state would be served and that online bidding is more advantageous than other procurement methods.

B. When the using agency uses the reverse auction process on its own behalf or on behalf of multiple state agencies, the director of the Office of State Procurement shall be considered the department head of the using agency.

C. Vendors shall be registered before the opening date and shall have agreed to abide by any terms and conditions and other requirements of a solicitation as a pre-condition to participating in any reverse auction.

D. Vendors and/or products may be prequalified prior to placing bids. If prequalification is a requirement, only bidders who are prequalified will be allowed to participate. When applicable:

1. - 2. ...

3. the prequalification period shall end as prescribed in the solicitation prior to the beginning of the auction;

4. bidders shall be notified as to whether they have been prequalified in writing at least four days prior to the beginning of the auction;

5. prequalified products for a particular solicitation shall be announced on the state's internet-based system for posting vendor opportunities seven days prior to the beginning of the auction;

D.6. - E.1. ...

F. At the opening date and time, the using agency shall begin accepting online bids and continue accepting bids until the bid is officially closed. Bidders shall be allowed to lower the price of their bid below the lowest bid posted on the Internet until the closing date and time.

G. - J. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1581.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Purchasing, LR 38:1406 (June 2012), repromulgated LR 40:1354 (July 2014), LR 40:2555 (December 2014), amended by the Office of the Governor, Division of Administration, Office of State Procurement, LR 42:

§513. Rejected Bids

[Formerly LAC 34:I.613]

A. The awarding authority may reject any bid, in whole or in part, and may select the next lowest responsive and responsible bid, if any of the following occur:

1. the materials, supplies, services, products, or equipment, for which the bid is offered are not in compliance with the requirements, specifications, terms or conditions as stated in the reverse auction;

2. - 3. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1581.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Purchasing,

LR 38:1407 (June 2012), repromulgated LR 40:1355 (July 2014), LR 40:2556 (December 2014), amended by the Office of the Governor, Division of Administration, Office of State Procurement, LR 42:

§517. Security

[Formerly LAC 34:I.617]

A. All reverse auctions shall be conducted in accordance with the electronic security requirements of the Office of Technology Services.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1581.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Purchasing, LR 38:1407 (June 2012), repromulgated LR 40:1355 (July 2014), LR 40:2556 (December 2014), amended by the Office of the Governor, Division of Administration, Office of State Procurement, LR 42:

Family Impact Statement

In compliance with Act 1183 of the 1999 Regular Session of the Louisiana Legislature, the impact of this proposed Rule on the family has been considered. It is anticipated that this Rule will have no impact on family functioning, stability and autonomy as described in R.S. 49:972.

Poverty Impact Statement

It is anticipated that the proposed action will have no significant impact on:

1. household income, assets, and financial security;
2. early childhood or educational development;
3. employment and workforce development;
4. taxes and tax credits; or
5. child and dependent care, housing, health care, nutrition, transportation, and utilities assistance.

Small Business Statement

The impact of the proposed Rule on small businesses has been considered and it is estimated that the proposed action is not expected to have a significant adverse impact on small businesses as defined in the Regulatory Flexibility Act.

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

Provider Impact Statement

The proposed Rule should not have any known or foreseeable impact on providers as defined by HCR 170 of the 2014 Regular Legislative Session. In particular, there should be no known or foreseeable effect on:

1. the staffing level requirements or qualifications required to provide the same level of service;
2. the total direct and indirect effect on the cost to the providers to provide the same level of service; or
3. the overall effect on the ability of the provider to provide the same level of service.

Public Comments

Interested persons may submit written comments to Pamela Rice, Office of State Procurement, P.O. Box 94095, Baton Rouge, LA 70804-9095. She is responsible for

responding to inquiries regarding this proposed Rule. All comments must be received by November 20, 2015, by close of business.

Jan B. Cassidy
Assistant Commissioner

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE: Reverse Auction**

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

The proposed rule changes are anticipated to result in no cost for either state or local governmental entities.

Reverse Auction, which was authorized by Act 210 of 2011, (La. R.S. 39:1600(D)), is a procurement method designed to reduce expenditures and improve efficiency in the process.

Through an electronic, online bidding environment, vendors compete to provide needed materials, services, supplies or equipment for the State. Multiple sellers offer bids that meet the specifications, while competing to offer lower prices than their competitors. The process is authorized in current rules. The proposed rule changes streamline the process and anticipate that OSP will have the capacity to conduct its own reverse auctions in-house through LaGov without the assistance of a third party vendor. Additionally, the previous controls placed in the rule to help regulate the conduct of a third party vendor are no longer necessary.

In addition, the proposed rule changes also allow for the solicitation to simultaneously be advertised in the newspaper and posted to LaPac. This will shorten the time frame for the process to a maximum of 20 days. Additionally, any vendor who is registered with the state may be allowed to bid without undergoing a pre-qualification process. The Office of State Procurement will continue to judge the responsiveness of a bid and the responsibility of the vendor after the bidding closes.

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

There will be no costs to directly affected persons or non-governmental groups as a result of the proposed rule.

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

To the extent the proposed rule changes result in the use of reverse auctions, there will likely be increase competition among the state's vendors that may drive down costs for governmental entities. This could impact the profit margin of those vendors participating in the reverse auction process.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There may be increased competition among the state's vendors, which may drive down costs for governmental entities. There is no effect on employment as a result of the proposed rule changes.

Paul A. Holmes
Director
1510#088

Evan Brasseaux
Staff Director
Legislative Fiscal Office

NOTICE OF INTENT

**Office of the Governor
Division of Administration
Racing Commission**

Jockey Apparel Advertising (LAC 46:XLI.742)

The Louisiana State Racing Commission hereby gives notice that it intends to publish and adopt the following Rule by Notice of Intent. Jockey advertising has historically been allowed in Louisiana, but there was a lack of rules regulating such advertising. This Rule provides the specific parameters and allows stewards discretion in disallowing advertising when inappropriate, indecent, in poor taste, or controversial.

Title 46

**PROFESSIONAL AND OCCUPATIONAL
STANDARDS**

Part XLI. Horseracing Occupations

Chapter 7. Jockeys and Apprentice Jockeys

§742. Jockey Apparel Advertising

A. A jockey shall not wear advertising or promotional material of any kind on clothing during a race, unless the following criteria are met:

1. a maximum of 32 square inches on each thigh of the pants on the outer side between the hip and knee and 10 square inches on the rear of the pant at the waistline at the base of the spine;

2. a maximum of 24 square inches on boots and leggings on the outside of each nearest the top of the boot;

3. a maximum of six square inches on the front center of the neck area (on a turtleneck or other undergarment);

4. such advertising or promotional material does not compete with, conflict with, or infringe upon any current sponsorship agreement to the racing association race or race meet.

B. The stewards, at their discretion, may disallow any advertising that is not in compliance with this Rule, any other rules of racing, or any advertising they deem to be inappropriate, indecent, in poor taste, or controversial.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:148, R.S. 4:150 and R.S. 4:151.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Racing Commission, LR 42:

Family Impact Statement

This proposed Rule has no known impact on family formation, stability, and/or autonomy as described in R.S. 49:972.

Poverty Impact Statement

This proposed Rule has no known impact on poverty as described in R.S. 49:973.

Provider Impact Statement

This proposed Rule has no known impact on providers of services for individuals with developmental disabilities.