

Louisiana

District 69

2019 Session Update (Week 4)

Representative Paula P. Davis



We're about half way through this fiscal session, with Final Adjournment by June 6, 2019.

As former Deputy Commissioner of Insurance overseeing the Property & Casualty Division, the Commissioner and I were constantly recruiting new insurance companies to write policies in Louisiana. By adding new companies, we hoped to increase competition and decrease premiums. Unfortunately, the consistent feedback from companies was that they didn't want to deal with Louisiana's litigation-happy environment.

Several legal reform bills have been filed this session with the intention of addressing our state's high car insurance premiums. HB 372 (Talbot, R-River Ridge) – the comprehensive Omnibus Premium Reduction Act of 2019 – passed the House by a vote of 69-30. I co-authored this bill that, among other proposed changes, seeks to increase the one-year deadline for filing civil suits (like car wreck suits) to a two-year period (extra time allows the parties to potentially settle rather than go to court, which may save money); reduces the damages threshold for a jury trial from \$50,000 to \$5,000 (Maryland has the next highest threshold at \$15,000 while 32 other states have no threshold, which may encourage parties to settle rather than litigate); and allows judges and juries to know what a health insurance company actually paid for medical bills rather than just seeing the initial charges before any reductions (showing judges and juries the original higher medical bills rather than the lower amounts actually paid for medical treatment may increase the cost of litigation).

Also, HB 51 (Huval, R-Breaux Bridge) passed the House 86-7. Seat belt usage has been required in Louisiana since 1986, but judges and juries are currently barred from knowing whether a plaintiff failed to wear a seat belt and how that failure might've caused more severe injuries. According to the Centers for Disease Control, wearing seat belts reduces serious injuries by 50%. I voted for this bill that allows judges and juries to consider the impact of a plaintiff's failure to wear a seat belt on the extent of the plaintiff's injuries. Again, the intent of these legal reform bills is to address the high cost of insurance in Louisiana. Both bills now head to the Senate for committee hearings.

Another serious problem being addressed this session is substance abuse and the harms associated with this disease. For example, HB 243 (Miller, D-Opelousas) provides relative to opioid data reporting and HB 284 (Abraham, R-Lake Charles) provides relative to prescribing and dispensing of opioid drugs.

According to the latest data, Louisiana has one of the higher drug overdose death rates and higher ratios of pain pill sales to drug overdose deaths. In America, almost 48,000 people die annually from opioid overdoses, which translates to 130 lives lost each day.

I've been working on HB 250 with Dr. Beau Clark (East Baton Rouge Parish Coroner) and The Pew Charitable Trusts (nonpartisan non-profit researching solutions to civic life challenges) to require licensed residential treatment facilities to provide access to at least one form of Food and Drug Administration-approved medication-assisted treatment (MAT) for patients with opioid addiction. Combined with behavioral therapies, the MAT program has been shown to be the most effective intervention for this drug epidemic. This week, HB 250 unanimously passed out of the House Health and Welfare committee and will be discussed by the full House next week.

HB 250 is the latest bill I authored that focuses on our collective health and welfare. Some of my other health and welfare bills that became law include Act 45 (2016) relating to the Louisiana Mandated Health Benefits Commission and health insurance benefits; Act 32 (2016) involving the regulation of health insurance; Act 262 (2018) requiring schools to provide information to parents and students about influenza and immunization; and Act 281 (2018) providing for the reimbursement of healthcare providers.

Earlier this year during their Annual Meeting, the Louisiana Orthopedic Association recognized me as "Legislator of the Year" for my health & welfare efforts and leadership. The Louisiana Orthopedic Association is very involved in promoting and protecting the interests of orthopedic surgeons and their patients on both the State and National levels.

On the House Ways & Means committee – the tax-writing committee – we move three bills this week that focus on income tax reform by primarily creating a lower, boarder flat income tax: HB 416 (Ivey, R-Central); HB 191 (Zeringue, R-Houma); and HB 260 (Stokes, R-Kenner). Currently, individuals pay income taxes in 2%, 4% and 6% brackets. The anticipation is that the most appropriate parts of each bill will be consolidated into a single income tax reform bill. All of the bills are designed to be revenue-neutral and not designed to raise taxes. Whichever version makes it through the legislative process would require approval through a statewide vote.

These income tax reform efforts are setting up as another political debate over the definition of what is "good tax policy." Independent tax experts like the Tax Foundation (the nation's leading independent tax policy nonprofit) support lower, boarder flat income tax structures. Conversely, the Governor opposes these tax reform bills and favors graduated income tax rates where people making more money pay a higher rate.

As I previously reported, during the 2017 Regular Session, we overwhelmingly passed three income tax reform bills in the House that were consistent with recommendations made by the bipartisan Task Force on Structural Changes in Budget and Tax Policy, the Tax Foundation, and the Pelican Institute for Public Policy (a conservative Louisiana think tank). Unfortunately, all three bills were killed in the Senate Revenue and Fiscal Affairs committee. We will see how the Senate and Governor treat these latest income tax reform efforts.

Please continue sending me your thoughts, requests and recommendations. Your feedback is greatly appreciated. Thank you.

Paula