

Senate Bill 556

By: Senator Seabaugh of the 28th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 18 of Title 45 of the Official Code of Georgia Annotated, relating to
2 employees' insurance and benefit plans, so as to provide for a scheduled medical plan; to
3 provide for employees to have free choice of providers and full reimbursement of certain
4 expenses; to establish scheduled amounts to be paid to providers; to offer employees
5 differential premiums and out-of-pocket expenses; to provide employees with information
6 regarding reimbursement for services; to provide for related matters; to repeal conflicting
7 laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Chapter 18 of Title 45 of the Official Code of Georgia Annotated, relating to employees'
11 insurance and benefit plans, is amended by striking Code Section 45-18-3, relating to design
12 of plan, and inserting in its place the following:

13 "45-18-3.

14 The health insurance plan shall be designed by the board to:

15 (1) Provide a reasonable relationship between the hospital, surgical, and medical benefits
16 to be included and the expected distribution of expenses of each such type to be incurred
17 by the covered employees and dependents; ~~and~~

18 (2) Include reasonable controls, which may include deductible and reinsurance
19 provisions applicable to some or all of the benefits, to reduce unnecessary utilization of
20 the various hospital, surgical, and medical services to be provided and to provide
21 reasonable assurance of stability in future years of the plan; and

22 (3) Provide a scheduled medical plan which shall:

23 (A) Offer employees free choice of providers and up to 100 percent reimbursement of
24 certain expenses;

25 (B) Establish scheduled amounts to be paid to providers for professional services and
26 for hospital room and board and hospital nursery expenses using national and other

1 available data bases. On an annual basis, scheduled amounts shall be set at the fiftieth
2 percentile of actual historical provider charges for each of the scheduled services and
3 may be increased to reflect current charge trends. The scheduled amount shall be a flat
4 dollar amount for each medical procedure or service which the plan shall pay after the
5 annual deductible is satisfied;
6 (C) Offer differential premium contributions and out-of-pocket amounts for those
7 employees who adopt health lifestyles; and
8 (D) Provide employees with access to information regarding reimbursable amounts for
9 services to help them compare service providers."

10 **SECTION 2.**

11 All laws and parts of laws in conflict with this Act are repealed.