

Senate Bill 315

By: Senators Price of the 56th, Thomas of the 54th, Williams of the 19th, Unterman of the 45th, Golden of the 8th and Meyer von Bremen of the 12th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 7 of Chapter 4 of Title 49 of the Official Code of Georgia Annotated, the
2 "Georgia Medical Assistance Act of 1977," so as to provide for one or more pilot programs
3 to test and evaluate the implementation of a coordinated system of managed health care for
4 recipients of medical assistance and PeachCare for Kids; to provide for program eligibility;
5 to provide for program administration and contracts; to provide for an exemption from
6 competitive bidding requirements; to provide for minimum qualifications for administrators
7 participating in a pilot program; to provide for payment to participating administrators of a
8 pilot program; to provide for a deadline to begin a pilot program; to provide for reports; to
9 provide for automatic repeal; to provide for waivers; to provide for related matters; to
10 provide for effective dates; to repeal conflicting laws; and for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 style="text-align:center">**SECTION 1.**

13 Article 7 of Chapter 4 of Title 49 of the Official Code of Georgia Annotated, the "Georgia
14 Medical Assistance Act of 1977," is amended by adding a new Code Section 49-4-152.5 to
15 read as follows:

16 "49-4-152.5.

17 (a) The department shall establish one or more pilot programs to test and evaluate a
18 coordinated system of managed health care for recipients of medical assistance under this
19 article and the PeachCare for Kids Program under Article 13 of Chapter 5 of this title. The
20 purpose of such pilot programs will be to determine an appropriate design for a potential
21 state-wide program of managed care that will simplify enrollment and provide participants
22 with access to medically necessary health care in a cost-effective and efficient manner.

23 (b) A pilot program shall include a minimum of 30,000 participants. Except for persons
24 with mental retardation or developmental disabilities whose health care needs extend
25 beyond the scope of the pilot program, any person who is eligible to be a recipient of
26 medical assistance under this article or the PeachCare for Kids Program under Article 13

1 of Chapter 5 of this title shall participate in a pilot program, which shall otherwise cover
2 all services currently included in the state plan for medical assistance. The department may
3 establish procedures for determining which recipients may become participants in a pilot
4 program; provided, however, that all eligible recipients shall reside in contiguous counties
5 in this state. No more than 5,000 participants in a pilot program shall be eligible to receive
6 benefits for long-term care.

7 (c) Notwithstanding any other provisions of law, the department shall be authorized to
8 contract without the necessity of prior public competitive bidding with no more than two
9 administrators to assist in the implementation and operation of a pilot program. The
10 department shall not enter into any such contract unless the administrator or an affiliated
11 company of the administrator has a certificate of authority from the Commissioner of
12 Insurance in accordance with Chapter 21 of Title 33 to operate as a health maintenance
13 organization and has experience in administering medical assistance managed care
14 programs in at least two other states where at least one of those programs included
15 mandatory enrollment of a disabled population.

16 (d) The department may select no more than two separate administrators to implement and
17 operate a pilot program established pursuant to subsection (a) of this Code section. Each
18 administrator shall implement and operate a single pilot project with at least the minimum
19 number of eligible participants as provided for in subsection (b) of this Code section. Each
20 pilot project so authorized shall encompass a distinct geographical area of the state.

21 (e) An administrator selected to implement and operate a pilot program shall be paid for
22 each enrollee in the program an actuarially sound amount per month based on covered
23 health care services and services that are the responsibility of such administrator. Such
24 amount shall be determined by the department in negotiation with the administrator and
25 shall be an amount that is less than the department would have expended in a traditional
26 fee-for-service program for the same participants. The department shall have the option
27 of including in its contract with an administrator a risk-sharing arrangement to limit the
28 exposure of the administrator through reinsurance or a stop-loss mechanism and a
29 provision permitting the department to share in any profit earned by the administrator in
30 excess of the amount agreed to in the contract.

31 (f) The department shall have the authority to establish additional elements of the pilot
32 program which are not inconsistent with the provisions of this Code section including, but
33 not limited to, the covered health care services to be received by participants in the pilot
34 program.

35 (g) The department shall take whatever action is necessary to begin operation of a pilot
36 program no later than December 1, 2003, including selecting the participating counties and
37 individual participants, contracting with administrators, and enrolling participants. Each

1 pilot program shall continue to operate until November 30, 2005, or until the department
2 enters into appropriate agreements providing for a coordinated state-wide system of
3 managed health care for recipients of medical assistance or the PeachCare for Kids
4 Program, whichever date is earlier.

5 (h) Nothing in this Code section shall operate to supersede any law requiring the issuance
6 of a request for proposals and a public competitive bidding process for the award of any
7 contract in conjunction with any future coordinated state-wide system of managed health
8 care. The exception to competitive bidding requirements contained in subsection (c) of this
9 Code section shall apply only to a contract entered into for the implementation and
10 operation of a pilot program pursuant to this Code section. Any administrator that
11 contracts with the department to provide services relating to the implementation and
12 operation of a pilot program under this Code section shall be required to comply with the
13 same statutes, rules, and regulations as any other interested party that responds to any
14 future request for proposals or a public competitive bidding process for a coordinated
15 state-wide system of managed health care for recipients of medical assistance and the
16 PeachCare for Kids Program.

17 (i) The department shall report to the General Assembly on the operation of all pilot
18 programs no later than December 31, 2003, and every year thereafter so long as any such
19 program is operational. Such report shall include recommendations regarding whether the
20 program should be continued, discontinued, expanded, or otherwise modified.

21 (j) This Code section shall be automatically repealed on July 1, 2006."

22 SECTION 2.

23 No later than May 1, 2003, the Department of Community Health shall request from the
24 appropriate federal agencies any waivers necessary to implement Section 1 of this Act.

25 SECTION 3.

26 Section 1 of this Act shall become effective only if the waivers required under Section 2 of
27 this Act are obtained and, in that event, shall become effective upon the thirtieth day
28 following receipt of such waivers. The remaining provisions of this Act shall become
29 effective upon its approval by the Governor or upon its becoming law without such approval.

30 SECTION 4.

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