

The House Health and Human Services Committee offers the following substitute to HB 326:

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 1 of Chapter 9 of Title 45 of the Official Code of Georgia Annotated,
2 relating to state officers and employees, so as to provide for the authorization of the
3 Department of Administrative Services to procure a group liability insurance policy for
4 nonprofit hospitals providing emergency room services; to provide for the terms and
5 conditions under which such nonprofit hospitals may participate in such group liability
6 insurance policy; to provide for the payment by participating nonprofit hospitals of premiums
7 and broker fees related to such insurance policy; to provide for protection for the state from
8 liability for premiums and claims related to coverage under such policy; to provide that the
9 state shall not be authorized to self-insure any participating nonprofit hospital; to provide for
10 automatic repeal; to provide for related matters; to repeal conflicting laws; and for other
11 purposes.

12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

14 Article 1 of Chapter 9 of Title 45 of the Official Code of Georgia Annotated, relating to state
15 officers and employees, is amended by adding a new Code Section 45-9-4.3 to read as
16 follows:

17 "45-9-4.3.

18 (a) For the purposes of this Code section, the term 'nonprofit hospital' means a hospital
19 having an emergency room providing services 24 hours a day and seven days a week which
20 is tax exempt under 26 U.S.C. Section 501(c)(3).

21 (b) The Department of Administrative Services is authorized to obtain a group liability
22 insurance policy for and on behalf of those nonprofit hospitals defined in subsection (a) of
23 this Code section. A nonprofit hospital which desires to participate in such insurance
24 coverage shall enter into a written agreement with the Department of Administrative
25 Services, prior to the department's commencement of negotiations with any prospective
26 insurance carriers, that such hospital agrees to accept such coverage for the term of the

1 policy contingent upon the premiums for the group policy, plus such hospital's share of
2 any broker's fee, being less than or equal to the hospital's current premiums for similar
3 coverage. A nonprofit hospital participating in such group insurance plan shall be solely
4 responsible for payment of its premiums under the policy. Under no circumstances shall
5 this Code section be construed to hold the state liable for any premiums related to such
6 group policy or for any claims filed against any nonprofit hospital covered under such
7 group policy.

8 (c) The provisions of this Code section shall not authorize the state to self-insure any
9 nonprofit hospital participating in such group insurance plan.

10 (d) This Code section is automatically repealed effective July 1, 2006."

11 **SECTION 2.**

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