

Senate Bill 344

By: Senators Zamarripa of the 36th, Golden of the 8th, Smith of the 25th and Brown of the 26th

**AS PASSED SENATE**

**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 benefits plans, so as to provide for a consumer driven health plan  
3 (CDHP) for employees of the State of Georgia; to define CDHP design requirements; to  
4 provide for applicability; to provide an effective date; to repeal conflicting laws; and for  
5 other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Chapter 18 of Title 45 of the Official Code of Georgia Annotated, relating to employees'  
9 insurance and benefits plans, is amended by striking Code Section 45-18-3, relating to design  
10 of state employees' health insurance plan, and inserting in lieu thereof a new Code Section  
11 45-18-3 to read as follows:

12 "45-18-3.

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

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

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

21 (3) Include, as an option, a consumer driven health plan (CDHP). In addition to the  
22 provisions in paragraphs (1) and (2) of this Code section, the CDHP shall be designed by  
23 the board to:

24 (A) Offer employees 100 percent coverage for a defined schedule of in-network  
25 preventive care expenses;

1 (B) Offer employees free choice of providers and up to 100 percent reimbursement on  
2 certain expenses from in-network providers;

3 (C) Offer a health reimbursement account plan for each state employee who enrolls in  
4 the CDHP that can be used for any combination of expenses routinely covered under  
5 Section 213(d) of the federal Internal Revenue Code and that allows unused benefit  
6 dollars to be rolled over and used in subsequent years;

7 (D) Offer a PPO plan to supplement the health reimbursement account plan if a  
8 member uses all of his or her benefit dollars in a single plan year. After a deductible  
9 has been satisfied, the PPO plan shall provide coverage for in-network and  
10 out-of-network services with a minimum coinsurance payment of 10 percent for  
11 out-of-network services;

12 (E) Offer employees a network of providers with commercially reasonable access and  
13 availability to services standards;

14 (F) Provide employees with access to information regarding the underlying costs for  
15 services in order to help them compare service providers; and

16 (G) Provide employees with access to a wide variety of health tools."

17 **SECTION 2.**

18 The consumer driven health plan option provided for in this Act shall be offered to all  
19 existing and newly hired state employees no later than July 1, 2004, and all subsequent open  
20 enrollment periods.

21 **SECTION 3.**

22 This Act shall become effective upon its approval by the Governor or upon its becoming law  
23 without such approval.

24 **SECTION 4.**

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