

ADOPTED

1 The Insurance and Labor Committee offered the following amendment:

2 Amend SB 350 by striking line 1 of page 1 through line 25 of page 6 and inserting in lieu
3 thereof the following:

4 "To amend Article 1 of Chapter 24 of Title 33 of the Official Code of Georgia Annotated,
5 relating to general provisions regarding insurance, so as to provide time periods for
6 processing claims under health benefit plans; to provide for related matters; to provide for
7 an effective date and applicability; to repeal conflicting laws; and for other purposes.

8 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

9 **SECTION 1.**

10 Article 1 of Chapter 24 of Title 33 of the Official Code of Georgia Annotated, relating to
11 general provisions regarding insurance, is amended by striking Code Section 33-24-59.5,
12 relating to timely payment of health benefits, and inserting in lieu thereof a new Code
13 Section 33-24-59.5 to read as follows:

14 '33-24-59.5.

15 (a) As used in this Code section, the term:

16 (1) "Benefits" means the coverages provided by a health benefit plan for financing or
17 delivery of health care goods or services; but such term does not include capitated
18 payment arrangements under managed care plans.

19 (2) "Health benefit plan" means any hospital or medical insurance policy or certificate,
20 health care plan contract or certificate, qualified higher deductible health plan, health
21 maintenance organization subscriber contract, any health benefit plan established
22 pursuant to Article 1 of Chapter 18 of Title 45, or any dental or vision care plan or policy,
23 or managed care plan; but health benefit plan does not include policies issued in
24 accordance with Chapter 31 of this title; disability income policies; or Chapter 9 of Title
25 34, relating to workers' compensation.

26 (3) "Insurer" means an accident and sickness insurer, fraternal benefit society, nonprofit
27 hospital service corporation, nonprofit medical service corporation, health care
28 corporation, health maintenance organization, provider sponsored health care corporation,
29 or any similar entity and any self-insured health benefit plan not subject to the exclusive
30 jurisdiction of the federal Employee Retirement Income Security Act of 1974, 29 U.S.C.
31 Section 1001, et seq., which entity provides for the financing or delivery of health care

1 services through a health benefit plan, or the plan administrator of any health benefit plan
2 established pursuant to Article 1 of Chapter 18 of Title 45.

3 (b)(1) All benefits under a health benefit plan will be payable by the insurer which is
4 obligated to finance or deliver health care services under that plan upon such insurer's
5 receipt of written proof of loss or claim for payment for health care goods or services
6 provided. The insurer shall, within 15 working days after ~~such~~ receipt of an electronic
7 claim and within 30 working days after receipt of a paper claim, mail to the insured or
8 other person claiming payments under the plan payment for such benefits or a letter or
9 notice which states the reasons the insurer may have for failing to pay the claim, either
10 in whole or in part, and which also gives the person so notified a written itemization of
11 any documents or other information needed to process the claim or any portions thereof
12 which are not being paid. Where the insurer disputes a portion of the claim, any
13 undisputed portion of the claim shall be paid by the insurer in accordance with this
14 chapter. When all of the listed documents or other information needed to process the
15 claim have been received by the insurer, the insurer shall then have 15 working days
16 within which to process and either mail payment for the claim or a letter or notice
17 denying it, in whole or in part, giving the insured or other person claiming payments
18 under the plan the insurer's reasons for such denial.

19 (2) Receipt of any proof, claim, or documentation by an entity which administrates or
20 processes claims on behalf of an insurer shall be deemed receipt of the same by the
21 insurer for purposes of this Code section.

22 (c) Each insurer shall pay to the insured or other person claiming payments under the
23 health benefit plan interest equal to 18 percent per annum on the proceeds or benefits due
24 under the terms of such plan for failure to comply with subsection (b) of this Code section.'

25 SECTION 2.

26 This Act shall become effective on January 1, 2005."