

The House Committee on Insurance offers the following substitute to SB 174:

**A BILL TO BE ENTITLED
AN ACT**

1 To amend Title 33 of the Official Code of Georgia Annotated, relating to insurance, so as to
2 enact the "Small Business Employee Choice of Benefits Health Insurance Plan Act"; to
3 provide a short title; to provide for legislative intent; to provide definitions; to provide that
4 insurers must offer certain employees and consumers a choice between Small Business
5 Employee Choice of Benefits Health Insurance Plan hospitalization policies or contracts not
6 subject to state mandated health benefits and other policies or contracts subject to state
7 mandated health benefits; to provide exceptions; to provide an effective date; to repeal
8 conflicting laws; and for other purposes.

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

10 **SECTION 1.**

11 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by
12 adding a new Chapter 59 to read as follows:

13 **"CHAPTER 59**

14 **33-59-1.**

15 This chapter shall be known and may be cited as the 'Small Business Employee Choice of
16 Benefits Health Insurance Plan Act.'

17 **33-59-2.**

18 The General Assembly recognizes the need for employers and individuals in this state to
19 have the opportunity to choose among group and individual health insurance plans that are
20 more affordable and flexible than standard market policies of accident and sickness
21 insurance and the need to increase the availability of health insurance coverage by
22 authorizing the transaction of this type of plan or policy by accident and sickness insurers
23 licensed to transact business in this state. This chapter shall require insurers which provide

1 major medical coverage to offer policies that contain all state mandated health benefits as
2 well as policies that do not contain any state mandated health benefits; provided, however,
3 that, on and after July 1, 2005, it is explicitly intended that employees in group plans or
4 individuals may choose pursuant to this chapter among new health insurance plans offered
5 by insurers that may include or exclude state mandated health benefits.

6 33-59-3.

7 As used in this chapter, the term:

8 (1) 'Group' means any employer group of 15 employees or less.

9 (2) 'Health benefits plan' means the Small Business Employee Choice of Benefits Health
10 Insurance Plan.

11 (3) 'Insurer' means any insurer or nonprofit organization authorized to sell accident and
12 sickness policies, subscriber contracts, certificates, or agreements of any form under
13 Chapters 15, 18, 19, 20, 21, 29, and 30 of this title.

14 (4)(A) 'State mandated health benefits' means coverages for health care services or
15 benefits, required by state law or state regulations, requiring the reimbursement or
16 utilization related to specific health illnesses, injuries, or conditions of the covered
17 person or inclusion of a specific category of licensed health care practitioner to be
18 provided to the covered person in an individual, blanket, or group policy or contract for
19 a health related condition of a covered person including, but not limited to, those
20 contained in Code Sections 31-17-4.1, 33-24-24, 33-24-27, 33-24-27.1, 33-24-27.2,
21 33-24-28.3, 33-24-28.4, 33-24-56, 33-24-59.9, 33-29-6, 33-29-20, 33-30-4.3, 33-30-7,
22 33-30-14, and 33-53-2.

23 (B) 'State mandated health benefits' does not mean standard provisions or rights
24 required to be present in an individual, blanket, or group policy or contract for accident
25 and sickness insurance pursuant to state law or regulations unrelated to specific health
26 illnesses, injuries, or conditions of the insured, including, but not limited to, those
27 related to continuation of coverage in Code Section 33-24-21.1, Code Section
28 33-24-21.2, paragraph (4) of Code Section 33-30-4, and paragraph (8) of subsection (b)
29 of Code Section 33-30-6; entitlement to conversion privileges in Code Section
30 33-24-21.1; termination of coverage in Code Sections 33-24-21 and 33-24-28;
31 coverage of newly born or adopted children in Code Section 33-24-22; surveillance
32 tests for ovarian cancer in Code Section 33-24-56.2; colorectal cancer screening and
33 testing in Code Section 33-24-56.3; coverage for hospital stays after delivery in Code
34 Section 33-24-58.2; direct access to obstetricians and gynecologists in Code Section
35 33-24-59; treatment of dependent children with cancer in Code Section 33-24-59.1;
36 coverage for equipment and self-management training for individuals with diabetes in

1 Code Section 33-24-59.2; coverage for prescribed female contraceptive drugs or
2 devices in Code Section 33-24-59.6, provided that nothing contained in this paragraph
3 shall be construed to require any insurance company to provide coverage for abortion;
4 coverage for prescription inhalers in Code Section 33-24-59.8; coverage for autism in
5 Code Section 33-24-59.10; coverage for mastectomy and lymph node dissection in
6 Code Section 33-24-72; coverage for mammograms, pap smears, and screening for
7 prostate cancer in Code Sections 33-29-3.2 and 33-30-4.2; and coverage for child
8 wellness exams in Code Sections 33-29-3.4 and 33-30-4.5.

9 33-59-4.

10 Notwithstanding any other provision of law and on and after July 1, 2005:

11 (1) Any insurer authorized to transact business in this state offering group accident and
12 sickness policies or contracts shall be required to offer, through a licensed agent or
13 agency, individual members of the group a choice between a group health benefit plan
14 that contains all state mandated health benefits and one or more group health benefit
15 plans that provide hospitalization health benefits and do not provide state mandated
16 health benefits; and

17 (2) Any insurer authorized to transact business in this state offering individual accident
18 and sickness policies or contracts shall be required to offer, through a licensed agent or
19 agency, individuals a choice between an individual health benefit plan that contains all
20 state mandated health benefits and one or more individual health benefit plans that
21 provide hospitalization health benefits and do not provide state mandated health benefits.

22 33-59-5.

23 In each sale of accident and sickness policies or contracts in which the proposed group or
24 individual policyholder has chosen a health benefits plan which does not provide state
25 mandated health benefits, the insurer shall:

26 (1) Provide to each proposed individual group member or individual policyholder a
27 written notice at the beginning of the written application for the health benefits plan the
28 following language in boldface type:

29 'You have the option to choose this Small Business Employee Choice of Benefits
30 Health Insurance Plan which does not provide state mandated health benefits normally
31 required in accident and sickness insurance policies in Georgia. This health benefits
32 plan may provide a more affordable health insurance policy for you, although, at the
33 same time, it may provide you with fewer health benefits than those normally included
34 as state mandated health benefits in policies in Georgia. If you choose this option,

please consult with your insurance agent to discover which state mandated health benefits are excluded in this policy.';

(2) Provide a form to be signed by each proposed individual group member or individual policyholder acknowledging that the health benefits plan being purchased by the individual group member or individual policyholder does not provide the state mandated health benefits listed on the form; and

(3) Maintain the signed acknowledgment forms to provide information as may be needed by the Commissioner of Insurance.

33-59-6.

10 The Commissioner of Insurance may promulgate rules and regulations as necessary to
11 implement the provisions of this chapter and specify the information to be contained on the
12 forms supplied by insurers of these policies and contracts to individual group members and
13 policyholders."

SECTION 2.

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

SECTION 3.

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