

House Bill 392 (AS PASSED HOUSE AND SENATE)

By: Representatives Brown of the 69th, Harbin of the 118th, Keen of the 179th, and Cooper of the 41st

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 8 of Title 31 of the Official Code of Georgia, relating to indigent and
2 elderly patients, so as to provide for a quality assessment fee on care management
3 organizations to be used to obtain federal financial participation for medical assistance
4 payments; to provide for authority; to provide for definitions; to establish a segregated
5 account within the Indigent Care Trust Fund for the deposit of assessment fees; to provide
6 for a method for calculating and collecting the assessment fees; to authorize the Department
7 of Community Health to inspect records of care management organizations; to provide for
8 penalties for failure to pay an assessment fee; to provide for the collection of assessment fees
9 by civil action and tax liens; to provide for the appropriation of funds in the segregated
10 account for medical assistance payments; to provide for application of the "Georgia Medical
11 Assistance Act of 1977"; to provide for related matters; to provide for an effective date; to
12 repeal conflicting laws; and for other purposes.

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

14 **SECTION 1.**

15 Chapter 8 of Title 31 of the Official Code of Georgia Annotated, relating to indigent and
16 elderly patients, is amended by adding a new Article 6B to read as follows:

17 **"ARTICLE 6B**

18 31-8-170.

19 This article is passed pursuant to the authority of Article III, Section IX, Paragraph VI(i)
20 of the Constitution.

21 31-8-171.

22 As used in this article, the term:

1 (1) 'Care management organization' means an entity granted a certificate of authority
2 under Chapter 21 of Title 33 of the Official Code of Georgia Annotated and which meets
3 the definition found in 42 U.S.C. Sec. 1396b(w)(7)(A)(viii) as it now exists or as it may
4 be amended in the future.

5 (2) 'Department' means the Department of Community Health created by Chapter 5A of
6 this title.

7 (3) 'Gross direct premium' shall have the meaning that the term has in Chapter 8 of Title
8 33 of the Official Code of Georgia Annotated.

9 (4) 'Quality assessment fee' means the fee imposed pursuant to this article for the
10 privilege of operating a care management organization.

11 (5) 'Segregated account' means an account for the dedication and deposit of provider fees
12 which is established within the Indigent Care Trust Fund created pursuant to Code
13 Section 31-8-152.

14 (6) 'Trust fund' means the Indigent Care Trust Fund created pursuant to Code Section
15 31-8-152.

16 31-8-172.

17 There is established within the trust fund a segregated account for revenues raised through
18 the imposition of the quality assessment fee. All revenues raised through such fees shall
19 be credited to the segregated account within the trust fund and shall be invested in the same
20 manner as authorized for investing other moneys in the state treasury. Contributions and
21 transfers to the trust fund pursuant to Code Sections 31-8-153 and 31-8-153.1 shall not be
22 deposited into the segregated account.

23 31-8-173.

24 (a) Each care management organization shall be assessed a quality assessment fee, in an
25 amount to be determined by the department based on anticipated revenue estimates
26 included in the state budget report, with respect to its gross direct premiums for the
27 preceding quarter. The quality assessment fee shall be assessed uniformly upon all care
28 management organizations. The aggregate quality assessment fees imposed under this
29 article shall not exceed the maximum amount that may be assessed pursuant to the 6
30 percent indirect guarantee threshold set forth in 42 C.F.R. Section 433.68(f)(3)(i).

31 (b) The quality assessment fee shall be paid quarterly by each care management
32 organization to the department. A care management organization shall calculate and report
33 its gross direct premiums upon a form prepared by the department and submit therewith
34 payment of the quality assessment fee no later than the thirtieth day following the end of
35 each calendar quarter. The initial quality assessment fee report shall be filed and the initial

1 payment of the quality assessment fee shall be submitted no later than April 30, 2006. A
2 care management organization shall calculate and report the initial quality assessment fee
3 using information about its gross direct premiums for the quarter ending March 31, 2006.

4 31-8-174.

5 (a) The department shall collect the quality assessment fees imposed pursuant to Code
6 Section 31-8-173. All revenues raised pursuant to this article shall be deposited into the
7 segregated account. Such funds shall be dedicated and used for the sole purpose of
8 obtaining federal financial participation for medical assistance payments to one or more
9 providers pursuant to Article 7 of Chapter 4 of Title 49 or for purposes as authorized for
10 expenditures from the trust fund.

11 (b) The department shall prepare and distribute a form upon which a care management
12 organization shall calculate and report to the department the quality assessment fee.

13 (c) Each care management organization shall keep and preserve for a period of five years
14 such books and records as may be necessary to determine the amount for which it is liable
15 under this article. The department shall have the authority to inspect and copy the records
16 of a care management organization for purposes of auditing the calculation of the quality
17 assessment fee. All information obtained by the department pursuant to this article shall be
18 confidential and shall not constitute a public record; provided, however, that information
19 otherwise available to the public shall not become confidential solely because it has been
20 obtained by the department.

21 (d) In the event that the department determines that a care management organization has
22 underpaid or overpaid the quality assessment fee, the department shall notify the care
23 management organization of the balance of the quality assessment fee or refund that is due.
24 Such payment or refund shall be due within 30 days of the department's notice.

25 (e) Any care management organization that fails to pay the quality assessment fee pursuant
26 to this article within the time required by this article shall pay, in addition to the
27 outstanding quality assessment fee, a 6 percent penalty for each month or fraction thereof
28 that the payment is overdue. If a quality assessment fee has not been received by the
29 department by the last day of the month, the department shall withhold an amount equal
30 to the quality assessment fee and penalty owed from any medical assistance or other
31 payment due such care management organization under the Medicaid program. The quality
32 assessment fee levied by this article shall constitute a debt due the state and may be
33 collected by civil action and the filing of tax liens in addition to such methods provided for
34 in this article. Any penalty that accrues pursuant to this subsection shall be credited to the
35 segregated account.

1 31-8-175.

2 (a) Notwithstanding any other provision of this chapter, the General Assembly is
3 authorized to appropriate as state funds to the department for use in any fiscal year all
4 revenues dedicated and deposited into the segregated account. Such appropriations shall
5 be made for the sole purpose of obtaining federal financial participation in the provision
6 of health care services pursuant to Article 7 of Chapter 4 of Title 49 or for purposes as
7 authorized for expenditures from the trust fund. Any appropriation from the segregated
8 account for any purpose other than medical assistance payments shall be void.

9 (b) Revenues appropriated to the department pursuant to this Code section shall be used
10 to match federal funds that are available for the purpose for which such trust funds have
11 been appropriated.

12 (c) Appropriations from the segregated account to the department shall not lapse to the
13 general fund at the end of the fiscal year.

14 31-8-176.

15 The department shall report annually to the General Assembly on its use of revenues
16 deposited into the segregated account and appropriated to the department pursuant to this
17 article.

18 31-8-177.

19 Except where inconsistent with this article, the provisions of Article 7 of Chapter 4 of Title
20 49, the 'Georgia Medical Assistance Act of 1977,' shall apply to the department in carrying
21 out the purposes of this article."

22 **SECTION 2.**

23 This Act shall become effective on July 1, 2005.

24 **SECTION 3.**

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