

## HOUSE SUBSTITUTE TO SENATE BILL 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 may offer certain employees and consumers a choice between a health benefit plan  
5 containing all state mandated health benefits and an alternative health benefit plan that does  
6 not contain all state mandated health benefits; to allow for employees and individuals to  
7 choose the plan best suited to such employee's and individual's needs and budget including  
8 supplemental policies; to provide exceptions; to provide for certain notices; to repeal  
9 conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

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

14 "CHAPTER 59

15 33-59-1.

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

18 33-59-2.

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

1 licensed to transact business in this state. This chapter shall require insurers which provide  
 2 major medical coverage to offer policies that contain all state mandated health benefits as  
 3 well as policies that contain the limited selection of state mandated health benefits set forth  
 4 in Code Section 33-59-3; provided, however, that, on and after July 1, 2005, employees in  
 5 group plans or individuals may choose pursuant to this chapter among new health insurance  
 6 plans offered by insurers that either include all state mandated health benefits or include  
 7 the limited state mandated health benefits set forth in Code Section 33-59-3.

8 33-59-3.

9 As used in this chapter, the term:

10 (1) 'Alternative health benefit plan' means a group or individual health benefit plan that  
 11 contains:

12 (A) Major medical benefits;

13 (B) Standard provisions or rights required to be present in an individual, blanket, or  
 14 group policy or contract for accident and sickness insurance pursuant to state law or  
 15 regulations unrelated to specific health illnesses, injuries, or conditions of the insured,  
 16 including, but not limited to, those related to continuation of coverage in Code Section  
 17 33-24-21.1, Code Section 33-24-21.2, paragraph (4) of Code Section 33-30-4, and  
 18 paragraph (8) of subsection (b) of Code Section 33-30-6; entitlement to conversion  
 19 privileges in Code Section 33-24-21.1; termination of coverage in Code Sections  
 20 33-24-21 and 33-24-28; and coverage of newly born or adopted children in Code  
 21 Section 33-24-22; and

22 (C) Coverage of testing for chlamydia in Code Section 31-17-4.1; coverage for  
 23 complications of pregnancy in Code Section 33-24-24; coverage for general anesthesia  
 24 and related hospital and outpatient facility charges for dental care for persons who are  
 25 developmentally disabled, seven or younger, neurologically impaired, or suffering  
 26 severe face or head trauma in Code Section 33-24-28.4; surveillance tests for ovarian  
 27 cancer in Code Section 33-24-56.2; colorectal cancer screening and testing in Code  
 28 Section 33-24-56.3; coverage for hospital stays after delivery in Code Section  
 29 33-24-58.2; direct access to obstetricians and gynecologists in Code Section 33-24-59;  
 30 treatment of dependent children with cancer in Code Section 33-24-59.1; coverage for  
 31 equipment and self-management training for individuals with diabetes in Code Section  
 32 33-24-59.2; coverage for prescribed female contraceptive drugs or devices in Code  
 33 Section 33-24-59.6, provided that nothing contained in this paragraph shall be  
 34 construed to require any insurance company to provide coverage for abortion; coverage  
 35 for prescription inhalers in Code Section 33-24-59.8; coverage for autism in Code  
 36 Section 33-24-59.10; coverage for mastectomy and lymph node dissection in Code

1 Section 33-24-72; coverage for mammograms, pap smears, and screening for prostate  
 2 cancer in Code Sections 33-29-3.2 and 33-30-4.2; provisions concerning mail-order  
 3 pharmaceuticals in Code Section 33-30-4.3; and coverage for child wellness exams in  
 4 Code Sections 33-29-3.4 and 33-30-4.5.

5 (2) 'Group' means any employer group of 50 employees or less.

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

9 33-59-4.

10 (a) 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, a group health benefit plan that contains all state mandated health benefits and  
 14 may offer a group alternative health benefit plan as defined in this chapter; and

15 (2) Any insurer authorized to transact business in this state offering individual accident  
 16 and sickness policies or contracts shall be required to offer, through a licensed agent or  
 17 agency, an individual health benefit plan that contains all state mandated health benefits  
 18 and may offer an individual alternative health benefit plan as defined in this chapter.

19 (b) On and after July 1, 2005, an employer who chooses to offer group health benefit plans  
 20 to its employees shall offer to each eligible employee a group health benefit plan that  
 21 contains all state mandated health benefits and may offer to each eligible employee a group  
 22 alternative health benefit plan as defined in this chapter.

23 (c) The provisions of Chapter 21 of this title shall not be deemed to prohibit licensees  
 24 thereunder from selling the policies provided for in this Code section.

25 (d) The purchase of an accident and sickness policy or contract under this Code section  
 26 shall not preclude the purchaser from purchasing additional limited benefit insurance  
 27 policies or contracts.

28 33-59-5.

29 (a) In each sale of an alternative health benefit plan, the insurer shall provide to each  
 30 proposed individual group member or individual policyholder a notice and an  
 31 acknowledgment at the beginning of the application for the alternative health benefit plan  
 32 containing the following language in boldface type:

33 'You have the option to choose this Small Business Employee Choice of Benefits  
 34 Health Insurance Plan which does not provide all of the state mandated health benefits  
 35 normally required in accident and sickness insurance policies in Georgia. This health

1 benefits plan may provide a more affordable health insurance policy for you, although,  
2 at the same time, it may provide you with fewer health benefits than those normally  
3 included as state mandated health benefits in policies in Georgia. If you choose this  
4 option, please consult with your insurance agent to discover which state mandated  
5 health benefits are excluded in this policy.'

6 (b) An acknowledgment separate from the notice and application provided for in  
7 subsection (a) of this Code section shall be provided to and completed by each individual  
8 policyholder or individual group member. Such acknowledgment shall contain a  
9 comparison of the benefits contained in each of the health benefit plan options being  
10 offered to the individual policyholder or individual group member. The Commissioner  
11 shall promulgate such rules and regulations as he or she deems necessary to implement this  
12 subsection including rules and regulations concerning the form and contents of such  
13 acknowledgment. In the case of group health benefit plans being offered by an employer,  
14 a copy of the acknowledgment for each individual group member shall be maintained by  
15 the employer.

16 33-59-6.

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

21 **SECTION 2.**

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