

The House Committee on Appropriations offers the following substitute to HB 1372:

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 benefit plans, so as to provide for mechanisms for termination of
3 coverage for nonpayment of premium; to provide for notification to employers; to provide
4 for related matters; to provide an effective date; to repeal conflicting laws; and for other
5 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 benefit plans, is amended striking Code Section 45-18-5, relating to county
10 officers and employees, and inserting in lieu thereof a new Code Section 45-18-5 to read as
11 follows:

12 "45-18-5.

13 (a) The board is authorized to contract with the various counties of this state for the
14 inclusion of the employees of any county within any health insurance plan or plans
15 established under this article. The various counties of this state are authorized to contract
16 with the board as provided in this Code section. In the event that any such contract is
17 entered into, it shall be the duty of any counties so contracting to deduct from the salary or
18 other compensation of its employees such payment as may be required under any health
19 insurance plan and to remit the same to the board for inclusion in the health insurance fund.
20 In addition, it shall be the duty of such county or counties to make the employer
21 contributions required for the operation of such plan or plans. Should such county or
22 counties fail to remit such deductions or such employer contributions, the commissioner
23 may, not less than 30 days after written notice was sent to such county or counties via
24 certified mail, terminate the coverage for such employees as of the day following the last
25 day of the month after which such deductions or such employer contributions were remitted
26 to the board. Coverage may be reinstated upon the tender of any such deductions or
27 employer contributions not previously remitted. If coverage is not so reinstated, the

1 commissioner may recover the amount of any claims paid on behalf of such employees
2 from the employer.

3 (b) County officials may elect to be included in a health insurance plan, health
4 maintenance organization, or other health benefits plan offered or provided by a county for
5 its county officials or any health plan or plans established under this article. The governing
6 authority of a county may elect by majority vote to provide for payment in a uniform
7 manner of any portion, all, or none of the employer contributions for or required premiums
8 or payments due from the county officials or former county officials who under this Code
9 section are eligible for inclusion in the health plan or plans established under this article.

10 The board is authorized to contract with the County Officers Association of Georgia on
11 behalf of the various counties of this state for the inclusion in any health insurance plan or
12 plans established under this article of officials, spouses, and dependents of officials serving
13 in one or more of the following capacities: probate judge, sheriff, tax commissioner or tax
14 collector, clerk of the superior court, full-time or part-time state court judge, solicitor, state
15 court clerk, or solicitor-general, chief magistrate, juvenile court judge, or members of the
16 county governing authority and officials, spouses, and dependents of officials leaving
17 office on or after December 31, 1996, who have served at least 12 years in one or more of
18 the following capacities: probate judge, sheriff, tax commissioner or tax collector, clerk of
19 the superior court, full-time or part-time state court judge, solicitor, state court clerk, or
20 solicitor-general, chief magistrate, juvenile court judge, or members of the county
21 governing authority. The County Officers Association of Georgia is authorized to contract
22 with the board as provided in this Code section. In the event that such a contract is entered
23 into, it shall be the duty of the County Officers Association of Georgia to collect from the
24 various counties of this state with which it has contracted under this subsection and remit
25 to the board such payment as may be required under any health insurance plan for inclusion
26 in the health insurance fund. The County Officers Association of Georgia may add a
27 reasonable fee to the premiums required under the plan to cover necessary administrative
28 costs. In addition, it shall be the duty of the County Officers Association of Georgia to
29 maintain and remit to the board accurate records of official, dependent, and other
30 information required by the board to administer this Code section. Should the County
31 Officers Association of Georgia fail to remit such payment, the commissioner may, not less
32 than 30 days after written notice was sent to the County Officers Association of Georgia
33 via certified mail, terminate the coverage for such officials as of the day following the last
34 day of the month after which such deductions or such employer contributions were
35 remitted to the board. Coverage may be reinstated upon the tender of any such deductions
36 or employer contributions not previously remitted. If coverage is not so reinstated, the

1 commissioner may recover the amount of any claims paid on behalf of such officials from
 2 the County Officers Association of Georgia.

3 (c) The various counties of this state are authorized to contract with the County Officers
 4 Association of Georgia for the inclusion in any health insurance plan or plans established
 5 under this article of officials, spouses, and dependents of officials serving in one or more
 6 of the following capacities: probate judge, sheriff, tax commissioner or tax collector, clerk
 7 of the superior court, full-time or part-time state court judge, solicitor, or solicitor-general,
 8 chief magistrate, juvenile court judge, or members of the county governing authority and
 9 officials, spouses, and dependents of officials leaving office on or after December 31, 1996,
 10 who have served at least 12 years in one or more of the following capacities: probate judge,
 11 sheriff, tax commissioner or tax collector, clerk of the superior court, full-time or part-time
 12 state court judge, solicitor, state court clerk, or solicitor-general, chief magistrate, juvenile
 13 court judge, or members of the county governing authority. The County Officers
 14 Association of Georgia is authorized to contract with the various counties of the state as
 15 provided in this Code section. In the event that any such contracts are entered into, it shall
 16 be the duty of any counties so contracting to deduct from the salary or other compensation
 17 of its officials and otherwise collect from former officials such payment as may be required
 18 under any health insurance plan and to remit the same to the County Officers Association
 19 of Georgia for payment to the board. To the extent employer contributions are not fully
 20 made by a county, it shall be the duty of the covered officials and former officials to make
 21 such employer contributions required on their behalf for the operation of such plan or
 22 plans. Should the County Officers Association of Georgia fail to remit such payment, the
 23 commissioner may, not less than 30 days after written notice was sent to the County
 24 Officers Association of Georgia via certified mail, terminate the coverage for such officials
 25 as of the day following the last day of the month after which such deductions on such
 26 employer contributions were remitted to the board. Coverage may be reinstated upon the
 27 tender of any such deductions or employer contributions not previously remitted. If
 28 coverage is not so reinstated, the commissioner may recover the amount of any claims paid
 29 on behalf of such officials from the County Officers Association of Georgia.

30 (c.1) Any local board of education may elect for members thereof and their spouses and
 31 dependents to be included in any health plan or plans established under Code Section
 32 20-2-918. It shall be the duty of any local boards of education so electing to deduct from
 33 the salary or other compensation of its members such payment as may be required under
 34 paragraph (1) of subsection (b) of Code Section 20-2-55 and to remit the same to the health
 35 insurance fund created under Code Section 20-2-918. Should any local board of education
 36 fail to remit such payment to the board, the provisions of subsection (b) of Code Section
 37 20-2-920 shall be applicable to such nonpayment.

1 (d) In administering this Code section, it shall be the responsibility of the board to develop
 2 rates for coverage based on the actual claims experience of the individuals covered by this
 3 Code section. The board shall require a bond, not to exceed one year's annual premium,
 4 satisfactory to the commissioner to assure the contractual performance of any entities with
 5 which it contracts under this Code section.

6 (e) Nothing in this Code section shall preclude the exercise of any options or rights
 7 otherwise available to such county officers or members of local boards of education under
 8 other state or federal laws which relate to extension or continuation of health benefits."

9 SECTION 2.

10 Said chapter is further amended by striking Code Section 45-18-5.1, relating to licensed blind
 11 or otherwise seriously disabled vendors, and inserting in lieu thereof a new Code Section
 12 45-18-5.1 to read as follows:

13 "45-18-5.1.

14 The Department of Labor is authorized to contract with the Georgia Cooperative Services
 15 for the Blind, Inc., a nominee agent designated by the Division of Rehabilitation Services
 16 of the Department of Labor, for the inclusion of licensed blind persons or other persons
 17 with disabilities operating a vending facility in accordance with Article 2 of Chapter 15 of
 18 Title 34 within any health insurance plan or plans established under this article. In the
 19 event any contract is entered into, it shall be the duty of the Georgia Cooperative Services
 20 for the Blind, Inc., to deduct the payment required under the plan from the earnings or other
 21 compensation of licensed blind persons or other persons with disabilities and remit it to the
 22 Department of Labor for inclusion in the health insurance fund. In addition, it shall be the
 23 duty of the Georgia Cooperative Services for the Blind, Inc., to make the employer
 24 contributions required for the operation of such plan or plans. Should the Georgia
 25 Cooperative Services for the Blind, Inc., fail to remit such payment, the commissioner may,
 26 not less than 30 days after written notice was sent to the Georgia Cooperative Services for
 27 the Blind, Inc., via certified mail, terminate the coverage for such employees as of the day
 28 following the last day of the month after which such deductions or such employer
 29 contributions were remitted to the board. Coverage may be reinstated upon the tender of
 30 any such deductions or employer contributions not previously remitted. If coverage is not
 31 so reinstated, the commissioner may recover the amount of any claims paid on behalf of
 32 such employees from the Georgia Cooperative Services for the Blind, Inc."

1 contributions required for the operation of such plan or plans. Should the Georgia
 2 Development Authority fail to remit such payment, the commissioner may, not less than
 3 30 days after written notice was sent to the Georgia Development Authority via certified
 4 mail, terminate the coverage for such employees as of the day following the last day of the
 5 month after which such deductions or such employer contributions were remitted to the
 6 board. Coverage may be reinstated upon the tender of any such deductions or employer
 7 contributions not previously remitted. If coverage is not so reinstated, the commissioner
 8 may recover the amount of any claims paid on behalf of such employees from the Georgia
 9 Development Authority."

10 SECTION 5.

11 Said chapter is further amended by striking Code Section 45-18-7.2, relating to Agrirama
 12 Development Authority employees, and inserting in lieu thereof a new Code Section
 13 45-18-7.2 to read as follows:

14 "45-18-7.2.

15 The board is authorized to contract with the Georgia Agrirama Development Authority for
 16 the inclusion in any health insurance plan or plans established under this article of the
 17 employees and retiring employees of the Georgia Agrirama Development Authority and
 18 their spouses and dependent children, as defined by the regulations of the board. It shall
 19 be the duty of the Georgia Agrirama Development Authority to deduct from the salary or
 20 other remuneration of its employees such payment as may be required under the board's
 21 regulations. In addition, it shall be the duty of the Georgia Agrirama Development
 22 Authority to make the employer contributions required for the operation of such plan or
 23 plans. Should the Georgia Agrirama Development Authority fail to remit such payment,
 24 the commissioner may, not less than 30 days after written notice was sent to the Georgia
 25 Agrirama Development Authority via certified mail, terminate the coverage for such
 26 employees as of the day following the last day of the month after which such deductions
 27 or such employer contributions were remitted to the board. Coverage may be reinstated
 28 upon the tender of any such deductions or employer contributions not previously remitted.
 29 If coverage is not so reinstated, the commissioner may recover the amount of any claims
 30 paid on behalf of such employees from the Georgia Agrirama Development Authority."

31 SECTION 6.

32 Said chapter is further amended by striking Code Section 45-18-7.3, relating to employees
 33 of Peace Officers' Annuity and Benefit Fund, Georgia Firefighters' Pension Fund, and
 34 Sheriffs' Retirement Fund of Georgia, spouses, and dependent children, and inserting in lieu
 35 thereof a new Code Section 45-18-7.3 to read as follows:

1 "45-18-7.3.

2 The board is authorized to contract with the Peace Officers' Annuity and Benefit Fund,
 3 Georgia Firefighters' Pension Fund, and the Sheriffs' Retirement Fund of Georgia for the
 4 inclusion in any health insurance plan or plans established under this article of the
 5 employees and retiring employees of said Peace Officers' Annuity and Benefit Fund,
 6 Georgia Firefighters' Pension Fund, and Sheriffs' Retirement Fund of Georgia and their
 7 spouses and dependent children, as defined by the regulations of the board. It shall be the
 8 duty of said Peace Officers' Annuity Benefit Fund, Georgia Firefighters' Pension Fund,
 9 and Sheriffs' Retirement Fund of Georgia to deduct from the salary or other remuneration
 10 of their employees such payment as may be required under the board's regulations. In
 11 addition, it shall be the duty of said Peace Officers' Annuity and Benefit Fund, Georgia
 12 Firefighters' Pension Fund, and Sheriffs' Retirement Fund of Georgia to make the
 13 employer contributions required for the operation of such plan or plans. Should the Peace
 14 Officers' Annuity and Benefit Fund, Georgia Firefighters' Pension Fund, or Sheriffs'
 15 Retirement Fund of Georgia fail to remit such payment, the commissioner may, not less
 16 than 30 days after written notice was sent to the Peace Officers' Annuity and Benefit Fund,
 17 Georgia Firefighters' Pension Fund, or Sheriffs' Retirement Fund of Georgia, as the case
 18 may be, via certified mail, terminate the coverage for such employees as of the day
 19 following the last day of the month after which such deductions or such employer
 20 contributions were remitted to the board. Coverage may be reinstated upon the tender of
 21 any such deductions or employer contributions not previously remitted. If coverage is not
 22 so reinstated, the commissioner may recover the amount of any claims paid on behalf of
 23 such employees from the Peace Officers' Annuity and Benefit Fund, Georgia Firefighters'
 24 Pension Fund, or Sheriffs' Retirement Fund of Georgia, as the case may be."

25 **SECTION 7.**

26 Said chapter is further amended by striking Code Section 45-18-7.5, relating to employees
 27 of Georgia Housing and Finance Authority, spouses, and dependent children, and inserting
 28 in lieu thereof a new Code Section 45-18-7.5 to read as follows:

29 "45-18-7.5.

30 The board is authorized to contract with the Georgia Housing and Finance Authority for
 31 the inclusion in any health insurance plan or plans established under this article of the
 32 employees and retiring employees of the Georgia Housing and Finance Authority and their
 33 spouses and dependent children, as defined by the regulations of the board. It shall be the
 34 duty of the Georgia Housing and Finance Authority to deduct from the salary or other
 35 remuneration or otherwise collect such payment from its qualified employees, retired
 36 employees, or dependents as may be required under the board's regulations. In addition,

1 it shall be the duty of the Georgia Housing and Finance Authority to make the employer
 2 contributions required for the operation of such plan or plans. Should the Georgia Housing
 3 and Finance Authority fail to remit such payment, the commissioner may, not less than 30
 4 days after written notice was sent to the Georgia Housing and Finance Authority via
 5 certified mail, terminate the coverage for such employees as of the day following the last
 6 day of the month after which such deductions or such employer contributions were remitted
 7 to the board. Coverage may be reinstated upon the tender of any such deductions or
 8 employer contributions not previously remitted. If coverage is not so reinstated, the
 9 commissioner may recover the amount of any claims paid on behalf of such employees
 10 from the Georgia Housing and Finance Authority."

11 SECTION 8.

12 Said chapter is further amended by striking Code Section 45-18-7.6, relating to employees
 13 of Georgia-Federal State Inspection Service, spouses, and dependent children, and inserting
 14 in lieu thereof a new Code Section 45-18-7.6 to read as follows:

15 "45-18-7.6.

16 The board is authorized to contract with the Georgia-Federal State Inspection Service for
 17 the inclusion in any health insurance plan or plans established under this article of the state
 18 employees of, retiring employees of, and employees who retired under the Employees'
 19 Retirement System of Georgia on or before July 1, 2000, from the Georgia-Federal State
 20 Inspection Service and their spouses and dependent children, as defined by the regulations
 21 of the board. It shall be the duty of the Georgia-Federal State Inspection Service to deduct
 22 from the salary or other remuneration or otherwise collect such payment from its qualified
 23 employees or dependents as may be required under the board's regulations. In addition,
 24 it shall be the duty of the Georgia-Federal State Inspection Service to make the employer
 25 contributions required for the operation of such plan or plans. Should the Georgia-Federal
 26 State Inspection Service fail to remit such payment, the commissioner may, not less than
 27 30 days after written notice was sent to the Georgia-Federal State Inspection Service via
 28 certified mail, terminate the coverage for such employees as of the day following the last
 29 day of the month after which such deductions or such employer contributions were remitted
 30 to the board. Coverage may be reinstated upon the tender of any such deductions or
 31 employer contributions not previously remitted. If coverage is not so reinstated, the
 32 commissioner may recover the amount of any claims paid on behalf of such employees
 33 from the Georgia-Federal State Inspection Service."

SECTION 9.

Said chapter is further amended by striking Code Section 45-18-7.7, relating to employees and dependents of critical access hospitals in health plans, and inserting in lieu thereof a new Code Section 45-18-7.7 to read as follows:

"45-18-7.7.

(a) The board is authorized to contract with any public or nonprofit critical access hospital that meets such requirements as the department may establish for the inclusion of the employees and dependents of such critical access hospitals in any health plan established under this article. It shall be the duty of such critical access hospital to deduct from the salary or other remuneration or otherwise collect such payment from its qualified employees as may be required under the board's regulations. In addition, it shall be the duty of such critical access hospital to make the employer contributions required for the operation of such plan. Should any critical access hospital fail to remit such payment, the commissioner may, not less than 30 days after written notice was sent to such critical access hospital via certified mail, terminate the coverage for such employees as of the day following the last day of the month after which such deductions or such employer contributions were remitted to the board. Coverage may be reinstated upon the tender of any such deductions or employer contributions not previously remitted. If coverage is not so reinstated, the commissioner may recover the amount of any claims paid on behalf of such employees from such critical access hospital.

(b) The board is authorized to contract with any federally qualified health center, as defined in Section 1395x(aa)(4) of Title 42 of the United States Code Annotated, that meets such requirements as the department may establish for the inclusion of the employees and dependents of such federally qualified health centers in any health plan established under this article. It shall be the duty of the federally qualified health center to deduct from the salary or other remuneration or otherwise collect such payment from its qualified employees as may be required under the board's regulations. In addition, it shall be the duty of such federally qualified health center to make the employer contributions required by the board for the operation of such plan. The department shall make a determination, no later than January 1, 2005, as to whether a federally qualified health center is an agency or instrumentality of the State of Georgia. In the event that the department determines that such centers are agencies or instrumentalities of the State of Georgia, then all employees and dependents of such centers shall be eligible for inclusion in the state employees' health insurance plan. Should any such federally qualified health center fail to remit such payment, the commissioner may, not less than 30 days after written notice was sent to such federally qualified health center via certified mail, terminate the coverage for such employees as of the day following the last day of the month after which such deductions

1 or such employer contributions were remitted to the board. Coverage may be reinstated
 2 upon the tender of any such deductions or employer contributions not previously remitted.
 3 If coverage is not so reinstated, the commissioner may recover the amount of any claims
 4 paid on behalf of such employees from such federally qualified health center.

5 (c) The authority granted to the board pursuant to Code Sections 45-18-5.1, 45-18-5.2,
 6 45-18-7.1, 45-18-7.2, 45-18-7.3, 45-18-7.5, and 45-18-7.6; by this Code section; or by any
 7 other provision of this article may be exercised only upon a determination by the
 8 department that the employer is an agency or instrumentality of the State of Georgia or, if
 9 the department determines that such entities are not agencies or instrumentalities of the
 10 State of Georgia, then employees and dependents of such entities may be included in the
 11 state employees' health insurance plan up to the point that such health plan would not be
 12 able to retain its exempt status under the federal Employee Retirement Income Security Act
 13 of 1974."

14 **SECTION 10.**

15 Said chapter is further amended by striking Code Section 45-18-16, relating to certification
 16 to departments and other entities of the state of employer payment percentage for ensuing
 17 fiscal year, and inserting in lieu thereof a new Code Section 45-18-16 to read as follows:

18 "45-18-16.

19 ~~On or before June 1 of each year~~ Not less than 30 days prior to the commencement of the
 20 plan year, the commissioner of community health shall certify to the director or chief
 21 administrative officer of each state department, bureau, institution, board, commission, or
 22 authority having employees covered by this article the amount of percentage adopted by
 23 the board as employer payments for the ensuing fiscal year; and they shall, in their annual
 24 budget, make provisions for funds with which to pay the board the required employer
 25 payments."

26 **SECTION 11.**

27 This Act shall become effective on July 1, 2006.

28 **SECTION 12.**

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