

The House Committee on Governmental Affairs offers the following substitute to HR 1535:

#### A RESOLUTION

1 Creating the State Health Benefit Plan Design Team; and for other purposes.

2 WHEREAS, the State Health Benefit Plan is a self-insured health benefit product, insuring  
3 eligible employees and retirees of state agencies, authorities, and boards of education and  
4 other educational entities, administered by a third-party administrator; and

5 WHEREAS, with the cost of health claims rising significantly each year, there is a need to  
6 determine new and innovative ways to contain such costs; and

7 WHEREAS, a plan design team can review and determine areas where rising costs can be  
8 contained and determine a more cost-effective plan design to better meet the needs of  
9 covered employees, retirees, their spouses and dependents, and the state.

10 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES that  
11 there is created the State Health Benefit Plan Design Team to be composed of 19 persons.  
12 The Speaker of the House of Representatives shall appoint three members of the House of  
13 Representatives who receive health benefits from the State Health Benefit Plan, one of whom  
14 the Speaker shall designate as the chairperson of the State Health Benefit Plan Design Team.  
15 In addition, the Speaker shall appoint two persons who are currently employed full time as  
16 teachers for boards of education in Georgia who receive health benefits from the State Health  
17 Benefit Plan; one person currently employed full time as an employee of a state agency not  
18 otherwise represented on the Plan Design Team who receives health benefits from the State  
19 Health Benefit Plan; and one person who is a retiree who receives health benefits from the  
20 State Health Benefit Plan. The Governor shall appoint one representative from the  
21 Department of Community Health; one representative from the Georgia Merit System of  
22 Personnel Administration; one representative from the State Health Benefit Plan Task Force;  
23 the commissioner of the Georgia Department of Corrections, ex officio; the director of the  
24 Georgia Forestry Commission, ex officio; a human resources officer currently employed by  
25 a state department; one representative from the judicial branch of government; two persons

1 who are currently employed full time as teachers for boards of education in Georgia who  
2 receive health benefits from the State Health Benefit Plan; a human resources officer  
3 currently employed by a board of education in Georgia; one person currently employed full  
4 time as an employee for a state agency not otherwise represented on the Plan Design Team  
5 who receives health benefits from the State Health Benefit Plan; and one person who is a  
6 retiree who receives health benefits from the State Health Benefit Plan.

7 BE IT FURTHER RESOLVED that the Plan Design Team shall undertake the following to  
8 determine means to curb rising costs of health benefits provided to eligible employees and  
9 retirees of state agencies, authorities, and boards of education and other educational entities:

- 10 (1) Leverage the work and recommendations of the State Health Benefit Plan Task Force  
11 report dated October 11, 2005;
- 12 (2) Review the existing State Health Benefit Plan;
- 13 (3) Include a review of all areas of the State Health Benefit Plan, including medical  
14 options, utilization, access to care, duplication of coverages, and the actual number of  
15 options offered and include a review of the types of HMO options currently in the State  
16 Health Benefit Plan and whether there is a need to continue them;
- 17 (4) Compare the State Health Benefit Plan with other state and private industry plans  
18 through the State and Local Government Benefits Association;
- 19 (5) Compare the options and costs of the State Health Benefit Plan with those of the  
20 medical plan of the Board of Regents of the University System of Georgia;
- 21 (6) Complete an analysis to determine the feasibility of continuing to offer Consumer  
22 Options (CO). Consumer Options is confusing to employees, experiences low utilization,  
23 and is expensive, and there is a concern as to whether it is worth the extra cost of  
24 providing the option;
- 25 (7) Engage several focus groups throughout the state with eligible plan participants,  
26 including retirees, to review plan design recommendations and solicit their input into the  
27 process;
- 28 (8) Present plan design recommendations to benefit consultants for validation and best  
29 practices; and
- 30 (9) Complete actuarial studies to compare the existing plan to proposed plans and  
31 develop cost models.

32 BE IT FURTHER RESOLVED that the Plan Design Team shall make a report of its findings  
33 and recommendations to the Governor and the Speaker of the House of Representatives, with  
34 suggestions for proposed legislation, if any, on or before December 31, 2006. The members  
35 of the team shall not receive any compensation for their services on the team, but they shall

1 be reimbursed for expenses incurred by them in the performance of their services as members  
2 of the team in the same manner as they are reimbursed for expenses in their capacity as  
3 officials or employees. The funds necessary for the reimbursement of the expenses shall  
4 come from funds appropriated to or otherwise available to their respective employers.  
5 Except as otherwise provided in this resolution, all funds necessary to carry out the  
6 provisions of this resolution shall come from funds appropriated to the House of  
7 Representatives. The State Health Benefit Plan Design Team shall stand abolished on  
8 December 31, 2006.