

House Bill 324

By: Representatives Manning of the 32nd, Gardner of the 57th, Butler of the 18th, Stephens of the 164th, Teilhet of the 40th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 5 of Title 49 of the Official Code of Georgia Annotated, relating to
2 programs and protection for children and youth, so as to enact "The Children's Health
3 Insurance Act"; to repeal the "PeachCare for Kids Act"; to provide for a short title; to provide
4 for definitions; to provide for the creation of the PeachCare for All Kids health care
5 insurance plan; to provide for eligibility, health care services, and payment of premiums and
6 copayments; to provide for accessing federal matching funds; to provide for health care
7 provider enrollment; to provide for rules and regulations; to provide for construction; to
8 provide for a study of adequacy of provider payments; to provide for an annual report; to
9 provide for related matters; to provide for an effective date; to repeal conflicting laws; and
10 for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 style="text-align:center">**SECTION 1.**

13 Chapter 5 of Title 49 of the Official Code of Georgia Annotated, relating to programs and
14 protection for children and youth, is amended by striking Article 13, relating to PeachCare
15 for Kids, in its entirety and inserting in lieu thereof a new article to read as follows:

16 style="text-align:center">"ARTICLE 13

17 49-5-270.

18 This article shall be known and may be cited as 'The Children's Health Insurance Act.'

19 49-5-271.

20 The General Assembly finds and declares:

21 (1) All children need quality, timely health care in order to achieve maximum physical
22 and mental health, to benefit fully from their educational opportunities, and to mature into
23 the productive citizens tomorrow's Georgia needs;

1 (2) It is the right of every Georgia child to have such health care;

2 (3) Lack of health insurance is associated with low utilization of appropriate health
3 services, poorer health, poorer school achievement, and lower lifetime earnings;

4 (4) At least 300,000 Georgia children are uninsured, and many others have unstable or
5 inadequate insurance;

6 (5) While the United States spends more per person on health care than any other
7 country, a far higher proportion of our citizens are uninsured than in any other
8 economically developed country; we receive fewer doctor visits than citizens of the
9 nations that are our economic competitors, and we have poorer health outcomes and life
10 expectancy. That health coverage is ensured by the public sector in other major nations
11 but not in the United States puts Georgia businesses at a competitive disadvantage in the
12 emerging global economy;

13 (6) Employment based insurance has declined in Georgia and in the rest of the United
14 States as the burden of uncontrolled and unpredictable health spending has led many
15 businesses to end or reduce coverage and others to close their doors or move offshore.
16 Many people in Georgia who desire to pursue business opportunities are constrained by
17 the need to remain in particular employment to retain health coverage;

18 (7) The current Medicaid and PeachCare for Kids programs are tools the state can use
19 creatively to assure access to health care for all children and to improve the state's
20 economy. Establishment of the PeachCare for All Kids program pursuant to this article
21 leverages state buying power while utilizing heretofore untapped federal funds available
22 to the state; and

23 (8) Establishing PeachCare for All Kids in Georgia is in the public interest by removing
24 a persistent worry for families and serving as a major benefit for all Georgia businesses
25 as well as an incentive for others that may consider relocating to this state.

26 49-5-272.

27 As used in this article, the term:

28 (1) 'Department' means the Department of Community Health.

29 (2) 'PeachCare for All Kids' means the health care insurance plan created by Code
30 Section 49-5-273 and shall include PeachCare for All Kids A, PeachCare for All Kids B,
31 and PeachCare for All Kids C.

32 (3) 'PeachCare for All Kids A' means the PeachCare for All Kids health care insurance
33 buy-in program created by subsection (c) of Code Section 49-5-273 for children ineligible
34 for PeachCare for All Kids B or PeachCare for All Kids C.

35 (4) 'PeachCare for All Kids B' means the PeachCare for All Kids health care insurance
36 plan created by subsection (d) of Code Section 49-5-273 for children in families

1 ineligible for PeachCare for All Kids A due to income, but with incomes below 400
2 percent of the federal poverty level.

3 (5) 'PeachCare for All Kids C' means the PeachCare for All Kids health care insurance
4 buy-in program created by subsection (e) of Code Section 49-5-273 for children in
5 families with incomes at or below 200 percent of the federal poverty level.

6 49-5-273.

7 (a) There is created the PeachCare for All Kids health care insurance plan to provide
8 health care insurance for Georgia children.

9 (b) Children who meet the following criteria shall be eligible for PeachCare for All Kids
10 which shall be administered by the department:

11 (1) Children from birth through 18 years of age, except that individuals through age 21
12 may be eligible for PeachCare for All Kids A; and

13 (2) For PeachCare for All Kids B and PeachCare for All Kids C, children who are
14 residents of the State of Georgia and citizens of the United States of America or who are
15 immigrants in categories eligible for coverage as of January 1, 2007, under Title XIX or
16 Title XXI of the federal Social Security Act.

17 (c)(1) There is created PeachCare for All Kids A which shall be available to individuals
18 through age 21 who are ineligible for PeachCare for All Kids B or PeachCare for All
19 Kids C. It shall offer substantially the same health care services and coverage available
20 to children under PeachCare for All Kids B.

21 (2) Families may buy into PeachCare for All Kids A at a group rate to be determined by
22 the department. Coverage under PeachCare for All Kids A shall not be subsidized by the
23 state unless funds are specifically appropriated for this purpose.

24 (3) The department may set reasonable copayment requirements for participants for
25 services provided under PeachCare for All Kids A, provided that copayments are not
26 charged for preventive services as defined by the department.

27 (d)(1) There is created PeachCare for All Kids B. To the extent permitted by federal
28 law and to the extent federal matching funds are available, the department shall set
29 income disregards for this plan so as to cover children in families with incomes above the
30 limit for PeachCare C, but below 400 percent of the federal poverty level. PeachCare for
31 All Kids B shall offer substantially the same health care services and coverage available
32 to children under PeachCare for All Kids C, except that it shall not cover nonemergency
33 transportation.

34 (2) The department may require premiums for participation in PeachCare for All Kids
35 B, as follows:

1 (A) For participants with family income at or between 200 percent and 250 percent of
2 the federal poverty level, a maximum of \$30.00 per month per child up to a total family
3 maximum of \$60.00; and

4 (B) For participants with family income above 250 percent of the federal poverty level,
5 a sliding scale of premiums as determined by the department based on ability to pay.

6 (3) The department may set reasonable copayment requirements for participants for
7 services provided under PeachCare for All Kids B, provided that copayments are not
8 charged for preventive services as defined by the department.

9 (4) To be eligible to enroll in PeachCare for All Kids B, a child may not have been
10 covered by health insurance for the previous three months unless the child is less than
11 three months of age, the child's parent has been involuntarily separated from his or her
12 employment or no longer qualifies for health benefits, his or her employer has
13 discontinued health insurance coverage as an employee benefit, or there is other good
14 cause as defined by the department including, but not limited to, good cause related to a
15 child's special health needs. A family shall not be required to exhaust COBRA
16 continuation benefits prior to receiving benefits under this plan. A child who loses
17 financial eligibility for PeachCare for All Kids C shall not be required to exhaust a
18 waiting period to enter PeachCare for All Kids B.

19 (e) There is created PeachCare for All Kids C which shall be operated by the department
20 consistent with Article 7 of Chapter 4 of this title. No premiums shall be charged to
21 participants under PeachCare for All Kids C. For children over age six with family
22 incomes exceeding 150 percent of the federal poverty level, the department may require
23 a copayment by the participant not to exceed \$2.00 per visit to a physician or dentist and
24 50¢ per prescription filled; provided, however, that no copayment shall be charged for
25 preventive services as defined by the department. A child shall not be denied service for
26 inability to pay the copayment.

27 (f) The department shall submit amendments to its state plans under Title XIX and Title
28 XXI of the Social Security Act consistent with the requirements of this article. The
29 department shall submit claims to the federal government in such a manner as to maximize
30 the amount of federal matching funds received under Title XXI of the Social Security Act.

31 (g) The department, through the Department of Administrative Services or any other
32 appropriate entity, may contract for any or all of the following services: collection of
33 premiums, processing of applications, outreach, data services, and evaluation, if such
34 contracting achieves administrative or service cost efficiency. The department, and other
35 state agencies as appropriate, shall provide necessary information to any entity engaged in
36 the administration of the PeachCare for All Kids plan.

1 (h) Any health care provider who is enrolled in the Medicaid program shall be deemed to
2 be enrolled in PeachCare for All Kids.

3 (i) Nothing in this article shall be interpreted in a manner so as to preclude the department
4 from contracting with licensed health maintenance organizations or provider sponsored
5 health care corporations for coverage of program services and eligible children. The
6 department may require enrollment in a health maintenance organization or provider
7 sponsored health care corporation as a condition of receiving coverage under the program.

8 (j) The department shall facilitate premium payment by adopting procedures and policies
9 that enable payroll deduction, payment in cash in local offices and retail establishments,
10 and such other means as may prove effective in maintaining coverage for children under
11 PeachCare for All Kids.

12 (k) The department shall implement and maintain an effective outreach campaign designed
13 to inform all Georgia families of the PeachCare for All Kids program and to provide each
14 the opportunity to enroll.

15 (l) The department shall adopt policies and procedures that eliminate unnecessary
16 administrative barriers to enrollment.

17 (m) The department shall conduct a study to determine the provider payment rates that
18 would be sufficient to ensure adequate access to all covered services for children eligible
19 for PeachCare for All Kids. The study report shall include recommendations on provider
20 payment rate changes. The department shall publish its report no later than December 1,
21 2008.

22 (n) The department shall publish an annual report, copies of which shall be provided to the
23 Governor and the General Assembly, setting forth the number of participants in the
24 program, the health care services provided, the amounts of money paid to providers, and
25 other pertinent information with respect to the administration of the program.

26 (o) The department shall promulgate rules and regulations to effectuate this article."

27 **SECTION 2.**

28 This Act shall become effective on January 1, 2008.

29 **SECTION 3.**

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