

House Bill 1331

By: Representative Stephens of the 164<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 1 of Chapter 18 of Title 45 of the Official Code of Georgia Annotated,  
2 relating to the state employees' health insurance plan, so as to transfer the state employees'  
3 health insurance plan from the Board of Community Health to the Board of Regents of the  
4 University System of Georgia; to provide for the continuation of all contracts, leases,  
5 agreements, and other transactions; to provide that all rights, duties, and obligations are  
6 transferred; to amend various provisions of the Official Code of Georgia Annotated for  
7 purposes of conformity; to provide for related matters; to repeal conflicting laws; and for  
8 other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

11 Article 1 of Chapter 18 of Title 45 of the Official Code of Georgia Annotated, relating to the  
12 state employees' health insurance plan, is amended by revising paragraphs (1) and (1.1) of  
13 Code Section 45-18-1, relating to definitions, as follows:

14 "(1) 'Board' means the Board of ~~Community Health established under Chapter 5A of Title~~  
15 31 Regents of the University System of Georgia.

16 (1.1) ~~'Commissioner' means the commissioner of community health~~ 'Chancellor' means the  
17 chancellor of the University System of Georgia."

18 style="text-align:center">**SECTION 2.**

19 Said article is further amended by revising Code Section 45-18-2, relating to authority to  
20 establish health insurance plan, as follows:

21 "45-18-2.

22 (a) The board is authorized to establish a health insurance plan for employees of the state  
23 and to adopt and promulgate rules and regulations for its administration, subject to the  
24 limitations contained in this article. The health insurance plan may provide for group  
25 hospitalization and surgical and medical insurance against the financial costs of

1 hospitalization, surgery, and medical treatment and care and may also include, among other  
 2 things, prescribed drugs, medicines, prosthetic appliances, hospital inpatient and outpatient  
 3 service benefits, dental benefits, vision care benefits, and medical expense indemnity  
 4 benefits, including major medical benefits.

5 (b) If a retiring or retired employee or the beneficiary of such retiring or retired employee  
 6 exercises eligibility under board regulations to continue coverage under the plan and the  
 7 retiring or retired employees or the beneficiary is eligible to participate in the insurance  
 8 program operated by or on behalf of the federal government under the provisions of 42  
 9 U.S.C.A. 1395, as amended, the coverage available under the health insurance plan shall  
 10 be subordinated to the coverage available under such federal program. The board is  
 11 authorized to promulgate regulations to establish the premium paid by the retired employee  
 12 or beneficiary to reflect the subordination of coverage.

13 (c) On and after July 1, 2008, the Board of Regents of the University System of Georgia  
 14 shall be the successor to the duties of and shall carry out all of the functions and exercise  
 15 all of the powers formerly held by the Board of Community Health pursuant to this article.  
 16 The rights, privileges, entitlements, and duties of parties to contracts, leases, agreements,  
 17 and other transactions entered into before July 1, 2008, by the Board of Community Health  
 18 shall continue to exist and will, by operation of law, be assumed by the Board of Regents  
 19 of the University System of Georgia on July 1, 2008; and none of these rights, privileges,  
 20 entitlements, and duties are impaired or diminished by reason of the transfer of the  
 21 functions to the Board of Regents of the University System of Georgia. In all such  
 22 instances, the Board of Regents of the University System of Georgia shall be substituted  
 23 for the Board of Community Health, and the Board of Regents of the University System  
 24 of Georgia shall succeed to the rights and duties under such contracts, leases, agreements,  
 25 and other transactions. All rules and regulations which involve this article under the  
 26 jurisdiction of the Board of Community Health prior to July 1, 2008, will, by operation of  
 27 law, be assumed by the Board of Regents of the University System of Georgia on July 1,  
 28 2008."

### 29 SECTION 3.

30 Said article is further amended by revising Code Section 45-18-5, relating to county officers  
 31 and employees, as follows:

32 "45-18-5.

33 (a) The board is authorized to contract with the various counties of this state for the  
 34 inclusion of the employees of any county within any health insurance plan or plans  
 35 established under this article. The various counties of this state are authorized to contract  
 36 with the board as provided in this Code section. In the event that any such contract is

1 entered into, it shall be the duty of any counties so contracting to deduct from the salary or  
2 other compensation of its employees such payment as may be required under any health  
3 insurance plan and to remit the same to the board for inclusion in the health insurance fund.  
4 In addition, it shall be the duty of such county or counties to make the employer  
5 contributions required for the operation of such plan or plans. Should such county or  
6 counties fail to remit such deductions or such employer contributions, the ~~commissioner~~  
7 chancellor may, upon written notice to such county or counties, terminate the coverage for  
8 such employees as of the day following the last day for which such deductions or such  
9 employer contributions were remitted to the board. Coverage may be reinstated upon the  
10 tender of any such deductions or employer contributions not previously remitted.

11 (b) County officials may elect to be included in a health insurance plan, health  
12 maintenance organization, or other health benefits plan offered or provided by a county for  
13 its county officials or any health plan or plans established under this article. The governing  
14 authority of a county may elect by majority vote to provide for payment in a uniform  
15 manner of any portion, all, or none of the employer contributions for or required premiums  
16 or payments due from the county officials or former county officials who under this Code  
17 section are eligible for inclusion in the health plan or plans established under this article.  
18 The board is authorized to contract with the County Officers Association of Georgia on  
19 behalf of the various counties of this state for the inclusion in any health insurance plan or  
20 plans established under this article of officials, spouses, and dependents of officials serving  
21 in one or more of the following capacities: probate judge, sheriff, tax commissioner or tax  
22 collector, clerk of the superior court, full-time or part-time state court judge, solicitor, state  
23 court clerk, or solicitor-general, chief magistrate, juvenile court judge, or members of the  
24 county governing authority and officials, spouses, and dependents of officials leaving  
25 office on or after December 31, 1996, who have served at least 12 years in one or more of  
26 the following capacities: probate judge, sheriff, tax commissioner or tax collector, clerk of  
27 the superior court, full-time or part-time state court judge, solicitor, state court clerk, or  
28 solicitor-general, chief magistrate, juvenile court judge, or members of the county  
29 governing authority. The County Officers Association of Georgia is authorized to contract  
30 with the board as provided in this Code section. In the event that such a contract is entered  
31 into, it shall be the duty of the County Officers Association of Georgia to collect from the  
32 various counties of this state with which it has contracted under this subsection and remit  
33 to the board such payment as may be required under any health insurance plan for inclusion  
34 in the health insurance fund. The County Officers Association of Georgia may add a  
35 reasonable fee to the premiums required under the plan to cover necessary administrative  
36 costs. In addition, it shall be the duty of the County Officers Association of Georgia to  
37 maintain and remit to the board accurate records of official, dependent, and other

1 information required by the board to administer this Code section. Should the County  
2 Officers Association of Georgia fail to remit such payment, the ~~commissioner~~ chancellor  
3 may, upon written notice to the County Officers Association of Georgia, terminate the  
4 coverage for such officials as of the day following the last day for which such payment was  
5 remitted to the board. Coverage may be reinstated upon the tender of any such deductions  
6 or employer contributions not previously remitted.

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

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

1 fail to remit such payment to the board, the provisions of subsection (b) of Code Section  
2 20-2-920 shall be applicable to such nonpayment.

3 (d) In administering this Code section, it shall be the responsibility of the board to develop  
4 rates for coverage based on the actual claims experience of the individuals covered by this  
5 Code section. The board shall require a bond satisfactory to the ~~commissioner~~ chancellor  
6 to assure the contractual performance of any entities with which it contracts under this  
7 Code section.

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

#### 11 SECTION 4.

12 Said article is further amended by revising Code Section 45-18-12, relating to creation of a  
13 health insurance fund, as follows:

14 "45-18-12.

15 (a) There is created a health insurance fund which shall be available without fiscal year  
16 limitations for premium, subscription charge, benefits, and administration costs. The  
17 amounts withheld from employees and retired employees under this article, all amounts  
18 contributed by the state or from federal funds to such health insurance fund, and all  
19 amounts contributed by any state authority pursuant to this article shall be credited to such  
20 health insurance fund. All other income, as well as the income derived from any dividends,  
21 premium rate adjustments, or other refunds under any contract or contracts, shall be  
22 credited to and constitute a part of such fund. Any amounts remaining in such fund after  
23 all premiums or subscription charges and other expenses have been paid shall be retained  
24 in such fund as a special reserve for adverse fluctuation. The ~~commissioner of community~~  
25 ~~health~~ chancellor shall be the executive officer of the ~~Board of Community Health~~ board  
26 for the administration of this article and custodian of such health insurance fund and shall  
27 be responsible under a properly approved bond for all moneys coming into said fund and  
28 paid out of said fund as may be required to be paid to any contracting corporation under  
29 any contract entered into pursuant to this article and to cover administrative costs.

30 (b) Notwithstanding any provision of law to the contrary, the ~~commissioner~~ chancellor  
31 may combine the fund provided for in this Code section with the funds provided for in  
32 Code ~~Section~~ Sections 20-2-891 and ~~Code Section~~ 20-2-918."

#### 33 SECTION 5.

34 Said article is further amended by revising subsection (a) of Code Section 45-18-15, relating  
35 to rules and regulations for administration of article, as follows:

1 "(a) The board shall promulgate such rules and regulations as may be required for the  
 2 effective administration of this article. Such rules and regulations shall include, but not be  
 3 limited to, rules and regulations establishing the conditions under which employees who  
 4 originally rejected coverage may acquire coverage at a later date. The ~~commissioner of~~  
 5 ~~community health~~ chancellor, as executive officer of the board, shall employ such  
 6 personnel as may be needed to carry out this article and such employees shall be employees  
 7 of the ~~Department of Community Health~~ board. The pro rata share of the costs of operating  
 8 the ~~Department of Community Health~~ board in the manner prescribed by law shall be a part  
 9 of the administrative costs of the employees' health insurance plan."

#### 10 SECTION 6.

11 Said article is further amended by striking "commissioner" and "commissioner of community  
 12 health" wherever either term appears and inserting in lieu thereof "chancellor" in each of the  
 13 following places:

- 14 (1) Code Section 45-18-5.1, relating to licensed blind or otherwise seriously disabled  
 15 vendors;
- 16 (2) Code Section 45-18-5.2, relating to sheltered employment center employees;
- 17 (3) Code Section 45-18-7.1, relating to employees of the Georgia Development Authority;
- 18 (4) Code Section 45-18-7.2, relating to Agrirama Development Authority employees;
- 19 (5) Code Section 45-18-7.3, relating to employees of the Peace Officers' Annuity and  
 20 Benefit Fund, Georgia Firefighters' Pension Fund, and Sheriffs' Retirement Fund of  
 21 Georgia, spouses, and dependent children;
- 22 (6) Code Section 45-18-7.5, relating to employees of the Georgia Housing and Finance  
 23 Authority, spouses, and dependent children;
- 24 (7) Code Section 45-18-7.6, relating to employees of the Georgia-Federal State Inspection  
 25 Service, spouses, and dependent children;
- 26 (8) Code Section 45-18-7.7, relating to employees and dependents of critical access  
 27 hospitals in health plans;
- 28 (9) Code Section 45-18-10, relating to the right of continuation of coverage for former  
 29 employees;
- 30 (10) Code Section 45-18-13, relating to deposits of amounts from health insurance fund  
 31 available for investment in trust account;
- 32 (11) Code Section 45-18-16, relating to certification to departments and other entities of  
 33 the state of employer payment percentage for ensuing fiscal year; and
- 34 (12) Code Section 45-18-18, relating to discharge of certain debts or obligations due to the  
 35 health insurance fund.

**SECTION 7.**

1

2 Code Section 20-2-880 of the Official Code of Georgia Annotated, relating to definitions  
3 relative to the health insurance plan for public school teachers, is amended by revising  
4 paragraph (5) as follows:

5 "(5) 'Qualified entity' means any person, association, corporation, or other legal entity with  
6 which the ~~board~~ Board of Regents of the University System of Georgia is authorized under  
7 Article 1 of Chapter 18 of Title 45, relating to state employees' health insurance, to enter  
8 into contract."

9

**SECTION 8.**

10 Code Section 20-2-910 of the Official Code of Georgia Annotated, relating to definitions  
11 relative to the health insurance plan for public school employees, is amended by revising  
12 paragraph (4) as follows:

13 "(4) 'Qualified entity' means any person, association, corporation, or other legal entity with  
14 which the ~~board~~ Board of Regents of the University System of Georgia is authorized under  
15 Chapter 18 of Title 45 to contract."

16

**SECTION 9.**

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