Senate Bill 453

By: Senators Hill of the 32nd, Rogers of the 21st, Hudgens of the 47th, Murphy of the 27th and Shafer of the 48th

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 change certain provisions concerning use of the premium taxes; to change certain provisions
3 of the group accident and sickness contracts, conversion privilege, and continuation of right
4 provisions; to provide for the creation of the Georgia Individual High Risk Reinsurance Pool;
5 to provide for definitions; to provide for operation; to provide for powers and authority; to
6 provide for reinsurance; to provide for premium rates; to provide for assessments; to provide
7 for standards for agents; to provide for design of products; to make certain funding
8 provisions contingent upon passage of a constitutional amendment; to provide for an
9 effective date and applicability; to provide for related matters; to repeal the Commission on
10 the Georgia Health Insurance Risk Pool; to repeal conflicting laws; and for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 **SECTION 1.**

13 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by
14 revising Code Section 33-8-4, relating to amount and method of computing tax on insurance
15 premiums generally, by adding a new subsection to read as follows:

16 "(a.1) One-fourth of 1 percent of premium taxes collected pursuant to this Code section
17 shall offset losses of the Georgia High Risk Individual Reinsurance Pool, as provided in
18 Code Section 33-29A-10."

19 **SECTION 2.**

20 Said title is further amended by revising Code Section 33-24-21.1, relating to group accident
21 and health contracts conversion privilege and continuation right provisions, by adding a new
22 subsection to read as follows:

23 "(m) Enhanced conversion option coverage for qualified eligible individuals as defined
24 under this Code section shall no longer be issued after eligible individuals under Article 1

25 of Chapter 29A of Title 33 is offered coverage through the Georgia high risk individual
26 reinsurance pool as provided in that chapter."

27 **SECTION 3.**

28 Said title is further amended by striking Article 2 of Chapter 29A, relating to the Commission
29 on the Georgia Health Insurance Risk Pool, and inserting a new article to read as follows:

30 "ARTICLE 2

31 33-29A-20.
32 (a) It is the intention of this article together with Code Section 33-24-21.1 to provide an
33 acceptable alternative mechanism for the availability of individual health insurance
34 coverage, as contemplated by Section 2741 of the federal Public Health Service Act, 42
35 U.S.C.A. Section 300gg-41. This article shall be construed and administered so as
36 accomplish such intention.
37 (b) As provided in subsection (m) in Code Section 33-24-21.1, enhanced conversion
38 option coverage for qualified eligible individuals as defined under that Code section shall
39 no longer be issued after eligible individuals under this article are offered coverage through
40 the Georgia High Risk Individual Reinsurance Pool as provided in this article.
41 (c) Any reference in this article to any federal statute shall refer to that federal statute as
42 it existed on January 1, 1997, including its amendment by the federal Health Insurance
43 Portability and Accountability Act of 1996, P.L. 104-191.

44 33-29A-21.
45 (a) As used in this article, the terms:
46 (1) 'Agent' means a producer as defined in Code Section 33-23-1.
47 (2) 'Board' means the board of directors of the Georgia High Risk Individual Reinsurance
48 Pool established in this article.
49 (3) 'Carrier' means any entity that provides, or is authorized to provide, health insurance
50 in this state. For purposes of this article, carrier includes an insurance company, any
51 other entity providing reinsurance including excess or stop loss coverage, a hospital or
52 professional service corporation, a fraternal benefit society, a managed care organization,
53 any entity providing health insurance coverage or benefits to residents of this state as
54 certificate holders under a group policy issued or delivered outside of this state, and any
55 other entity providing a plan of health insurance or health benefits subject to state
56 insurance regulation.
57 (4) 'Commissioner' means the Commissioner of the Department of Insurance.

58 (5) 'Creditable coverage' and 'eligible individual' have the same meaning as specified in
59 Sections 270l and 2741 of the federal Public Health Service Act, 42 U.S.C.A. Sections
60 300gg and 300gg-41.
61 (6) 'Dependent' means a spouse, an unmarried child under the age of 21 years, an
62 unmarried child who is a full-time student under the age of 25 years and who is
63 financially dependent upon the parent, and an unmarried child of any age who is
64 medically certified as disabled and dependent upon the parent.
65 (7) 'Eligible individual' means:
66 (A) A Georgia resident individual or dependent of a Georgia resident who is under the
67 age of 65 years, is not eligible for coverage under a group health plan, Part A or Part
68 B of Title XVIII of the Social Security Act (medicare), or a state plan under Title XIX
69 (Medicaid) or any successor program, and who does not have other health insurance
70 coverage;
71 (B) An individual who is legally domiciled in Georgia on the date of application to the
72 pool and is eligible for the credit for health insurance costs under Section 35 of the
73 Internal Revenue Code of 1986; or
74 (C) A Georgia resident individual or a dependent of a Georgia resident who is a
75 federally eligible individual which means an individual who meets the eligibility
76 criteria set forth in the federal Health Insurance Portability and Accountability Act of
77 1996 Public Law 104-191, subsection (b) of Section 2741 (HIPAA).
78 Coverage provided under this article shall not be available to any individual who is
79 covered under other health insurance coverage, except as provided in Code Section
80 33-29A-12. For purposes of this article, to be eligible, an individual must also meet the
81 requirements of Code Section 33-29A-12.
82 (8) 'Health insurer' means any health insurance issuer which is not a managed care
83 organization.
84 (9) 'Health insurance issuer' and 'health maintenance organization' have the same
85 meaning as specified in Section 2791 of the federal Public Health Service Act, 42
86 U.S.C.A. Section 300gg-92.
87 (10) 'Health benefit plan' means any hospital or medical policy or certificate, any
88 subscriber contract provided by a hospital or professional service corporation, or health
89 maintenance organization subscriber contract. Health benefit plan does not include
90 policies or certificates of insurance for specific disease, hospital confinement indemnity,
91 accident-only, credit, dental, vision, medicare supplement, long-term care, or disability
92 income insurance, student health benefits only, coverage issued as a supplement to
93 liability insurance, worker's compensation or similar insurance, automobile medical

94 payment insurance, or nonrenewable short-term coverage issued for a period of 12
95 months or less.
96 (11) 'Individual carrier' means a carrier that offers health benefit plans covering eligible
97 individuals and their dependents.
98 (12) 'Individual HSA compatible health benefit plan' means a health savings account
99 compatible health benefit plan accepted for use in the pool pursuant to Code Section
100 33-29A-13.
101 (13) 'Individual health benefit plan' means a health benefit plan accepted for use in the
102 pool pursuant to Code Section 33-29A-13.
103 (14) 'Managed care organization' means a health maintenance organization or a nonprofit
104 health care corporation.
105 (15) 'Plan' or 'pool plan' means the individual or HSA compatible health benefit plan
106 accepted for use in the pool pursuant to Code Section 33-29A-13.
107 (16) 'Plan of operation' means the plan of operation of the individual high risk
108 reinsurance pool established pursuant to this article.
109 (17) 'Pool' means the Georgia Individual High Risk Reinsurance Pool created under
110 Code Section 33-29A-4.
111 (b) Any other term which is used in this article and which is also defined in Section 2791
112 of the federal Public Health Service Act, 42 U.S.C.A. Section 300gg-92, and not otherwise
113 defined in this article shall have the same meaning specified in said Section 2791.

114 33-29A-22.
115 Each health insurer and managed care corporation which is licensed to and does offer
116 health insurance coverage in this state shall as a condition of such licensure agree to
117 participation in the Georgia individual high risk reinsurance pool as provided in this article.
118 This Code section shall not apply to an entity which offers only excepted benefits as
119 specified in Section 2791(c) of the federal Public Health Service Act, 42 U.S.C.A. Section
120 300gg-91(c).

121 33-29A-23.
122 (a) There is hereby created an independent public body corporate and politic to be known
123 as the Georgia individual high risk reinsurance pool. The pool will perform an essential
124 governmental function in the exercise of powers conferred upon it in this article. The pool
125 and any assessments imposed or collected pursuant to the operation of the pool shall at all
126 times be free from taxation of every kind.
127 (b) The pool created by this article, shall operate subject to the supervision and control of
128 the board. The board shall consist of ten members. Eight members shall be appointed by

129 the commissioner and serve at the pleasure of the commissioner. The commissioner or his
130 designated representative shall serve as an ex officio member of the board. In selecting the
131 members of the board the commissioner shall appoint four members representing carriers,
132 two agents, and two members representing consumer interests. One member shall be a
133 member of the Senate appointed by the President of the Senate and one member shall be
134 a member of the House of Representatives appointed by the Speaker of the House.
135 (c) The initial nonlegislative board members shall be appointed as follows: two of the
136 members to serve a term of two years; three of the members to serve a term of four years;
137 and three of the members to serve a term of six years. Subsequent nonlegislative board
138 members shall serve for a term of three years. Legislative members of the board shall serve
139 for a term of two years. A vacancy in a legislative member's position on the board shall
140 be filled in the same manner as the original appointment. All other vacancies on the board
141 shall be filled by the commissioner. A nonlegislative board member may be removed by
142 the commissioner for cause.

143 33-29A-24.
144 (a) The board shall submit to the commissioner a plan of operation and thereafter any
145 amendments thereto necessary or suitable to assure the fair, reasonable, and equitable
146 administration of the pool. The commissioner may, after notice and hearing, approve the
147 plan of operation if the commissioner determines it to be suitable to assure the fair,
148 reasonable and equitable administration of the pool, and to provide for the sharing of pool
149 gains or losses on an equitable and proportionate basis in accordance with the provisions
150 of this article. The plan of operation shall become effective upon written approval by the
151 commissioner.
152 (b) If the board fails to submit a suitable plan of operation, the commissioner shall, after
153 notice and hearing, adopt and promulgate a temporary plan of operation. The
154 commissioner shall approve the plan of operation submitted by the board, or adopt a
155 temporary plan of operation if the board fails to submit a suitable plan. The commissioner
156 shall amend or rescind any plan adopted under the provisions of this Code section at the
157 time a plan of operation is submitted by the board and approved by the commissioner.
158 (c) The plan of operation shall:
159 (1) Establish procedures for handling and accounting of pool assets and moneys and for
160 an annual fiscal reporting to the commissioner;
161 (2) Establish procedures for selecting an administrator, and setting forth the powers and
162 duties of the administrator;

163 (3) Establish procedures for reinsuring risks or entering into agreements with private
164 reinsurance carriers to obtain or provide reinsurance in accordance with the provisions
165 of this article;
166 (4) Establish procedures for collecting assessments from carriers to fund claims and
167 administrative expenses incurred or estimated to be incurred by the pool; and
168 (5) Provide for any additional matters necessary for the implementation and
169 administration of the pool.

170 33-29A-25.
171 (a) The pool shall have the general powers and authority granted under the laws of this
172 state to insurance companies and managed care organizations licensed to transact business,
173 except the power to issue health benefit plans directly to individuals. In addition thereto,
174 the pool shall have the specific authority to:
175 (1) Enter into contracts as are necessary or proper to carry out the provisions and
176 purposes of this article, including the authority, with the approval of the commissioner,
177 to enter into contracts with similar programs of other states for the joint performance of
178 common functions or with persons or other organizations for the performance of
179 administrative functions;
180 (2) Sue or be sued, including taking any legal actions necessary or proper to recover any
181 assessments and penalties for, on behalf of, or against the pool or any carrier;
182 (3) Designate health benefit plans, which shall allow coordination of benefits, for which
183 reinsurance will be provided, and to issue or obtain reinsurance policies, in accordance
184 with the requirements of this article;
185 (4) Establish rules, conditions and procedures for reinsuring risks or obtaining
186 reinsurance coverage under the pool;
187 (5) Establish actuarial functions as appropriate for the operation of the pool;
188 (6) Assess carriers in accordance with the provisions of Code Section 33-29A-10, and
189 make advance interim assessments of carriers as may be reasonable and necessary for
190 organizational and interim operating expenses. Any interim assessments shall be credited
191 as offsets against any regular assessments due following the close of the fiscal year. In
192 no event shall any assessments of carriers begin before the later of the establishment of
193 a plan of operation for the pool or January 1, 2011;
194 (7) Appoint appropriate legal, actuarial and other committees as necessary to provide
195 technical assistance in the operation of the pool, policy and other contract design, and any
196 other function within the authority of the pool;

197 (8) Borrow money to effect the purposes of the pool. Any notes or other evidence of
198 indebtedness of the pool not in default shall be legal investments for carriers and may be
199 carried as admitted assets; and
200 (9) Establish rules, policies and procedures as may be necessary or convenient for the
201 implementation of this article and the operation of the pool.
202 (b) Neither the board nor its employees shall be liable for any obligations of the pool. No
203 member or employee of the board shall be liable, and no cause of action of any nature may
204 arise against them, for any act or omission related to the performance of their powers and
205 duties under this article, unless such act or omission constitutes willful or wanton
206 misconduct. The board may provide for indemnification of, and legal representation for,
207 its members and employees.
208 (c) No participation of a reinsuring carrier in the pool, no establishment of rates, forms or
209 procedures, and no other joint or collective action required under the provisions of this
210 article shall be grounds for any legal action, criminal or civil liability, or penalty against
211 the pool or any of its reinsuring carriers either jointly or separately.

212 33-29A-26.
213 (a) Any individual carrier issuing an individual health benefit plan as provided in this
214 article shall be reinsured by the pool to the level of coverage provided in the plan and shall
215 be liable to the pool for the reinsurance premium.
216 (b)(1) The pool shall not reimburse a reinsuring carrier with respect to the claims of a
217 reinsured individual or dependent until the carrier has incurred an initial level of claims
218 for such individual or dependent of $5,000.00 in a calendar year for benefits covered by
219 the pool. In addition, the reinsuring carrier shall be responsible for 10 percent of the next
220 $25,000.00 of benefit payments during a calendar year and the pool shall reinsure the
221 remainder.
222 (2) The board annually may adjust the initial level of claims and the maximum limit to
223 be retained by the carrier to reflect increases in costs and utilization within the standard
224 market for health benefit plans within the state. The adjustment shall not be less than the
225 annual change in the medical component of the 'Consumer Price Index for All Urban
226 Consumers' of the department of labor, bureau of labor statistics, unless the board
227 proposes and the commissioner approves a lower adjustment factor.
228 (c) A reinsuring carrier shall apply all managed care and claims handling techniques,
229 including utilization review, individual case management, preferred provider provisions,
230 wellness programs and other managed care provisions or methods of operation consistently
231 with respect to reinsured and nonreinsured business.

232 (d) Each carrier shall make a filing with the commissioner containing the carrier's earned
233 health insurance premium derived from health benefit plans delivered or issued for delivery
234 in this state in the previous calendar year.
235 (e) Each carrier shall file with the commissioner, in a form and manner to be prescribed
236 by the commissioner, an annual report. The report shall state the number of resident
237 persons insured under the carrier's health benefit plan, or through excess or stop loss
238 coverage.

239 33-29A-27.
240 (a) The board, as part of the plan of operation, shall establish a methodology for
241 determining premium rates to be charged reinsuring carriers to reinsure individuals under
242 this article. The methodology shall include a system for classification of individuals that
243 reflects the types of case characteristics commonly used by individual carriers in the state.
244 The methodology shall provide for the development of base reinsurance premium rates,
245 subject to the approval of the commissioner, which shall be set at levels which reasonably
246 approximate gross premiums charged to individuals by individual carriers for health benefit
247 plans with benefits similar to the standard health benefit plan, adjusted to reflect retention
248 levels required under the provisions of this article. Reinsuring carriers desiring to use their
249 own methodologies and methods for determining reinsurance premium rates for use as
250 provided under this article shall submit such proposal to the board for approval before
251 using their own methodologies.
252 (b) The board periodically shall review the methodology established under the provisions
253 of this Code section, including the system of classification and any rating factors, to assure
254 that it reasonably reflects the claims experience of the pool. The board may propose
255 changes to the methodology which shall be subject to the approval of the commissioner.
256 (c) The board may consider adjustments to the premium rates charged by the pool to
257 reflect the use of effective cost containment and managed care arrangements.

258 33-29A-28.
259 (a) The board shall establish premium rates for coverage under the individual and HSA
260 compatible health benefit plans for eligible individuals only. Such rates shall be required
261 to be established according to acceptable standards according to Section 2741 of the federal
262 Public Health Service Act, 42 U.S.C.A. Section 300gg-41.
263 (b) Separate schedules of premium rates based on age, individual tobacco use, geography
264 as defined by rule of the commissioner, gender and benefit plan design shall apply for
265 individual risks.

266 (c) The board, with the assistance of the commissioner and in accordance with appropriate
267 actuarial principles, shall determine a standard risk rate by using the average rates that
268 individual standard risks in this state are charged by at least five of the largest health
269 insurance carriers providing individual health insurance coverage to residents of Georgia
270 that is substantially similar to the coverage offered by each pool plan. In determining the
271 average rate or charges of those health insurance carriers, the rates charged by those
272 carriers shall be actuarially adjusted to determine the rate that would have been charged for
273 benefits similar to those provided by each plan. The standard risk rates shall be established
274 using reasonable actuarial techniques and shall reflect anticipated claims experience,
275 expenses, and other appropriate risk factors for such coverage.
276 (d) Rates for plan coverage shall not be less than 125 percent nor more than 150 percent
277 of rates established as applicable for individual standard risks pursuant to paragraph (3) of
278 this Code section.

279 33-29A-29.
280 (a) Prior to March 1 of each year, the board shall determine and report to the commissioner
281 the pool's net loss for the previous calendar year, including administrative expenses and
282 incurred losses for the year, taking into account investment income and other appropriate
283 gains and losses, and any premium tax funds appropriated to the pool pursuant to Code
284 Section 33-8-4.
285 (b) After accounting for factors listed in subsection (a), any net loss for the year shall be
286 recouped by assessments of carriers.
287 (c)(1) For the assessment of March 1, 2012, and prior to March 1 of each succeeding
288 year, the board shall determine and file with the commissioner an estimate of the
289 assessments needed to fund the losses incurred by the pool in the previous calendar year.
290 (2) The individual assessments shall be determined by multiplying net losses, if net
291 earnings are negative, as defined by subsection (a) of this Code section, by a fraction, the
292 numerator of which shall be the carrier's total premiums earned in the preceding calendar
293 year from all health benefit plans and policies or certificates of insurance for specific
294 disease, and hospital confinement indemnity in this state as reported in the carrier's
295 reports filed pursuant to Code Section 33-29A-7 paragraphs (4) and (5) including
296 reinsurance by way of excess or stop loss coverage, and the denominator of which shall
297 be the total premiums earned in the preceding calendar year from all health benefit plans
298 and policies or certificates of insurance for specific disease and hospital confinement
299 indemnity in this state, including reinsurance by way of excess or stop loss coverage.

300 (d) If assessments exceed net losses of the pool, the excess shall be held at interest and
301 used by the board to offset future losses or to reduce pool premiums. As used in this
302 paragraph, 'future losses' includes reserves for incurred but not reported claims.
303 (e) Each carrier's proportion of the assessment shall be determined annually by the board
304 based on annual statements and other reports deemed necessary by the board and filed by
305 the carriers with the commissioner.
306 (f) The plan of operation shall provide for the imposition of an interest penalty for late
307 payment of assessments.
308 (g) A carrier may seek from the commissioner a deferment from all or part of an
309 assessment imposed by the board. The commissioner may defer all or part of the
310 assessment if the commissioner determines that the payment of the assessment would place
311 the carrier in a financially impaired condition. If all or part of an assessment against a
312 carrier is deferred the amount deferred shall be assessed against the other carriers in a
313 manner consistent with the basis for assessment set forth in this Code section. The carrier
314 receiving the deferment shall remain liable to the pool for the amount deferred and shall
315 be prohibited from reinsuring any individuals with the pool until such time as it pays the
316 assessments.

317 33-29A-30.
318 The board, as part of the plan of operation, shall develop standards setting forth the manner
319 and levels of compensation to be paid to agents for the sale of individual and HSA
320 compatible health benefit plans for eligible individuals and their dependents only. In
321 establishing such standards, the board shall take into consideration the need to assure broad
322 availability of coverages, the objectives of the pool, the time and effort expended in placing
323 the coverage, the need to provide ongoing service to the individual, the levels of
324 compensation currently used in the industry and the overall costs of coverage to individuals
325 selecting these plans.

326 33-29A-31.
327 (a) Any eligible individual person, who is and continues to be a resident shall be eligible
328 for coverage under an individual and HSA compatible health benefit plan if evidence is
329 provided that:
330 (1) Such person has been rejected by one individual carrier on the basis of health status
331 or claims experience or an individual carrier reports to the pool that such person as an
332 applicant for coverage would be declined were it not for availability of reinsurance;

333 (2) An individual carrier refuses to issue a health benefit plan providing coverage
334 substantially similar to coverage offered under an equivalent pool plan except at a rate
335 exceeding the rate for the pool plan;
336 (3) Such person is a federally eligible individual; or
337 (4) Such person is legally domiciled in Georgia on the date of application to the pool and
338 is eligible for the credit for health insurance costs under Section 35 of the Internal
339 Revenue Code of 1986. In addition, if such person maintained creditable health
340 insurance coverage for an aggregate period of three months as of the date on which the
341 individual seeks to enroll in pool coverage, not counting any period prior to a sixty-three
342 (63) day break in coverage:
343 (A) The preexisting condition limitations set forth in Section 35 of the Internal
344 Revenue Code of 1986, shall apply; and
345 (B) The requirement for exhaustion of any available coverage under Title X of the
346 Consolidated Omnibus Budget Reconciliation Act of 1986, Public Law 99-272
347 (COBRA) or state continuation benefits is waived.
348 (b) A rejection or refusal by a carrier offering only stop loss, excess of loss or reinsurance
349 coverage with respect to an applicant under subsection (a) of this Code section shall not
350 constitute sufficient evidence for purposes of subsection (a) of this Code section.
351 (c) Each resident dependent of a person who is eligible for coverage under the pool shall
352 also be eligible for coverage under the pool.
353 (d) Any eligible individual person meeting the eligibility requirements of subsection (a),
354 (b), or (c) of this Code section shall be eligible for coverage under a pool plan even though
355 the person has existing coverage under other health insurance or under a group health plan
356 provided: (1) there is a reasonable probability that the lifetime benefit maximum of the
357 existing coverage will be exceeded within 90 days; and (2) the lifetime benefit maximum
358 under the existing coverage is at least $500,000.00. In all cases, coverage under a pool
359 plan is secondary to the existing coverage and all other insurance.
360 (e) A person shall not be eligible for coverage under a pool plan if:
361 (1) The person is not a federally eligible individual and, except as provided otherwise in
362 subsection (d) of this Code section, has or obtains health insurance coverage substantially
363 similar to or more comprehensive than a pool plan, or would be eligible to have such
364 coverage at a rate not exceeding the rate for the pool plan if the person elected to obtain
365 it;
366 (2) The person is determined to be eligible for health care benefits under Medicaid;
367 (3) The person has previously terminated pool plan coverage unless 12 months have
368 lapsed since such termination; provided however, that this provision shall not apply with
369 respect to an applicant who is a federally eligible individual; or

370 (4) The person is an inmate or resident of a state or other public institution, or a state,
371 local or private correctional facility; provided however, that this provision shall not apply
372 with respect to an applicant who is a federally eligible individual.
373 (f) Notwithstanding any other provision of this article, eligibility for continuation of
374 coverage under COBRA shall not render a person ineligible for coverage under a pool plan.
375 (g) Coverage shall cease:
376 (1) On the first day of the month following the date a person is no longer a resident of
377 this state;
378 (2) On the first day of the month following the date a person requests coverage to end;
379 (3) Upon the death of the covered person; or
380 (4) At the option of the board, 30 days after the plan makes any inquiry concerning the
381 person's eligibility or place of residence to which the person does not reply.
382 (h) A person who ceases to meet the eligibility requirements of this Code section may be
383 terminated on the first day of the month following the date when the individual becomes
384 ineligible.

385 33-29A-32.
386 (a) The board shall review and approve or disapprove individual and HSA compatible
387 health benefit plans submitted by individual health insurance carriers, with an emphasis on
388 making coverage available for preventive care and wellness programs as provided under
389 general law.
390 (b) The board shall also review and approve or disapprove individual and HSA
391 compatible health benefit plans which each contain benefit and cost-sharing arrangements
392 that are consistent with the basic method of operation and the benefit plans of managed
393 care organizations, including any restrictions imposed by federal law, which may include
394 cost containment features such as the following:
395 (1) Utilization review of health care services, including review of medical necessity of
396 hospital and physician services;
397 (2) Case management;
398 (3) Selective contracting with hospitals, physicians and other health care providers;
399 (4) Reasonable benefit differentials applicable to providers that participate or do not
400 participate in arrangements using restricted network provisions; and
401 (5) Other managed care provisions.
402 (c) Individual and HSA compatible health benefit plans submitted by individual health
403 insurance carriers and approved for use in the pool shall meet minimum specifications
404 required by Section 2741 of the federal Public Health Service Act, 42 U.S.C.A. Section
405 300gg-41.

406 (d) The board may appoint an advisory committee to assist in reviewing and approving or
407 disapproving the health benefit plans prescribed by this Code section."

408 **SECTION 4.**

409 This Act shall become effective on January 1, 2011, only if an amendment to the
410 Constitution authorizing the General Assembly to provide for allocation of 1/4 of 1 percent
411 of premium taxes collected to offset the losses of the Georgia High Risk Individual
412 Reinsurance Pool is ratified by the voters of the November, 2010, general election. If such
413 an amendment is not so ratified, this Act shall not become effective and shall stand repealed
414 on January 1, 2011.

415 **SECTION 5.**

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