

Senate Bill 92

By: Senators Hill of the 32nd, Johnson of the 1st, Thomas of the 54th, Rogers of the 21st, Murphy of the 27th and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 49 of the Official Code of Georgia Annotated, relating to social services, so
2 as to convert Medicaid and the PeachCare for Kids Program funds to premium assistance to
3 allow low-income families to participate in private sector health insurance plans; to provide
4 for definitions; to provide for an amended state plan for Medicaid and PeachCare; to
5 designate qualified health benefit plans; to provide for enrollment in a qualified health
6 benefit plan; to provide for premium assistance; to provide for premiums and cost sharing;
7 to provide for an individual incentive program; to provide for health opportunity accounts;
8 to provide for related matters; to provide for an effective date; to repeal conflicting laws; and
9 for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Title 49 of the Official Code of Georgia Annotated, relating to social services, is amended
13 by adding a new chapter to read as follows:

14 "CHAPTER 11

15 49-11-1.

16 As used in this chapter, the term:

17 (1) 'Commissioner' means the commissioner of community health.

18 (2) 'Department' means the Department of Community Health.

19 (3) 'Full benefit eligible individual' means an individual who meets the criteria
20 established in Section 1937(a)(2)(C)(i) of the Social Security Act (42 U.S.C. Section
21 1396u-7).

22 (4) 'Insurer' means any person or organization subject to the authority of the
23 Commissioner of Insurance that offers or issues one or more health benefit plans or
24 insurance in the State of Georgia, and includes an insurer, a hospital and medical services

25 corporation, a fraternal benefit society, a health maintenance organization, and a multiple
 26 employer welfare arrangement.

27 (5) 'Medicaid state plan' means the state plan for medical assistance adopted and
 28 administered by the department pursuant to Code Section 49-4-142.

29 (6) 'PeachCare state plan' means the state plan for the State Children's Health Insurance
 30 Program, known as the PeachCare for Kids Program, adopted and administered by the
 31 department pursuant to Code Section 49-5-273.

32 (7) 'Qualified health benefit plan' means any health benefit plan that is determined by the
 33 commissioner, in accordance with the provisions of Code Section 49-11-3, to meet the
 34 criteria of being either a benchmark benefit plan or a benchmark equivalent benefit plan
 35 as provided for in 42 U.S.C. Section 1396u-7 or 42 U.S.C. Section 1397cc.

36 (8) 'Self-funded health benefit plan' means a health benefit plan, not subject to regulation
 37 by the State of Georgia or any other state, that is paid in whole or in part by the employer
 38 from its own assets or from a funded welfare benefit plan, provided that such plan does
 39 not shift any risk or liability for benefit payments to an insurer, other than through
 40 reinsurance or stop-loss coverage.

41 49-11-2.

42 (a) The commissioner shall amend the Medicaid state plan:

43 (1) To adopt each of the benchmark benefit plans permitted under Section 1937(b)(1) of
 44 the Social Security Act (42 U.S.C. Section 1396u-7);

45 (2) To adopt the benchmark equivalent benefit plan permitted under Section 1937(b)(2)
 46 of the Social Security Act (42 U.S.C. Section 1396u-7); and

47 (3) To provide that in calculating the actuarial value of any benchmark equivalent plan,
 48 in accordance with the provisions of Section 1937(b)(3) of the Social Security Act (42
 49 U.S.C. Section 1396u-7), the actuary shall apply the maximum cost sharing allowable
 50 under Sections 1916 and 1916A of the Social Security Act (42 U.S.C. Section 1396o-1).

51 (b) The commissioner shall amend the PeachCare state plan to:

52 (1) To adopt each of the benchmark benefit plans permitted under Section 2103(a)(2) of
 53 the Social Security Act (42 U.S.C. Section 1397cc);

54 (2) To adopt the benchmark equivalent benefit permitted under Section 2103(a)(1) of the
 55 Social Security Act (42 U.S.C. Section 1397cc); and

56 (3) To provide that in calculating the actuarial value of any benchmark equivalent plan,
 57 in accordance with the provisions of Section 1937(b)(3) of the Social Security Act (42
 58 U.S.C. Section 1396u-7), the actuary shall apply the maximum cost sharing allowable
 59 under Section 1916 and Section 1916A of the Social Security Act (42 U.S.C. Section
 60 1396o-1).

61 49-11-3.

62 (a) The commissioner, in consultation with the Commissioner of Insurance, shall
63 determine, from among all the health benefit plans offered or issued in the State of Georgia
64 by insurers, which plans meet the criteria of being either a benchmark benefit plan or a
65 benchmark equivalent benefit plan, and shall certify all such plans as qualified health
66 benefit plans for purposes of Code Section 49-11-4.

67 (b) The commissioner shall establish procedures for determining, in cases where one or
68 more eligible individuals are also eligible to enroll in a self-funded health benefit plan,
69 whether the plan meets the criteria of being either a benchmark benefit plan or a benchmark
70 equivalent benefit plan, and shall certify all such plans that meet the criteria as qualified
71 health benefit plans for purposes of Code Section 49-11-4.

72 49-11-4.

73 (a) The commissioner shall require all full benefit eligible individuals to enroll in a
74 qualified health benefit plan.

75 (b) In the case of a household or family where more than one individual is eligible for
76 benefits under either Medicaid or the PeachCare for Kids Program, whenever possible, the
77 commissioner shall enroll all full benefit eligible individuals in the family or household in
78 the same qualified health benefit plan.

79 (c) Individuals who are exempt from mandatory enrollment under the provisions of
80 Section 1937(a)(2)(C)(ii) of the Social Security Act (42 U.S.C. Section 1396u-7), may elect
81 to opt out of enrollment in a qualified health benefit plan at any time.

82 49-11-5.

83 (a) The commissioner shall pay, on behalf of eligible individuals, the applicable individual
84 or family premiums to entities that provide or sponsor qualified health benefit plans,
85 including plans that are:

86 (1) Commercial health plans;

87 (2) Managed care organizations; or

88 (3) Employer sponsored health insurance plans.

89 (b) For reasons of administrative ease and program integrity, the commissioner may direct
90 that premium assistance payments be made to one or more of the following:

91 (1) Eligible individuals;

92 (2) Insurers that issue qualified health benefit plans;

93 (3) Plan administrators of qualified self-funded health benefit plans; and

94 (4) One or more administrative agents designated by the commissioner.

95 49-11-6.

96 (a) The commissioner shall calculate the maximum allowable cost sharing for an eligible
97 individual based on the individual's family or household gross income, including all earned
98 and unearned income.

99 (b) Income and expense disregards applied in determining program eligibility shall not be
100 applied in determining the maximum allowable cost sharing under subsection (a) of this
101 Code section.

102 (c) In cases where an eligible individual enrolled in a qualified health benefit plan incurs
103 cost sharing during a plan year in excess of the maximum allowable cost sharing, the
104 commissioner shall pay to the plan or plan sponsor, on behalf of the individual, any cost
105 sharing incurred by the individual under the terms of the plan that is in excess of the
106 maximum allowable amount.

107 49-11-7.

108 (a) The commissioner shall establish an incentive program in which cost-sharing
109 obligations may be reduced for individuals that participate in initiatives to improve health
110 outcomes and lower health care costs.

111 (b) Incentive program activities may include, but are not limited to, appropriate
112 immunizations, appropriate and cost-effective prescription drug utilization,
113 self-management of chronic health conditions, and participation in quality improvement
114 initiatives.

115 49-11-8.

116 The department shall establish a program of Health Opportunity Accounts as provided for
117 in Section 1938 of the Social Security Act and shall amend the Medicaid state plan in
118 conformance with Section 1938 of the Social Security Act."

119 **SECTION 2.**

120 This Act shall become effective upon its approval by the Governor or upon its becoming law
121 without such approval.

122 **SECTION 3.**

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