

Senate Bill 143

By: Senators Hufstetler of the 52nd, Seay of the 34th, Albers of the 56th, Stone of the 23rd,
Watson of the 1st and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 24 of Title 33 of the Official Code of Georgia Annotated, relating to
2 insurance generally, so as to require an insurer providing services under the state health
3 benefit plan to include certain trauma centers in its provider network; to provide for a
4 mechanism to resolve disputes between insurers and certain hospitals; to provide for
5 legislative intent; to provide for definitions; to provide for an appeal to the Commissioner of
6 Insurance; to provide for appointment of an arbitration panel; to provide for the panel
7 membership and duties; to provide for subject matter of disputes; to provide for binding
8 decisions; to provide for appeal of the arbitration panel decision and venue; to provide for
9 related matters; to repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

12 Chapter 24 of Title 33 of the Official Code of Georgia Annotated, relating to insurance
13 generally, is amended by adding a new Code section to read as follows:

14 "33-24-59.18.

15 (a) As used in this Code section, the term:

16 (1) 'Health benefit policy' means a contract for health services issued, delivered, issued
17 for delivery, executed, or renewed in this state.

18 (2) 'Insurer' means an accident and sickness insurer authorized by this state to offer or
19 provide health benefit policies.

20 (3) 'Level 1 trauma center' means a facility designated by the Department of Public
21 Health as a Level 1 trauma center.

22 (4) 'Provider network' means health care providers and facilities that are part of an
23 insurer's network of providers and facilities with which the insurer has negotiated
24 discounts and that are listed in the health benefit policy's provider directory as network
25 members.

26 (5) 'State health benefit plan' means the state health benefit plan established under Article
 27 1 of Chapter 18 of Title 45 or any other health benefit policy administered by or on behalf
 28 of this state.

29 (b) Any insurer which provides a health benefit policy pursuant to the state health benefit
 30 plan shall for such policy include in its provider network all Level 1 trauma centers located
 31 in its defined service area.

32 (c) Any such insurer which does not include in its provider network all Level 1 trauma
 33 centers located in its defined service area shall be prohibited from entering into a contract
 34 with the Department of Community Health or any other state entity to provide a health
 35 benefit policy or policies under the state health benefit plan."

36 **SECTION 2.**

37 Said chapter is further amended by adding a new article to read as follows:

38 "ARTICLE 5

39 33-24-110.

40 The intent of this article is to provide a mechanism to resolve contract disputes between
 41 insurers and hospitals with Level 1 trauma centers providing services under the state health
 42 benefit plan.

43 33-24-111.

44 As used in this article, the term:

45 (1) 'Arbitrator' means an arbitrator registered with the Georgia Commission on Dispute
 46 Resolution, the American Arbitration Association, or JAMS.

47 (2) 'Health benefit policy' means a contract for health services issued, delivered, issued
 48 for delivery, executed, or renewed in this state.

49 (3) 'Hospital' means a facility with a Level 1 trauma center as designated by the
 50 Department of Public Health.

51 (4) 'Insurer' means an accident and sickness insurer authorized by this state to offer or
 52 provide health benefit policies.

53 (5) 'Out of network' refers to health care items or services provided to an enrollee by
 54 providers who do not belong to the provider network under a health benefit policy plan.

55 (6) 'State health benefit plan' means the state health benefit plan established under Article
 56 1 of Chapter 18 of Title 45 or any other health benefit policy administered by or on behalf
 57 of this state.

58 33-24-112.

59 In the event an insurer providing a health benefit policy pursuant to the state health benefit
60 plan and a hospital cannot agree on the terms of a contract within 30 days before going out
61 of network or any time after going out of network, either party may file an appeal to the
62 Commissioner.

63 33-24-113.

64 Within 14 days of receipt of an appeal, the Commissioner shall appoint an arbitration panel
65 composed of three members. Each party shall designate one arbitrator, and those two
66 arbitrators shall choose the third arbitrator. In the event that one party refuses to designate
67 an arbitrator, the Commissioner shall appoint one arbitrator. The two arbitrators shall then
68 choose the third arbitrator. No member of the arbitration panel shall be a party to the
69 dispute. The division of fees and expenses for arbitration shall be determined by the
70 arbitration panel and incorporated in the final decision of the panel.

71 33-24-114.

72 (a) The arbitration panel shall meet as soon after appointment as practicable and shall
73 receive evidence and argument from the insurer and the hospital.

74 (b) The arbitration panel shall by majority vote render a decision which shall be binding
75 on all parties to the dispute not later than the sixtieth day following such appointment.

76 (c) The arbitration panel may make decisions affecting rates, contract terms, or any other
77 matter in dispute. The decision may be binding for up to three years.

78 (d) In the event the insurer and the hospital reach an agreement prior to the issuance of a
79 decision by the arbitration panel, the agreement shall be entered into as the decision of the
80 panel.

81 33-24-115.

82 An insurer or a hospital may appeal the arbitration panel decision by filing an action in the
83 Superior Court of Fulton County within ten days of receipt of the panel's written finding
84 and recommendations. The sole grounds for appeal shall be to correct errors of fact or of
85 law, any bias or misconduct of an arbitrator, or the panel's abuse of discretion."

86 **SECTION 3.**

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