

The Senate Committee on SB 143 offers the following substitute to SB 143:

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:

SECTION 1.

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

13 "33-24-59.18.

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

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

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

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

21 (4) 'Provider network' means health care providers and facilities that are part of an
22 insurer's network of providers and facilities with which the insurer has negotiated
23 discounts and that are listed in the health benefit policy's provider directory as network
24 members.
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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 unless the insurer has obtained the consent of the Department of
 32 Community Health to exclude any Level 1 trauma center.

33 (c) Any such insurer which does not comply with the provisions of subsection (b) of this
 34 Code section shall be prohibited from entering into a contract with the Department of
 35 Community Health or any other state entity to provide a health benefit policy or policies
 36 under the state health benefit plan."

37 **SECTION 2.**

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

39 "ARTICLE 5

40 33-24-110.

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

44 33-24-111.

45 As used in this article, the term:

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

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

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

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

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

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

59 33-24-112.

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

64 33-24-113.

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

72 33-24-114.

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

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

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

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

82 33-24-115.

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

87 **SECTION 3.**

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