

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 1 of Chapter 24 of Title 33 of the Official Code of Georgia Annotated,
2 relating to general provisions regarding insurance generally, so as to provide for certain
3 consumer protections related to individual short-term health insurance plans; to provide for
4 a short title; to provide for definitions; to provide for a 181 day coverage limit; to provide for
5 the inclusion of most essential health benefits; to prohibit medical underwriting; to provide
6 that preventive services shall be included at no additional cost to the insured; to provide that
7 certain consumer disclosures are required; to provide for related matters; to repeal conflicting
8 laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

11 This Act shall be known and may be cited as the "Individual Short-Term Health Insurance
12 Consumer Protection Act."

SECTION 2.

Article 1 of Chapter 24 of Title 33 of the Official Code of Georgia Annotated, relating to general provisions regarding insurance generally, is amended by adding a new Code section to read as follows:

"33-24-59.30.

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

(1) 'Cost-sharing amount' means the share of costs an insured person is required to pay under a health benefit plan for certain covered healthcare services which may include deductibles, coinsurance, copayments, or other similar charges, but does not include premium payments.

(2) 'Medical loss ratio' means the share of adjusted premium dollars spent on medical claims and quality improvement activities as such activities are defined in 45 C.F.R. Section 158.150.

(3) 'Medical underwriting' means the process whereby an applicant's medical history is examined to determine whether coverage will be offered and at what price, and whether exclusions for preexisting conditions shall be included in such coverage.

(4) 'Preventive services' means screening tests, counseling, and preventive medicines, or treatments provided or conducted to prevent a medical illness or condition prior to symptoms or physical manifestations of such medical illness or condition, as defined in the United States Preventive Services Task Force A and B recommendations on the effective date of this Act.

(5) 'Short-term health insurance policy' means an individual health insurance policy issued to a resident of this state by a healthcare corporation, health maintenance organization, preferred provider organization, accident and sickness insurer, fraternal benefit society, or any similar entity and any self-insured plan not subject to the exclusive jurisdiction of the Employee Retirement Income Security Act of 1974, 29 U.S.C.

39 Section 1101, et seq., that provides coverage for 181 days or less after the effective date
40 of such policy.

41 (6) 'Waiting period' means the period of time specified in the short-term health insurance
42 policy which must pass before some or all of the insured person's healthcare coverage can
43 begin.

44 (b) No short-term health insurance policy shall be issued for coverage of more than 181
45 days after the effective date and shall not be renewable or extendable within a period
46 of 365 days after the individual's coverage under the policy ends, either at the option of the
47 issuer or the insured.

48 (c) No short-term health insurance policy shall be issued unless such policy includes all
49 essential health benefits required under Section 1302(b) of the federal Patient Protection
50 and Affordable Care Act, Public Law 111-148, except that pediatric vision coverage and
51 pediatric dental coverage may be excluded from such policy.

52 (d) No short-term health insurance policy coverage shall be medically underwritten.

53 (e) No short-term health insurance policy shall include any preexisting condition coverage
54 exclusions.

55 (f) No short-term health insurance policy shall include any waiting period.

56 (g) Each short-term health insurance policy shall be guaranteed issue.

57 (h) No short-term health insurance policy may allow any insured person to be charged a
58 greater annual cost-sharing amount than such amount as permitted under the federal Patient
59 Protection and Affordable Care Act during the same plan year.

60 (i) Each short-term health insurance policy shall include coverage for preventive services
61 at no additional cost to the insured.

62 (j)(1) Each short-term health insurance policy and any application, sales, and marketing
63 materials provided to consumers in connection therewith, shall display prominently, in
64 at least 14-point, bold type, the following notice:

65 'THE SHORT-TERM HEALTH INSURANCE BENEFITS UNDER THIS
66 COVERAGE DO NOT MEET ALL FEDERAL REQUIREMENTS TO QUALIFY AS
67 MINIMUM ESSENTIAL COVERAGE FOR HEALTH INSURANCE UNDER THE
68 AFFORDABLE CARE ACT. THIS PLAN OF COVERAGE DOES NOT INCLUDE
69 ALL ESSENTIAL HEALTH BENEFITS AS REQUIRED BY THE AFFORDABLE
70 CARE ACT. CHECK YOUR POLICY CAREFULLY TO MAKE SURE YOU
71 UNDERSTAND WHAT THE POLICY DOES AND DOES NOT COVER. IF THIS
72 COVERAGE EXPIRES OR YOU LOSE ELIGIBILITY FOR THIS COVERAGE,
73 YOU MIGHT HAVE TO WAIT UNTIL THE NEXT OPEN ENROLLMENT PERIOD
74 TO GET OTHER HEALTH INSURANCE. YOU MAY BE ABLE TO GET
75 LONGER-TERM INSURANCE THAT QUALIFIES AS MINIMUM ESSENTIAL
76 COVERAGE FOR HEALTH INSURANCE UNDER THE AFFORDABLE CARE
77 ACT NOW, AS WELL AS HELP TO PAY FOR IT AT
78 WWW.HEALTHCARE.GOV.'

79 (2) Each short-term health insurance policy and any application, sales, and marketing
80 materials provided to consumers in connection therewith, shall also include a disclosure
81 of the issuer's medical loss ratio with regard to all short-term health insurance coverages
82 sold in this state during the previous calendar year. Such disclosure language shall be
83 promulgated by the Commissioner and shall describe the medical loss ratio required
84 under the Affordable Care Act for individual policies and an explanation of the rebate
85 provided to consumers in the instance in which the issuer does not satisfy the medical
86 loss ratio required, along with any additional disclosures or language that the
87 Commissioner may promulgate through department rule.

88 (k) Any short-term health insurance policy sold in this state shall be sold only through a
89 face-to-face sales transaction with a prospective purchaser. Any individual selling such
90 short-term policy must read aloud the disclosures in subsection (j) of this Code section to

91 such prospective purchaser and provide a printed copy of such disclosures to such
92 prospective purchaser prior to purchase.

93 (l) No short-term health insurance policy shall be marketed or sold in this state during the
94 open enrollment period of the federal Patient Protection and Affordable Care Act.

95 (m) Nothing in this Code section precludes the issuer of a short-term health insurance
96 policy from providing disclosures in addition to those required in subsections (j) and (k)
97 of this Code section. Additionally, nothing in this Code section precludes such issuer from
98 using language intended to clarify the disclosures required in said subsections (j) and (k)
99 if such language is approved by the department or Commissioner."

100

SECTION 3.

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