

House Bill 1374

By: Representatives Hawkins of the 27th, Stephens of the 164th, Jasperse of the 11th, Newton of the 127th, and Clark of the 100th

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 provide for certain requirements concerning methods of
3 payment to healthcare providers; to provide for definitions; to provide for notification; to
4 provide for the avoidance of additional fees; to prohibit contractual waivers of certain
5 statutory requirements; to provide for related matters; to repeal conflicting laws; and for
6 other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Chapter 24 of Title 33 of the Official Code of Georgia Annotated, relating to insurance
10 generally, is amended by revising Code Section 33-24-59.24, relating to restrictions on
11 payment methods prohibited, waiver of provisions prohibited, and enforcement, as follows:
12 "33-24-59.24.

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

14 (1) 'Care management organization' means an entity that is organized for the purpose of
15 providing or arranging ~~health care~~ healthcare, which has been granted a certificate of
16 authority by the Commissioner as a health maintenance organization pursuant to Chapter

17 21 of this title, and which has entered into a contract with the Department of Community
18 Health to provide or arrange ~~health-care~~ healthcare services on a prepaid, capitated basis
19 to members.

20 (2) 'Credit card payment' means a type of electronic funds transfer in which a health
21 insurance plan or health insurer or its contracted vendor issues a single-use series of
22 numbers associated with the payment of ~~health-care~~ healthcare services performed by a
23 ~~health-care~~ healthcare provider and chargeable to a predetermined dollar amount,
24 whereby the ~~health-care~~ healthcare provider is responsible for processing the payment by
25 a credit card terminal or Internet portal. Such term shall include virtual or online credit
26 card payments, whereby no physical credit card is presented to the ~~health-care~~ healthcare
27 provider and the single-use credit card expires upon payment processing.

28 (3) 'Electronic funds transfer' means an electronic funds transfer through the federal
29 Health Insurance Portability and Accountability Act of 1996, P.L. 104-191, standard
30 automated clearing-house network.

31 (4) 'Express acceptance' means a clear and direct agreement to the terms of payment
32 method, communicated explicitly by the health benefit plan to the healthcare provider,
33 in writing, signifying acceptance of the payment method.

34 ~~(4)~~(5) 'Health-care Healthcare provider' means any physician, dentist, podiatrist,
35 pharmacist, optometrist, psychologist, registered optician, licensed professional
36 counselor, physical therapist, chiropractor, hospital, or other entity or person that is
37 licensed or otherwise authorized in this state to furnish ~~health-care~~ healthcare services.

38 (6) 'Healthcare provider's agent' means a third-party firm or individual contracted by a
39 healthcare provider to handle administrative tasks, particularly billing, insurance claims,
40 and payment processing, acting on the healthcare provider's behalf for financial
41 transactions and often providing value-added services like data management or portal
42 access. Such term shall also refer to a recruiter who acts as an agent for healthcare

43 providers seeking jobs or healthcare practices seeking to hire healthcare providers,
44 guiding them through hiring and contract negotiation.

45 ~~(5)~~(7) 'Health-care Healthcare services' means the examination or treatment of persons
46 for the prevention of illness or the correction or treatment of any physical or mental
47 condition resulting from illness, injury, or other human physical problem and includes,
48 but is not limited to:

49 (A) Hospital services which include the general and usual services and care, supplies,
50 and equipment furnished by hospitals;

51 (B) Medical services which include the general and usual services and care rendered
52 and administered by doctors of medicine, doctors of dental surgery, and doctors of
53 podiatry; and

54 (C) Other ~~health-care~~ healthcare services which include appliances and supplies;
55 nursing care by a registered nurse or a licensed practical nurse; care furnished by such
56 other licensed practitioners; institutional services including the general and usual care,
57 services, supplies, and equipment furnished by ~~health-care~~ healthcare institutions and
58 agencies or entities other than hospitals; physiotherapy; ambulance services; drugs and
59 medications; therapeutic services and equipment including oxygen and the rental of
60 oxygen equipment; hospital beds; iron lungs; orthopedic services and appliances
61 including wheelchairs, trusses, braces, crutches, and prosthetic devices including
62 artificial limbs and eyes; and any other appliance, supply, or service related to ~~health~~
63 ~~care~~ healthcare.

64 ~~(6)~~(8) 'Health insurance plan' means any hospital or medical insurance policy or
65 certificate; health plan contract or certificate; qualified higher deductible health plan;
66 health maintenance organization subscriber contract; any contract providing benefits for
67 dental care whether such contract is pursuant to a medical insurance policy or certificate;
68 stand-alone dental plan, health maintenance provider contract, managed ~~health-care~~

69 healthcare plan, self-insured plan, or otherwise; or any health insurance plan established
70 pursuant to Article 1 of Chapter 18 of Title 45.

71 ~~(7)~~(9) 'Health insurer' means any entity or person engaged as an indemnitor, surety, or
72 contractor that issues insurance, annuity or endowment contracts, subscriber certificates,
73 or other contracts of insurance by whatever name called. ~~Health care~~ healthcare plans
74 under Chapter 20A of this title and health maintenance organizations are health insurers
75 within the meaning of this chapter.

76 (b) ~~No~~ Any health insurance plan issued, amended, or renewed on or after January 1, ~~2019~~
77 2027, between a health insurer or its contracted vendor or a care management organization
78 and a ~~health care~~ healthcare provider for the provision of ~~health care~~ healthcare services
79 to a plan enrollee shall ~~not~~ contain restrictions on methods of payment from the health
80 insurer or its vendor or the care management organization to the ~~health care~~ healthcare
81 provider in which the only acceptable payment method is a credit card payment or any
82 other form of payment that requires fees or similar charges.

83 ~~(c) If initiating or changing payments to a health care provider using electronic funds~~
84 ~~transfer payments, including virtual credit card payments, a health insurance plan, health~~
85 ~~insurer or its contracted vendor, or care management organization shall:~~

86 ~~(1) Notify the health care provider if any fees are associated with a particular payment~~
87 ~~method; and~~

88 ~~(2) Advise the provider of the available methods of payment and provide clear~~
89 ~~instructions to the health care provider as to how to select an alternative payment method.~~

90 (c) A health insurance plan or its contracted vendor or a care management organization
91 may initiate or change payment methodology to a healthcare provider using electronic
92 funds transfer payments, including virtual credit card payments, only if:

93 (1) The health insurance plan notifies the healthcare provider if any fees are associated
94 with a particular payment method;

95 (2) The health insurance plan advises the healthcare provider of the available methods
96 of payment and provides clear instructions to the healthcare provider as to how to select
97 an alternative payment method that does not impose fees or similar charges on the
98 provider; and

99 (3) The healthcare provider or the healthcare provider's agent, through express
100 acceptance, accepts a payment for the claim using a credit card or electronic funds
101 transfer payment method.

102 (d) A healthcare provider's selected form of claim payment methodology remains effective
103 until such time as the healthcare provider chooses an alternative method of payment or by
104 making an election in a new contract.

105 (e) A health insurance plan or its contracted vendor or a care management organization
106 that initiates or changes payments to a healthcare provider through an electronic funds
107 transfer in accordance with 45 C.F.R. Section 162.1602, as effective on January 1, 2026,
108 shall not charge a fee solely to transmit the payment to a healthcare provider unless the
109 healthcare provider has consented to the fee.

110 (f) A healthcare provider or the healthcare provider's agent may charge reasonable fees
111 when transmitting an automated clearing-house network payment related to transaction
112 management, data management, portal services, and other value-added services in addition
113 to the bank transmittal.

114 (g) Any electronic funds transfer or remittance advice transaction under this Code section
115 shall be the transmission of any of the following from a health insurance plan to a
116 healthcare provider:

117 (1) Payment;

118 (2) Information about the transfer of funds;

119 (3) Payment processing information;

120 (4) Explanation of benefits; or

121 (5) Remittance advice.

122 ~~(d)~~(h) The provisions of this Code section shall not be waived by contract, and any
123 contractual clause in conflict with the provisions of this Code section or that purports to
124 waive any requirements of this Code section are void.

125 ~~(e)~~(i) Violations of this Code section shall be subject to enforcement by the
126 Commissioner."

127 **SECTION 2.**

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