

House Bill 1502

By: Representatives Kelley of the 16th, Williamson of the 112th, and Douglas of the 78th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 7 of Chapter 4 of Title 49 of the Official Code of Georgia Annotated,
2 relating to medical assistance generally, so as to establish requirements for the Department
3 of Community Health relative to contracts with care management organizations for the
4 provision of healthcare services for Medicaid or PeachCare for Kids recipients; to provide
5 for definitions; to provide for an effective date and applicability; to provide for related
6 matters; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Article 7 of Chapter 4 of Title 49 of the Official Code of Georgia Annotated, relating to
10 medical assistance generally, is amended by adding a new Code section to read as follows:

11 "49-4-159.5.

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

13 (1) 'Care management organization' shall have the same meaning as set forth in Code
14 Section 33-21A-2.

15 (2) 'Existing contracts' means all contracts in effect on the effective date of this Code
16 section, between the department and one or more care management organizations to
17 provide or arrange healthcare services on a prepaid, capitated basis to a member.

18 (3) 'Member' means a Medicaid or PeachCare for Kids recipient who is currently
19 enrolled in a care management organization plan.

20 (b)(1) Upon the expiration of the existing contracts and subject to the requirements set
21 forth in paragraphs (2) and (3) of this subsection, the department shall publish on its
22 website a request for applications from care management organizations to contract with
23 the department to provide or arrange healthcare services to members. The department
24 shall contract with each care management organization that submits an application in
25 response to such request and meets the minimum standards established by the department
26 pursuant to subsection (d) of this Code section.

27 (2) Not later than 60 days before the department issues a request for applications in
28 accordance with paragraph (1) of this subsection, the department shall publish notice of
29 and make available for public review and comment such request for applications and any
30 related, nonprivileged documents, including, but not limited to, the proposed contract.
31 The department shall provide interested persons a reasonable opportunity to submit
32 comments on such request for applications in writing or orally at one or more public
33 forums.

34 (3) Not later than 30 days before the department issues a request for applications, the
35 department shall post on its website:

36 (A) A summary of comments received from interested persons under paragraph (2) of
37 this subsection; and

38 (B) The department's response to such comments.

39 (4) The department shall take all steps reasonably necessary to extend existing contracts
40 as needed until new contracts are entered into in accordance with this subsection.

41 (c) Any procurement for a care management organization pending without a final contract
42 with the department on the effective date of this Code section shall be automatically
43 cancelled.

44 (d) The department shall establish minimum quality and performance standards to evaluate
45 the applications of care management organizations submitted pursuant to subsection (b) of
46 this Code section. In adopting such standards, the department shall consider:

47 (1) Cost efficiency, quality of care, and experience of care;

48 (2) The size and quality of a care management organization's provider network; and

49 (3) The care management organization's past experience in providing similar services in
50 this or other states.

51 (e) Each member shall be permitted to select from any plan offered by a care management
52 organization which the department has contracted with and which offers healthcare services
53 in the member's region for which the member is eligible.

54 (f) The department shall:

55 (1) Evaluate by July 1, 2027, and annually thereafter, each care management
56 organization by region against the quality and performance standards established pursuant
57 to subsection (d) of this Code section;

58 (2) Publish on its public website and in a format that is easily understood by a member
59 of the general public the results of such evaluations;

60 (3) Establish and publish an aggregate benchmark under which a care management
61 organization may not be recertified until corrective actions are taken;

62 (4) Reevaluate and recertify that a care management organization is reasonably capable
63 of fulfilling the terms of its contract in accordance with all applicable federal and state
64 laws for the regions under which the department has entered into a contract:

65 (A) Five years after a care management organization initially enters into a contract
66 with the department to provide healthcare services in a region; and

67 (B) Every three years thereafter.

68 (g)(1) A care management organization who, pursuant to this Code section, either has
69 not been awarded a contract with the department for failure to meet to the minimum
70 standards established by the department pursuant to subsection (d) of this Code section
71 or whose contract has been terminated shall be entitled to a hearing before the
72 department. In such cases, the department shall give written notice of either the denial
73 of application or termination of contract to the affected care management organization,
74 including the reasons of the department for denial or termination. Should the care
75 management organization desire to contest the initial decision of the department, it must
76 give written notice of appeal to the commissioner of community health within 14 days
77 after the date on which the notice of denial or notice of termination was transmitted to
78 such care management organization. A hearing shall be scheduled and commenced
79 within 20 days after the date on which the commissioner receives the notice of appeal;
80 and the commissioner or his or her designee or designees shall render a final
81 administrative decision as soon as practicable thereafter.

82 (2) Any care management organization which is aggrieved or adversely affected by a
83 final decision of the commissioner may seek judicial review thereof by filing a petition
84 within 30 days after the service of the final decision of the commissioner or, if a
85 rehearing is requested, within 30 days after the decision thereon. Copies of the petition
86 shall be served upon the commissioner and all parties of record. The petition shall state
87 the nature of the petitioner's interest, the facts showing that the petitioner is aggrieved by
88 the decision, and any grounds upon which the petitioner contends that the decision should
89 be reversed or modified. Judicial review of the commissioner's decision shall be
90 reviewable in the Superior Court of Fulton County in the same manner and under the
91 same standards as are applicable to those contested cases which are reviewable pursuant
92 to Code Section 50-13-19.

93 (h) If a care management organization that has contracted with the department pursuant
94 to subsection (b) of this Code section fails to comply with the terms of the contract or with

95 any requirement set forth in this Code section and to make substantial efforts to mitigate
96 or cure such noncompliance, as determined by the department, in addition to any remedies
97 available under the contract, the department may:
98 (1) Require that the care management organization submit and comply with a corrected
99 action plan;
100 (2) Suspend default enrollment of members to the care management organization in one
101 or more regions; or
102 (3) Terminate the contract.
103 (i) This Code section shall be the exclusive means by which the department may enter into
104 contracts with a care management organization to provide or arrange healthcare services
105 for a member."

106 **SECTION 2.**

107 This Act shall become effective upon its approval by the Governor or upon its becoming law
108 without such approval, and shall apply to all contracts entered into by the department with
109 a care management organization to provide or arrange healthcare services to a member.

110 **SECTION 3.**

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