

The Senate Committee on Health and Human Services offered the following substitute to HB 1374:

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 amend Part 1 of Article 3 of Chapter 5 of Title 50 of the Official  
6 Code of Georgia Annotated, relating to general authority, duties, and procedures relative to  
7 state purchasing, so as to revise provisions for the award of contracts to prequalified  
8 suppliers; to clarify competitive bidding requirements and procedures with respect to  
9 prequalified suppliers; to provide for a report to the General Assembly; to prohibit the  
10 renewal or extension of contracts under certain circumstances; to require the commissioner  
11 of administrative services to adopt rules, regulations, and procedures; to provide for related  
12 matters; to repeal conflicting laws; and for other purposes.

13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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**PART I**  
**SECTION 1-1.**

16 Chapter 24 of Title 33 of the Official Code of Georgia Annotated, relating to insurance  
17 generally, is amended by revising Code Section 33-24-59.24, relating to restrictions on  
18 payment methods prohibited, waiver of provisions prohibited, and enforcement, as follows:  
19 "33-24-59.24.

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

21 (1) 'Care management organization' means an entity that is organized for the purpose of  
22 providing or arranging ~~health-care~~ healthcare, which has been granted a certificate of  
23 authority by the Commissioner as a health maintenance organization pursuant to Chapter  
24 21 of this title, and which has entered into a contract with the Department of Community  
25 Health to provide or arrange ~~health-care~~ healthcare services on a prepaid, capitated basis  
26 to members.

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

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

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

41 (4)(5) 'Healthcare 'Health-care provider' means any physician, dentist, podiatrist,  
42 pharmacist, optometrist, psychologist, registered optician, licensed professional  
43 counselor, physical therapist, chiropractor, hospital, or other entity or person that is  
44 licensed or otherwise authorized in this state to furnish ~~health-care~~ healthcare services.

45 (6) 'Healthcare provider's agent' means a third-party firm or individual contracted by a  
46 healthcare provider to handle administrative tasks, particularly billing, insurance claims,  
47 and payment processing, acting on the healthcare provider's behalf for financial  
48 transactions and often providing value-added services like data management or portal  
49 access. Such term shall also refer to a recruiter who acts as an agent for healthcare  
50 providers seeking jobs or healthcare practices seeking to hire healthcare providers,  
51 guiding them through hiring and contract negotiation.

52 (5)(7) 'Healthcare 'Health-care services' means the examination or treatment of persons  
53 for the prevention of illness or the correction or treatment of any physical or mental  
54 condition resulting from illness, injury, or other human physical problem and includes,  
55 but is not limited to:

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

58 (B) Medical services which include the general and usual services and care rendered  
59 and administered by doctors of medicine, doctors of dental surgery, and doctors of  
60 podiatry; and

61 (C) Other ~~health-care~~ healthcare services which include appliances and supplies;  
62 nursing care by a registered nurse or a licensed practical nurse; care furnished by such  
63 other licensed practitioners; institutional services including the general and usual care,  
64 services, supplies, and equipment furnished by ~~health-care~~ healthcare institutions and

65 agencies or entities other than hospitals; physiotherapy; ambulance services; drugs and  
 66 medications; therapeutic services and equipment including oxygen and the rental of  
 67 oxygen equipment; hospital beds; iron lungs; orthopedic services and appliances  
 68 including wheelchairs, trusses, braces, crutches, and prosthetic devices including  
 69 artificial limbs and eyes; and any other appliance, supply, or service related to ~~health~~  
 70 ~~care~~ healthcare.

71 ~~(6)~~(8) 'Health insurance plan' means any hospital or medical insurance policy or  
 72 certificate; health plan contract or certificate; qualified higher deductible health plan;  
 73 health maintenance organization subscriber contract; any contract providing benefits for  
 74 dental care whether such contract is pursuant to a medical insurance policy or certificate;  
 75 stand-alone dental plan, health maintenance provider contract, managed ~~health care~~  
 76 healthcare plan, self-insured plan, or otherwise; or any health insurance plan established  
 77 pursuant to Article 1 of Chapter 18 of Title 45.

78 ~~(7)~~(9) 'Health insurer' means any entity or person engaged as an indemnitor, surety, or  
 79 contractor that issues insurance, annuity or endowment contracts, subscriber certificates,  
 80 or other contracts of insurance by whatever name called. ~~Health care~~ Healthcare plans  
 81 under Chapter 20A of this title and health maintenance organizations are health insurers  
 82 within the meaning of this chapter.

83 (b) ~~No~~ Any health insurance plan issued, amended, or renewed on or after January 1, ~~2019~~  
 84 2027, between a health insurer or its contracted vendor or a care management organization  
 85 and a ~~health care~~ healthcare provider for the provision of ~~health care~~ healthcare services  
 86 to a plan enrollee shall ~~not~~ contain restrictions on methods of payment from the health  
 87 insurer or its vendor or the care management organization to the ~~health care~~ healthcare  
 88 provider in which the only acceptable payment method is a credit card payment or any  
 89 other form of payment that requires fees or similar charges.

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

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

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

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

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

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

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

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

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

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

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

124 (1) Payment;

125 (2) Information about the transfer of funds;

126 (3) Payment processing information;

127 (4) Explanation of benefits; or

128 (5) Remittance advice.

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

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

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## PART II

135

### SECTION 2-1.

136 Part 1 of Article 3 of Chapter 5 of Title 50 of the Official Code of Georgia Annotated,  
 137 relating to general authority, duties, and procedures relative to state purchasing, is amended  
 138 by revising Code Section 50-5-68, relating to prequalification of prospective suppliers, as  
 139 follows:

140 "50-5-68.

141 (a) Prospective suppliers may be prequalified for particular types of supplies, services,  
142 goods, materials, and equipment at the discretion of the Department of Administrative  
143 Services. Solicitation mailing lists of potential contractors shall include, but shall not be  
144 limited to, such prequalified suppliers. The award of contracts, ~~however, may~~ shall not be  
145 conditioned upon prequalification; provided, however, that prequalification may be  
146 included among evaluation factors and criteria used in making an award.

147 (b)(1) The provisions of subsection (a) of this Code section shall not be construed or  
148 applied to abrogate the competitive bidding requirements and procedures provided for in  
149 Code Sections 50-5-67 and 50-5-69.

150 (2) The commissioner of administrative services shall adopt rules, regulations, and  
151 procedures to ensure and clarify that the discretion of the Department of Administrative  
152 Services to prequalify prospective suppliers for particular types of supplies, services,  
153 goods, materials, and equipment does not extend and shall not be exercised to abrogate  
154 or frustrate the competitive bidding requirements and procedures provided for in Code  
155 Sections 50-5-67 and 50-5-69. Such rules, regulations, and procedures shall ensure that  
156 the application of such competitive bidding requirements and procedures shall not be  
157 obviated solely on the basis that a prospective supplier is prequalified for a particular type  
158 of supply, service, good, material, or equipment.

159 (3) By November 1, 2026, the commissioner of administrative services shall prepare a  
160 report of the rules, regulations, and procedures that have been adopted in compliance with  
161 paragraph (2) of this subsection. Such report shall be submitted in writing to the Speaker  
162 of the House of Representatives, the President of the Senate, and the chairpersons of the  
163 House Committee on Appropriations and the Senate Appropriations Committee."

164 **SECTION 2-2.**

165 Said part is further amended by adding a new Code section to read as follows:

166 "50-5-69.1.

167 (a) No contract for any purchase that was effectuated without competitive bidding solely  
168 because the contract price did not exceed a threshold amount required for competitive  
169 bidding as set forth under this part shall be subsequently renewed or extended at any time  
170 for a contract price that exceeds such threshold amount.

171 (b) The commissioner of administrative services shall adopt rules, regulations, and  
172 procedures necessary to carry out the intent of this Code section.

173 (c) Nothing in this Code section shall apply to or affect the laws, rules, and regulations  
174 governing emergency purchases."

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### **PART III**

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### **SECTION 3-1.**

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