

Georgia

Georgia Insurance and Fire Safety Commission
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Summary of Important Regulations

MEWA Regulations	Yes ¹
TPA Regulations	Yes ²
Stop-Loss Regulations	No
UR Regulations	Yes ³

NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Health Insurance Reserves Model Regulation	None	Ga. Code Ann. § 33-10-8
Comprehensive Health Ins. Cost Containment Model Act	None	None
Standardized Health Claims Form Model Regulation	None	Ga. Code Ann. § 33-24-10.1; Ga. Admin. Comp. ch. 120-2-59
Small Employer Health Insurance Availability Model Law	None	Ga. Code Ann. §§ 33-29A-1 to 33-29A-8; § 33-30-12; Ga. Admin. Comp. ch. 120-2-10-.12
Model Regulation To Eliminate Unfair Sex Discrimination	None	None
Health Information Privacy Model Law	None	None
Preferred Provider Arrangements Model Law	Fla. Stat. §§ 627.6471 to 627.6473; 33-30-27	Ga. Admin. Comp. ch 120-2-44
Utilization Review Model Law	None	None
Managed Care Plan Network Adequacy Model Law	None	None
Third Party Administrator Law	None	Ga. Code Ann. §§ 33-23 -100 to 33-23-105, Ga. Admin. Comp. ch. 120-2-49

Stop-loss Insurance Model Law

None

None

NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Jurisdiction of Health Care Providers Model Law	None	Bulletin No. 88-E-1
Standard Group Health Model Law	None	Ga. Code Ann. §§ 33-30-1 to 33-30-11
Group Health Insurance Mandatory Conversion Law	Ga. Admin. Comp. ch. 120-2-10-.11	Ga. Code Ann. § 33-24-21; § 33-2456
Group Coverage Discontinuance/ Replacement Model Regulation	Ga. Admin. Comp. ch. 120-2-10-.10	None
Premium Rates and Renewability of Coverage-Small Groups	None	Ga. Code Ann. § 33-30-12; Ga. Admin. Comp. ch. 120-2-.10-.12
Group Coordination of Benefits Model Law	Ga. Admin. Comp. ch. 120-2-48	None
Model Regulation for Certification of Health Plans	None	None
Off-Label Drug Use Model Law	None	None
Group Health Mandatory Drug/ Alcohol Dependency Law	None	None
Model Newborn Children's Law	Ga. Code Ann § 33-24-22	None
Health Examination Benefits Georgia	None	Ga. Code Ann. §§ 33-29-3.4

Availability Law

33-30-4.5;Ga. Admin.
Comp. ch. 120-2-68

NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Accident and Sickness Insurance Minimum Standards Model Law	None	None
Agents and Brokers Licensing Model Law	None	Ga. Code Ann. §§ 33-23-1 to 33-23-45
MEWA Licensing Model Law	None	None
Managing General Agents Law	Ga. Code §§ 33-47-1 to 33-47-7	None
Health Maintenance Organization Model Law	Ga. Code Ann. §§ 33-21-1 to 33-21-28	None
Insurance Information and Privacy Protection Law	Ga. Code Ann. §§ 33-39-1 33-39-1 to 33-39-23	None
Unfair Trade Practices Law	Ga. Code Ann. § 33-6-1 to 33-6-14	None
Model Regulation on Unfair Discrimination in Life and Health Insurance on the Basics of Physical or Mental Impairment	None	Ga. Code Ann. § 33-6-5(8)
Model Regulation on Unfair Discrimination in Life and Health Insurance on the Basics of Total or Partial Blindness	Ga. Code Ann. § 33-6-5(10)	None

NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Unfair Discrimination against Subjects of Domestic Abuse in Health Benefit Plans Model Law	None	None
Unfair Claims Settlement Practices Law	Ga. Code Ann. §§ 33-6-30 to 33-6-37	None
Improper Termination Practices Law	None	None
Employee Leasing Registration Model Law	None	None
Private Employer Workers' Compensation Group Self- Insurance Model Law	None	Ga. Code Ann. §§ 34-9-150 to 34-9-188; Ga. Admin. Comp. ch. 120-2-34
Public Employee Workers' Compensation Group Self- Insurance Model Law	None	Ga. Code Ann. §§ 34-9-150 to 34-9-188; Ga. Admin. Comp. ch. 120-2-34
Twenty Four Hour Coverage Pilot Project Model Law	None	None

State-Mandates

Benefits That Must Be Covered

- Breast reconstruction
- Cervical cancer screening
- Clinical trials
- Contraceptives
- Dental anesthesia
- Emergency services
- Mammography screening
- Mental health, parity
- Minimum mastectomy stays
- Minimum maternity stays
- Off-label drug use
- Prostate cancer screening
- TMJ disorders
- Well-child care

Benefits That Must Be Offered

- Alcoholism treatment
- Bone marrow transplants
- Bone mass measurement
- Diabetic supplies/education
- Drug Abuse treatment
- General mental health
- Morbid obesity treatment

Persons Who Must Be Allowed Coverage

- Adopted children
- Continuation/dependents
- Continuation/employees
- Conversion to non-group
- Dependent students
- Handicapped dependents
- Newborns

Providers Who Must Be Covered

- Chiropractors
- Dentists
- Marriage/Family Therapists

- Nurses
- Occupational Therapists
- Optometrists
- Osteopaths
- Pharmacists
- Physical Therapists
- Podiatrists
- Professional Counselors
- Psychologists
- Social Workers

Coordination of Benefits

- | | |
|----------------------------|-----|
| • Birthday Rule? | Yes |
| • Divorced/Separated Rule? | Yes |
| • Joint Custody Rule? | Yes |
| • Active v. Inactive Rule? | Yes |
| • Longer v. Shorter Rule? | Yes |
| • Managed Care Rule? | Yes |
| • COBRA Rule? | No |
| • Preservation Rule? | No |

Continuation or Conversion

Up to five years of coverage mandated for participants age 60 and over who lose coverage.

Patient's Bill of Rights Legislation

Yes

High Risk Health Pool

Yes - not capped

External Grievance System

Yes - HMO and PPO plans only

Basis of Filing Grievance

Investigational treatment appeals and medical necessity

Status of Decision of Grievance Parol

Binding

Prompt Payment of Health Claim Requirement

Yes - 15 working days

Commentary

Complications of pregnancy must be covered if the policy provides major medical coverage and includes maternity benefits for persons covered by the policy for nine months or for at least 30 days immediately prior to the date conception occurs or pregnancy commences.

Covered surgical procedures must be covered when performed by a licensed medical practitioner using local anesthetic at a licensed outpatient surgical facility affiliated with a licensed hospital, at a licensed freestanding surgical facility, at a surgical facility operated by a health maintenance organization, or at the office of a licensed medical practitioner, as a mandatory operation, if coverage is provided for such procedures on an inpatient basis.

Human heart transplants, including charges for acquisition, transportation, or donation of the heart must be offered as a mandatory option made available to the master policyholder. The option must also cover the covered spouse and dependents of the insured. No exclusions, reductions, or other limitations regarding coverage, deductibles, or coinsurance may be applied to human heart transplants unless such provisions apply generally to other similar benefits. However, the option may contain a waiting period for coverage or a delayed eligibility of not more than 12 months from the effective date of the endorsement.

Medical or surgical procedures performed on an outpatient basis in the case of a medical emergency must be covered.

Group health plan may not require insured to obtain pharmaceutical services exclusively from a mail-order pharmaceutical distributor.

Georgia has repealed its no-fault automobile insurance program. The action means that motorists now must rely on health and disability plans provided by employers or on legal action in order to recover medical expenses.

Medically necessary surgery or nonsurgical treatment for the correction of temporomandibular joint dysfunction (TMJ) or medically necessary surgery to correct deformities must be covered by fully insured plans delivered or issued in Georgia.

Georgia law requires that if the only type of health benefit plan coverage which is offered by an employer to its employees is through a HMO, then the HMO must offer or make arrangements for the offering of a point-of-service option for the employer's eligible employees or individuals.

MEWA Regulation

Self-funded multiple employer welfare arrangements (MEWAs) have to be licensed to operate in Georgia.⁴ The legislation, which became effective July 1, 1991, requires that all multiple employer self-funded health plans who have member employees in Georgia as of July 1, 1991, had until October 1, 1991, to make filings necessary to comply with the new laws. The MEWAs would have to pay annual licensing fees as well as a security deposit to be set by the Insurance Commissioner and premium taxes required for insurance companies. Although self-funded plans generally are not subject to state premium taxes, Georgia would treat employee contributions as premiums subject to taxation.

To be licensed a self-funded MEWA would be required to purchase specific and aggregate stop-loss coverage from an insurance company licensed in Georgia. The aggregate coverage would have to cover incurred paid claims in the event of plan termination. The stop-loss insurer should bear the risk of coverage for any member of the pool that becomes insolvent with outstanding contributions due, according to the legislation. In addition, the plan insurer should assume 100% liability. The plan must submit its proposed stop-loss insurance contracts to the Insurance Commissioner for review at least 30 days before the proposed plan's effective date and within 30 days after any renewal date.

Funds collected for employers in the self-funded plans would have to be held in trust under certain conditions which the law outlines, including:

- A board of trustees - who must plan participants - must be elected by participating employers to

serve as fund managers.

- Trustees must be bonded in the amount of at least \$150,000 each by a licensed surety company.

In addition, MEWAs would have to establish loss reserves and a surplus account. The law states that employers would control the plans and that it is specifically intended that the impetus for the creation of the plan must come from the employers themselves. The law does not permit third party administrators, or other entrepreneurial promoters, to establish a trust or plan and then proceed to solicit employers as participants.

TPA Regulations

Georgia has a statute that provides that all insurance is subject to Georgia Insurance Code; self-funded benefits are subject also, unless it can be proved that they are subject to another regulator, state or federal.⁵

TPA Registration Statute. The state of Georgia enacted its TPA registration statute in July of 1991.

Definitions. The definitions are essentially those found in the 1977 NAIC model TPA statute. The definitions deal with employers, unions, insurers, brokers, creditors, trusts, attorneys, and financial institutions.

Licensing Requirements. The statute requires that a TPA be licensed. Such license may be revoked if the TPA:

- Is found to have violated any provision of Georgia statutes or regulations.
- Has concealed or misrepresented.
- Has misappropriated or illegally used other people's money.
- Has been dishonest or fraudulent.
- Has failed to be a TPA in good faith.
- Has been incompetent or untrustworthy.

There are structural and formalized means by which a TPA's license may be revoked.

Bond. A fidelity bond, in a amount determined by the Commissioner, must be in place.

Examination. The TPA shall be subject to examination by the Commissioner.

Forthcoming Regulations. The statute shall be expanded by rules and regulations to be promulgated by the Commissioner.

Stop-Loss Regulation

None. Stop-loss agreement must be filed with the state.

Utilization Review Regulations

Agency Responsible	Dept. of Insurance
Requirements	Registration-Certification. To be certified must be URAC-approved.
Exemptions	ERISA plans; Workers' Compensation
Waivers	None

Miscellaneous

State Premium Taxes

Georgia taxes commercial insurers, Blue Cross, and HMOs all at 2.25%. HMOs get a tax reduction if they have a city/local business license.

Small Group Reform⁶

Pool rating experience for small groups of 50 or fewer employees. Commissioner shall develop basic health plan affordable to Georgians and encourage insurers to market it.

Continuation of Coverage and Conversion of Benefits

Georgia requires fully insured plans to extend COBRA to 5 years for eligible persons over 60 years old. The new provision applies to plans that cover 20 or more employees and are issued or renewed in Georgia.

Managed Care

Blue Cross plans must honor assignment of benefits by a participant to non-participating licensed providers. Georgia allows any provider willing to accept the terms and conditions of participation set forth by a PPO network to participate. Georgia also limits PPOs to a 30% price differential between in-network and out-of-network providers.

Endnotes

- ¹. Ga. Code Ann. §§ 33-50-1 to 33-5-7a.
- ². Ga. Code Ann. §§ 33-23-100 *et seq.*; Ins. Dept. Reg. § 120-2-49.
- ³. Ga. Code Ann. §§ 33-46-1 *et seq.*
- ⁴. See N. 1.
- ⁵. See N. 2.
- ⁶. Ga. Code Ann. §§ 33-30-12; 33-47-1 to 33-47-4.

