

House Bill 1153

By: Representatives Schofield of the 60th, Hutchinson of the 107th, and Mitchell of the 88th

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 consumer protections related to individual
3 short-term health insurance plans; to provide for a short title; to provide for definitions; to
4 provide for a 181 day coverage limit; to provide for the inclusion of most essential health
5 benefits; to prohibit medical underwriting; to provide that preventive services shall be
6 included at no additional cost to the insured; to provide that certain consumer disclosures are
7 required; to provide for related matters; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

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

12 **SECTION 2.**

13 Chapter 24 of Title 33 of the Official Code of Georgia Annotated, relating to insurance
14 generally, is amended by adding a new Code section to read as follows:

15 "33-24-59.27.

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

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

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

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

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

32 (5) 'Short-term health insurance policy' means an individual health insurance policy
33 issued to a resident of this state by a healthcare corporation, health maintenance
34 organization, preferred provider organization, accident and sickness insurer, fraternal
35 benefit society, or any similar entity and any self-insured plan not subject to the exclusive
36 jurisdiction of the Employee Retirement Income Security Act of 1974, 29 U.S.C.
37 Section 1101, et seq., that provides coverage for 181 days or less after the effective date
38 of such policy.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

93 (m) Nothing in this Code section precludes the issuer of a short-term health insurance
 94 policy from providing disclosures in addition to those required in subsections (j) and (k)
 95 of this Code section. Additionally, nothing in this Code section precludes such issuer from

96 using language intended to clarify the disclosures required in subsections (j) and (k) if such
97 language is approved by the department or Commissioner."

98 **SECTION 3.**

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