

**RULES
OF
DEPARTMENT OF COMMUNITY HEALTH**

**CHAPTER 111-4-1
STATE HEALTH BENEFIT PLAN**

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111-4-1-.01 Definitions.

(1) “**Accredited School**” for the purpose of determining eligibility under these regulations means any one of the following types of schools:

(a) Any secondary educational or secondary institution with postsecondary programs accredited or pre-accredited by accrediting associations that are recognized by the United States Secretary of Education; or

(b) Any professional, technical, occupational and specialized school accredited or pre-accredited by national specialized accrediting agencies recognized by the United States Secretary of Education; or

(c) Any specialty or other school administered by the Department of Education or Post Secondary Vocational Board of the State of Georgia; or

(d) Any school that has applied for or is a “candidate for” accreditation under Sections 111-4-1-.01 (1)(a) or 111-4-1-.01 (1)(b) of these regulations; or

(e) Any institution of higher education as defined by the Higher Education Act of 1965 (20 USCS 1141).

(2) “**Active**” means that the Employee is receiving compensation or is on Approved Leave of Absence Without Pay

through a department, school system, Local Employer, agency, authority, board, commission, county department of family and children services, county department of health, community service board, or Contract Employer and for whom the Employee's cost of Coverage is stated as a payroll Deduction or Reduction.

(3) **“Acts” or “The Acts” or “The Health Insurance Acts”** mean the legislative Acts that establish the Health Insurance Plans for State Employees, Teachers, and Public School Employees and are designated in the Official Code of Georgia Annotated as Article 1 of Chapter 18 of Title 45 and Articles 880 and 910 of Chapter 2 of Title 20.

(4) **“Administrator”** means the Department of Community Health or the Commissioner of the Department of Community Health.

(5) **“Administrative Services”** means the services that are provided by contract for a self-insured Health Benefit Plan.

(6) **“Approved Leave of Absence Without Pay”** means a period of time approved by the appropriate organizational official during which the Employee is absent from work and is not in pay status.

(7) **“Annual Required Contribution”** means an actuarially determined amount to pay for future OPEB liability over a period of years.

(8) **“Beneficiary”** means an Employee, Surviving Spouse, divorced or legally separated Spouse, or eligible Dependent child who loses Coverage under these regulations.

(9) **“Benefits”** mean the schedule of Benefits of health care services eligible for approval of payments under the Options approved by the Board.

(10) **“Board of Community Health” or “Board”** means the governing body authorized to exercise jurisdiction over the SHBP pursuant to O.C.G.A. §§ 31-5A-3 and 31-5A-4.

(11) “**Cafeteria Plan**” means a plan which meets the requirements of the regulations of the Internal Revenue Service under Internal Revenue Code (IRC) 125.

(12) “**Certificated Capacity**” means the Employee holds valid certification; is not assigned to a position that requires certification as a qualification; the Employee’s compensation is determined, at least in part, based upon the certificate; and the Employee is a member of the Teachers Retirement System or other Public School Teacher retirement system.

(13) “**Certificated Position**” means the Employee holds valid certification; is assigned to a position that requires certification as a qualification; the Employee’s compensation is determined, at least in part, based upon the certificate; and the Employee is a member of the Teachers Retirement System or other Public School Teachers retirement system.

(14) “**Claim**” means any bill, invoice, or other written statement from a specific provider for health care services or supplies submitted in accordance with the requirements of the SHBP for a specific eligible Member.

(15) “**Commissioner**” means the Commissioner of the Department of Community Health as created by O.C.G.A. § 31-5A-6.

(16) “**Contract Employee**” means a person employed by one of the entities that contracts with the Board of Community Health to provide health benefit Coverage under the SHBP, and who is not considered to be an independent contractor.

(17) “**Contract Employer**” means one of the organizational entities that has elected to contract with the Board of Community Health for inclusion of their Employees in the SHBP.

(18) “**Contribution**” means the amount or percentage of salaries to be paid by an Employing Entity or State Department of Education for Employees and Retirees for health benefit Coverage.

(19) “**Coverage**” means the type, Tier, and Option of contract offered to a Enrolled Member.

(20) “**Covered Dependent**” means any individual eligible under these regulations and for whom the Premium has been paid by the Employee, Retiree, or Extended Beneficiary.

(21) “**Creditable Coverage**” means health insurance that may serve to reduce a Pre-existing Condition limitation period. Creditable Coverage shall include health plan offerings under the following type plans: group health plans; individual health policies; Health Maintenance Organizations (HMOs); Medicaid; Medicare; or other governmental health programs. Disease specific policies (i.e., cancer insurance), disability insurance, and insurance that provides incidental health insurance (i.e., auto insurance) is not Creditable Coverage.

(22) “**Deduction**” or “**Reduction**” means the Premium amount to be remitted to the Administrator as the Employee’s or Retiree’s share of the cost of the elected Coverage.

(23) “**Dependent**” means any eligible Spouse, Dependent child, full-time student, or totally disabled child or other child(ren) if the children live with the Member permanently and are legally dependent on the Member for financial support.

(24) “**Disabled Student**” means a full-time student who withdraws from all or part of coursework because of an illness or injury provided the student will be registered to return to full-time status during the succeeding quarter or semester (or the Fall quarter if the Summer quarter is the succeeding quarter). The Administrator has the discretion to determine, based on the record, that a child is a full-time student when there is documentation that the registered hours are less than the normal institution’s full-time requirements during periods of full-time status or period of disability.

(25) “**Employee**” means any eligible, Active State Employee, Teacher, or Public School Employee.

(26) **“Employing Entity”** means any department, school system, Local Employer, agency, authority, board, commission, county department of family and children services, county department of health, community service board or retirement system that employs or issues an annuity check to an Employee or Retiree as defined in these regulations.

(27) **“Enrolled Member”** means the contract holder who may be the Employee, Retiree, Contract Employee, or Extended Beneficiary who is currently enrolled in Coverage and who has paid the necessary Deduction or Premium for such Coverage.

(28) **“Extended Beneficiary”** means the individual who was covered as an Active or Retired Employee, Employee on Approved Leave of Absence Without Pay or person who was covered as a Spouse or eligible Dependent of an Active or Retired Employee or Employee on Approved Leave of Absence Without Pay on the day SHBP Coverage was lost as a result of a Qualifying Event under the requirements of federal law and regulation known as the Consolidated Omnibus Budget Reconciliation Act (COBRA), as amended.

(29) **“Full-time Attendance”** means that the full-time student is registered for the minimum number of hours required to meet that Accredited School’s full-time status. A withdrawal from some coursework that reduces the number of hours to less than full-time during the school’s summer break will not affect Full-Time Attendance provided the student will be registered to return to full-time status during the Fall or semester. Full-Time Attendance ends at the end of the month in which coursework is completed or if the student ceases attendance.

(30) **“Fund”** or **“Health Benefit Fund”** or **“Health Insurance Fund”** means the State Employees Health Insurance Fund, the Teachers Health Insurance Fund, and the Public School Employees Health Insurance Fund.

(31) **“Georgia Retiree Health Benefit Fund”** or **“GRHBF”** means the fund which provides for costs of retiree post employment health insurance benefits. The fund shall be a trust fund of public funds; the Board in its official capacity shall be the

fund's trustee; and the Commissioner in his or her official capacity shall be its administrator.

(32) “**Group**” means all eligible Employees authorized under a specific chapter, article or part of the Official Code of Georgia Annotated for Coverage under the SHBP.

(33) “**Health Maintenance Organization**” or “**HMO**” means an organization authorized and certified to provide services under Chapter 21 of Title 33 of the Official Code of Georgia Annotated.

(34) “**Local Employer**” means a county or independent board of education, regional or county libraries of Georgia, the governing authority of the Georgia Military College, or Regional Educational Service Areas.

(35) “**Managed Care Plan**” means plans that provide health Coverage through a specified network of providers with benefit differentials in cost sharing between in-network and out-of-network providers.

(36) “**Medicare Advantage**” means the managed care Option that is offered to Retirees through an HMO or other legally licensed organization and that is approved through the Centers for Medicare and Medicaid Services (CMS) for Medicare enrolled Retirees.

(37) “**Member**” means a benefit eligible or ineligible Employee, former Employee, Retiree, or Extended Beneficiary.

(38) “**Option**” means the type of benefit schedule or premium rating category that is offered to an eligible Member through Regular Insurance, an HMO, supplement, or other health benefit offering of the SHBP.

(39) “**Other Post Employment Benefits**” or “**OPEB**” means retiree post-employment health insurance benefits.

(40) “**Partial Disability**” means the Employee is unable to perform the normal, full-time duties of the individual's occupation or employment due to disability, but is certified by his/her physician to return to work on a part-time basis following a period

of disability for a fixed period of time in that individual's occupation or in a modified work capacity.

(41) **“Payor, Primary”** means the entity which is required by contract or law to reimburse or pay for covered health services without regard to any other benefit entitlement or contractual provision.

(42) **“Payor, Secondary”** means the entity which does not have the primary liability for providing benefit reimbursement for covered health services.

(43) **“Plan”** or **“Health Insurance Plan”** means the insurance Options formed by the combination of Health Insurance Plans for State Employees, Teachers, and Public School Employees.

(44) **“Plan Year”** means the twelve-month period beginning on January 1, and ending on the following December 31. The Commissioner shall have the flexibility to modify the SHBP Plan Year.

(45) **“Pre-existing Condition”** means a sickness, injury, or other condition (except for pregnancy) for which medical advice, diagnosis, care or treatment was recommended or received within the six (6) months immediately before Coverage began under the Plan. Genetic status is not a Pre-existing Condition unless diagnosis, care or treatment was rendered within the six-month period. (Health Insurance Portability and Accountability Act of 1996).

(46) **“Premium”** means the Enrolled Member's cost as set by the Board of Community Health for the elected Coverage

(47) **“Public School Employee”** means a person who is employed by the local school system, meets the eligibility requirements under these regulations and is receiving a salary for services.

(48) **“Qualifying Event”** means an event as defined by federal law or regulation that authorizes: (a) eligibility for Extended Coverage or (b) change in coverage election under a health

benefit plan. Qualifying Events include changes in employment or family status as outlined in Sections 111-4-1-.06, 111-4-1-.07, and 111-4-1-.08 of these regulations.

(49) **“Rate”** means an amount set by the Board for the Enrolled Member Premium or an amount or percentage of salary set by the Board as the Employer’s Contribution.

(50) **“Regular Insurance”** means the self-insured **“PPO”**, **“PPO Choice**, and **“Indemnity”**.

(51) **“Retired Employee”** or **“Retiree”** or **“Annuitant”** means a former State Employee, former Teacher, or former Public School Employee who met the eligibility criteria when Active or was included by specific legislation and who receives a monthly benefit from the Employees’ Retirement System, Georgia Legislative Retirement System, Teachers Retirement System, Public School Employees Retirement System, Superior Court Judges Retirement System, District Attorneys’ Retirement System, or local school system retirement system and an eligible and former Employee of a county department of family and children services or county department of health who receives a monthly benefit from the Fulton County Retirement System. In the case of a county health department Employee, the Employee must have been covered as an Active Enrolled Member and continued Coverage upon receiving an annuity from the Fulton County Retirement System. Retiree shall also include Enrolled Members who remit payment directly to the SHBP and who are eligible for Coverage as a Surviving Spouse of the eligible Employee or Retiree, and Extended Beneficiary who is eligible by virtue of State law, or an Annuitant whose monthly benefit from a retirement system is insufficient to pay the Premium for the Coverage in which enrolled.

(52) **“Retiring Employee”** means a Enrolled Member who is eligible to receive an immediate retirement benefit payment from the Employees’ Retirement System, Georgia Legislative Retirement System, Teachers Retirement System, Public School Employees Retirement System, Superior Court Judges Retirement System, District Attorneys’ Retirement System or local

school system retirement system or an Enrolled Member of a county department of family and children services or county department of health who is eligible to receive an immediate retirement benefit payment from the Fulton County Retirement System.

(53) “**Spouse**” means an individual who is not legally separated, who is of the opposite sex to the Enrolled Member and who is legally married or who submits satisfactory evidence to the Administrator of common law marriage to the Employee or Retired Employee entered into prior to January 1, 1997 and is not legally separated.

(54) “**State Employee**” means a person employed by the State or a community service board and who meets the eligibility definitions of these regulations and who is receiving a salary or wage for services rendered.

(55) “**State Health Benefit Plan**” or “**SHBP**” means the health benefit plan administered by the Department of Community Health covering State Employees, Public School Teachers, Public School Employees, Retirees and their eligible Dependents, and other entities under The Acts for health insurance.

(56) “**Summary Plan Description**” is a booklet that describes the health benefits and other provisions of the State Health Benefit Plan (SHBP) specific to the Coverage elected by the Enrolled Member.

(57) “**Surviving Spouse**” means the living Spouse of a deceased Enrolled Member.

(58) “**Teacher**” or “**Public School Teacher**” means a person employed by a local school system in a Certificated Position and who meets the eligibility definitions of these regulations and who is receiving a salary or wage for services rendered.

(59) “**Tier**” means the number and relationship to the Enrolled Member of the persons enrolled under the Member’s Coverage.

(60) “**Total Disability**” means that the Enrolled Member is not able to perform any and every duty of the individual’s

occupation or employment or that the Dependent is not able to perform the normal activities of a person of like age or sex.

(61) **“TPA”** or **“Third-party Administrator”** means an approved contractor for adjudicating paying Claims, and performing other administrative processes.

Authority O.C.G.A. §§ 20-2-881, 20-2-892, 20-2-911, 45-18-2, Health Insurance Portability and Accountability Act of 1996 (HIPAA), Consolidated Omnibus Budget Reconciliation Act (COBRA).

Filed: October 15, 2007; effective November 4, 2007

111-4-1-.13 Georgia Retiree Health Benefit Fund.

(1) **Functions, Duties and Responsibilities of the Board of Community Health.** The Board shall establish the Georgia Retiree Health Benefit Fund (GRHBF). The Board in its official capacity shall be the GRHBF's trustee. The Board shall annually review Other Post Employment Benefits (OPEB) liability. The Board shall determine Annual Required Contributions (ARC), which may not be the same as employer and employee contribution rates. The Board shall also determine annual employer and employee contribution rates. The Board shall collect employee and employer contributions and deposit the contributions into the GRHBF. The Board may utilize the investment services of the Employee Retirement System, Division of Investment Services to invest a portion of the GRHBF for long-term investments. No member of the Board or employee of the Department shall have any personal interest in the gains or profits from any investment made by the Board or use the assets of the GRHBF in any manner, directly or indirectly, except to make such payments as may be authorized by the Board or by the Commissioner as the executive officer of the Board.

(a) **Establish and Design Plan.** The Board is authorized to establish the GRHBF to collect employee and employer

contributions for OPEB. The Board shall account for employee and employer contributions by each pension plan, as delineated at 111-4-1-.01(50), separately.

(b) **Promulgate Regulations.** The Board is authorized to adopt and promulgate rules and regulations for the effective administration of the GRHBF.

(c) **Establish Contributions on Behalf of Retirees.** The Board shall establish by Resolution, contributions by public school teacher retirees, retired public school employees, retired State employees, and any other Annuitant listed at 111-4-1-.01(50) and shall deposit those contributions into the GRHBF. The Board shall consider the actuarial estimates of OPEB in establishing the contributions.

(d) **Establish Employer Rates.** The Board shall establish by Resolution, OPEB employer contribution rates and shall deposit those contributions into the GRHBF.

(2) **Functions, Duties and Responsibilities of the Commissioner.** The Commissioner in his or her official capacity shall be the Administrator of the GRHBF and shall be the custodian of the GRHBF.

(a) **Administer Regulations and Policies.** The Commissioner shall administer the GRHBF consistent with Board regulation and policy. The Department shall contract with the Division of Investment Services of the Teachers Retirement System of Georgia and the Employees' Retirement System of Georgia with respect to GRHBF investments. The Department shall maintain all necessary records regarding the GRHBF in accordance with generally accepted accounting principles. The Department shall collect all moneys due to the GRHBF and shall pay any administrative expenses necessary and appropriate for the operation of the GRHBF from the GRHBF.

(b) **Annual Report.** The Department shall prepare an annual report of GRHBF activities for the Board, the House

Appropriations Committee, and the Senate Appropriations Committee. Such reports shall include, but not be limited to, audited financial statements. The reports shall contain the most recent information reasonably available to the Department reflecting the obligations of the GRHBF, earnings on investments, revenue and expenses by pension plan, and such other information as the Board deems necessary and appropriate. This report shall reflect activity on a state fiscal year basis. The Department shall be entitled to any information that it deems necessary and appropriate from a retirement system, as delineated at 111-4-1-.01(50), so that the provisions of Code Section 45-18-103 may be fulfilled.

(c) **Regulations.** The Commissioner shall recommend to the Board amendments to the regulations, submit the approved regulations to appropriate filing entities, cause all regulations to be published, and provide a copy to the Employing Entities.

(d) **Provide Notice of OPEB Employer Contribution.** The Commissioner shall provide notice and certification of the required OPEB employer contribution rate to each of the Employing Entities and the Department of Education on or before June 1st of each year.

(3) **Duties and Responsibilities of Employing Entity.** Each Employing Entity is responsible for complying with these regulations. It shall be the responsibility of State agencies to make contributions to the GRHBF, subject to appropriations, in accordance with the OPEB employer contribution rate established by the Board. It shall be the responsibility of all other Employing Entities to make contributions to the GRHBF in accordance with the OPEB employer contribution rates established by the Board in addition to the employer contributions required to be made to the GRHBF for the health plan as determined from fiscal year to fiscal year.

(a) **Deduct Enrolled Member Premium Amounts.** The Employing Entity shall withhold the contribution rate as approved by the Board.

(b) **Remit Employer Contributions.** The Employing Entity shall calculate and remit the appropriate OPEB employer contribution.

Authority O.C.G.A. §§ 20-2-898, 20-2-926, 45-18-21, 45-18-100, 45-18-101, 45-18-102, 45-18-103, 45-18-104, and 45-18-105.

Filed: October 15, 2007; effective November 4, 2007.

**CERTIFICATION OF ADMINISTRATIVE RULE
FILED WITH THE SECRETARY OF STATE
CATHY COX**

(Pursuant to O.C.G.A. §§ 50-13-3, 50-13-4, and 50-13-6)

I do hereby certify that the attached amended Chapter is a true and correct copy as signed, promulgated, and adopted on the 11th day of October, 2007.

DEPARTMENT OF COMMUNITY HEALTH

FILING DATE: _____

Rules in Chapter 111-4-1-.01 have been amended by adding new definitions at paragraphs (7), (31), and (39) and re-numbering remaining definitions accordingly. The newly amended rules replace the current rules and read as attached hereto.

Authority O.C.G.A. §§ 20-2-881, 20-2-892, 20-2-911, 45-18-2, Health Insurance Portability and Accountability Act of 1996 (HIPAA), Consolidated Omnibus Budget Reconciliation Act (COBRA).

Rules in Chapter 111-4-1-.13 have been adopted as new rules and read as attached hereto.

Authority O.C.G.A. §§ 20-2-898, 20-2-926, 45-18-21, 45-18-100, 45-18-101, 45-18-102, 45-18-103, 45-18-104, and 45-18-105.

This ____ day of October, 2007.

COMMISSIONER, DEPARTMENT OF COMMUNITY HEALTH

Sworn to and subscribed before me this ____ day of October, 2007.

Notary Public

Commission Expires