GSRA Legislative Report "Sine Die" – April 5, 2018

High Priority Passed Legislation

| Bill | Sponsor | Committee | Status |
|----------------|------------------------|----------------|--------------------------------------|
| HB 6 84 | Rep. David Ralston (R- | House | Apr/03/2018 - House Sent to Governor |
| | Blue Ridge) | Appropriations | |

The appropriations act provides one-time benefit to retired state employees while appropriating \$\footnote{\text{for this.}}\$ It urges the board to consider a benefit adjustment for retired state employees in accordance with sound actuary principles. It also appropriates roughly \$1.1 million to fund an increase for legislators' retirement benefits provided by HB 624 which did not pass.

| HB 918 | Rep. Chuck Efstration | Passed Both | Signed by the Governor on Mar/02/2018 |
|--------|-----------------------|-------------|---------------------------------------|
| | (R-Dacula) | Chambers | |

This legislation is considered part of the Governor's tax reform package which makes changes to Ti 48. It incorporates provisions of the federal law into Georgia law, including individual exemption amounts and corporate income tax credits. It is expected to address the potential \$5.2 billion state income tax windfall because of the recent tax reform measures passed by congress. The bill double the standard deduction and cuts the top income tax rate from 6 percent to 5.5 percent over two years. GSRA opposes this bill

Lower Priority Passed Legislation

| Bill | Sponsor | Committee | Status |
|--------|---------------------|-----------|--------------------------------------|
| HB 811 | Rep. Jay Powell (R- | Senate | Apr/03/2018 - House Sent to Governor |
| | Camilla) | Finance | |

The bill provides that the Department of Revenue is authorized to share tax information with data service contractors for the provision of services that assist the Department to identify taxpayers the are non-compliant with sales and use taxes. It also authorizes the Department to provide compensation for such services on a contingency fee basis.

| HR 158 | Rep. Chuck Efstration | Passed Both | Signed by the Governor on Mar/02/2018 |
|--------|-----------------------|-------------|---------------------------------------|
| | (R-Dacula) | Chambers | |

This resolution proposes a Constitutional Amendment that has been in the making for several year It provides by general law for the dedication of revenues from fees or taxes to the public purpose f which fees or taxes were imposed. It would specifically amend Article III, Section IX, Paragraph VI of the State's Constitution. Rep. Maxwell seeks an "in between process" so that fees are permitted to be dedicated. It does require that there would be a review of fees/funds (such as the Hazardous Waste Trust Fund, Joshua's Law, etc.) every ten years. It also contains a provision so that, in the cathe State has a financial emergency, such monies could be suspended from their "dedication."

Inactive Legislation (Bills which did not cross over or which did not pass)

| Bill | Sponsor | Committee | Status |
|--------------|---------------------|-----------|--|
| <u>HB 71</u> | Rep. Jay Powell (R- | House | Mar/30/2017 - House Withdrawn, Recommitted |
| | Camilla) | Insurance | |

This legislation originally required health care providers to be in hospitals' and other facilities' insurance networks in order to be credentialed to provide services within those facilities. It also had a large number of disclosure requirements which were basically worthless. These are described under HB 678, also by Rep. Richard Smith, which deletes the important credentialing requirements of HB 71.

| HB 314 | Rep. Jason Shaw (R- | Senate | Mar/23/2018 - Senate Passed/Adopted By |
|--------|---------------------|---------|--|
| | Lakeland) | Finance | Substitute |

This legislation was amended to include language from Chairman Chuck Hufstetler's (R-Rome) SB 359, known as the "Consumer Coverage and Protection for Out-of-Network Medical Care Act". It would apply to all carriers providing a managed care plan paying for the medical care of covered individuals. It contains numerous provisions regarding payments for services. It requires a hospital to establish, update and publish (to the extent required by federal guidelines) a listing of the hospital's standard charges for items and services. It also establishes a standard for insurance carriers to reimburse providers.

| HB 588 | Rep. Richard Smith | Senate | Mar/15/2018 - Senate Read Second Time |
|--------|--------------------|------------|---------------------------------------|
| | (R-Columbus) | Retirement | |

This legislation provides that, beginning on January 1, 2019, all ERS members will be able to use funds from Peach State Reserves 401k or 457 plan to purchase a Supplemental Guaranteed Lifetime Income (SGLI) within their ERS pension plan. It is sponsored by ERS.

| HB 624 | Rep. Paul Battles (R- | House | Mar/27/2018 – Senate Tabled |
|--------|-----------------------|------------|-----------------------------|
| | Cartersville) | Retirement | |

Increases retirement benefits paid by the Legislative Retirement System to legislators and the Speaker of the House. Increases employee contributions, employer contributions and various other provisions.

| HB 678 | Rep. Richard Smith | Senate HHS | Feb/13/2018 - Senate Read and Referred |
|--------|--------------------|------------|--|
| | (R-Columbus) | | |

Update 03/12/2018 – Chairman Richard Smith and Sen. Renee Unterman have agreed to replace the language in Unterman's SB 8 with the language from HB 678. SB 8 will now be the primary 'balanced billing' legislation.

This legislation addresses the "surprise billing" issue. Specifically, the legislation requires that providers inform patients, prior to provision of non-emergency services, the health care plans with which the provider has a participation agreement and the hospitals with which the provider is affiliated. It also requires a provider to disclose estimated costs of care when the provider determines that it does not have a participation agreement with a patient's health care plan and make other disclosures related to other providers who may provide services to the patient. The bill

requires hospitals to publish standard charges and post and provide certain disclosures about providers, participating health care plans, and costs to patients. Insurers are also required to proactively make certain disclosures enrollees.

| HB 692 | Rep. Richard Smith | Senate | Mar/09/2018 - Senate Read Second Time |
|--------|--------------------|------------|---------------------------------------|
| | (R-Columbus) | Retirement | |

This legislation would amend Title 45 to allow the governing authority of a municipality to pay costs or fees associated with an employee's participation in a deferred compensation plan. The legislation also provides that certain public employees may elect to be automatically enrolled in deferred compensation plans.

| HB 799 | Rep. Sharon Cooper | House | Feb/05/2018 - House Second Readers |
|--------|--------------------|-----------|------------------------------------|
| | (R-Marietta) | Insurance | |

This legislation requires hospitals that treat out-of-network patients to contact the patient's insurer if post-stabilization care is required, prior to billing. The bill also requires the insurer to arrange for transfer of the patent to an in-network hospital or to negotiate with the treating hospital to continue care. The proposal is intended to provide for continuity of care for patients and mitigate excessive billing to the patient.

| HB 824 | Rep. Howard Mosby | House Ways & | Feb/06/2018 - House Second Readers |
|--------|-------------------|--------------|------------------------------------|
| | (D-Atlanta) | Means | |

This legislation seeks a change in the computation of State taxable income, which would include all itemized non-business deductions that the taxpayer could have used in computing federal taxable income. The bill was referred to the Ways & Means Committee.

| HB 827 | Rep. Trey Kelley (R- | Senate | Mar/27/2018 - Senate Tabled |
|--------|----------------------|---------|-----------------------------|
| | Cedartown) | Finance | |

The bill proposes to increase the value of the rural hospital organization tax credit to 100 percent (it is presently 90 percent). It also adds that from January 1 to June 30 each taxable year, an individual taxpayer is to be limited in its qualified rural hospital organization expenses allowable for credit – a single individual or head of household is \$5,000.00; a married couple filing a joint return is \$10,000.00; or an individual who is a member of a limited liability company, duly formed under Georgia law, a shareholder of a Subchapter "S" corporation or a partner in a partnership is \$10,000.00.

| HB 903 | Rep. Howard Maxwell | House | Feb/14/2018 - House Second Readers |
|--------|---------------------|------------|------------------------------------|
| | (R-Dallas) | Retirement | |

This legislation makes a change to Title 47 to provide that no postretirement benefit adjustment shall be granted to any member of the Teachers Retirement System of Georgia who became a member on or after July 1, 1993, unless:

- 1) The annual require employer contribution for the preceding fiscal year was less than \$150 million.
- 2) The Board establishes a 6 percent employer contribution rate.

| <u>SB 8</u> | Rep. Howard Maxwell | Senate | Feb/15/2018 - Senate Read and Referred |
|-------------|---------------------|----------------|--|
| | (R-Dallas) | Appropriations | |

Update 3/12/2018 – Sen. Renee Unterman and Chairman Richard Smith agreed to remove SB 8 language and replace it with language from HB 678 which addresses only "transparency" and disclosure but offers no real protections.

| <u>SB 31</u> | Sen Renee Unterman | House | Mar/23/2018 - House Passed/Adopted By |
|--------------|--------------------|-----------|---------------------------------------|
| | (R-Buford) | Insurance | Substitute |

This legislation would require that two members of the Board of Community Health must be active participants of the State Health Benefit Plan, including one member of the Employees Retirement System and one member of the Teachers' Retirement System of Georgia. The bill would also create a 'State Health Benefit Plan Customer Advisory Council', which will advise the Commissioner of the Department of Community Health on components, provisions, elements, strategies, marketing, and customer satisfaction of the state health benefit plan. The council will be composed of 12 members and will include at least three members of the Teachers Retirement System and at least two members of the Employees Retirement System. Appointees will be selected from nominations provided by nonprofit associations and state department human resource units. The commissioner would regularly present the Advisory Council members with all SHBP recommendations to be made to the Board and will be given an opportunity to make comments.

| <u>SB 101</u> | Sen William Ligon, Jr. | House HHS | Mar/29/2018 - House Rules |
|---------------|------------------------|-----------|---------------------------|
| | (R-Brunswick) | | |

This bill provides that members of the Employees Retirement System of Georgia may purchase creditable service for prior service as members of the Georgia Defined Contribution Plan.

| SB 197 | Sen. William Ligon, | House | Feb/01/2018 - House Committee Favorably |
|--------|---------------------|------------|---|
| | (R-Brunswick) | Retirement | Reported By Substitute |

This legislation amends the "Public Retirement Systems Standards Law" to provide that members who join the Employees Retirement System after July 1, 2018 cannot obtain creditable service unless they pay the full actuarial cost. This does not apply to the Georgia Municipal Employees Benefit System.

| SB 282 | Sen Ellis Black (R- | House | Mar/07/2018 - House Committee Favorably |
|--------|---------------------|------------|---|
| | Valdosta) | Retirement | Reported By Substitute |

This legislation makes various changes to the Public Retirement System Standards Law, now requiring any future law, rule, regulation, resolution, or ordinance that allows for the establishment of creditable service in a public retirement system must require payment of the full actuarial cost of the service. It also allows public retirement systems to allow the service to be purchased through a payment plan, not to exceed 120 months.

| SB 294 | Sen Ellis Black (R- | Senate | Mar/15/2017 - Senate Read and Referred |
|--------|---------------------|------------|--|
| | Valdosta) | Retirement | |

This bill requires employers to pay the employer and employee contributions to ERS on behalf of retired employees. Beneficiaries would continue to receive retirement allowances while employed, but would not earn creditable service. It would be the responsibility of the beneficiary to notify the employer of their status prior to accepting a position.

| <u>SB 359</u> | Sen. Ellis Black (R- | House | Mar/01/2018 - House Second Readers |
|---------------|----------------------|------------|------------------------------------|
| | Valdosta) | Retirement | |

Update 3/27/2018 The language from SB 359 was added to HB 314.

Sen. Chuck Hufstetler (R-Rome) originally offered this version of a "balanced billing" idea which would be known as the "Consumer Coverage and Protection for Out-of-Network Medical Care Act." It would apply to all carriers providing a managed care plan paying for the medical care of covered individuals. It contains numerous provisions regarding payments for services. It requires a hospital to establish, update and publish (to the extent required by federal guidelines) a listing of the hospital's standard charges for items and services. It also establishes a standard for insurance carriers to reimburse providers.