

**BULLETIN
01-L&H-1**

TO: ALL INSURERS CONTRACTING WITH HEALTH CARE PROVIDERS

**FROM: JOHN W. OXENDINE
COMMISSIONER OF INSURANCE**

DATE: MAY 21, 2001

RE: INSURER DUTIES UNDER PROVIDER REIMBURSEMENT CONTRACTS

The purpose of this Bulletin is to inform insurers who enter into contracts with physicians of a June, 2000 Georgia Court of Appeals decision and recently passed Senate Bill 53 which may apply to and affect certain duties or obligations related to provider contracts with fee reimbursement programs.

Senate Bill 53, effective as of July 1, 2001, amended O.C.G.A. §10-1-393(b) by adding a new subsection (30.1). This new subsection states, in part, that contracts between physicians and insurers “. . . shall be in writing and shall state the obligations of the parties with respect to the charges and fees for services covered under that plan.”

In addition, the Georgia Court of Appeals ruled in Case No. A00A0398 (June 19, 2000) that an insurer which entered into a contract with a physician which allowed the insurer to unilaterally change the fees or methodology for determining reimbursement **must** provide participating physicians with the fee schedule and the precise methodology used to determine the reimbursements.

Please be advised that all similarly situated insurers must comply with Georgia law, as set forth in the statute and case law referenced above. Failure to comply with Georgia law will result in the appropriate enforcement action.

If you have questions regarding this Bulletin, please contact the Life & Health Division at (404) 656-2085.

**JOHN W. OXENDINE
INSURANCE AND SAFETY FIRE COMMISSIONER
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Note: If you are an individual with a disability and wish to acquire this document in an alternative format, please contact the ADA Coordinator, Office of Commissioner of Insurance, 2 Martin Luther King, Jr. Drive, Atlanta, Georgia, 30334. Telephone Number (404) 656-2056; TTY/TDD (404) 656-4031.