

Bond Case Briefs

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BENEFITS - GEORGIA

Georgia Dept. of Community Health v. Neal

Court of Appeals of Georgia - November 20, 2015 - S.E.2d - 2015 WL 7306180

Public school employee filed an action seeking class certification on behalf of Gold and Silver members of the State Health Benefits Plan ("SHBP") for 2014. The complaint alleged that the Georgia Department of Community Health ("the Department") breached its contract with these members when it retroactively eliminated the three tiers of coinsurance for healthcare services and instead combined them into a single schedule of co-payments, adding co-payments for pharmacy benefits and certain medical visits, and also refused to reduce premiums.

The Department moved to dismiss on the ground of sovereign immunity, but the trial court denied the motion on the ground that the Plan documents, read with relevant statutes and regulations, created a written contract that established a waiver of sovereign immunity.

The Court of Appeals reversed, holding that:

- SHBP plan documents did not create contract, and thus, claim for breach of contract did not come within waiver of sovereign immunity based on written contract entered into by State, departments, or agencies;
- Regulation authorizing Department to terminate coverage for any group that contracted with State for SHBP coverage did not create contract with State; and
- "Definitions" provision of regulations governing SHBP did not create contract.