

Georgia State Health Benefits Plan battles with program vendor

Two-and-a-half years and \$7.2 million into its contract with New York-based Vitech Systems Group, an employee benefits system provider, the state of Georgia is looking for a refund.

The state hired Vitech to develop a paperless online program to handle enrollments, eligibility and billing for its State Health Benefits Plan (SHBP), which provides health insurance to more than 670,000 workers and their families.

SHBP was supposed go live in June 2006, but it's still in limbo a year later, with no set completion date. The Department of Community Health (DCH) said the contract seemed "tainted with fraud." Vitech Vice President James Vitello objected, saying, "We continue to work in close partnership with DCH."

And, Vitech's attorneys added, there's no money-back guarantee in the contract.