

House Bill 1363

By: Representatives Mathiak of the 74th, Hawkins of the 27th, Cooper of the 45th, Greene of the 154th, Jasperse of the 11th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Part 1 of Article 1 of Chapter 18 of Title 45 of the Official Code of Georgia
2 Annotated, relating to the state employees' health insurance plan, so as to require that drugs
3 dispensed to a covered person for self-administration under a state health plan be reimbursed
4 using a transparent, index based price, plus a dispensing fee; to provide for definitions; to
5 provide for related matters; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Part 1 of Article 1 of Chapter 18 of Title 45 of the Official Code of Georgia Annotated,
9 relating to the state employees' health insurance plan, is amended by adding a new Code
10 section to read as follows:

11 "45-18-16.1.

12 (a) As used in this Code section, the term:

13 (1) 'Georgia estimated acquisition cost and select specialty pharmacy rates' means this
14 state's monthly average drug acquisition cost as of the first day of each month as
15 determined by the Department of Community Health.

16 (2) 'Insurer' means a corporation licensed to transact accident and sickness or major
17 medical insurance business in this state, a healthcare corporation, a health maintenance
18 organization, a pharmacy benefits manager, or any other entity that enters into a contract
19 with the board to provide healthcare coverage or services pursuant to a state health plan.

20 (3) 'National average drug acquisition cost' means the monthly survey of retail
21 pharmacies conducted by the federal Centers for Medicare and Medicaid Services to
22 determine average acquisition cost for Medicaid covered outpatient drugs.

23 (4) 'Pharmacy' means a pharmacy or pharmacist licensed or holding a nonresident
24 pharmacy permit pursuant to Chapter 4 of Title 26.

25 (5) 'Pharmacy benefits manager' means a person, business entity, or other entity that
26 performs pharmacy benefits management as such term is defined in Chapter 64 of
27 Title 33. The term 'pharmacy benefits manager' includes a person or entity acting for a
28 pharmacy benefits manager in a contractual or employment relationship in the
29 performance of pharmacy benefits management for a health plan, including operating or
30 administering a prescription card or prescription program directly or on behalf of a
31 pharmacy benefits manager or insurer for covered persons for drugs not covered or being
32 reimbursed by the covered person's pharmacy benefits manager or health plan. Such term
33 shall not include services provided by pharmacies operating under a hospital pharmacy
34 license. Such term shall not include health systems while providing pharmacy services
35 for their patients, employees, or beneficiaries, for indigent care, or for the provision of
36 drugs for outpatient procedures. Such term shall not include services provided by
37 pharmacies affiliated with a facility licensed under Code Section 31-44-4 or a licensed
38 group model health maintenance organization with an exclusive medical group contract
39 and which operates its own pharmacies which are licensed under Code Section 26-4-110.

40 (6) 'State health plan' means:

41 (A) The state employees' health insurance plan established pursuant to this article; and

42 (B) The health insurance plan for public school teachers and the health insurance plan
43 for public school employees established pursuant to Subparts 2 and 3, respectively, of
44 Part 6 of Article 17 of Chapter 2 of Title 20.

45 (b)(1) The Department of Community Health shall engage an actuary or actuarial
46 consulting firm to conduct an actuarial study and prepare a report, to be completed no
47 later than December 1, 2024, of the fiscal impact to the state health plan of implementing
48 the drug reimbursement methodology set forth in paragraph (2) of this subsection. The
49 Department of Community Health's contracted insurer and any other contractors and
50 subcontractors shall cooperate fully with such actuarial study, including making records
51 available to the Department of Community Health and the actuary or actuarial consulting
52 firm conducting the study. The report shall be made available to the public.

53 (2) If the results of the actuarial study project cost neutrality or a potential annual savings
54 to the state, then on and after July 1, 2025 an insurer shall reimburse a pharmacy for a
55 drug dispensed to a covered person for self-administration in the state health plan in an
56 amount equal to: (1) the national average drug acquisition cost on the day of claim
57 administration or, if unavailable, the rate provided in the Georgia estimated acquisition
58 cost and select specialty pharmacy rates on the day of claim administration or, if
59 unavailable, the wholesale acquisition cost on the day of claim administration; and (2) a
60 professional dispensing fee that is not less than the professional dispensing fee paid by
61 the state under Title XIX of the Social Security Act.

62 (c) An insurer shall not circumvent the requirements regarding pharmacy reimbursement
63 in this Code section in any manner, including without limitation by adjudicating claims
64 through a prescription card or program."

65 **SECTION 2.**

66 All laws and parts of laws in conflict with this Act are repealed.