

House Bill 1363 (COMMITTEE SUBSTITUTE)

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 provide for an effective date; to repeal conflicting laws; and
6 for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 SECTION 1.

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

12 "45-18-16.1.

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

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

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

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

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

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

41 (6) 'State health plan' means:

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

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

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

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

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

SECTION 2.

67 This Act shall become effective upon its approval by the Governor or upon its becoming law
68 without such approval.

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SECTION 3.

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