

House Bill 1363 (COMMITTEE SUBSTITUTE)

By: Representatives Mathiak of the 74<sup>th</sup>, Hawkins of the 27<sup>th</sup>, Cooper of the 45<sup>th</sup>, Greene of the 154<sup>th</sup>, Jasperse of the 11<sup>th</sup>, 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.

H. B. 1363 (SUB)

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

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

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

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

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

66 **SECTION 2.**

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

69

**SECTION 3.**

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