

House Bill 1459

By: Representatives Brown of the 69<sup>th</sup>, Ehrhart of the 36<sup>th</sup>, and Smith of the 113<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 5A of Title 31 of the Official Code of Georgia Annotated, relating to the  
2 Department of Community Health, so as to provide that certain prescription drugs and other  
3 health care products sold by Georgia biotechnology, biopharmaceutical, or pharmaceutical  
4 companies shall not be subject to certain access restrictions or supplemental rebates for  
5 purposes of coverage under the state health benefit plan, medical assistance program,  
6 PeachCare for Kids, or any other health benefit plan or policy administered by or on behalf  
7 of the state; to define certain terms; to repeal conflicting laws; and for other purposes.

8 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

9 **SECTION 1.**

10 Chapter 5A of Title 31 of the Official Code of Georgia Annotated, relating to the Department  
11 of Community Health, is amended by adding a new Code section to read as follows:

12 "31-5A-7.

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

14 (1) 'Biopharmaceutical' means the application of biotechnology to the development of  
15 pharmaceutical products that improve human health.

16 (2) 'Biotechnology' means any technological application that uses biological systems,  
17 living organisms, or derivatives thereof to make or modify products or processes for  
18 specific use.

19 (3) 'Georgia biotechnology, biopharmaceutical, or pharmaceutical company' means a  
20 biotechnology, biopharmaceutical, or pharmaceutical company, or a corporate division  
21 of such a company:

22 (A) The principal activity of which is research and development, manufacturing, or  
23 sales of health care products in this state; and

24 (B)(i) That had a payroll in this state of not less than \$10 million during the most  
25 recent taxable year; or

26 (ii) That has total capital investment in this state of not less than \$100 million.

1 (4) 'Pharmaceutical' means of or pertaining to the knowledge or art of pharmacy or to the  
2 art of preparing medicines according to the rules or formulas of pharmacy.

3 (5) 'Research and development' means experimental or laboratory activity for the  
4 ultimate purpose of developing new products, improving existing products, developing  
5 new uses for existing products, or developing or improving methods for producing  
6 products.

7 (b) Any prescription drug or other health care product having an approved indication from  
8 the federal Food and Drug Administration for use with humans and that is produced by a  
9 Georgia biotechnology, biopharmaceutical, or pharmaceutical company shall not be subject  
10 to any access restriction such as a preferred drug list, prior approval, or step therapy or  
11 supplemental rebates by the Department of Community Health for purposes of coverage  
12 under the state health benefit plan under Article 1 of Chapter 18 of Title 45, the medical  
13 assistance program under Article 7 of Chapter 4 of Title 49, the PeachCare for Kids  
14 program under Article 13 of Chapter 5 of Title 49, or any other health benefit plan or  
15 policy administered by or on behalf of the state."

16 **SECTION 2.**

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