

The House Committee on Health and Human Services offers the following substitute to HB 180:

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 the Department of Community
3 Health shall not provide health care coverage under the state health benefit plan, medical
4 assistance program, PeachCare for Kids, or any other health benefit plan or policy
5 administered by or on behalf of the state which includes certain prescription drugs and other
6 health care products sold by Georgia biotechnology, biopharmaceutical, or pharmaceutical
7 companies unless such drugs or products are not subject to certain access restrictions; to
8 define certain terms; to provide for related matters; to repeal conflicting laws; and for other
9 purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

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

14 "31-5A-8.

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

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

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

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

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

1 (B)(i) That had a total economic impact in this state of not less than \$60 million
2 during the most recent taxable year; or

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

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

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

10 (6) 'Total economic impact' means the sum of total employee payroll, investment in
11 external research and development, the value of prescription drug samples provided to
12 physicians, and the value of prescription drugs donated to low income individuals
13 through patient assistance programs.

14 (b) The Department of Community Health shall not provide or enter into a contract to
15 provide health care coverage under the state health benefit plan under Article 1 of Chapter
16 18 of Title 45, the medical assistance program under Article 7 of Chapter 4 of Title 49, the
17 PeachCare for Kids program under Article 13 of Chapter 5 of Title 49, or any other health
18 benefit plan or policy administered by or on behalf of the state of any prescription drug or
19 other health care product having an approved indication from the federal Food and Drug
20 Administration for use with humans and that is produced by a Georgia biotechnology,
21 biopharmaceutical, or pharmaceutical company if such drug or product is subject to any
22 access restriction such as a preferred drug list, prior approval, or step therapy. This
23 subsection shall apply to all contracts entered into or renewed by the Department of
24 Community Health on or after July 1, 2008."

25 **SECTION 2.**

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