

The Senate Government Oversight Committee offered 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 ensure that certain prescription drugs or other health care products produced by  
4 Georgia biotechnology, biopharmaceutical, or pharmaceutical companies shall be  
5 automatically included on the preferred drug list under the state health benefit plan, the  
6 medical assistance program, the PeachCare for Kids program, or any other health benefit  
7 plan or policy administered by or on behalf of the state; to define certain terms; to provide  
8 for applicability; to provide for related matters; to repeal conflicting laws; and for other  
9 purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

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

13 "31-5A-8.

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

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

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

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

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

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;

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

4 (iii) That employs at least 250 Georgia citizens.

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

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

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

15 (b) The Department of Community Health shall ensure that any prescription drug or other  
16 health care product having an approved indication from the federal Food and Drug  
17 Administration for use with humans and that is produced by a Georgia biotechnology,  
18 biopharmaceutical, or pharmaceutical company shall be automatically included on the  
19 preferred drug list for any health care coverage provided under the state health benefit plan  
20 under Article 1 of Chapter 18 of Title 45, the medical assistance program under Article 7  
21 of Chapter 4 of Title 49, the PeachCare for Kids program under Article 13 of Chapter 5 of  
22 Title 49, or any other health benefit plan or policy administered by or on behalf of the state;  
23 provided, however, that this subsection shall not be construed to preclude the department  
24 or its contractors from negotiating prices for such drugs or health care products. This  
25 subsection shall apply to all contracts entered into or renewed by the Department of  
26 Community Health on or after July 1, 2008.

27 (c) This Code section shall not apply to Schedule II, IV, or V controlled substances, as  
28 defined in Article 2 of Chapter 13 of Title 16; prescription drugs or health care products  
29 used for cosmetic purposes; or lifestyle drugs, as defined by the Department of Community  
30 Health."

## 31 SECTION 2.

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