

House Bill 519 (COMMITTEE SUBSTITUTE)

By: Representatives Cooper of the 43<sup>rd</sup>, Broadrick of the 4<sup>th</sup>, Houston of the 170<sup>th</sup>, Hatchett of the 150<sup>th</sup>, and Taylor of the 173<sup>rd</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 24 of Title 33 of the Official Code of Georgia Annotated, relating to  
2 insurance generally, so as to require health benefit plans to establish step therapy protocols;  
3 to provide for a step therapy exception process; to provide for definitions; to provide for  
4 statutory construction; to provide for rules and regulations; to provide for applicability; to  
5 provide for related matters; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Chapter 24 of Title 33 of the Official Code of Georgia Annotated, relating to insurance  
9 generally, is amended by adding a new Code section to read as follows:

10 "33-24-59.23.

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

12 (1) 'Health benefit plan' means any hospital, health, or medical expense insurance policy;  
13 hospital or medical service contract; employee welfare benefit plan; contract or  
14 agreement with a health maintenance organization; subscriber contract or agreement;  
15 contract or agreement with a preferred provider organization; accident and sickness  
16 insurance benefit plan; or other insurance contract under any other name. The term shall  
17 include any health insurance plan established under Article 1 of Chapter 18 of Title 45,  
18 the 'State Employees' Health Insurance Plan and Post-employment Health Benefit Fund.'

19 (2) 'Practitioner' means a physician, dentist, podiatrist, or optometrist and shall include  
20 any other person licensed under the laws of this state to use, mix, prepare, dispense,  
21 prescribe, and administer drugs in connection with medical treatment for individuals to  
22 the extent provided by the laws of this state.

23 (3) 'Step therapy exception' means that a step therapy protocol should be overridden in  
24 favor of immediate coverage of the practitioner's selected prescription drug, provided that  
25 the drug is covered under the health benefit plan.

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26 (4) 'Step therapy protocol' means an evidence based and updated protocol or program  
27 that establishes the specific sequence in which prescription drugs for a specified medical  
28 condition are deemed medically appropriate for a particular patient, including  
29 self-administered and physician-administered drugs, and are covered by an insurer or  
30 health benefit plan.

31 (b) A step therapy exception shall be granted by a health benefit plan if the prescribing  
32 provider's submitted justification and supporting clinical documentation, if needed, is  
33 completed and determined to support such provider's statement that:

34 (1) The required prescription drug is contraindicated or will cause an adverse reaction  
35 or physical or mental harm to the patient;

36 (2) The required prescription drug is expected to be ineffective based on the known  
37 clinical condition of the patient and the known characteristics of the prescription drug  
38 regimen;

39 (3) The patient has tried the required prescription drug while under his or her current or  
40 previous health insurance or health benefit plan and such prescription drug was  
41 discontinued due to lack of efficacy, diminished effect, or an adverse event; or

42 (4) The patient's condition is stable on a prescription drug previously selected by his or  
43 her practitioner for the medical condition under consideration whether on his or her  
44 current or previous health benefit plan.

45 (c) Drug samples shall not be considered trial and failure of a preferred prescription drug  
46 in lieu of trying the step therapy required prescription drug.

47 (d) A health benefit plan shall grant or deny a step therapy exception or appeal of a step  
48 therapy exception within:

49 (1) Twenty-four hours in an urgent health care situation; and

50 (2) Two business days from the date such request or appeal is submitted in a nonurgent  
51 health care situation.

52 If the health benefit plan fails to respond in accordance with the established time frame,  
53 such step therapy exception or an appeal shall be deemed approved.

54 (e) Upon the granting of a step therapy exception, the health benefit plan shall immediately  
55 authorize coverage for the prescription drug prescribed by the patient's practitioner,  
56 provided that the drug is covered under the health benefit plan. Any step therapy exception  
57 denial shall be eligible for a physician's or a patient's appeal in accordance with the health  
58 benefit plan's existing appeal procedures.

59 (f) This Code section shall not be construed to prevent:

60 (1) A health benefit plan from requiring a patient to try an AB-rated generic equivalent  
61 prior to providing coverage for the equivalent-branded prescription drug;

- 62 (2) A health benefit plan from requiring a patient to try an interchangeable biological  
63 product prior to providing coverage for the biological product; or  
64 (3) A practitioner from prescribing a prescription drug that is determined by such  
65 practitioner to be medically necessary.
- 66 (g) This Code section shall not be construed to impact a health benefit plan's ability to  
67 substitute a generic drug for a brand name drug.
- 68 (h) The Commissioner shall adopt rules and regulations to implement the provisions of this  
69 Code section.
- 70 (i) This Code section shall not apply to the provision of health care services pursuant to  
71 a contract entered into by an insurer and the Department of Community Health for  
72 recipients of Medicaid or PeachCare for Kids.
- 73 (j) This Code section shall apply only to health benefit plans delivered, issued for delivery,  
74 or renewed on or after January 1, 2019."

75 **SECTION 2.**

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