

The House Committee on Health offers the following substitute to SB 455:

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 49-4-148 of the Official Code of Georgia Annotated, relating to
2 recovery of medical assistance from third party liable for sickness, injury, disease, or
3 disability, so as to revise certain provisions to comply with federal law; to bar liable
4 third-party payers from refusing payment solely because a health care item or service did not
5 receive prior authorization; to require a third-party payer to respond to a state inquiry
6 regarding a health care claim within 60 days; to amend Code Section 33-64-9.1 of the
7 Official Code of Georgia Annotated, relating to reimbursement methodologies utilized by
8 pharmacy benefits managers, so as to provide for reimbursement requirements relating to the
9 state health benefit plan; to provide for an effective date; to provide for related matters; to
10 repeal conflicting laws; and for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 **SECTION 1.**

13 Code Section 49-4-148 of the Official Code of Georgia Annotated, relating to recovery of
14 medical assistance from third party liable for sickness, injury, disease, or disability, is
15 amended by revising subsection (b) as follows:

S. B. 455 (SUB)

"(b) All insurers, as defined in Code Section 33-24-57.1, including but not limited to group health plans as defined in Section 607(1) of the federal Employee Retirement Security Act of 1974, managed care entities as defined in Code Section 33-20A-3, which offer health benefit plans, as defined in Code Section 33-24-59.5, pharmacy benefits managers, as defined in Code Section 33-64-1, and any other parties that are, by statute, contract, or agreement, legally responsible for payment of a claim for a health care item or service shall comply with this subsection. Such entities set forth in this subsection shall:

(1) Cooperate with the department in determining whether a person who is a recipient of medical assistance may be covered under that entity's health benefit plan and eligible to receive benefits thereunder for the medical services for which that medical assistance was provided and respond to any inquiry from the state regarding a claim for payment for any health care item or service submitted not later than three years after such item or service was provided;

(2) Accept the department's authorization for the provision of medical services payment for a health care item or service on behalf of a recipient of medical assistance as the entity's third-party payer's authorization for the provision of those services and shall not refuse to pay for a health care item or service solely on the basis that the third-party payer did not previously authorize such item or service;

(3) Respond to a department inquiry regarding the status of a claim for payment for any health care item or service within 60 days of receiving the inquiry;

~~(3)~~(4) Comply with the requirements of Code Section 33-24-59.5, regarding the timely payment of claims submitted by the department for medical services provided to a recipient of medical assistance and covered by the health benefit plan, subject to the payment to the department of interest as provided in that Code section for failure to comply;

~~(4)~~(5) Provide the department, on a quarterly basis, eligibility and claims payment data regarding applicants for medical assistance or recipients for medical assistance;

~~(5)~~(6) Accept the assignment to the department or a recipient of medical assistance or any other entity of any rights to any payments for such medical care from a third party; and

~~(6)~~(7) Agree not to deny a claim submitted by the department solely on the basis of the date of submission of the claim, type or format of the claim, or a failure to present proper documentation at the point-of-sale which is the basis of the claim, if:

(A) The claim is submitted to the department within three years from when the item or service was furnished; and

(B) Any action by the department to enforce its rights with respect to such claim commenced within six years of the department's submission of the claim.

The requirements of paragraphs (2) and ~~(3)~~ (4) of this subsection shall only apply to a health benefit plan which is issued, issued for delivery, delivered, or renewed on or after April 28, 2001."

SECTION 1A.

Code Section 33-64-9.1 of the Official Code of Georgia Annotated, relating to reimbursement methodologies utilized by pharmacy benefits managers, is amended by adding a new subsection to read:

"(d) On and after the effective date of this Act, a pharmacy benefits manager providing pharmacy benefits management for the state health benefit plan pursuant to Article 1 of Chapter 18 of Title 45 shall:

(1) Reimburse an independent pharmacy for a drug dispensed to an insured for self-administration in an amount not less than the average reimbursement for chain pharmacies reimbursed for the same drug on the same day the drug is dispensed by the independent pharmacy;

(2) Provide an annual certification to the Department of Community Health certifying compliance with this subsection; and

72 **SECTION 1B.**

73 This Act shall become effective upon its approval by the Governor or upon its becoming law

74 without such approval.

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