

The House Committee on Health offers the following substitute to HB 196:

A BILL TO BE ENTITLED
AN ACT

1 To amend Part 1 of Article 1 of Chapter 18 of Title 45 of the Official Code of Georgia
2 Annotated, relating to state employees' health insurance plan, so as to require that drugs
3 dispensed to a covered person for self-administration under a state health plan be reimbursed
4 using a transparent, index based price, plus a dispensing fee; to provide for definitions; 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 Part 1 of Article 1 of Chapter 18 of Title 45 of the Official Code of Georgia Annotated,
9 relating to state employees' health insurance plan, is amended by adding a new Code section
10 to read as follows:

11 "45-18-22.

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

13 (1) 'Georgia estimated acquisition cost and select specialty pharmacy rates' means this
14 state's monthly average drug acquisition cost as of the first day of each month as
15 determined by the Department of Community Health.

H. B. 196 (SUB)

16 (2) 'Insurer' means a corporation licensed to transact accident and sickness or major
17 medical insurance business in this state, a healthcare corporation, a health maintenance
18 organization, a pharmacy benefits manager, or any other entity that provides healthcare
19 coverage or services pursuant to a state health plan. Such term shall not include any
20 licensed group model health maintenance organization with an exclusive medical group
21 contract and which operates its own pharmacies which are licensed under Code
22 Section 26-4-110.

23 (3) 'National average drug acquisition cost' means the monthly survey of retail
24 pharmacies conducted by the federal Centers for Medicare and Medicaid Services to
25 determine average acquisition cost for Medicaid covered outpatient drugs.

26 (4) 'Pharmacy' means a pharmacy or pharmacist licensed or holding a nonresident
27 pharmacy permit pursuant to Chapter 4 of Title 26.

28 (5) 'Pharmacy benefits manager' means a person, business entity, or other entity that
29 performs pharmacy benefits management as such term is defined in Chapter 64 of
30 Title 33. The term 'pharmacy benefits manager' includes a person or entity acting for a
31 pharmacy benefits manager in a contractual or employment relationship in the
32 performance of pharmacy benefits management for a health plan, including operating or
33 administering a prescription card or prescription discount program directly or on behalf
34 of a pharmacy benefits manager or insurer for covered persons for drugs not covered or
35 being reimbursed by the covered person's pharmacy benefits manager or health plan.
36 Such term shall not include services provided by pharmacies operating under a hospital
37 pharmacy license. Such term shall not include health systems while providing pharmacy
38 services for their patients, employees, or beneficiaries, for indigent care, or for the
39 provision of drugs for outpatient procedures. Such term shall not include services
40 provided by pharmacies affiliated with a facility licensed under Code Section 31-44-4 or
41 a licensed group model health maintenance organization with an exclusive medical group

42 contract and which operates its own pharmacies which are licensed under Code
43 Section 26-4-110.

44 (6) 'State health plan' means:

45 (A) The state employees' health insurance plan established pursuant to this article;

46 (B) The health insurance plan for public school teachers and the health insurance plan
47 for public school employees established pursuant to Subparts 2 and 3, respectively, of
48 Part 6 of Article 17 of Chapter 2 of Title 20; and

49 (C) The health benefit plan established for members, employees, and retirees of the
50 Board of Regents of the University System of Georgia pursuant to Code Section 31-2-4.

51 (b) On and after January 1, 2026, an insurer shall reimburse a pharmacy for a drug
52 dispensed to a covered person for self-administration in the state health plan in an amount
53 equal to:

54 (1) The national average drug acquisition cost on the day of claim administration or, if
55 unavailable, the rate provided in the Georgia estimated acquisition cost and select
56 specialty pharmacy rates on the day of claim administration or, if unavailable, the
57 wholesale acquisition cost on the day of claim administration; and

58 (2) A professional dispensing fee that is not less than the professional dispensing fee paid
59 by the state under Title XIX of the Social Security Act.

60 (c) An insurer shall calculate a beneficiary's cost share or deductible based solely on the
61 ingredient cost of a prescription drug and shall be prohibited from passing along the cost
62 of the professional dispensing fee to a beneficiary through a cost share, deductible, or any
63 other out-of-pocket payment by the beneficiary.

64 (d) An insurer shall not circumvent the requirements regarding pharmacy reimbursement
65 in this Code section in any manner, including without limitation by adjudicating claims
66 through a prescription drug discount card or program.

67 (e) In addition to any other remedy provided by law, a violation of this Code section by
68 an insurer shall give rise to a private right of action for damages and equitable remedies for
69 the pharmacy or beneficiary aggrieved."

70

SECTION 2.

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