

The House Committee on Health offers the following substitute to HB 1332:

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 2 of Title 31 of the Official Code of Georgia Annotated, relating to the
2 Department of Community Health, so as to require certain hospitals to give a preference to
3 American manufactured pharmaceuticals; to provide for definitions; to provide for
4 exceptions and waivers; to provide for documentation; to provide for rules and regulations;
5 to provide for construction; to provide for related matters; to provide for an effective date;
6 to provide for a short title; to provide for legislative findings; to repeal conflicting laws; and
7 for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 This Act shall be known and may be cited as the "Georgia Buy American Medicine Act."

11 **SECTION 2.**

12 The General Assembly finds that:

13 (1) Responsible stewardship of state taxpayer funds and the promotion of public health
14 security are important priorities for this legislative body;

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- 15 (2) American-made prescription drugs are generally safer for consumption than
16 foreign-made prescription drugs;
- 17 (3) Domestic drug production facilities undergo more frequent inspections by the federal
18 Food and Drug Administration than do international facilities, providing higher certainty
19 regarding manufacturing standards;
- 20 (4) Domestic drug production facilities are much more likely to be inspected without
21 receiving advance notice than are international facilities, further ensuring the safety of
22 American-made prescription drugs;
- 23 (5) The federal Food and Drug Administration has found higher rates of drug quality
24 deficiencies in foreign-made than in American-made prescription drugs;
- 25 (6) When hospitals give American-made prescription drugs preference over similar drugs
26 from other countries, doing so encourages the standardization of uniform drug
27 concentrations, thereby further protecting consumers;
- 28 (7) Domestic sourcing of prescription drugs reduces reliance on foreign countries for
29 essential medicines that may experience shortages; and
- 30 (8) Many hospitals in this state receive taxpayer funds yet do not give American-made
31 prescription drugs any preference over foreign-made drugs.

32 SECTION 3.

33 Chapter 2 of Title 31 of the Official Code of Georgia Annotated, relating to the Department
34 of Community Health, is amended by adding a new Code section to read as follows:

35 "31-2-20.

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

37 (1) 'American manufactured pharmaceutical' means a prescription drug or medication
38 that is manufactured, processed, and finished at a facility located within the United States
39 and registered with the federal Food and Drug Administration.

40 (2) 'Finished' means a drug product in the form in which it will be administered to a
41 patient, such as a tablet, capsule, solution, or topical application.

42 (3) 'Healthcare provider' means any hospital, health system, clinic, or medical facility
43 licensed to operate in the State of Georgia that receives state funds.

44 (4) 'Reasonably available' means available in sufficient quantity, quality, and timeliness
45 to meet patient care needs without causing unreasonable delay or disruption.

46 (5) 'State funds' means any funds appropriated or distributed by the State of Georgia or
47 any of its agencies, departments, authorities, or political subdivisions, excluding federal
48 funds.

49 (6) 'Substantially higher' means greater than 20 percent.

50 (b) Any healthcare provider receiving state funds shall give preference to American
51 manufactured pharmaceuticals when procuring prescription drugs for use in patient care,
52 provided such pharmaceuticals are reasonably available.

53 (c) The preference referenced in subsection (b) of this Code section shall apply only to the
54 expenditure of state funds and shall not apply to federal funds or any funds subject to
55 federal procurement requirements.

56 (d) A healthcare provider may procure pharmaceuticals not manufactured in the United
57 States if:

58 (1) An American manufactured pharmaceutical is not reasonably available;

59 (2) Procurement of an American manufactured pharmaceutical would jeopardize patient
60 safety or clinical outcomes;

61 (3) The pharmaceutical is required in response to a public health emergency, drug
62 shortage, or disaster; or

63 (4) The cost of the American manufactured pharmaceutical is substantially higher or
64 would significantly limit patient access or care.

65 (e) Healthcare providers shall document the basis for any exception under subsection (d)
66 of this Code section and retain such documentation for a minimum of three years.

67 (f) The department shall promulgate rules and regulations necessary to enforce this Code
68 section.

69 (g) Failure to comply with this Code section may result in corrective action plans or, for
70 repeated or willful violations, suspension or termination of eligibility to receive state funds.

71 (h) Nothing in this Code section shall be construed to interfere with a physician's
72 independent medical judgment or patient-specific treatment decisions.

73 (i) Nothing in this Code section shall be construed to conflict with federal law, federal
74 funding requirements, or regulations of the federal Food and Drug Administration."

75 **SECTION 4.**

76 This Act shall become effective upon its approval by the Governor or upon its becoming law
77 without such approval.

78 **SECTION 5.**

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