

House Bill 100

By: Representatives Douglas of the 78th, Hawkins of the 27th, Au of the 50th, Prince of the 132nd, Bennett of the 94th, and others

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 all health insurers to pass along no less than 80 percent
3 of all prescription drug rebates to enrollees that such insurer receives from third parties with
4 regard to such enrollee's prescription drugs; to provide for definitions; to provide for related
5 matters; to provide for a short title; to provide for legislative findings; to provide for an
6 effective date and applicability; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 This Act shall be known and may be cited as the "Prescription Drug Consumer Financial
10 Protection Act."

11 **SECTION 2.**

12 The General Assembly finds:

13 (1) The citizens of this state frequently rely on state-regulated commercial insurers to
14 secure access to the prescription medicines needed to protect their health;

- 15 (2) Commercial insurance plans increasingly require enrollees to bear significant
16 out-of-pocket costs for their prescription medicines;
- 17 (3) High out-of-pocket costs of prescription medicines impact the ability of enrollees to
18 start new and necessary medicines and to stay adherent to their prescriptions;
- 19 (4) High or unpredictable cost sharing requirements are a main driver of unaffordable
20 enrollee out-of-pocket costs;
- 21 (5) The burdens of high or unpredictable cost sharing requirements are borne
22 disproportionately by enrollees with chronic or debilitating conditions;
- 23 (6) Pharmaceutical manufacturers may offer sizeable rebates, discounts, and price
24 concessions in connection with the dispensing or administration of a therapy, but
25 enrollees do not necessarily financially benefit from these amounts at the point of sale,
26 and, instead, insurers or other intermediaries may retain the value of rebates, discounts,
27 and price concessions;
- 28 (7) Restrictions are needed on the ability of insurers and their intermediaries to retain
29 rebates, discounts, and price concessions that instead should be directly passed on to
30 enrollees as cost savings;
- 31 (8) Enrollees need equitable and accessible health coverage that does not impose unfair
32 cost sharing burdens upon them; and
- 33 (9) The legislature intends that enrollees receive the benefit of meaningful and durable
34 cost savings from rebates and other price concessions that would otherwise accrue to
35 insurers in connection with the dispensing or administration of a particular drug therapy.

36

SECTION 3.

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

39 "33-24-59.34.

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

41 (1) 'Cost sharing requirement' means a deductible, coinsurance, copayment, or any other
42 amount or limitation imposed on an enrollee for a covered prescription drug under the
43 enrollee's health benefit plan.

44 (2) 'Health benefit plan' means any hospital, health, or medical expense insurance policy;
45 hospital or medical service contract; employee welfare benefit plan; contract or
46 agreement with a health maintenance organization; subscriber contract or agreement;
47 contract or agreement with a preferred provider organization; accident and sickness
48 insurance benefit plan; state healthcare plan; or other insurance contract under any other
49 name. Such term shall not include self-funded, employer sponsored health benefit plans
50 subject to the exclusive jurisdiction of the Employee Retirement Income Security Act
51 of 1974, 29 U.S.C. Section 1001, et seq.

52 (3) 'Insurer' means an accident and sickness insurer, fraternal benefit society, hospital
53 service corporation, medical service corporation, healthcare corporation, health
54 maintenance organization, preferred provider organization, provider sponsored health
55 care corporation, managed care entity, or any similar entity authorized to issue contracts
56 under this title or to provide health benefit policies.

57 (4) 'Price protection rebate' means a negotiated price concession that accrues directly or
58 indirectly to the insurer, or other party on behalf of the insurer, in the event of an increase
59 in the wholesale acquisition cost of a drug above a specified threshold.

60 (5) 'Rebate' means:

61 (A) Negotiated price concessions, including, but not limited to, base price concessions
62 whether described as a rebate or otherwise and reasonable estimates of any price
63 protection rebates and performance based price concessions that may accrue directly
64 or indirectly to the insurer during the coverage year from a manufacturer, dispensing
65 pharmacy, or other party in connection with the dispensing or administration of a
66 prescription drug; and

67 (B) Reasonable estimates of any negotiated price concessions, fees, and other
68 administrative costs that are passed through, or are reasonably anticipated to be passed
69 through, to the insurer and serve to reduce the insurer's costs for acquiring a
70 prescription drug.

71 (6) 'State healthcare plan' means:

72 (A) The state employees' health insurance plan established pursuant to Article 1 of
73 Chapter 18 of Title 45;

74 (B) The health insurance plan for public school teachers established pursuant to
75 Subpart 2 of Part 6 of Article 17 of Chapter 2 of Title 20;

76 (C) The health insurance plan for public school employees established pursuant to
77 Subpart 3 of Part 6 of Article 17 of Chapter 2 of Title 20; and

78 (D) The Regents Health Plan established pursuant to authority granted to the board
79 pursuant to Code Sections 20-3-31, 20-3-51, and 31-2-4.

80 (b) An insurer shall calculate the cost sharing requirement of an enrollee for each
81 prescription drug provided through a health benefit plan at the point of sale to the enrollee
82 based on a price that is reduced by an amount equal to at least 80 percent of all rebates
83 received or to be received by such insurer in connection with the dispensing or
84 administration of the prescription drug and shall describe such calculation in such plans.

85 (c) Noncompliance with this Code section by an insurer may result in the imposition of
86 penalties set forth in Code Section 33-2-24 or other state laws, including the imposition of
87 civil penalties and the suspension or revocation of an insurer's license.

88 (d) Nothing in this Code section shall preclude an insurer from decreasing an enrollee's
89 cost sharing requirement.

90 (e) Except as described in subsection (f) of this Code section, neither an insurer nor its
91 agents shall publish or otherwise disclose information regarding the actual amount of
92 rebates that an insurer receives on a product, manufacturer, or pharmacy-specific basis.

93 Such information qualifies as a trade secret pursuant to Code Section 10-1-761 and shall

94 not be a public record for purposes of Article 4 of Chapter 18 of Title 50 and shall not be
95 disclosed directly or indirectly to any nongovernmental party.
96 (f) Notwithstanding subsection (e) of this Code section, an insurer may disclose the
97 information described therein in accord with a department request, an appropriate court
98 order, or to a third party that needs such information to perform healthcare or
99 administrative services for such insurer. Any nongovernmental party receiving such
100 information shall maintain the confidentiality of such information in accord with this Code
101 section and other applicable law."

102 **SECTION 4.**

103 This Act shall become effective on January 1, 2026, and shall apply to all policies issued,
104 delivered, issued for delivery, or renewed in this state on or after such date.

105 **SECTION 5.**

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