

GASCO Update 2020 Legislative Session Report

- 1) **Tobacco:** The news on tobacco is mixed, but largely disappointing. Efforts to get Georgia's tobacco excise tax to the national average failed despite multiple attempts to amend other bills in a challenging budget year. However, we were able to pass SB 375 which established a first ever vaping tax at 7% of the wholesale cost of the product, elevated Georgia's age to purchase or possess any tobacco or vaping product from 18 to 21 years old, and established a licensure process for retailers of vaping. Still, the abysmal budget climate was not enough for Georgia to move forward on "combustible" tobacco excise taxes that could have generated over \$500 million per year.

- 2) **Pharmacy Benefit Manager's:** 2020 marked another remarkable year for progress in arena of PBM's, with Georgia now a top tier state for anti-steering, transparency and accountability with regard to PBM's. Specifically, a suite of bills passed (HB 946/SB 313, HB 991, and HB 918) this year in following up on last year's success that further strengthened anti-steering provisions, established an oversight body of PBM's at the Department of Insurance and requires stringent reporting and transparency, including an actuarial study of PBM's and their fiscal impact.
 - **Rep. Knight's HB 946 is a companion bill to SB 313** brings true transparency to prescription drug pricing in Georgia by mandating PBMs report deviations in connection with public pricing benchmarks, prohibiting spread pricing and retroactive recoupments, and requiring rebates to be passed back to payors. It also seeks to protect patients by prohibiting practices including withholding coverage for lower cost generic drugs and removing a drug from a formulary for the purpose of pushing patients to a different plan. We are concerned over a potential veto of this bill and will likely be engaging our oncology to reach out to the Governor to prevent such. This bill passed the House 148-1 and the Senate 49-0.
 - **HB 918, brought by House HHS Chairwoman Sharon Cooper** strengthens last year's provisions to require coverage of drugs without regard to originating pharmacy. Passed house 169-3 and Senate 47-0.
 - **HB 991, Matt Hatchett:** Establishes a robust transparency and oversight body at the Department of Insurance for PBMs and requires detailed and specific reporting that is expected to undermine PBM claims of cost savings. This bill passed the House 158-0 and the Senate 48-0.

Collectively, these bills represent tremendous progress to accountability, reporting and steering. Next legislative cycle will likely feature attempts to address prior authorization issues, and to implement the findings of the committee established by HB 991.

- 3) **Breast Cancer Screening - Lacey's Law - [HB 1125](#)** by Rep. Trey Kelley (R-Cedartown) The bill requires the State Health Benefit Plan to cover breast cancer screening for women who

are at high risk for breast cancer aged 30 or older. It also would require the Department of Community Health (DCH) and the Composite Medical Board to identify and compile information on identifying individuals at high risk for breast cancer and that information would be posted on DCH's website.

4) Appropriations: As previously indicted, this was a brutal appropriations year, brought on by the Covid-19 pandemic. Cuts to the budget were initially slated at 14%--about \$4 billion total—but ultimately settled at 10%. That cut reduction, plus a deep reach into the rainy-day fund allowed the state to reinstate funding to a number of key public health provisions. Cuts to the Department of Public Health, maternal mortality and public health furloughs were largely restored. But the most notable reinstatement was to the GASCO supported Georgia CORE program which was initially proposed for state fund elimination—a full \$3 million dollars—before having that cut reduced to \$300,000. While we do not celebrate a cut of any kind, this represented a very large rebound to a critical Georgia Cancer program.

5) COVID-19 Immunity: SB 359: This bill established a two-year window elevating the standard to “gross negligence” with regard to healthcare facilities and the transmission or spread of covid-19.

6) Other Bills that are relevant to Health Care:

1) **HB 888**—Surprise Medical Billing: After five years this legislation passed taking consumers out of the middle of out of network bills at in network facilities. The bill establishes an independent payment metric for such bills, but also establishes an arbitration process that can be triggered by either side of a dispute (Provider/Insurer).

2) **HB 1114**—Extends postpartum care to Medicaid moms from 60 days to six months.

3) **HB 793**—This is the budget bill, and notably, we secured an additional \$2.8 million in the budget for increases in 108 codes (via Medicaid).

4) **SB 482:** Establishes an All Payers Claims Database and an advisory committee to manage it. This provision was also included in the HB 888 Surprise Billing legislation and both have been made subject to appropriations as the price tag may reach \$10 million.