



FOR IMMEDIATE RELEASE

AUGUST 6, 2020

Contact Greg Reybold at greybold@gpha.org

GPhA APPLAUDS GOVERNOR KEMP FOR SIGNING FIRST-IN-NATION PBM LEGISLATION PROTECTING PATIENT CHOICE, ACCESS TO THEIR PREFERRED PHARMACY

Monetary Penalties for Steering Patients to PBM-Owned Pharmacies, Prohibiting Pharmacy Drug Reimbursements Based on Patient Outcomes and Public Availability of Drug Pricing Included in New Laws

SANDY SPRINGS, GA (August 6, 2020) – In a culmination of General Assembly efforts to reign in practices of pharmacy benefit managers (PBMs) and their affiliated pharmacies, Governor Brian Kemp signed a new package of bills into law that would protect patients’ choice of pharmacy and increase public access to drug pricing information by requiring online drug price reporting.

“This legislation represents one of the most comprehensive and forward-thinking pieces of legislation in the country and will help preserve patients’ right to choose their pharmacy, protect them and their providers from unscrupulous practices and save taxpayers money,” said Georgia Pharmacy Association CEO Bob Coleman. “GPhA and our members are grateful to Governor Kemp, Lt. Governor Duncan, Speaker Ralston, Representatives Knight, Cooper, and Hatchett as well as Senator Burke for their leadership and commitment to Georgia’s patients and providers.”

The new law strengthens already groundbreaking state legislation passed in 2019 designed to rein in the unchecked power PBMs have exhibited over patients and providers. Highlights of the newly-enacted laws include:

- **HB 918:** Strengthens existing anti-steering provisions which prohibit pharmacies affiliated with PBMs from filling and billing for prescriptions illegally referred by PBM affiliates and applies these restrictions to pharmacies affiliated with Medicaid managed care companies. HB 918 also strengthens the Pharmacy Audit Bill of Rights, significantly curtailing PBM audit practices that often disrupt patient care and can result in steep financial penalties for pharmacies without right of appeal.

- **HB 946 & SB 313:** Representing a comprehensive rewrite of Georgia’s PBM code section, these companion bills strengthen oversight and enforcement of PBMs including innovative first-in-the-nation provisions such as reporting of drugs paid 10% above and 10% below National Average Drug Acquisition Cost (NADAC) every four months and making reports publicly available online; and prohibits PBMs from tying a pharmacy’s drug reimbursement to a patient’s health outcomes. The bills also require PBMs to offer drug coverage plans that do not include spread pricing and plans that allow plan sponsors to receive 100% of rebates negotiated by PBMs and imposes a first of its kind PBM surcharge when PBMs engage in certain practices.

In recent years PBMs have come under close, critical scrutiny for their “middlemen” role between the health plan sponsor, the patient and the provider. Iron-clad contracts between PBMs, pharmacy providers and plan payers including state governments, have allowed PBMs to operate with little oversight and kept many practices - including the use of gag clauses, spread pricing and holding onto to part or all of drug maker rebates instead of passing them on to the plan or patient – secret until recently.

The State of Georgia has become one of the leaders of state-level, groundbreaking PBM reform and was the first state to successfully legislate and regulate the steering of patients away from their own pharmacies to PBM-owned pharmacies.

Georgia Pharmacy Association (GPhA) represents Georgia’s pharmacists, pharmacy technicians, and advocates on behalf of their patients. GPhA has been actively involved in the enhancement of the practice of pharmacy and pharmacy patient care since 1875.

###