



April 3, 2015

GAHU Sine Die Report

That's a wrap! The 2015 Legislative Session came to a close at midnight on April 2nd. Legislators were able to accomplish quite a bit this year!

Legislators passed a monumental transportation-funding bill. This was the premier issue of the Session. While there were opposition groups along the way, everyone saw the need for a plan. A strong coalition of interested parties joined together and worked tirelessly with legislators to find a compromise plan that ultimately passed the Legislature on Day 39. Two child – specific issues that we were following closely, legalization of cannabis oil for children and insurance coverage for young children with autism passed and are now with the Governor.

See below for more information on these bills and others that we have been following.

HB 1 – The legalization of the use of cannabis oil

This bill, by Representative Allen Peake, has been a controversial and emotional topic for two years. The bill would legalize the use of marijuana derivatives for medical treatments. It allows cannabis oil consisting of no more than 5% THC to be used in the treatment of 8 diseases.

They are the following:

- Cancer
- Amyotrophic lateral sclerosis
- Multiple sclerosis
- Epilepsy
- Crohn's disease
- Mitochondrial disease
- Parkinson's disease
- Sickle cell disease

It got caught up in politics related to autism, abortion and guns last year but is now on its way to becoming law – HB 1 was sent to the Governor on March 25th. The Governor is expected to sign the bill soon. He has already issued an executive order

instructing state agencies to prepare for the enactment of the bill.

SB 1 Update

This bill, by Senator and Insurance Chairman Charlie Bethel, amends Georgia's current law on healthcare insurance coverage for autism and mandates that insurers cover rehabilitative services, counseling services and therapy services to individuals six years of age or younger. We have been following the very public battle over this bill for the previous 2 years. Last year, the House held the Senate's autism bill as a hostage in an effort to gain support for the cannabis bill – and vice versa. This year a compromise was reached.

Chairman Richard Smith in the House remained adamant he would not pass SB 1 in its original form. During the last few weeks of Session, Chairman Smith and Chairman Bethel announced they had come to a resolution. The language in Bethel's bill was added to HB 429 that had already made its way through the House. There was a sign of compromise in that the limit on benefits was reduced from \$35,000 per year to \$30,000.

Chairman Smith presented his own idea to pay for autism coverage in Georgia – he proposed a plan to raise the statewide sales tax .2 cents to provide autism coverage for children up to 18 years of age. This would be a constitutional amendment and appear on the ballot for a vote in 2016. If the tax is passed, there is a sunset clause in Bethel's bill citing the end of the mandate. Most would likely think the sales tax for autism treatment is a long shot.

Autism as a mandate was strongly opposed by GAHU, The Georgia Chamber and many other pro-business stakeholders.

You can find the vote counts for the final vote here:

House (161-0) - <http://www.legis.ga.gov/Legislation/en-US/vote.aspx?VoteID=12938>

Senate (54-0) - <http://www.legis.ga.gov/Legislation/en-US/vote.aspx?VoteID=12746>

You can find the final version of HB 429 here:

<http://www.legis.ga.gov/Legislation/20152016/152743.pdf>

SB 158 Update and Summary

Update –

The bill received a hearing this year but there was no action taken on the bill. It was dropped as a conversation starter and has been put into a study committee through SR 561 (<http://www.legis.ga.gov/Legislation/en-US/display/20152016/SR/561>) .

We will plan on meeting with the members of the Study Committee after the Legislative

Session is over. The members of the study committee include Senators Burt Jones, Marty Harbin, PK Martin and Ed Harbinson.

You can find the current version of the bill here:

<http://www.legis.ga.gov/Legislation/20152016/148977.pdf>

Summary:

Regulation of Rental Networks –

- Requires that rental networks register with the Commissioner and placed on an approved list in order to commence business in Georgia
- Allows the Commissioner to revoke approval if the rental network uses a provider's discount without a contractual relationship

All Products Clauses –

- The bill prohibits these clauses. If an insurer offers 5 different products, the provider must have 5 different contracts.

Material Change –

- Requires any material changes to be agreed upon at the beginning of a new contract, at the renewal of the contract, or anniversary of the effective date.

Network adequacy –

- Requires insurers to maintain a network that is sufficient in numbers and types of providers to assure that all services to covered persons will be accessible without unreasonable delay
- Requires insurers to report annually to the Commissioner for each of its policies or plans – the number of enrollees and the number of participating in-network health care providers
- Requires an updated network directory via internet website, mobile app or other electronic means
- Gives the Insurance Commissioner the power to regulate network adequacy and create rules

When in committee, the health plans against the bill on a number of issues including the following:

- Lack of protection for consumers from the crushing cost of healthcare.
- The primary sections of the bill are designed to protect providers from quality and cost control measures used by health plans.
- Innovative health care delivery network models should be encouraged in order to improve the health status of the population and increase efficiency.

Other legislation we have been following

- HB 47 – Certain refills of topical ophthalmic prescriptions allowed under certain conditions including appropriate frequency. The purpose is to prevent unintended interruptions in drug therapy. **HB 47 passed the House but did not pass the Senate this year.** (Cooper, 43rd)
- HB 162 – This bill is intended to encourage insurance companies and persons to conduct voluntary internal audits of their compliance programs and management systems and to assess and improve compliance with state and federal statutes, rules and orders. **This bill passed the Senate on Day 39 and is now with the Governor.** (Shaw, 176th)
- HB 185 – This bill revises the “Standard Valuation Law.” This bill is at the request of the Department of Insurance. Commissioner Hudgens has been on hand to hear discussion at each committee meeting. The bill essentially updates the “principle valuation law” to address weaknesses found in the current formula initiated in 1854. **This bill passed the Senate on Day 39 and is now with the Governor.** (Shaw 176th)
- HB 193 / SB 136 – Both of these bills would affect individual life insurance policies owned by an individual who is a resident of this state, regardless of whether the policy was issued or renewed in the state. There are notice provisions outlined for the request of a surrender of, a loan against, or accelerated death benefit, nursing home benefit, critical illness benefit or other living benefit under the policy. There are also specific notices for an insurer and agent to follow if they know the policy owner is age 60 or older or is known by the insurer to be terminally ill. **Neither of these bills passed their respective Chambers this year, but they did start a conversation and the conversation will continue through a study committee.** (Rogers, 29th; Harbin 16th)
- HR 806 – This resolution creates a study committee on Life Insurance Consumer Disclosures created to study the provisions in HB 193 and SB 136 above. We plan to be a part of these discussions throughout the summer and fall. **This resolution passed on Day 39.** (Rogers, 29th)
- HB 195 – This is the House version of the bio-similar drug substitution bill. This version of the bill defines biologic products and interchangeable biologic product and permits the substitution by a dispensing pharmacist of the interchangeable one unless a physician instructs no substitution be made. One difference in this bill and the Senate bill is that this version requires notice to occur within 48 hours of dispensing the product. **The bill passed the House but did not pass out of the Senate this year.** (Cooper, 43rd)

- HB 409 – This bill prohibits health benefit policies from limiting or excluding coverage for burn treatment using cadaver or non-human xenographic skin tissue. **This bill passed the Senate on Day 40 and is now with the Governor.** (Taylor, 173rd)
- HB 552 – This bill seeks to make changes to laws related to captive insurance companies by requiring at least one management meeting per year, revising the minimum capital and surplus requirements, adding confidentiality provisions related to certain documents provided to the Commissioner and changing taxation requirements. **This bill passed the Senate on Day 39 and is now with the Governor.** (Williamson, 115th)
- SB 51 – This is the Senate version of the bio-similar drug substitution bill. This bill defines biologic products and interchangeable biologic products similar to the bill in the House. The terms flow from approved products from the US Food and Drug Administration. The goal is to encourage prescription of such biologic medicines and then permit substitution of bio-similar meds for the brand name. In the bill, a physician or the patient can request a biologic not be used. The Senate Health and Human Services Committee met to discuss this bill on February 12th. **This bill is on the Governor's desk.** (Burke, 11th)
- SB 143 – This bill proposes to require that an insurer who provides services under the State Health Benefit Plan must include all hospitals with Level 1 trauma centers in its provider network. This bill has ended up in the House Insurance Committee. **This bill passed the Senate but did not pass the House this year.** (Hufstetler, 52nd)

Please let us know if you have any questions.

Thank you!

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