

The Georgia General Assembly was in recess this week, as the House and Senate held joint budget hearings allowing Departments to present their FY 2015 amended budget recommendations to their respective subcommittees, as well as touch on their FY16 budget requests. Below you will find some highlights from these committee meetings as well as a more in-depth overview of the FY16 budget, prepared by Helen Sloat of Nelson Mullins.

Budget Hearings: *House and Senate Appropriations Committees' Health Subcommittee*

The Joint Subcommittees addressing the health budgets met on Friday morning to hear more from the Department of Community Health's (DCH) Commissioner Clyde Reese on the proposed FY 2015 and FY 2016 Budgets. The Commissioner went through the proposals released by Governor Deal and afterwards members of the Subcommittees asked questions. Rep. Carolyn Hugley (D-Columbus) inquired about twelve month eligibility reviews and whether those were more costly when it would be possible to catch individuals who are not eligible for Medicaid at six month reviews. Commissioner Reese stated he was not certain of that. In Governor Deal's proposal, he has proposed a review of the State Health Benefit Plan and its costs compared to other employee-related health plans. Rep. Hugley inquired if DCH would examine other states' health plans for teachers and their employees; Reese stated that he was sure that DCH would do so.

Sen. Valencia Seay (D-Riverdale) inquired about her legislation addressing the State Health Benefit Plan and open enrollment. Her concern relates to the contracting issues with Grady Health System and that Blue Cross Blue Shield has refused to negotiate and sign a contract with Grady. She would like for open enrollment to be "opened" so that individuals may select another option. She asked specifically if she would be covered in an emergency situation. Commissioner Reese stated that there is no global contract and if a State Health Benefit Plan-covered individual presented at Grady's emergency department, then their care would be covered at 100 percent as if in network. Commissioner Reese stated further that DCH uses a third-party administrator for the State Health Benefit Plan, which permits that TPA to build its own network so the Department does not generally get involved. Reese also stated that he believed that Grady and Blue Cross Blue Shield would work out their differences.

Rep. Regina Quick (R-Athens) inquired about the proposed additional funding for Hepatitis C drugs and the cost of treatment. Commissioner Reese stated that there are three new medications to treat Hepatitis C: Solvadi; Olysio; and Harboni. There are 6,000 individuals covered by Medicaid who have Hepatitis C and the Department believes 800 of those are clinically eligible for one of the new medications which cost \$118,000 per person. Rep. Pat Gardner (D-Atlanta) also inquired if the Department intended to look at the effectiveness of the use of the new drugs one-year out; Reese stated that he felt certain DCH would look at such.

Rep. Gardner also asked about presumptive eligibility, inquiring if hospitals should have a bigger role in looking at individuals' eligibility for Medicaid. Commissioner Reese indicated that 47 of Georgia's hospitals had signed up to assist with presumptive eligibility and DCH had been training hospitals to make sure that tight guidelines are used so that DCH would not have to undergo recoupment of payments later on.

Rep. Darlene Taylor (R-Thomasville) inquired if DCH could have a direct contract with Grady and whether the Blue Cross Blue Shield contract would permit such. Commissioner Reese stated that in years past such direct contracting was permitted but not now; Taylor urged DCH to take a further look at this issue.

Rep. Lee Hawkins (R-Gainesville) asked about the low reimbursement rates for OB/GYN physicians across the State. He asked if DCH might entertain a State Plan Amendment in an effort to increase the rates for these providers. Commissioner Reese told the Subcommittees that the Department has been working on some providers' rates, particularly those who provide services under the waiver programs (e.g., COMP, NOW, Independent Care Waiver, etc.). Reese did acknowledge that at some point the Department needed to come to the General Assembly and ask for rate increases for the providers and that these physicians were one of the categories that would be included in that request.

These Subcommittees also heard from the Department of Public Health's (DPH) Commissioner Brenda Fitzgerald, M.D. Her Department's Budget is \$621 million and 32 percent of that money is State funds. There is really only one change in the FY 2015 Budget and it addresses women's healthcare for \$651,897; the redesign of the women's health program is the reason for more funding. The redesign is to gain more efficiency and greater integration of services. Dr. Fitzgerald did outline for the Subcommittees an update on five key initiatives underway at DPH:

- Childhood obesity – A one year report from 39 schools has been released. The childhood obesity initiative is known as SHAPE. Its goal is to have schools require students to perform 30 minutes of physical activity every day. Overall health has been shown to improve as has children's body mass index in the schools which have this initiative in place.
- Tobacco use prevention – There is a quit line now in place which is paid for by the State's Medicaid program.
- Infant mortality – Georgia has been ranked somewhere in the 40s of the 50 states; it has moved to the 31st of 50 states this year, an improvement. Georgia has decreased by 48 percent its infant mortality.
- Information and workforce initiatives – Both of these efforts are underway and are on task at DPH.

- Reading and language – DPH is working with its WIC offices on the "Talk with me" effort so as to encourage language development in children so that they can read on grade level by the third grade.
- Telehealth – It is another area where Georgia is working to improve access across the State.

Dr. Fitzgerald also highlighted DPH's work on Ebola. 616 patients have been monitored in Georgia. There were also 267 inquiries from medical facilities. Commissioner Fitzgerald did mention Emory University's outstanding work on Ebola and its response to the disease.

Sen. Seay asked about the reading initiative. WIC provides services to children up to age five; most development generally occurs by age three. Further, Sen. Seay asked about the women's services and if such covered dental services; those services are not included and are outside of women's health at DPH.

Rep. Gardner highlighted the Emory Autism Center and its work and asked more about the money included in the Budget last year on autism.

Rep. Matt Dollar (R-Marietta) commended DPH in implementing SHAPE. He asked if the Department of Education was tracking corresponding information on children who were engaged in physical activity; Commissioner Fitzgerald stated that she was not aware the Department of Education was tracking any information.

Rep. Hugley asked when SHAPE would go statewide; Fitzgerald stated it was based on home rule and the Power Up for 30 program grant was from Coca-Cola (for training a physical education teacher, principal and champion/parent). 132 schools have signed up thus far and she encouraged lawmakers to get their schools signed up. Rep. Hugley also asked about asthma – DPH is working with the Department of Education, school nurses and Georgia Academy of Pediatrics but their focus has been "rescue drugs."

FY16 Budget Highlights –prepared by Helen Sloat:

Governor Deal has released his spending proposal for FY 2016 with his focus on an educated workforce to help Georgia retain its number one status as the best state to do business. There is a total of \$16 million for criminal offenders receive a high school diploma and/or necessary technical training in order to get employment. Some additional moneys rolled into this education proposal include for the Department of Education:

- \$152.3 million for enrollment growth and training and experience (recognizing a 1.35 percent increase in enrollment – covering 1.72 million students and more than 121,000 teachers and administrators)
- \$280 million additional moneys for Quality Basic Education (QBE) to offset austerity reductions for the local school systems – to increase instructional days, reduce teacher furloughs, or enhance teacher salaries (this allows the local school systems flexibility on meeting needs in their areas)

- \$11,364,325 in QBE "equalization" for the low-wealth school systems
- \$9,556,510 for QBE Local Five Mill Share for systems which have experienced a reduction in local property tax revenue
- More than \$2.4 million to support the "TKES/LKES" or teacher and leader effectiveness measurement systems and implementation and school improvement
- \$1.6 million for E-Rate program to help with better bandwidth for school systems
- \$1 million plus for end of course tests and statewide assessments
- \$230 million for construction, renovation and equipment with an added \$20 million for buses in bonds for the local school systems and State schools
- \$12 million for repairs, improvements, renovations and equipment for GNETS program
- \$9.5 million in bond funding for the construction project for the FFA/FCCLA center in Covington

DECAL also gets additional moneys with more than \$3 million in Lottery Funds to provide for two additional teacher planning days (currently, there are eight such days and this will allow for ten). An additional \$1.4 million in Lottery Funds will be used to help fund the Summer Transition Program for additional instruction and transition services for low-income eligible rising pre-K and kindergarten students.

The Office of Student Achievement, within the Governor's Office, will receive \$2.5 million additional dollars so as to award grants to the local school systems to implement and disseminate "innovative programs" in public education. Also, almost \$10.4 million is proposed for "strategic statewide professional development initiatives" for teachers. He has included more than \$94 million to "fully fund" the annual required contribution for the Teachers Retirement System in order to continue fiscal soundness and sustainability of the program.

Revenue

For the FY 2016 year, Deal has projected revenues available to be almost \$21.8 billion in State funds (e.g. income taxes, sales taxes, motor fuel taxes, regulatory fees, etc.). Most of these revenues will come from individual income taxes (approximately 45.2 percent) and the next largest portion is projected to come from sales taxes (25.7 percent).

Appropriations

Looking at proposed appropriations for FY 2016, Deal has proposed to spend the almost \$21.8 billion in this manner:

- 54.8 percent for an educated Georgia (education programs)
- 22.3 percent for a healthy Georgia (includes Medicaid, PeachCare, State Health Benefit Plan, mental health services, child welfare and other such services)
- 8.4 percent for a safe Georgia (corrections, GBI, juvenile justice, etc.)
- 5.5 percent for debt management
- 4.0 percent for a mobile Georgia (e.g. transportation)
- 3.7 percent for a responsible and efficient government (this includes the State's Employees' Retirement System, Driver Services, and Labor for instance)
- 1.3 percent for a growing Georgia (includes natural resources)

Department of Economic Development

The recommendation for FY 2016 is set at \$104 million, a reduction of more than \$5.4 million from the FY 2015 Budget.

Under the Innovation and Technology program, there are two "transfers" of State funds:

- \$750,000 to be transferred from the Georgia Research Alliance contract to the Tourism program for marketing to increase Georgia tourism
- \$5,097,451 to be transferred from the Georgia Research Alliance contract to the Public Service/Special Funding Initiatives program at the Board of Regents of the University System of Georgia (total funds of \$5,344,609)

There are also three changes in the tobacco settlement funds in this program:

- \$247,158 transfer of funds from the Georgia Research Alliance contract to the Public Service/Special Funding Initiatives program at the Board of Regents of the University System of Georgia (total funds of \$5,344,609)
- A reduction of \$1,444,911 in tobacco settlement funds for Distinguished Cancer Clinicians and Scientists (DCCS) to fund only existing DCCS obligations
- \$202,917 elimination of tobacco settlement funds for cancer program administration

Finally, Governor Deal proposed to use existing Georgia Research Alliance Funds of \$202,917 for cancer program administration.

HB 51: Our Biosimilars bill was dropped on Friday of last week and is scheduled to be read in the Senate on Monday, January 26th. This bill aims to ensure that there is appropriate communication to both physician and patient by a pharmacist when an interchangeable biosimilar is substituted.

Georgia Bio Day at the Capitol: We will hold our Day at the Capitol on Wednesday, January 28th. The day will start with breakfast, including a member legislative briefing and advocacy training. Our team will attempt to meet with various legislators after the breakfast to discuss industry issues and see how our membership can be of service to various committees. An educational lunch will follow with speakers highlighting Ebola and the Pathway to Biosimilars. The day will conclude with a Joint House and Senate Health and Human Services Committee meeting to discuss biosimilars, among other topics.

The General Assembly is in recess until Monday, January 26th at 10:00 AM. No new bills were introduced this week.

Bill	Description	Sponsor	Committees	Status	Analysis
<u>HB8</u>	A BILL to be entitled an Act to amend Chapter 4 of Title 34 of the Official Code of Georgia	(1) Brooks, Tyrone 55th	HC:	Jan/14/2015 - House Second Readers	<u>HB 8 – Rep. Tyrone Brooks (D-Atlanta) proposed this initiative to amend O.C.G.A. § 34-4-3 to provide for "substantive and</u>

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	<p>Annotated, relating to minimum wage, so as to provide for a substantive and comprehensive reform of provisions regarding the minimum wage law; to provide for legislative findings; to provide for an increase in the minimum wage; to provide for annual minimum wage increases to match the rising cost of living; to provide a credit toward the minimum wage for employers of tipped workers; to eliminate various eligibility exemptions from the minimum wage; to provide for related matters; to provide an effective date; to repeal conflicting laws;</p>				<p><u>comprehensive reform" of the provisions regarding the minimum wage law. Among the proposals would include the requirement that employers pay all covered employees a minimum wage of not less than \$6.20 per hour for each hour worked (current law is \$5.15 per hour). There is also a "tip credit" for employers of employees who meet the eligibility requirements under the federal Fair Labor Standards Act, 29 U.S.C. Section 203(t), of up to 50 percent of the minimum wage. It also has exceptions where this chapter applies, like current law, and includes one for "any individual who is employed by a nonprofit child-caring institution or long-term care facility serving children or mentally disabled adults who are enrolled in such institution and reside</u></p>

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	and for other purposes.				<p><u>in residential facilities of the institution, if such employee resides in such facilities, receives without cost board and lodging from such institution, and is compensated on a cash basis at an annual rate of not less than \$15,000.00 (current law places this amount at \$10,000.00).</u></p>
<u>HB9</u>	<p>A BILL to be entitled an Act to amend Chapter 1 of Title 34 of the Official Code of Georgia Annotated, relating to general provisions relative to labor and industrial relations, so as to provide that it shall be unlawful for any employer to include on an application for employment a question inquiring whether the applicant has</p>	<p>(1) Brooks, Tyrone 55th</p>	<p>HC:</p>	<p>Jan/14/2015 - House Second Readers</p>	<p><u>HB 9 – Rep. Tyrone Brooks (D-Atlanta) authored this initiative adding a new Code Section at O.C.G.A. § 34-1-8, regarding labor and industrial relations, so that it will be unlawful for any employer on an application for employment to question an applicant inquiring whether he or she has ever been arrested for, charged with, or convicted of any crime (except for law enforcement agency positions or other positions related to law enforcement</u></p>

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	<p>ever been arrested for, charged with, or convicted of any crime; to provide for exceptions; to provide that such information may be sought during the first interview with the applicant; to provide that the criminal history records of an applicant may be sought after the first interview with the applicant; to repeal conflicting laws; and for other purposes.</p>				<p>agencies). Further, <u>there are some additional exceptions including whether a federal or state law or regulation creates a mandatory or presumptive disqualification from employment based upon a person's conviction of one or more specified criminal offenses then the employer may include such a question or otherwise inquire if the applicant has been convicted of any such offenses; if a standard fidelity bond or an equivalent bond is required for the position and that person's conviction of one or more specified criminal offenses would disqualify the applicant from obtaining such bond then the employer may inquire; an employer may also ask if an applicant for information about his or her criminal convictions at the first interview or</u></p>

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					<p><u>thereafter, in accordance with all applicable State and federal laws; and an employer may seek to obtain the criminal history records of any applicant per O.C.G.A. § 35-3-34 after the first interview of such applicant is conducted.</u></p>
<p><u>HB10</u></p>	<p>A BILL to be entitled an Act to amend Article 11 of Chapter 6 of Title 40 of the Official Code of Georgia Annotated, relating to miscellaneous provisions of the uniform rules of the road, so as to provide that only hands-free telephone calls shall be conducted by a driver of a motor vehicle; to provide for exceptions; to provide for penalties; to provide for</p>	<p>(1) Mayo, Rahn 84th</p>	<p>HC:</p>	<p>Jan/15/2015 - House Hopper</p>	<p><u>Rep. Rahn Mayo (D-Decatur) offered this bill, which proposes to revise O.C.G.A § 40-6-241 relating to the exercise of due care by drivers while operating a motor vehicle by adding subsection (a) to provide that only hands-free telephone calls shall be conducted by a driver of a motor vehicle unless (d) a person is calling during an emergency situation.</u></p> <p>-</p>

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	related matters; to repeal conflicting laws; and for other purposes.				
<u>HB34</u>	A BILL to be entitled an Act to amend Title 31 of the Official Code of Georgia Annotated, relating to health, so as to enact the "Georgia Right to Try Act"; to provide for investigational drugs, biological products, and devices for patients with advanced illnesses; to provide for a short title; to provide for legislative findings; to provide for definitions; to provide for eligibility criteria; to provide for written informed consent; to allow	(1) Dudgeon, Mike 25th	HC:	Jan/15/2015 - House Hopper	<u>Rep. Mike Dudgeon (R-Johns Creek) authored this proposal which is titled the "Georgia Right to Try Act." It would amend Title 31 to add a new chapter (50) addressing investigational drugs, biological products, and devices for patients with advanced illnesses should be made available despite prior approval from the FDA. Written informed consent shall be required and should include a description of the product and treatments for the advanced illness which the patient suffers, as well as a description of the potential best and worst outcomes of using the investigational drug, biological product, or device and a</u>

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	<p>manufacturers to make such drugs available; to provide that health benefit coverage is not mandatory; to prohibit sanctions against a physician's license; to prohibit blocking access; to provide for statutory construction; to provide for related matters; to repeal conflicting laws; and for other purposes.</p>				<p><u>realistic description of the most likely outcome, among others. Additionally, the Georgia Composite Medical Board shall not revoke, suspend, sanction, fail to renew, or take any action against a physician's license solely based on such physician's recommendation, prescription, or treatment of an eligible patient with an investigational drug, biological product, or device (O.C.G.A. § 31-50-8)</u> -</p>
<p><u>HB47</u></p>	<p>A BILL to be entitled an Act to amend Code Section 26-4-80 of the Official Code of Georgia Annotated, relating to dispensing prescription drugs, so as to authorize certain refills of topical ophthalmic products under</p>	<p>(1) Cooper, Sharon 43rd</p>	<p>HC:</p>	<p>Jan/14/2015 - House First Readers</p>	<p><u>Rep. Sharon Cooper (R-Marietta) authored this proposal in O.C.G.A. § 26-4-80(f) relating to the dispensing of prescription drugs. It would authorize certain refills of topical ophthalmic products to prevent "unintended interruptions in drug therapy." Further, it states:</u></p>

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	<p>certain conditions; to provide for related matters; to repeal conflicting laws; and for other purposes.</p>				<p>1. <u>A pharmacist shall be authorized, without obtaining subsequent authorization from the practitioner or obtaining a new prescription from the practitioner, to permit refills at 70 percent of the predicted days of use; and</u></p> <p>2. <u>A physician shall be permitted to authorize refills earlier than 70 percent of the predicted days of use for patients who have continual difficulty with inadvertent wastage.</u></p> <p><u>The change, though, would "apply to refills purchased through retail pharmacies and mail order sources."</u></p>

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<p><u>HB53</u></p>	<p>A BILL to be entitled an Act to amend Chapter 22 of Title 31 of the Official Code of Georgia Annotated, relating to clinical laboratories, so as to provide that a person consenting to the provision of medical or surgical care by a health care provider operates as consent for such provider to perform an HIV test; to provide for withdrawal of consent for an HIV test; to provide for related matters; to repeal conflicting laws; and for other purposes.</p>	<p>(1) Waites, Keisha 60th</p>	<p>HC:</p>	<p>Jan/14/2015 - House First Readers</p>	<p><u>Rep. Keisha Waites (D-Atlanta) has proposed changes to O.C.G.A. § 31-22-9.2 regarding a person's consent to the provision of medical or surgical care by a healthcare provider and the consent that such provider can perform an HIV test. It would also require that unless exempted, a person, at his or her own election, "may withdraw consent and refuse an HIV test; provided, however, that such withdrawal of consent and refusal is made at the time of each instance where any body fluid that could be used for an HIV test are withdrawn from such person's body and, provided further, that such health care provider shall render counseling to such person at the time of such person's withdrawal of consent and refusal." It does leave in place that such provisions will not apply to</u></p>

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					<p><u>emergency or life-threatening situations or if the person is required to submit to an HIV test pursuant to O.C.G.A. § 15-11-603, O.C.G.A. § 17-10-15, O.C.G.A. § 31-17-4.2, O.C.G.A. § 31-17A-3, O.C.G.A. § 42-5-52.1 or O.C.G.A. § 42-9-42.1.</u></p>
<p><u>SB15</u></p>	<p>A BILL to be entitled an Act to amend Chapter 4 of Title 34 of the Official Code of Georgia Annotated, relating to minimum wage, so as to provide for a substantive and comprehensive reform of provisions regarding the minimum wage law; to provide for an increase in the minimum wage; to provide for annual minimum wage increases to</p>	<p>(1) James, Donzella 35th</p>	<p>SC:</p>	<p>Jan/12/2015 - Senate Hopper</p>	<p><u>SB 15 – Sen. Donzella James (D-Atlanta) offered this change to O.C.G.A. § 34-4-3 to raise the minimum wage for covered employees from not less than \$5.15 to \$10.10 per hour for each hour worked and to provide that the annual minimum wage increase to match the rising cost of living. In subsection (b), it provides employers of employees who meet the eligibility requirements for the "tip credit" under the federal Fair Labor Standards Act, 29 U.S.C. Section 2023(t), to credit tips</u></p>

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	<p>match the rising cost of living; to provide a credit toward the minimum wage for employers of tipped workers; to provide for related matters; to provide an effective date; to repeal conflicting laws; and for other purposes.</p>				<p><u>towards satisfaction of up to 50 percent of the minimum wage.</u></p>
<p><u>SB19</u></p>	<p>A BILL to be entitled an Act to amend Code Section 34-8-35 of the Official Code of Georgia Annotated, relating to the definition of employment applicable to the "Employment Security Law," so as to change certain provisions of such definition in order to provide that services performed by an individual for wages shall be</p>	<p>(1) Orrock, Nan 36th</p>	<p>SC:</p>	<p>Jan/12/2015 - Senate Hopper</p>	<p><u>SB 19 – Sen. Nan Orrock (D-Atlanta) authored this initiative amending the definition of employment applicable to the "Employment Security Law" found at O.C.G.A. § 34-8-35(f). It would allow that services performed by an individual for wages shall be deemed to be employment "subject to this chapter unless and until it is shown that such individual has been and will continue to be free from control or direction over the performance of such</u></p>

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	<p>deemed to be employment unless the Department of Labor makes a contrary determination based upon evidence submitted of certain factors demonstrating that such individual has been and will continue to be free from control or direction over the performance of such services; to provide for related matters; to repeal conflicting laws; and for other purposes.</p>				<p><u>services both under the individual's contract of services and in fact, as demonstrated by evidence timely submitted to the department upon which department determines" various factors of that individual's performance (e.g. is not prohibited from working for other companies or holding other employment contemporaneously; is not prescribed minimum hours to work, or, in the case of sales, does not have a minimum number of orders to be obtained; receives only minimal instructions and no direct oversight or supervision regarding services to be performed; etc.).</u></p>