



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

February 13, 2023

Senator Larry Walker III
Chairman, Senate Insurance and Labor
421-A State Capitol
Atlanta, Georgia 30334

SUBJECT: Fiscal Note
Senate Bill 76 (LC 52 0205)

Dear Chairman Walker:

The bill would require the State Health Benefit Plan (SHBP) to cap any cost-sharing or copay required for insulin at \$35.00 per 30-day supply. It would require any insurer under contract to provide SHBP health benefits to limit the total amount owed to no more than \$35 monthly, regardless of the amount or type of insulin needed. The bill has an effective date of January 1, 2024 but allows for an annual cost adjustment equal to the annual percentage change in the prescription drug component of the Consumer Price Index beginning on January 1, 2025.

The Department of Community Health provided information indicating an annual cost of approximately \$306,000 to the SHBP. This includes approximately \$258,000 in cost shifting from members to SHBP for the self-insured plans (Anthem, UnitedHealthcare) and \$48,000 in additional premiums for the fully insured plan (Kaiser Permanente).

- Self-insured plans – Data from CVS Caremark, the Pharmacy Benefit Manager for SHBP's self-insured plans, indicates that most members are already paying less than \$35 per month. This is attributable to an available \$0 copay program for the diabetic case management program, as well as a 2021 change to tiers for insulin that lowered the relevant copay. DCH estimated that approximately 2,400 members see lower costs under the bill by the cost shift to SHBP.
- Fully insured plan – Kaiser Permanente estimated a \$0.10 increase to the per member per month rate for the plan, equating to \$1.20 per year for each member. Kaiser has approximately 40,000 members. It should be noted that the state pays approximately 80% of premiums while employees pay the remaining 20%.

Respectfully,

Greg S. Griffin
State Auditor

Kelly Farr, Director
Office of Planning and Budget

GSG/KF/lw