



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-4952/1
TJD:klm

2017 SENATE BILL 669

December 21, 2017 - Introduced by Senators BEWLEY, RISSER, L. TAYLOR and VINEHOUT, cosponsored by Representatives HEBL, KOLSTE, ANDERSON, BERCEAU, MILROY, POPE, SARGENT, SHANKLAND, SPREITZER, SUBECK, C. TAYLOR, VRUWINK, ZAMARRIPA and ZEPNICK. Referred to Committee on Insurance, Housing and Trade.

1 **AN ACT** *to amend* 40.51 (8), 40.51 (8m), 66.0137 (4), 120.13 (2) (g), 185.983 (1)
2 (intro.) and 609.83; and *to create* 632.863 of the statutes; **relating to:**
3 disclosures of prescription drug costs under health insurance policies and
4 plans.

Analysis by the Legislative Reference Bureau

This bill prohibits a health insurance policy, referred to in the statutes as a disability insurance policy, or a governmental self-insured health plan from including in a contract for pharmacy services, or allowing a pharmacy benefit manager or another entity to include in a contract for pharmacy services, a provision that prohibits or penalizes a pharmacist's disclosure to an individual purchasing a prescribed drug or device of the cost of a prescribed drug or device, a less expensive therapeutically equivalent drug or device, or a less expensive method of purchasing the drug or device.

This proposal may contain a health insurance mandate requiring a social and financial impact report under s. 601.423, stats.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

5 **SECTION 1.** 40.51 (8) of the statutes is amended to read:

SENATE BILL 669**SECTION 1**

1 40.51 (8) Every health care coverage plan offered by the state under sub. (6)
2 shall comply with ss. 631.89, 631.90, 631.93 (2), 631.95, 632.72 (2), 632.746 (1) to (8)
3 and (10), 632.747, 632.748, 632.798, 632.83, 632.835, 632.85, 632.853, 632.855,
4 632.863, 632.867, 632.87 (3) to (6), 632.885, 632.89, 632.895 (5m) and (8) to (17), and
5 632.896.

6 **SECTION 2.** 40.51 (8m) of the statutes is amended to read:

7 40.51 (8m) Every health care coverage plan offered by the group insurance
8 board under sub. (7) shall comply with ss. 631.95, 632.746 (1) to (8) and (10), 632.747,
9 632.748, 632.798, 632.83, 632.835, 632.85, 632.853, 632.855, 632.863, 632.867,
10 632.885, 632.89, and 632.895 (11) to (17).

11 **SECTION 3.** 66.0137 (4) of the statutes, as affected by 2017 Wisconsin Act 30,
12 is amended to read:

13 66.0137 (4) SELF-INSURED HEALTH PLANS. If a city, including a 1st class city, or
14 a village provides health care benefits under its home rule power, or if a town
15 provides health care benefits, to its officers and employees on a self-insured basis,
16 the self-insured plan shall comply with ss. 49.493 (3) (d), 631.89, 631.90, 631.93 (2),
17 632.746 (10) (a) 2. and (b) 2., 632.747 (3), 632.798, 632.85, 632.853, 632.855, 632.863,
18 632.867, 632.87 (4) to (6), 632.885, 632.89, 632.895 (9) to (17), 632.896, and 767.513
19 (4).

20 **SECTION 4.** 120.13 (2) (g) of the statutes, as affected by 2017 Wisconsin Act 30,
21 is amended to read:

22 120.13 (2) (g) Every self-insured plan under par. (b) shall comply with ss.
23 49.493 (3) (d), 631.89, 631.90, 631.93 (2), 632.746 (10) (a) 2. and (b) 2., 632.747 (3),
24 632.798, 632.85, 632.853, 632.855, 632.863, 632.867, 632.87 (4) to (6), 632.885,
25 632.89, 632.895 (9) to (17), 632.896, and 767.513 (4).

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1 **SECTION 5.** 185.983 (1) (intro.) of the statutes, as affected by 2017 Wisconsin
2 Act 30, is amended to read:

3 185.983 (1) (intro.) Every voluntary nonprofit health care plan operated by a
4 cooperative association organized under s. 185.981 shall be exempt from chs. 600 to
5 646, with the exception of ss. 601.04, 601.13, 601.31, 601.41, 601.42, 601.43, 601.44,
6 601.45, 611.26, 611.67, 619.04, 623.11, 623.12, 628.34 (10), 631.17, 631.89, 631.93,
7 631.95, 632.72 (2), 632.745 to 632.749, 632.775, 632.79, 632.795, 632.798, 632.85,
8 632.853, 632.855, 632.863, 632.867, 632.87 (2) to (6), 632.885, 632.89, 632.895 (5) and
9 (8) to (17), 632.896, and 632.897 (10) and chs. 609, 620, 630, 635, 645, and 646, but
10 the sponsoring association shall:

11 **SECTION 6.** 609.83 of the statutes is amended to read:

12 **609.83 Coverage and disclosures of drugs and devices.** Limited service
13 health organizations, preferred provider plans, and defined network plans are
14 subject to ~~s.~~ ss. 632.853 and 632.863.

15 **SECTION 7.** 632.863 of the statutes is created to read:

16 **632.863 Disclosure of prescription drug charges. (1) DEFINITIONS.** In this
17 section:

18 (a) “Disability insurance policy” has the meaning given in s. 632.895 (1) (a).

19 (b) “Pharmacist” has the meaning given in s. 450.01 (15).

20 (c) “Pharmacy benefit manager” has the meaning given in s. 632.865 (1) (c).

21 (d) “Prescribed drug or device” has the meaning given in s. 450.01 (18).

22 (e) “Prescription drug benefit” has the meaning given in s. 632.865 (1) (e).

23 (f) “Self-insured health plan” has the meaning given in s. 632.85 (1) (c).

24 **(2) ALLOWING DISCLOSURES.** No disability insurance policy or self-insured
25 health plan that provides a prescription drug benefit may include in a contract for

SENATE BILL 669**SECTION 7**

1 pharmacy services, or allow a pharmacy benefit manager or another entity to include
2 in a contract for pharmacy services, a provision that prohibits or penalizes, including
3 by increased utilization review, reduced reimbursement, or other financial
4 disincentives, a disclosure of any of the following by a pharmacist to an individual
5 purchasing a prescribed drug or device:

6 (a) The cost of the prescribed drug or device to the individual.

7 (b) The availability of any therapeutically equivalent alternative prescribed
8 drugs or devices or alternative methods of purchasing the prescribed drug or device,
9 including paying cash, that are less expensive to the individual.

10 **SECTION 8. Initial applicability.**

11 (1) (a) For policies and plans containing provisions inconsistent with this act,
12 this act first applies to policy or plan years beginning on January 1 of the year
13 following the year in which this paragraph takes effect, except as provided in
14 paragraph (b).

15 (b) For policies or plans that are affected by a collective bargaining agreement
16 containing provisions inconsistent with this act, this act first applies to policy or plan
17 years beginning on the effective date of this paragraph or on the day on which the
18 collective bargaining agreement is newly established, extended, modified, or
19 renewed, whichever is later.

20 **SECTION 9. Effective date.**

21 (1) This act takes effect on the first day of the 4th month beginning after
22 publication.

23 (END)