



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-5932/1
TJD:skw

2019 SENATE BILL 907

March 26, 2020 - Introduced by Senator JACQUE, cosponsored by Representatives SCHRAA and WICHGERS. Referred to Committee on Health and Human Services.

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** 632.862 of the statutes; **relating to:**
3 application of prescription drug payments for health coverage.

Analysis by the Legislative Reference Bureau

This bill requires health insurance policies that offer prescription drug benefits, self-insured health plans, and pharmacy benefit managers acting on behalf of policies or plans to apply amounts paid for prescription drugs by or on behalf of a person covered under the policy or plan to any calculation of an out-of-pocket maximum or to any cost-sharing requirement of the policy or plan. Health insurance policies are referred to in the bill as disability insurance policies.

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

4 **SECTION 1.** 40.51 (8) of the statutes is amended to read:
5 40.51 (8) Every health care coverage plan offered by the state under sub. (6)
6 shall comply with ss. 631.89, 631.90, 631.93 (2), 631.95, 632.72 (2), 632.746 (1) to (8)
7 and (10), 632.747, 632.748, 632.798, 632.83, 632.835, 632.85, 632.853, 632.855,

SENATE BILL 907**SECTION 1**

1 ~~632.862~~, 632.867, 632.87 (3) to (6), 632.885, 632.89, 632.895 (5m) and (8) to (17), and
2 632.896.

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

4 40.51 **(8m)** Every health care coverage plan offered by the group insurance
5 board under sub. (7) shall comply with ss. 631.95, 632.746 (1) to (8) and (10), 632.747,
6 632.748, 632.798, 632.83, 632.835, 632.85, 632.853, 632.855, ~~632.862~~, 632.867,
7 632.885, 632.89, and 632.895 (11) to (17).

8 **SECTION 3.** 66.0137 (4) of the statutes is amended to read:

9 66.0137 **(4)** SELF-INSURED HEALTH PLANS. If a city, including a 1st class city, or
10 a village provides health care benefits under its home rule power, or if a town
11 provides health care benefits, to its officers and employees on a self-insured basis,
12 the self-insured plan shall comply with ss. 49.493 (3) (d), 631.89, 631.90, 631.93 (2),
13 632.746 (10) (a) 2. and (b) 2., 632.747 (3), 632.798, 632.85, 632.853, 632.855, ~~632.862~~,
14 632.867, 632.87 (4) to (6), 632.885, 632.89, 632.895 (9) to (17), 632.896, and 767.513
15 (4).

16 **SECTION 4.** 120.13 (2) (g) of the statutes is amended to read:

17 120.13 **(2)** (g) Every self-insured plan under par. (b) shall comply with ss.
18 49.493 (3) (d), 631.89, 631.90, 631.93 (2), 632.746 (10) (a) 2. and (b) 2., 632.747 (3),
19 632.798, 632.85, 632.853, 632.855, ~~632.862~~, 632.867, 632.87 (4) to (6), 632.885,
20 632.89, 632.895 (9) to (17), 632.896, and 767.513 (4).

21 **SECTION 5.** 185.983 (1) (intro.) of the statutes is amended to read:

22 185.983 **(1)** (intro.) Every voluntary nonprofit health care plan operated by a
23 cooperative association organized under s. 185.981 shall be exempt from chs. 600 to
24 646, with the exception of ss. 601.04, 601.13, 601.31, 601.41, 601.42, 601.43, 601.44,
25 601.45, 611.26, 611.67, 619.04, 623.11, 623.12, 628.34 (10), 631.17, 631.89, 631.93,

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1 631.95, 632.72 (2), 632.745 to 632.749, 632.775, 632.79, 632.795, 632.798, 632.85,
2 632.853, 632.855, 632.862, 632.867, 632.87 (2) to (6), 632.885, 632.89, 632.895 (5) and
3 (8) to (17), 632.896, and 632.897 (10) and chs. 609, 620, 630, 635, 645, and 646, but
4 the sponsoring association shall:

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

6 **609.83 Coverage of drugs and devices; application of payments.**

7 Limited service health organizations, preferred provider plans, and defined network
8 plans are subject to ss. 632.853, 632.862, and 632.895 (16t).

9 **SECTION 7.** 632.862 of the statutes is created to read:

10 **632.862 Application of prescription drug payments. (1) DEFINITIONS.** In
11 this section:

12 (a) "Disability insurance policy" has the meaning given in s. 632.895 (1) (a).

13 (b) "Pharmacy benefit manager" has the meaning given in s. 632.865 (1) (c).

14 (c) "Self-insured health plan" has the meaning given in s. 632.85 (1) (c).

15 **(2) APPLICATION OF PAYMENTS.** A disability insurance policy that offers a
16 prescription drug benefit, a self-insured health plan, or a pharmacy benefit manager
17 acting on behalf of a disability insurance policy or self-insured health plan shall
18 apply to any calculation of an out-of-pocket maximum or to any cost-sharing
19 requirement of the policy or plan any amounts paid for prescription drugs that are
20 covered under the policy or plan by an enrollee or on behalf of any person covered
21 under the policy or plan.

22 **SECTION 8. Initial applicability.**

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

