



State of Wisconsin

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STEPHEN R. MILLER
CHIEF

March 30, 2005

MEMORANDUM

To: Representative Vukmir

From: Debora A. Kennedy, Managing Attorney (608) 266-0137

Subject: Technical Memorandum to **2005 AB-197** (LRB 05-0239/2)

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

Date: March 28, 2005

From: Department of Health and Family Services

Re: Technical Note to AB 197

AB 197 specifies that the handling fee which a medical facility or pharmacy may charge for accepting, distributing, or dispensing donated cancer or chronic disease drugs or supplies may not be less than 350% of the dispensing fee permitted to be charged for prescription drugs for which coverage is provided under s.49.46 (2)(b) 6.h. This provision refers to drugs paid for by the Medicaid program, for which the current dispensing rate is \$3.88.

If a pharmacy or medical facility were required to charge a rate that was no less than 350% of the Medicaid dispensing rate, patients would pay at least \$13.58 each time they received a donated drug and possibly a significantly higher rate. A very high dispensing rate could make the cost of obtaining donated drugs prohibitive for some patients.

If the intent of this provision was to allow pharmacists and medical facilities to charge a reasonable rate to recover the costs of dispensing these drugs, the language could be changed to read that these agencies can charge "no more than" 350% of the current Medicaid dispensing rate.

Preparer: Ellen Hadidian, 266-8155