

**2009 DRAFTING REQUEST**

**Bill**

Received: **01/15/2009**

Received By: **rryan**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Willing**

This file may be shown to any legislator: **NO**

Drafter: **rryan**

May Contact:

Adtl. Drafters:

Subject: **Health - medical assistance**

Extra Copies: **TJD**

Submit via email: **NO**

---

**Pre Topic:**

DOA:.....Willing, BB0425 -

---

**Topic:**

Senior Care reimbursement

---

**Instructions:**

See attached

---

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			State
/1	rryan 01/16/2009	jdye 01/17/2009	jfrantze 01/19/2009	_____	sbasford 01/20/2009		State
/2	rryan 01/30/2009	jdye 01/30/2009	phenry 01/30/2009	_____	cdurst 01/30/2009		

FE Sent For:

<END>

**2009 DRAFTING REQUEST**

**Bill**

Received: **01/15/2009**

Received By: **rryan**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Willing**

This file may be shown to any legislator: **NO**

Drafter: **rryan**

May Contact:

Addl. Drafters:

Subject: **Health - medical assistance**

Extra Copies: **TJD**

Submit via email: **NO**

---

**Pre Topic:**

DOA:.....Willing, BB0425 -

---

**Topic:**

Senior Care reimbursement

---

**Instructions:**

See attached

---

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?		2 1/30 jld					State
/1	rryan 01/16/2009	jdye 01/17/2009	jfrantze 01/19/2009		sbasford 01/20/2009		State
/2	rryan 01/30/2009	lrb_editor					

FE Sent For:

<END>

**2009 DRAFTING REQUEST**

**Bill**

Received: 01/15/2009

Received By: rryan

Wanted: As time permits

Identical to LRB:

For: Administration-Budget

By/Representing: Willing

This file may be shown to any legislator: NO

Drafter: rryan

May Contact:

Addl. Drafters:

Subject: Health - medical assistance

Extra Copies: TJD

Submit via email: NO

---

**Pre Topic:**

DOA:.....Willing, BB0425 -

---

**Topic:**

Senior Care reimbursement

---

**Instructions:**

See attached

---

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			State
/1	rryan 01/16/2009	jdye 01/17/2009	jfrantze 01/19/2009	_____	sbasford 01/20/2009		

FE Sent For:

<END>

**2009 DRAFTING REQUEST**

**Bill**

Received: **01/15/2009**

Received By: **rryan**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Willing**

This file may be shown to any legislator: **NO**

Drafter: **rryan**

May Contact:

Addl. Drafters:

Subject: **Health - medical assistance**

Extra Copies: **TJD**

Submit via email: **NO**

---

**Pre Topic:**

DOA:.....Willing, BB0425 -

---

**Topic:**

Senior Care reimbursement

---

**Instructions:**

See attached

---

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rryan	1/17 jld					State

FE Sent For:

<END>

## 2009-11 Budget Bill Statutory Language Drafting Request

- Topic: SeniorCare Dispensing Fee Premium
- Tracking Code: *BB0425*
- SBO team: Health and Insurance
- SBO analyst: Krista Willing
  - Phone: 267-7980
  - Email: [krista.willing@wisconsin.gov](mailto:krista.willing@wisconsin.gov)
- Agency acronym: DHS
- Agency number: 435
- Priority (Low, Medium, High): High

### Intent:

Amend statute to delete the five percent premium paid to pharmacists for dispensing SeniorCare Prescriptions. See attached paper.

Please feel free to call me with any questions!

## SeniorCare Dispensing Fee Premium

### Problem Description

Pharmacists receive a five percent premium for dispensing SeniorCare prescriptions. This policy was instituted at the program's inception to address concerns that pharmacists could choose to withdraw from Medicaid and SeniorCare rather than receive a lower dispensing fee through Medicaid. The Legislature requires an annual report to analyze whether pharmacists have continued in the Medicaid and SeniorCare programs, and if not, the reason for discontinuance.

### Background and Rationale for Change

Annual reports to the Legislature have shown that pharmacists have not refrained from Medicaid and SeniorCare program participation because of Medicaid dispensing fees. The SeniorCare program is generally regarded as a valuable program for Wisconsin residents by the public, pharmacists, and program members. It is no longer necessary to include the five percent premium as a safeguard in the SeniorCare program.

### Current Language

s. 49.688 (1)(e) "Program payment rate" means the rate of payment made for the identical drug specified under s. 49.46 (2) (b) 6. h., plus 5%, plus a dispensing fee that is equal to the dispensing fee permitted to be charged for prescription drugs for which coverage is provided under s. 49.46 (2) (b) 6. h.

s. 49.688 (8) The department shall, under methods promulgated by the department by rule, monitor compliance by pharmacies and pharmacists that are certified providers of medical assistance with the requirements of sub. (5) and shall annually report to the legislature under s. 13.172 (2) concerning the compliance. The report shall include information on any pharmacies or pharmacists that discontinue participation as certified providers of medical assistance and the reasons given for the discontinuance.

### Proposed Change

Amend s. 49.688 (1) (e) to delete ", plus 5%," so that pharmacists would be reimbursed at the same rate as under Medicaid in general.

Delete s. 49.688(8) from Wisconsin statutes to eliminate the reporting requirement in 49.688 (8).

**Desired Effective Date:** Upon passage of the bill.  
**Agency:** DHFS  
**Agency Contact:** Carrie Schneck

**Phone:**

**266-5362**

*In 11/6/09*

*JLD*

*RMR*

DOA:.....Willing, BB0425 - Senior Care reimbursement

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

*4*

*don't gen*

1

AN ACT ...; relating to: the budget. ✓

*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES** ✓

**MEDICAL ASSISTANCE** ✓

Under current law, DHS ✓ administers the ✓ Senior Care Program to provide prescription drugs to certain elderly persons for reduced prices. ✓ A person is eligible for Senior Care if he or she is a state resident; ✓ is at least 65 ✓ years of age; is not a medical assistance (MA) ✓ recipient or does not receive prescription drug coverage as an MA recipient; and his or her annual household income does not exceed a specified amount, or the person spends the difference between his or her household income and that specified amount on prescription drugs. ✓ Pharmacies may charge a Senior Care enrollee only the "program payment rate" ✓ for prescription drugs, until the enrollee has met an annual deductible, if applicable, and thereafter may charge the enrollee only a specified copayment ✓ amount. When an enrollee pays only the copayment, DHS ✓ reimburses the pharmacy the ✓ program payment rate ✓ minus the copayment. The program payment rate is equal to 105 ✓ percent of the ✓ MA prescription drug payment rate plus a dispensing fee. \*

Also under current law, DHS ✓ is required to monitor pharmacy compliance with limitations on prices that pharmacies may charge Senior Care enrollees and report to the legislature on pharmacy compliance. In addition, the report must include information on any pharmacies that discontinue participation as certified providers of MA. ✓





DOA:.....Willing, BB0425 - Senior Care reimbursement

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

RMTB

D-N

x  
1 don't gen  
AN ACT ...; relating to: the budget. ✓

*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES**

**MEDICAL ASSISTANCE**

Under current law, DHS administers the Senior Care Program to provide prescription drugs to certain elderly persons for reduced prices. A person is eligible for Senior Care if he or she is a state resident; is at least 65 years of age; is not a medical assistance (MA) recipient or does not receive prescription drug coverage as an MA recipient; and his or her annual household income does not exceed a specified amount, or the person spends the difference between his or her household income and that specified amount on prescription drugs. Pharmacies may charge a Senior Care enrollee only the "program payment rate" for prescription drugs, until the enrollee has met an annual deductible, if applicable, and thereafter may charge the enrollee only a specified copayment amount. When an enrollee pays only the copayment, DHS reimburses the pharmacy the program payment rate minus the copayment. The program payment rate is equal to 105 percent of the MA prescription drug payment rate plus a dispensing fee.

Also under current law, DHS is required to monitor pharmacy compliance with limitations on prices that pharmacies may charge Senior Care enrollees and report to the legislature on pharmacy compliance. In addition, the report must include information on any pharmacies that discontinue participation as certified providers of MA.



**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-1540/2dn

RLR:.....

date

JLD

This draft reconciles LRB-1458/2<sup>✓</sup> and LRB-1540/1<sup>✓</sup>. All of these drafts should continue to appear in the compiled bill.

Robin Ryan  
Legislative Attorney  
Phone: (608) 261-6927  
E-mail: robin.ryan@legis.wisconsin.gov

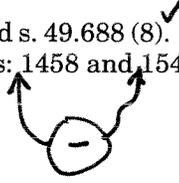
**2009-2010 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-1540/2ins  
RLR:.....

1

**Ins 2-6:**

\*\*\*\*NOTE: This is reconciled s. 49.688 (8).<sup>✓</sup> This SECTION has been affected by drafts  
with the following LRB numbers: 1458 and 1540.<sup>✓</sup>



**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-1540/2dn  
RLR:jld:ph

January 30, 2009

This draft reconciles LRB-1458/2 and LRB-1540/1. All of these drafts should continue to appear in the compiled bill.

Robin Ryan  
Legislative Attorney  
Phone: (608) 261-6927  
E-mail: [robin.ryan@legis.wisconsin.gov](mailto:robin.ryan@legis.wisconsin.gov)



State of Wisconsin  
2009 - 2010 LEGISLATURE

LRB-1540/2

RLR:jld:ph

DOA:.....Willing, BB0425 - Senior Care reimbursement

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

---

*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES**

**MEDICAL ASSISTANCE**

Under current law, DHS administers the Senior Care Program to provide prescription drugs to certain elderly persons for reduced prices. A person is eligible for Senior Care if he or she is a state resident; is at least 65 years of age; is not a medical assistance (MA) recipient or does not receive prescription drug coverage as an MA recipient; and his or her annual household income does not exceed a specified amount, or the person spends the difference between his or her household income and that specified amount on prescription drugs. Pharmacies may charge a Senior Care enrollee only the "program payment rate" for prescription drugs, until the enrollee has met an annual deductible, if applicable, and thereafter may charge the enrollee only a specified copayment amount. When an enrollee pays only the copayment, DHS reimburses the pharmacy the program payment rate minus the copayment. The program payment rate is equal to 105 percent of the MA prescription drug payment rate plus a dispensing fee.

Also under current law, DHS is required to monitor pharmacy compliance with limitations on prices that pharmacies may charge Senior Care enrollees and report to the legislature on pharmacy compliance. In addition, the report must include information on any pharmacies that discontinue participation as certified providers of MA.

