

### Fiscal Estimate - 2021 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>21-3337/1</b>	<b>Introduction Number</b> <b>AB-0554</b>
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**Description**  
 pharmacy services administrative organizations

**Fiscal Effect**

**State:**

No State Fiscal Effect  
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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**Local:**

No Local Government Costs  
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<b>5.Types of Local Government Units Affected</b> <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
OCI/ Jeff Grothman (608) 264-6239	Sarah Smith (608) 267-9460	9/20/2021

Fiscal Estimate Narratives

OCI 9/20/2021

LRB Number 21-3337/1	Introduction Number AB-0554	Estimate Type Original
<b>Description</b> pharmacy services administrative organizations		

**Assumptions Used in Arriving at Fiscal Estimate**

Assembly Bill 554 requires the Office of the Commissioner of Insurance (OCI) to license pharmacy service administrative organizations (PSAOs) if the entity is operating in Wisconsin and does the following:

- Contracts with an independent pharmacy to conduct business on the pharmacy's behalf with a third-party payer.
- Provides at least one administrative service to an independent pharmacy and negotiates and enters into a contract with a third-party payer or pharmacy benefit manager on the pharmacy's behalf.

Assembly Bill 554 directs a PSAO applying for licensure to provide OCI an applicant's contact information, and a direct contact person, evidence of financial responsibility of at \$1,000,000, and any other information directed by OCI. The duration of the license is for two years and the fee is set by the Commissioner of Insurance.

Assembly Bill 554 directs a PSAO to disclose to OCI the extent of any ownership or control by an entity that provides pharmacy services; provides prescription drug or device services; or manufactures, sells, or distributes prescription drugs, biologicals, or medical devices. The PSAO must notify OCI within five days of any material change in its ownership or control related to such an entity

At this time, OCI cannot determine the fiscal effect this legislation will have on staff time and agency resources.

**Long-Range Fiscal Implications**

None.