

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-4356/1	Introduction Number SB-543
Description pharmacy services administrative organizations	
Fiscal Effect	
State: <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
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Date 9/20/2021	

Fiscal Estimate Narratives
OCI 9/20/2021

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Description pharmacy services administrative organizations					

Assumptions Used in Arriving at Fiscal Estimate

Senate Bill 543 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.

Senate Bill 543 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.

Senate Bill 543 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.