



Wisconsin Office of the
**COMMISSIONER
OF INSURANCE**

Tony Evers, Governor of Wisconsin
Nathan Houdek, Commissioner of Insurance

December 7, 2023

Mr. Richard Champagne
Acting Senate Chief Clerk
State Capitol
P.O. Box 7882
Madison, WI 53707

Mr. Ted Blazel
Assembly Chief Clerk
17 West Main Street
Room 401
Madison, WI 53703

Re: Social and Financial Impact Report—2023 Assembly Bill 748—relating to a health care cost omnibus.

Dear Acting Chief Clerk Champagne and Chief Clerk Blazel:

Pursuant to Wis. Stat. § 601.423, the Office of the Commissioner of Insurance (OCI) is submitting a social and financial impact report on 2023 Assembly Bill 748 relating to a health care cost omnibus.

Coverage Mandates

OCI has determined that 2023 Assembly Bill 748 requires a social and financial impact report for the following reasons:

1. Requires a particular benefit design or imposes conditions on cost-sharing under an insurance policy, plan, or contract for the treatment of a particular disease, condition, or other health care need, for a particular type of health care treatment or service, or for the provision of equipment, supplies, or drugs used in connection with a health care treatment or service.
2. Imposes limits or conditions on a contract between an insurer and a health care provider, as defined in s. 146.81 (1).

Social Impact

2023 Assembly Bill 748 is proposing to:

- Impose cost-sharing on insulin in an amount that does not exceed \$35.00 for a one-month supply.
- Impose fiduciary and disclosure requirements on PBMs.
- Direct OCI to develop a pilot project under which a PMB and pharmaceutical manufacturer are directed to create a value-based, sole-source arrangement to reduce the costs of prescription diabetes medication.
- Require OCI, in consultation with persons interested in the sale and pricing of prescription drugs and federal officials and agencies, to design and implement a prescription drug importation program for the benefit of and that generates savings for Wisconsin residents.
- Direct OCI to award grants in an amount of up to \$500,000 in each fiscal year to health care providers to develop and implement a tool that would allow prescribers to disclose the cost of prescription drugs for patients.

- Require OCI to conduct a study on the viability of creating or implementing a state prescription drug purchasing entity.
- Require that a pharmacy services administrative organization (PSAO) be licensed by OCI.
- Require a pharmaceutical representative to be licensed by OCI and to display the pharmaceutical representative's license during each visit with a health care professional.
- Requires insulin manufacturers to establish a program under which qualifying Wisconsin residents who are in urgent need of insulin and are uninsured or have limited insurance coverage can be dispensed insulin at a pharmacy.

OCI is unable to definitively determine how many residents could benefit from these proposed mandated coverages. Further, the availability of insurance coverage for consumers without these health insurance provisions is indeterminate.

Financial Impact

OCI is unable to determine what the financial impact of the proposed bill would be on insurers.

OCI is unable to determine the extent to which these additional mandates could increase administrative and claims costs or how the proposed requirements on insurers may impact premium costs to consumers and employers.

Please contact Sarah Smith at (608) 209-6309 or Sarah.Smith2@wisconsin.gov if you have any questions.

Respectfully submitted,



Nathan Houdek
Commissioner

Cc: The Honorable Tony Evers, Governor of Wisconsin