



2023 ASSEMBLY BILL 748

December 6, 2023 - Introduced by Representatives SUBECK, C. ANDERSON, J. ANDERSON, ANDRACA, BARE, BILLINGS, CLANCY, CONLEY, CONSIDINE, DRAKE, EMERSON, HONG, JACOBSON, JOERS, MADISON, MOORE OMOKUNDE, NEUBAUER, ORTIZ-VELEZ, PALMERI, RATCLIFF, RIEMER, SHANKLAND, SHELTON, SINICKI, STUBBS and HAYWOOD, cosponsored by Senators HESSELBEIN, AGARD, CARPENTER, L. JOHNSON, PFAFF, ROYS, SMITH, SPREITZER, TAYLOR and WIRCH. Referred to Committee on Health, Aging and Long-Term Care.

1 **AN ACT** *to repeal* 49.45 (18) (ag); *to renumber and amend* 632.895 (6); *to*
2 *amend* 49.45 (18) (ac), 609.83 and 632.895 (6) (title); and *to create* 20.145 (1)
3 (a), 49.45 (18) (b) 8., 255.056 (2g), 450.085 (3), 601.31 (1) (nv), 601.31 (1) (nw),
4 601.41 (13), 601.415 (14), 601.575, 632.863, 632.864, 632.865 (2m), 632.868,
5 632.869 and 632.895 (6) (b) of the statutes; **relating to:** health care costs
6 omnibus, granting rule-making authority, making an appropriation, and
7 providing a penalty.

Analysis by the Legislative Reference Bureau

Elimination of cost sharing for prescription drugs under the Medical Assistance program

Under current law, certain persons who receive health services under the Medical Assistance program, also known in this state as BadgerCare, are required to contribute a cost-sharing payment to the cost of certain health services. This bill eliminates all cost-sharing payments for prescription drugs under the Medical Assistance program. The Medical Assistance program is a joint state and federal program that provides health services to individuals who have limited financial resources.

ASSEMBLY BILL 748***Cost-sharing cap on insulin***

This bill prohibits every health insurance policy and governmental self-insured health plan that cover insulin and impose cost sharing on prescription drugs from imposing cost sharing on insulin in an amount that exceeds \$35 for a one-month supply. Current law requires every health insurance policy that provides coverage of expenses incurred for treatment of diabetes to provide coverage for specified expenses and items, including insulin. The required coverage under current law for certain diabetes treatments other than insulin infusion pumps is subject to the same exclusions, limitations, deductibles, and coinsurance provisions of the policy as other covered expenses. The bill's cost-sharing limitation on insulin supersedes the specification that the exclusions, limitations, deductibles, and coinsurance are the same as for other coverage.

Fiduciary and disclosure requirements for pharmacy benefit managers

The bill imposes fiduciary and disclosure requirements on pharmacy benefit managers. Pharmacy benefit managers contract with health plans that provide prescription drug benefits to administer those benefits for the plans. They also have contracts with pharmacies and pay the pharmacies for providing the drugs to the plan beneficiaries.

The bill provides that a pharmacy benefit manager owes a fiduciary duty to a plan sponsor. The bill also requires that a pharmacy benefit manager annually disclose all of the following information to the plan sponsor:

1. The indirect profit received by the pharmacy benefit manager from owning a pharmacy or service provider.
2. Any payments made to a consultant or broker who works on behalf of the plan sponsor.
3. From the amounts received from drug manufacturers, the amounts retained by the pharmacy benefit manager that are related to the plan sponsor's claims or bona fide service fees.
4. The amounts received from network pharmacies and the amount retained by the pharmacy benefit manager.

Reimbursements for certain 340B program entities

The bill prohibits any person from reimbursing certain entities that participate in the federal drug pricing program, known as the 340B program, for a drug subject to an agreement under the program at a rate lower than that paid for the same drug to pharmacies that have a similar prescription volume. The bill also prohibits a person from imposing any fee, charge back, or other adjustment on the basis of the entity's participation in the 340B program. The entities covered by the prohibitions under the bill are federally qualified health centers, critical access hospitals, and grantees under the federal Ryan White HIV/AIDS program, as well as these entities' pharmacies and any pharmacy with which any of the entities have contracted to dispense drugs through the 340B program.

Drug repository program

Under current law, the Department of Health Services must maintain a drug repository program under which persons may donate certain drugs or supplies that

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may be used by other individuals identified by DHS by rule. The bill allows DHS to partner with out-of-state drug repository programs. The bill also allows out-of-state persons to donate to the drug repository program in Wisconsin, and persons in Wisconsin to donate to participating drug repository programs in other states. Further, the bill directs DHS to study and implement a centralized physical drug repository program.

Value-based diabetes medication pilot project

The bill directs the Office of the Commissioner of Insurance to develop a pilot project under which a pharmacy benefit manager and pharmaceutical manufacturer are directed to create a value-based, sole-source arrangement to reduce the costs of prescription diabetes medication. The bill allows OCI to promulgate rules to implement the pilot project.

Pharmacist continuing education credits for volunteering at free and charitable clinics

Under current law, a licensed pharmacist must renew his or her license every two years. An applicant for renewal of a pharmacist license must submit proof that he or she has completed 30 hours of continuing education within the two-year period immediately preceding the date of his or her application. The bill allows pharmacists to meet up to 10 hours of the continuing education requirement for each two-year period by volunteering at a free and charitable clinic.

Prescription drug importation program

The bill requires the commissioner of insurance, 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. The bill establishes requirements for the program, including all of the following:

1. The commissioner must designate a state agency to become a licensed wholesale distributor or contract with a licensed wholesale distributor and to seek federal certification and approval to import prescription drugs.

2. The program must comply with certain federal regulations and import from Canadian suppliers only prescription drugs that are not brand-name drugs, have fewer than four competitor drugs in this country, and for which importation creates substantial savings.

3. The commissioner must ensure that prescription drugs imported under the program are not distributed, dispensed, or sold outside of Wisconsin.

4. The program must have an audit procedure to ensure the program complies with certain requirements specified in the bill.

Before submitting the proposed program to the federal government for certification, the commissioner must submit the proposed program to the Joint Committee on Finance for its approval.

Pharmacy benefits tool grants

The bill directs 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. The tool must be

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usable by physicians and other prescribers to determine the cost of prescription drugs for their patients. Any health care provider that receives a grant to develop and implement a patient pharmacy benefits tool is required to contribute matching funds equal to at least 50 percent of the total grant awarded.

Prescription drug purchasing entity study

The bill requires OCI to conduct a study on the viability of creating or implementing a state prescription drug purchasing entity.

Licensure of pharmacy services administrative organizations

The bill requires that a pharmacy services administrative organization (PSAO) be licensed by OCI. Under the bill, a PSAO is an entity operating in Wisconsin that does all of the following:

1. Contracts with an independent pharmacy to conduct business on the pharmacy's behalf with a third-party payer.
2. 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.

The bill defines "independent pharmacy" to mean a licensed pharmacy operating in Wisconsin that is under common ownership with no more than two other pharmacies. "Administrative service" is defined to mean assisting with claims or audits, providing centralized payment, performing certification in a specialized care program, providing compliance support, setting flat fees for generic drugs, assisting with store layout, managing inventory, providing marketing support, providing management and analysis of payment and drug dispensing data, or providing resources for retail cash cards. The bill defines "third-party payer" to mean an entity operating in Wisconsin that pays or insures health, medical, or prescription drug expenses on behalf of beneficiaries. The bill uses the current law definition of "pharmacy benefit manager," which is an entity doing business in Wisconsin that contracts to administer or manage prescription drug benefits on behalf of an insurer or other entity that provides prescription drug benefits to Wisconsin residents.

To obtain the license required by the bill, a person must apply to OCI and provide the contact information for the applicant and a contact person, evidence of financial responsibility of at least \$1,000,000, and any other information required by the commissioner. Under the bill, the license fee is set by the commissioner, and the term of a license is two years.

The bill also requires that a PSAO 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.

Licensure of pharmaceutical representatives

The bill requires a pharmaceutical representative to be licensed by OCI and to display the pharmaceutical representative's license during each visit with a health care professional. The bill defines "pharmaceutical representative" to mean an individual who markets or promotes pharmaceuticals to health care professionals on behalf of a pharmaceutical manufacturer for compensation.

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The term of a license issued under the bill is one year, and the license is renewable. The application to obtain or renew a license must include the applicant's contact information, a description of the type of work in which the applicant will engage, the license fee, an attestation that professional education requirements are met, proof that any penalties and other fees are paid, and any other information required by OCI. Under the bill, the license fee is set by the commissioner. The bill requires the pharmaceutical representative to report, within four business days, any change to the information provided on the application or any material change to the pharmaceutical representative's business operations or other information required to be reported under the bill.

The bill requires that a pharmaceutical representative complete a professional education course prior to becoming licensed and to annually complete at least five hours of continuing professional education courses. The coursework must include, at a minimum, training in ethical standards, whistleblower protections, and the laws and rules applicable to pharmaceutical marketing. The bill directs the commissioner to regularly publish a list of courses that fulfill the education requirements. Under the bill, a course provider must disclose any conflict of interest, and the courses may not be provided by the employer of a pharmaceutical representative or be funded by the pharmaceutical industry or a third party funded by the industry.

The bill requires that, no later than June 1 of each year, a pharmaceutical representative report to OCI the pharmaceutical representative's total number of contacts with health care professionals in Wisconsin, the specialties of those health care professionals, the location and duration of each contact, the pharmaceuticals discussed, and the value of any item provided to a health care professional. The bill directs the commissioner to publish the information on OCI's website, without identifying individual health care professionals.

The bill requires that a pharmaceutical representative, during each contact with a health care professional, disclose the wholesale acquisition cost of any pharmaceuticals discussed and the names of at least three generic prescription drugs from the same therapeutic class.

The bill directs the commissioner to promulgate ethical standards for pharmaceutical representatives. Additionally, the bill prohibits a pharmaceutical representative from engaging in deceptive or misleading marketing of a pharmaceutical product; using a title or designation that could reasonably lead a licensed health care professional, or an employee or representative of such a professional, to believe that the pharmaceutical representative is licensed to practice in a health occupation unless the pharmaceutical representative holds a license to practice in that health occupation; or attending a patient examination without the patient's consent.

An individual who violates any of the requirements under this bill is subject to a fine, and the individual's license may be suspended or revoked. An individual whose license is revoked must wait at least two years before applying for a new license.

ASSEMBLY BILL 748***Insulin safety net programs***

The bill 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. Under the program, if a qualifying individual in urgent need of insulin provides a pharmacy with a form attesting that the individual meets the program's eligibility requirements, specified proof of residency, and a valid insulin prescription, the pharmacy must dispense a 30-day supply of insulin to the individual and may charge the individual a copayment of no more than \$35. The pharmacy may submit an electronic payment claim for the insulin's acquisition cost to the manufacturer or agree to receive a replacement of the same insulin in the amount dispensed.

The bill also requires that each insulin manufacturer establish a patient assistance program to make insulin available to any qualifying Wisconsin resident who, among other requirements, is uninsured or has limited insurance coverage and whose family income does not exceed 400 percent of the federal poverty line. Under the bill, an individual must apply to participate in a manufacturer's program. If the manufacturer determines that the individual meets the program's eligibility requirements, the manufacturer must issue the individual a statement of eligibility, which is valid for 12 months and may be renewed. Under the bill, if an individual with a statement of eligibility and valid insulin prescription requests insulin from a pharmacy, the pharmacy must submit an order to the manufacturer, who must then provide a 90-day supply of insulin at no charge to the individual or pharmacy. The pharmacy may charge the individual a copayment of no more than \$50. Under the bill, a manufacturer is not required to issue a statement of eligibility if the individual has prescription drug coverage through an individual or group health plan and the manufacturer determines that the individual's insulin needs are better addressed through the manufacturer's copayment assistance program. In such case, the manufacturer must provide the individual with the necessary drug coupons, and the individual may not be required to pay more than a \$50 copayment for a 90-day supply of insulin.

Under the bill, if the manufacturer determines that an individual is not eligible for the patient assistance program, the individual may file an appeal with OCI. The bill directs OCI to establish procedures for deciding appeals. Under the bill, OCI must issue a decision within 10 days, and that decision is final.

The bill requires that insulin manufacturers annually report to OCI certain information, including the number of individuals served and the cost of insulin dispensed under the programs and that OCI annually report to the governor and the legislature on the programs. The bill also directs OCI to conduct public outreach and develop an information sheet about the programs, conduct satisfaction surveys of individuals and pharmacies that participate in the programs, and report to the governor and the legislature on the surveys by July 1, 2026. Additionally, the bill requires that OCI develop a training program for health care navigators to assist individuals in accessing appropriate long-term insulin options and maintain a list of trained navigators.

ASSEMBLY BILL 748**SECTION 3**

1 amounts allowable under 42 CFR 447.53 to 447.58 for purchases of services provided
2 under s. 49.46 (2). The service provider shall collect the specified or allowable
3 copayment, coinsurance, or deductible, unless the service provider determines that
4 the cost of collecting the copayment, coinsurance, or deductible exceeds the amount
5 to be collected. The department shall reduce payments to each provider by the
6 amount of the specified or allowable copayment, coinsurance, or deductible. No
7 provider may deny care or services because the recipient is unable to share costs, but
8 an inability to share costs specified in this subsection does not relieve the recipient
9 of liability for these costs.

10 **SECTION 4.** 49.45 (18) (ag) of the statutes is repealed.

11 **SECTION 5.** 49.45 (18) (b) 8. of the statutes is created to read:

12 49.45 (18) (b) 8. Prescription drugs.

13 **SECTION 6.** 255.056 (2g) of the statutes is created to read:

14 255.056 (2g) The department may partner with out-of-state drug repository
15 programs. The department may authorize a medical facility or pharmacy that elects
16 to participate in the drug repository program to receive drugs or supplies from out
17 of state, and the department may authorize an out-of-state entity that participates
18 in a partner out-of-state drug repository program to receive drugs or supplies from
19 Wisconsin.

20 **SECTION 7.** 450.085 (3) of the statutes is created to read:

21 450.085 (3) An applicant for renewal of a license under s. 450.08 (2) (a) may
22 count, for purposes of the continuing education requirement under sub. (1), up to 10
23 hours spent as a volunteer at a free and charitable clinic approved by the board.

24 **SECTION 8.** 601.31 (1) (nv) of the statutes is created to read:

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1 601.31 (1) (nv) For issuing or renewing a license as a pharmaceutical
2 representative under s. 632.863, an amount to be set by the commissioner by rule.

3 **SECTION 9.** 601.31 (1) (nw) of the statutes is created to read:

4 601.31 (1) (nw) For issuing or renewing a license as a pharmacy services
5 administrative organization under s. 632.864, an amount to be set by the
6 commissioner by rule.

7 **SECTION 10.** 601.41 (13) of the statutes is created to read:

8 601.41 (13) VALUE-BASED DIABETES MEDICATION PILOT PROJECT. The
9 commissioner shall develop a pilot project to direct a pharmacy benefit manager, as
10 defined in s. 632.865 (1) (c), and a pharmaceutical manufacturer to create a
11 value-based, sole-source arrangement to reduce the costs of prescription medication
12 used to treat diabetes. The commissioner may promulgate rules to implement this
13 subsection.

14 **SECTION 11.** 601.415 (14) of the statutes is created to read:

15 601.415 (14) PATIENT PHARMACY BENEFITS TOOL. (a) From the appropriation
16 under s. 20.145 (1) (a), beginning in the 2024-25 fiscal year, the office shall award
17 grants in a total amount of up to \$500,000 each fiscal year to health care providers
18 to develop and implement a tool for prescribers to disclose the cost of prescription
19 drugs for patients. The tool must be usable by physicians and other prescribers to
20 determine the cost of prescription drugs for their patients.

21 (b) Any health care provider that receives a grant under par. (a) shall contribute
22 matching funds equal to at least 50 percent of the grant amount awarded.

23 **SECTION 12.** 601.575 of the statutes is created to read:

24 **601.575 Prescription drug importation program.** (1) IMPORTATION
25 PROGRAM REQUIREMENTS. The commissioner, in consultation with persons interested

ASSEMBLY BILL 748**SECTION 12**

1 in the sale and pricing of prescription drugs and appropriate officials and agencies
2 of the federal government, shall design and implement a prescription drug
3 importation program for the benefit of residents of this state, that generates savings
4 for residents, and that satisfies all of the following:

5 (a) The commissioner shall designate a state agency to become a licensed
6 wholesale distributor or to contract with a licensed wholesale distributor and shall
7 seek federal certification and approval to import prescription drugs.

8 (b) The program shall comply with relevant requirements of 21 USC 384,
9 including safety and cost savings requirements.

10 (c) The program shall import prescription drugs from Canadian suppliers
11 regulated under any appropriate Canadian or provincial laws.

12 (d) The program shall have a process to sample the purity, chemical
13 composition, and potency of imported prescription drugs.

14 (e) The program shall import only those prescription drugs for which
15 importation creates substantial savings for residents of this state and only those
16 prescription drugs that are not brand-name drugs and that have fewer than 4
17 competitor prescription drugs in the United States.

18 (f) The commissioner shall ensure that prescription drugs imported under the
19 program are not distributed, dispensed, or sold outside of this state.

20 (g) The program shall ensure all of the following:

21 1. Participation by any pharmacy or health care provider in the program is
22 voluntary.

23 2. Any pharmacy or health care provider participating in the program has the
24 appropriate license or other credential in this state.

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1 3. Any pharmacy or health care provider participating in the program charges
2 a consumer or health plan the actual acquisition cost of the imported prescription
3 drug that is dispensed.

4 (h) The program shall ensure that a payment by a health plan or health
5 insurance policy for a prescription drug imported under the program reimburses no
6 more than the actual acquisition cost of the imported prescription drug that is
7 dispensed.

8 (i) The program shall ensure that any health plan or health insurance policy
9 participating in the program does all of the following:

10 1. Maintains a formulary and claims payment system with current information
11 on prescription drugs imported under the program.

12 2. Bases cost-sharing amounts for participants or insureds under the plan or
13 policy on no more than the actual acquisition cost of the prescription drug imported
14 under the program that is dispensed to the participant or insured.

15 3. Demonstrates to the commissioner or a state agency designated by the
16 commissioner how premiums under the plan or policy are affected by savings on
17 prescription drugs imported under the program.

18 (j) Any wholesale distributor importing prescription drugs under the program
19 shall limit its profit margin to the amount established by the commissioner or a state
20 agency designated by the commissioner.

21 (k) The program may not import any generic prescription drug that would
22 violate federal patent laws on branded products in the United States.

23 (L) The program shall comply with tracking and tracing requirements of 21
24 USC 360eee and 360eee-1, to the extent practical and feasible, before the
25 prescription drug to be imported comes into the possession of this state's wholesale

ASSEMBLY BILL 748**SECTION 12**

1 distributor and fully after the prescription drug to be imported is in the possession
2 of this state's wholesale distributor.

3 (m) The program shall establish a fee or other mechanism to finance the
4 program that does not jeopardize significant savings to residents of this state.

5 (n) The program shall have an audit function that ensures all of the following:

6 1. The commissioner has a sound methodology to determine the most
7 cost-effective prescription drugs to include in the program.

8 2. The commissioner has a process in place to select Canadian suppliers that
9 are high quality, high performing, and in full compliance with Canadian laws.

10 3. Prescription drugs imported under the program are pure, unadulterated,
11 potent, and safe.

12 4. The program is complying with the requirements of this subsection.

13 5. The program is adequately financed to support administrative functions of
14 the program while generating significant cost savings to residents of this state.

15 6. The program does not put residents of this state at a higher risk than if the
16 program did not exist.

17 7. The program provides and is projected to continue to provide substantial cost
18 savings to residents of this state.

19 **(2) ANTICOMPETITIVE BEHAVIOR.** The commissioner, in consultation with the
20 attorney general, shall identify the potential for and monitor anticompetitive
21 behavior in industries affected by a prescription drug importation program.

22 **(3) APPROVAL OF PROGRAM DESIGN; CERTIFICATION.** No later than the first day of
23 the 7th month beginning after the effective date of this subsection [LRB inserts
24 date], the commissioner shall submit to the joint committee on finance a report that
25 includes the design of the prescription drug importation program in accordance with

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1 this section. The commissioner may not submit the proposed program to the federal
2 department of health and human services unless the joint committee on finance
3 approves the proposed program. Within 14 days of the date of approval by the joint
4 committee on finance of the proposed program, the commissioner shall submit to the
5 federal department of health and human services a request for certification of the
6 approved program.

7 (4) IMPLEMENTATION OF CERTIFIED PROGRAM. After the federal department of
8 health and human services certifies the prescription drug importation program
9 submitted under sub. (3), the commissioner shall begin implementation of the
10 program, and the program shall be fully operational by 180 days after the date of
11 certification by the federal department of health and human services. The
12 commissioner shall do all of the following to implement the program to the extent the
13 action is in accordance with other state laws and the certification by the federal
14 department of health and human services:

15 (a) Become a licensed wholesale distributor, designate another state agency to
16 become a licensed wholesale distributor, or contract with a licensed wholesale
17 distributor.

18 (b) Contract with one or more Canadian suppliers that meet the criteria in sub.
19 (1) (c) and (n).

20 (c) Create an outreach and marketing plan to communicate with and provide
21 information to health plans and health insurance policies, employers, pharmacies,
22 health care providers, and residents of this state on participating in the program.

23 (d) Develop and implement a registration process for health plans and health
24 insurance policies, pharmacies, and health care providers interested in participating
25 in the program.

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1 (e) Create a publicly accessible source for listing prices of prescription drugs
2 imported under the program.

3 (f) Create, publicize, and implement a method of communication to promptly
4 answer questions from and address the needs of persons affected by the
5 implementation of the program before the program is fully operational.

6 (g) Establish the audit functions under sub. (1) (n) with a timeline to complete
7 each audit function every 2 years.

8 (h) Conduct any other activities determined by the commissioner to be
9 important to successful implementation of the program.

10 **(5) REPORT.** By January 1 and July 1 of each year, the commissioner shall
11 submit to the joint committee on finance a report including all of the following:

12 (a) A list of prescription drugs included in the prescription drug importation
13 program under this section.

14 (b) The number of pharmacies, health care providers, and health plans and
15 health insurance policies participating in the prescription drug importation program
16 under this section.

17 (c) The estimated amount of savings to residents of this state, health plans and
18 health insurance policies, and employers resulting from the implementation of the
19 prescription drug importation program under this section reported from the date of
20 the previous report under this subsection and from the date the program was fully
21 operational.

22 (d) Findings of any audit functions under sub. (1) (n) completed since the date
23 of the previous report under this subsection.

24 **(6) RULEMAKING.** The commissioner may promulgate any rules necessary to
25 implement this section.

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1 **SECTION 13.** 609.83 of the statutes is amended to read:

2 **609.83 Coverage of drugs and devices.** Limited service health
3 organizations, preferred provider plans, and defined network plans are subject to ss.
4 632.853, 632.861, and 632.895 (6) (b), (16t), and (16v).

5 **SECTION 14.** 632.863 of the statutes is created to read:

6 **632.863 Pharmaceutical representatives. (1) DEFINITIONS.** In this section:

7 (a) “Health care professional” means a physician or other health care
8 practitioner who is licensed to provide health care services or to prescribe
9 pharmaceutical or biologic products.

10 (b) “Pharmaceutical” means a medication that may legally be dispensed only
11 with a valid prescription from a health care professional.

12 (c) “Pharmaceutical representative” means an individual who markets or
13 promotes pharmaceuticals to health care professionals on behalf of a pharmaceutical
14 manufacturer for compensation.

15 (d) “Wholesale acquisition cost” means the most recently reported
16 manufacturer list or catalog price for a brand-name or generic drug available to
17 wholesalers or direct purchasers in the United States, before application of
18 discounts, rebates, or reductions in price.

19 **(2) LICENSURE.** (a) No individual may act as a pharmaceutical representative
20 in this state without being licensed by the commissioner as a pharmaceutical
21 representative under this section. In order to obtain a license, the individual shall
22 apply to the commissioner in the form and manner prescribed by the commissioner.
23 The term of a license issued under this paragraph is one year and is renewable. The
24 application to obtain or renew a license shall include all of the following information:

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1 1. The applicant's full name, residence address and telephone number, and
2 business address and telephone number.

3 2. A description of the type of work in which the applicant will engage.

4 3. The fee under s. 601.31 (1) (nv).

5 4. An attestation that the applicant meets the professional education
6 requirements under sub. (3).

7 5. Proof that the applicant has paid any assessed penalties and fees.

8 6. Any other information required by the commissioner.

9 (b) The pharmaceutical representative licensed under par. (a) shall report, in
10 writing, to the commissioner any change to the information submitted on an
11 application under par. (a) or any material change to the pharmaceutical
12 representative's business operations or to any information provided under this
13 section. The pharmaceutical representative shall make the report no later than 4
14 business days after the change or material change occurs.

15 (c) A pharmaceutical representative licensed under par. (a) shall display the
16 pharmaceutical representative's license during each visit with a health care
17 professional.

18 **(3) PROFESSIONAL EDUCATION REQUIREMENTS.** (a) In order to become initially
19 licensed under sub. (2) (a), a pharmaceutical representative shall complete a
20 professional education course as determined by the commissioner. A pharmaceutical
21 representative shall, upon request, provide the commissioner with proof of the
22 coursework's completion.

23 (b) In order to renew a license under sub. (2) (a), a pharmaceutical
24 representative shall complete a minimum of 5 hours of continuing professional

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1 education courses. A pharmaceutical representative shall, upon request, provide the
2 commissioner with proof of the coursework's completion.

3 (c) The professional education coursework required under pars. (a) and (b) shall
4 include training in ethical standards, whistleblower protections, laws and rules
5 applicable to pharmaceutical marketing, and other subjects that the commissioner
6 may identify by rule.

7 (d) The commissioner shall regularly designate courses that fulfill the
8 requirements under this subsection and publish a list of the designated courses.

9 (e) The professional education coursework required under this subsection may
10 not be provided by the employer of a pharmaceutical representative or be funded, in
11 any way, by the pharmaceutical industry or a 3rd party funded by the
12 pharmaceutical industry. A provider of a course designated under par. (d) shall
13 disclose any conflict of interest.

14 **(4) DISCLOSURE TO COMMISSIONER.** (a) No later than June 1 of each year, a
15 pharmaceutical representative licensed under sub. (2) (a) shall provide to the
16 commissioner, in the manner prescribed by the commissioner, all of the following
17 information from the previous calendar year:

18 1. The total number of times the pharmaceutical representative contacted
19 health care professionals in this state and the specialties of the health care
20 professionals contacted.

21 2. For each contact with a health care professional in this state, the location and
22 duration of the contact, the pharmaceuticals for which the pharmaceutical
23 representative provided information, and the value of any item, including a product
24 sample, compensation, material, or gift, provided to the health care professional.

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1 (b) The commissioner shall publish the information received under par. (a) on
2 the commissioner's website in a manner in which individual health care
3 professionals are not identifiable by name or other identifiers.

4 (5) DISCLOSURE TO HEALTH CARE PROFESSIONALS. During each contact with a
5 health care professional, a pharmaceutical representative licensed under sub. (2) (a)
6 shall disclose the wholesale acquisition cost of any pharmaceutical for which the
7 pharmaceutical representative provides information and the names of at least 3
8 generic prescription drugs from the same therapeutic class or, if 3 are not available,
9 as many as are available for prescriptive use.

10 (6) ETHICAL STANDARDS. The commissioner shall promulgate rules that contain
11 ethical standards for pharmaceutical representatives and shall publish the ethical
12 standards on the commissioner's website. A pharmaceutical representative licensed
13 under sub. (2) (a) shall comply with the ethical standards contained in the rules and
14 may not do any of the following:

15 (a) Engage in deceptive or misleading marketing of a pharmaceutical,
16 including the knowing concealment, suppression, omission, misleading
17 representation, or misstatement of a material fact.

18 (b) Use a title or designation that could reasonably lead a licensed health care
19 professional, or an employee or representative of a licensed health care professional,
20 to believe that the pharmaceutical representative is licensed to practice medicine,
21 nursing, dentistry, optometry, pharmacy, or other similar health occupation in this
22 state unless the pharmaceutical representative holds that license to practice.

23 (c) Attend a patient examination without the patient's consent.

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1 **(7) ENFORCEMENT.** (a) Any individual who violates this section shall be fined
2 not less than \$1,000 nor more than \$3,000 for each offense. Each day of continued
3 violation constitutes a separate offense.

4 (b) The commissioner may suspend or revoke the license of a pharmaceutical
5 representative who violates this section. A suspended or revoked license may not be
6 reinstated until the pharmaceutical representative remedies all violations related
7 to the suspension or revocation and pays all assessed penalties and fees. A
8 pharmaceutical representative whose license is revoked for any cause may not be
9 issued a license under sub. (2) (a) until at least 2 years after the date of revocation.

10 (c) A health care professional who meets with a pharmaceutical representative
11 who does not display the pharmaceutical representative's license or share the
12 information required under sub. (5) may report the pharmaceutical representative
13 to the commissioner.

14 **(8) RULES.** The commissioner may promulgate rules to implement this section.

15 **SECTION 15.** 632.864 of the statutes is created to read:

16 **632.864 Pharmacy services administrative organizations. (1)**

17 **DEFINITIONS.** In this section:

18 (a) "Administrative service" means any of the following:

- 19 1. Assisting with claims.
- 20 2. Assisting with audits.
- 21 3. Providing centralized payment.
- 22 4. Performing certification in a specialized care program.
- 23 5. Providing compliance support.
- 24 6. Setting flat fees for generic drugs.
- 25 7. Assisting with store layout.

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- 1 8. Managing inventory.
- 2 9. Providing marketing support.
- 3 10. Providing management and analysis of payment and drug dispensing data.
- 4 11. Providing resources for retail cash cards.

5 (b) “Independent pharmacy” means a pharmacy operating in this state that is
6 licensed under s. 450.06 or 450.065 and is under common ownership with no more
7 than 2 other pharmacies.

8 (c) “Pharmacy benefit manager” has the meaning given in s. 632.865 (1) (c).

9 (d) “Pharmacy services administrative organization” means an entity
10 operating in this state that does all of the following:

11 1. Contracts with an independent pharmacy to conduct business on the
12 independent pharmacy’s behalf with a 3rd-party payer.

13 2. Provides at least one administrative service to an independent pharmacy
14 and negotiates and enters into a contract with a 3rd-party payer or pharmacy benefit
15 manager on behalf of the independent pharmacy.

16 (e) “Third-party payer” means an entity, including a plan sponsor, health
17 maintenance organization, or insurer, operating in this state that pays or insures
18 health, medical, or prescription drug expenses on behalf of beneficiaries.

19 **(2) LICENSURE.** (a) No person may operate as a pharmacy services
20 administrative organization in this state without being licensed by the commissioner
21 as a pharmacy services administrative organization under this section. In order to
22 obtain a license, the person shall apply to the commissioner in the form and manner
23 prescribed by the commissioner. The application shall include all of the following:

24 1. The name, address, telephone number, and federal employer identification
25 number of the applicant.

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1 2. The name, business address, and telephone number of a contact person for
2 the applicant.

3 3. The fee under s. 601.31 (1) (nw).

4 4. Evidence of financial responsibility of at least \$1,000,000.

5 5. Any other information required by the commissioner.

6 (b) The term of a license issued under par. (a) shall be 2 years from the date of
7 issuance.

8 **(3) DISCLOSURE TO THE COMMISSIONER.** (a) A pharmacy services administrative
9 organization licensed under sub. (2) shall disclose to the commissioner the extent of
10 any ownership or control of the pharmacy services administrative organization by
11 an entity that does any of the following:

12 1. Provides pharmacy services.

13 2. Provides prescription drug or device services.

14 3. Manufactures, sells, or distributes prescription drugs, biologicals, or medical
15 devices.

16 (b) A pharmacy services administrative organization licensed under sub. (2)
17 shall notify the commissioner in writing within 5 days of any material change in its
18 ownership or control relating to an entity described in par. (a).

19 **(4) RULES.** The commissioner may promulgate rules to implement this section.

20 **SECTION 16.** 632.865 (2m) of the statutes is created to read:

21 **632.865 (2m) FIDUCIARY DUTY AND DISCLOSURES TO HEALTH BENEFIT PLAN**
22 **SPONSORS.** (a) A pharmacy benefit manager owes a fiduciary duty to the health
23 benefit plan sponsor to act according to the health benefit plan sponsor's instructions
24 and in the best interests of the health benefit plan sponsor.

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1 (b) A pharmacy benefit manager shall annually provide, no later than the date
2 and using the method prescribed by the commissioner by rule, the health benefit plan
3 sponsor all of the following information from the previous calendar year:

4 1. The indirect profit received by the pharmacy benefit manager from owning
5 any interest in a pharmacy or service provider.

6 2. Any payment made by the pharmacy benefit manager to a consultant or
7 broker who works on behalf of the health benefit plan sponsor.

8 3. From the amounts received from all drug manufacturers, the amounts
9 retained by the pharmacy benefit manager, and not passed through to the health
10 benefit plan sponsor, that are related to the health benefit plan sponsor's claims or
11 bona fide service fees.

12 4. The amounts, including pharmacy access and audit recovery fees, received
13 from all pharmacies that are in the pharmacy benefit manager's network or have a
14 contract to be in the network and, from these amounts, the amount retained by the
15 pharmacy benefit manager and not passed through to the health benefit plan
16 sponsor.

17 **SECTION 17.** 632.868 of the statutes is created to read:

18 **632.868 Insulin safety net programs. (1) DEFINITIONS.** In this section:

19 (a) "Manufacturer" means a person engaged in the manufacturing of insulin
20 that is self-administered on an outpatient basis.

21 (b) "Navigator" has the meaning given in s. 628.90 (3).

22 (c) "Patient assistance program" means a program established by a
23 manufacturer under sub. (3) (a).

24 (d) "Pharmacy" means an entity licensed under s. 450.06 or 450.065.

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1 (e) “Urgent need of insulin” means having less than a 7-day supply of insulin
2 readily available for use and needing insulin in order to avoid the likelihood of
3 suffering a significant health consequence.

4 (f) “Urgent need safety net program” means a program established by a
5 manufacturer under sub. (2) (a).

6 **(2) URGENT NEED SAFETY NET PROGRAM.** (a) *Establishment of program.* No later
7 than July 1, 2024, each manufacturer shall establish an urgent need safety net
8 program to make insulin available in accordance with this subsection to individuals
9 who meet the eligibility requirements under par. (b).

10 (b) *Eligible individual.* An individual shall be eligible to receive insulin under
11 an urgent need safety net program if all of the following conditions are met:

- 12 1. The individual is in urgent need of insulin.
- 13 2. The individual is a resident of this state.
- 14 3. The individual is not receiving public assistance under ch. 49.
- 15 4. The individual is not enrolled in prescription drug coverage through an
16 individual or group health plan that limits the total cost sharing amount, including
17 copayments, deductibles, and coinsurance, that an enrollee is required to pay for a
18 30-day supply of insulin to no more than \$75, regardless of the type or amount of
19 insulin prescribed.
- 20 5. The individual has not received insulin under an urgent need safety net
21 program within the previous 12 months, except as allowed under par. (d).

22 (c) *Provision of insulin under an urgent need safety net program.* 1. In order
23 to receive insulin under an urgent need safety net program, an individual who meets
24 the eligibility requirements under par. (b) shall provide a pharmacy with all of the
25 following:

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1 a. A completed application, on a form prescribed by the commissioner that shall
2 include an attestation by the individual, or the individual's parent or legal guardian
3 if the individual is under the age of 18, that the individual meets all of the eligibility
4 requirements under par. (b).

5 b. A valid insulin prescription.

6 c. A valid Wisconsin driver's license or state identification card. If the
7 individual is under the age of 18, the individual's parent or legal guardian shall meet
8 this requirement.

9 2. Upon receipt of the information described in subd. 1. a. to c., the pharmacist
10 shall dispense a 30-day supply of the prescribed insulin to the individual. The
11 pharmacy shall also provide the individual with the information sheet described in
12 sub. (8) (b) 2. and the list of navigators described in sub. (8) (c). The pharmacy may
13 collect a copayment, not to exceed \$35, from the individual to cover the pharmacy's
14 costs of processing and dispensing the insulin. The pharmacy shall notify the health
15 care practitioner who issued the prescription no later than 72 hours after the insulin
16 is dispensed.

17 3. A pharmacy that dispenses insulin under subd. 2. may submit to the
18 manufacturer, or the manufacturer's vendor, a claim for payment that is in
19 accordance with the national council for prescription drug programs' standards for
20 electronic claims processing, except that no claim may be submitted if the
21 manufacturer agrees to send the pharmacy a replacement of the same insulin in the
22 amount dispensed. If the pharmacy submits an electronic claim, the manufacturer
23 or vendor shall reimburse the pharmacy in an amount that covers the pharmacy's
24 acquisition cost.

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1 4. A pharmacy that dispenses insulin under subd. 2. shall retain a copy of the
2 application form described in subd. 1. a.

3 (d) *Eligibility of certain individuals.* An individual who has applied for public
4 assistance under ch. 49 but for whom a determination of eligibility has not been made
5 or whose coverage has not become effective or an individual who has an appeal
6 pending under sub. (3) (c) 4. may access insulin under this subsection if the
7 individual is in urgent need of insulin. To access a 30-day supply of insulin, the
8 individual shall attest to the pharmacy that the individual is described in this
9 paragraph and comply with par. (c) 1.

10 **(3) PATIENT ASSISTANCE PROGRAM.** (a) *Establishment of program.* No later than
11 July 1, 2024, each manufacturer shall establish a patient assistance program to
12 make insulin available in accordance with this subsection to individuals who meet
13 the eligibility requirements under par. (b). Under the patient assistance program,
14 the manufacturer shall do all of the following:

15 1. Provide the commissioner with information regarding the patient assistance
16 program, including contact information for individuals to call for assistance in
17 accessing the patient assistance program.

18 2. Provide a hotline for individuals to call or access between 8 a.m. and 10 p.m.
19 on weekdays and between 10 a.m. and 6 p.m. on Saturdays.

20 3. List the eligibility requirements under par. (b) on the manufacturer's
21 website.

22 4. Maintain the privacy of all information received from an individual applying
23 for or participating in the patient assistance program and not sell, share, or
24 disseminate the information unless required under this section or authorized, in
25 writing, by the individual.

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1 (b) *Eligible individual*. An individual shall be eligible to receive insulin under
2 a patient assistance program if all of the following conditions are met:

3 1. The individual is a resident of this state.

4 2. The individual, or the individual's parent or legal guardian if the individual
5 is under the age of 18, has a valid Wisconsin driver's license or state identification
6 card.

7 3. The individual has a valid insulin prescription.

8 4. The family income of the individual does not exceed 400 percent of the
9 poverty line as defined and revised annually under 42 USC 9902 (2) for a family the
10 size of the individual's family.

11 5. The individual is not receiving public assistance under ch. 49.

12 6. The individual is not eligible to receive health care through a federally
13 funded program or receive prescription drug benefits through the U.S. department
14 of veterans affairs, except that this subdivision does not apply to an individual who
15 is enrolled in a policy under Part D of Medicare under 42 USC 1395w-101 et seq. if
16 the individual has spent at least \$1,000 on prescription drugs in the current calendar
17 year.

18 7. The individual is not enrolled in prescription drug coverage through an
19 individual or group health plan that limits the total cost sharing amount, including
20 copayments, deductibles, and coinsurance, that an enrollee is required to pay for a
21 30-day supply of insulin to no more than \$75, regardless of the type or amount of
22 insulin needed.

23 (c) *Application for patient assistance program*. 1. An individual may apply to
24 participate in a patient assistance program by filing an application with the
25 manufacturer that established the patient assistance program, the individual's

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1 health care practitioner if the practitioner participates in the patient assistance
2 program, or a navigator included on the list under sub. (8) (c). A health care
3 practitioner or navigator shall immediately submit the application to the
4 manufacturer. Upon receipt of an application, the manufacturer shall determine the
5 individual's eligibility under par. (b) and, except as provided in subd. 2., notify the
6 individual of the determination no later than 10 days after receipt of the application.

7 2. If necessary to determine the individual's eligibility under par. (b), the
8 manufacturer may request additional information from an individual who has filed
9 an application under subd. 1. no later than 5 days after receipt of the application.
10 Upon receipt of the additional information, the manufacturer shall determine the
11 individual's eligibility under par. (b) and notify the individual of the determination
12 no later than 3 days after receipt of the requested information.

13 3. Except as provided in subd. 5., if the manufacturer determines under subd.
14 1. or 2. that the individual is eligible for the patient assistance program, the
15 manufacturer shall provide the individual with a statement of eligibility. The
16 statement of eligibility shall be valid for 12 months and may be renewed upon a
17 determination by the manufacturer that the individual continues to meet the
18 eligibility requirements under par. (b).

19 4. If the manufacturer determines under subd. 1. or 2. that the individual is not
20 eligible for the patient assistance program, the manufacturer shall provide the
21 reason for the determination in the notification under subd. 1. or 2. The individual
22 may appeal the determination by filing an appeal with the commissioner that shall
23 include all of the information provided to the manufacturer under subds. 1. and 2.
24 The commissioner shall establish procedures for deciding appeals under this
25 subdivision. The commissioner shall issue a decision no later than 10 days after the

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1 appeal is filed, and the commissioner's decision shall be final. If the commissioner
2 determines that the individual meets the eligibility requirements under par. (b), the
3 manufacturer shall provide the individual with the statement of eligibility described
4 in subd. 3.

5 5. In the case of an individual who has prescription drug coverage through an
6 individual or group health plan, if the manufacturer determines under subd. 1. or 2.
7 that the individual is eligible for the patient assistance program but also determines
8 that the individual's insulin needs are better addressed through the use of the
9 manufacturer's copayment assistance program rather than the patient assistance
10 program, the manufacturer shall inform the individual of the determination and
11 provide the individual with the necessary coupons to submit to a pharmacy. The
12 individual may not be required to pay more than the copayment amount specified in
13 par. (d) 2.

14 (d) *Provision of insulin under a patient assistance program.* 1. Upon receipt
15 from an individual of the eligibility statement described in par. (c) 3. and a valid
16 insulin prescription, a pharmacy shall submit an order containing the name of the
17 insulin and daily dosage amount to the manufacturer. The pharmacy shall include
18 with the order the pharmacy's name, shipping address, office telephone number, fax
19 number, email address, and contact name, as well as any days or times when
20 deliveries are not accepted by the pharmacy.

21 2. Upon receipt of an order meeting the requirements under subd. 1., the
22 manufacturer shall send the pharmacy a 90-day supply of insulin, or lesser amount
23 if requested in the order, at no charge to the individual or pharmacy. The pharmacy
24 shall dispense the insulin to the individual associated with the order. The insulin
25 shall be dispensed at no charge to the individual, except that the pharmacy may

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1 collect a copayment from the individual to cover the pharmacy's costs for processing
2 and dispensing in an amount not to exceed \$50 for each 90-day supply of insulin.
3 The pharmacy may not seek reimbursement from the manufacturer or a 3rd-party
4 payer.

5 3. The pharmacy may submit a reorder to the manufacturer if the individual's
6 eligibility statement described in par. (c) 3. has not expired. The reorder shall be
7 treated as an order for purposes of subd. 2.

8 4. Notwithstanding subds. 2. and 3., a manufacturer may send the insulin
9 directly to the individual if the manufacturer provides a mail-order service option,
10 in which case the pharmacy may not collect a copayment from the individual.

11 **(4) EXCEPTIONS.** (a) This section does not apply to a manufacturer that shows
12 to the commissioner's satisfaction that the manufacturer's annual gross revenue
13 from insulin sales in this state does not exceed \$2,000,000.

14 (b) A manufacturer may not be required to make an insulin product available
15 under sub. (2) or (3) if the wholesale acquisition cost of the insulin product does not
16 exceed \$8, as adjusted annually based on the U.S. consumer price index for all urban
17 consumers, U.S. city average, per milliliter or the applicable national council for
18 prescription drug programs' plan billing unit.

19 **(5) CONFIDENTIALITY.** All medical information solicited or obtained by any
20 person under this section shall be subject to the applicable provisions of state law
21 relating to confidentiality of medical information, including s. 610.70.

22 **(6) REIMBURSEMENT PROHIBITION.** No person, including a manufacturer,
23 pharmacy, pharmacist, or 3rd-party administrator, as part of participating in an
24 urgent need safety net program or patient assistance program may request or seek,
25 or cause another person to request or seek, any reimbursement or other

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1 compensation for which payment may be made in whole or in part under a federal
2 health care program, as defined in 42 USC 1320a-7b (f).

3 (7) REPORTS. (a) Annually, no later than March 1, each manufacturer shall
4 report to the commissioner all of the following information for the previous calendar
5 year:

6 1. The number of individuals who received insulin under the manufacturer's
7 urgent need safety net program.

8 2. The number of individuals who sought assistance under the manufacturer's
9 patient assistance program and the number of individuals who were determined to
10 be ineligible under sub. (3) (c) 4.

11 3. The wholesale acquisition cost of the insulin provided by the manufacturer
12 through the urgent need safety net program and patient assistance program.

13 (b) Annually, no later than April 1, the commissioner shall submit to the
14 governor and the chief clerk of each house of the legislature, for distribution to the
15 legislature under s. 13.172 (2), a report on the urgent need safety net programs and
16 patient assistance programs that includes all of the following:

17 1. The information provided to the commissioner under par. (a).

18 2. The penalties assessed under sub. (9) during the previous calendar year,
19 including the name of the manufacturer and amount of the penalty.

20 (8) ADDITIONAL RESPONSIBILITIES OF COMMISSIONER. (a) *Application form.* The
21 commissioner shall make the application form described in sub. (2) (c) 1. a. available
22 on the office's website and shall make the form available to pharmacies and health
23 care providers who prescribe or dispense insulin, hospital emergency departments,
24 urgent care clinics, and community health clinics.

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1 (b) *Public outreach.* 1. The commissioner shall conduct public outreach to
2 create awareness of the urgent need safety net programs and patient assistance
3 programs.

4 2. The commissioner shall develop and make available on the office's website
5 an information sheet that contains all of the following information:

6 a. A description of how to access insulin through an urgent need safety net
7 program.

8 b. A description of how to access insulin through a patient assistance program.

9 c. Information on how to contact a navigator for assistance in accessing insulin
10 through an urgent need safety net program or patient assistance program.

11 d. Information on how to contact the commissioner if a manufacturer
12 determines that an individual is not eligible for a patient assistance program.

13 e. A notification that an individual may contact the commissioner for more
14 information or assistance in accessing ongoing affordable insulin options.

15 (c) *Navigators.* The commissioner shall develop a training program to provide
16 navigators with information and the resources necessary to assist individuals in
17 accessing appropriate long-term insulin options. The commissioner shall compile
18 a list of navigators that have completed the training program and are available to
19 assist individuals in accessing affordable insulin coverage options. The list shall be
20 made available on the office's website and to pharmacies and health care
21 practitioners who dispense and prescribe insulin.

22 (d) *Satisfaction surveys.* 1. The commissioner shall develop and conduct a
23 satisfaction survey of individuals who have accessed insulin through urgent need
24 safety net programs and patient assistance programs. The survey shall ask whether
25 the individual is still in need of a long-term solution for affordable insulin and shall

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1 include questions about the individual's satisfaction with all of the following, if
2 applicable:

3 a. Accessibility to urgent-need insulin.

4 b. Adequacy of the information sheet and list of navigators received from the
5 pharmacy.

6 c. Helpfulness of a navigator.

7 d. Ease of access in applying for a patient assistance program and receiving
8 insulin from the pharmacy under the patient assistance program.

9 2. The commissioner shall develop and conduct a satisfaction survey of
10 pharmacies that have dispensed insulin through urgent need safety net programs
11 and patient assistance programs. The survey shall include questions about the
12 pharmacy's satisfaction with all of the following, if applicable:

13 a. Timeliness of reimbursement from manufacturers for insulin dispensed by
14 the pharmacy under urgent need safety net programs.

15 b. Ease in submitting insulin orders to manufacturers.

16 c. Timeliness of receiving insulin orders from manufacturers.

17 3. The commissioner may contract with a nonprofit entity to develop and
18 conduct the surveys under subds. 1. and 2. and to evaluate the survey results.

19 4. No later than July 1, 2026, the commissioner shall submit to the governor
20 and the chief clerk of each house of the legislature, for distribution to the legislature
21 under s. 13.172 (2), a report on the results of the surveys under subds. 1. and 2.

22 **(9) PENALTY.** A manufacturer that fails to comply with this section may be
23 assessed a penalty of up to \$200,000 per month of noncompliance, with the maximum
24 penalty increasing to \$400,000 per month if the manufacturer continues to be in

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1 noncompliance after 6 months and increasing to \$600,000 per month if the
2 manufacturer continues to be in noncompliance after one year.

3 **SECTION 18.** 632.869 of the statutes is created to read:

4 **632.869 Reimbursement to federal drug pricing program participants.**

5 (1) In this section:

6 (a) “Covered entity” means an entity described in 42 USC 256b (a) (4) (A), (D),
7 (E), (J), or (N) that participates in the federal drug pricing program under 42 USC
8 256b, a pharmacy of the entity, or a pharmacy contracted with the entity to dispense
9 drugs purchased through the federal drug pricing program under 42 USC 256b.

10 (b) “Pharmacy benefit manager” has the meaning given in s. 632.865 (1) (c).

11 (2) No person, including a pharmacy benefit manager and 3rd-party payer,
12 may do any of the following:

13 (a) Reimburse a covered entity for a drug that is subject to an agreement under
14 42 USC 256b at a rate lower than that paid for the same drug to pharmacies that are
15 not covered entities and have a similar prescription volume to that of the covered
16 entity.

17 (b) Assess a covered entity any fee, charge back, or other adjustment on the
18 basis of the covered entity’s participation in the federal drug pricing program under
19 42 USC 256b.

20 **SECTION 19.** 632.895 (6) (title) of the statutes is amended to read:

21 632.895 (6) (title) ~~EQUIPMENT AND SUPPLIES FOR TREATMENT OF DIABETES; INSULIN.~~

22 **SECTION 20.** 632.895 (6) of the statutes is renumbered 632.895 (6) (a) and
23 amended to read:

24 632.895 (6) (a) Every disability insurance policy ~~which~~ that provides coverage
25 of expenses incurred for treatment of diabetes shall provide coverage for expenses

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1 incurred by the installation and use of an insulin infusion pump, coverage for all
2 other equipment and supplies, including insulin or any other prescription
3 medication, used in the treatment of diabetes, and coverage of diabetic
4 self-management education programs. Coverage Except as provided in par. (b),
5 coverage required under this subsection shall be subject to the same exclusions,
6 limitations, deductibles, and coinsurance provisions of the policy as other covered
7 expenses, except that insulin infusion pump coverage may be limited to the purchase
8 of one pump per year and the insurer may require the insured to use a pump for 30
9 days before purchase.

10 **SECTION 21.** 632.895 (6) (b) of the statutes is created to read:

11 632.895 (6) (b) 1. In this paragraph:

12 a. “Cost sharing” means the total of any deductible, copayment, or coinsurance
13 amounts imposed on a person covered under a policy or plan.

14 b. “Self-insured health plan” has the meaning given in s. 632.85 (1) (c).

15 2. Every disability insurance policy and self-insured health plan that covers
16 insulin and imposes cost sharing on prescription drugs may not impose cost sharing
17 on insulin in an amount that exceeds \$35 for a one-month supply of insulin.

18 3. Nothing in this paragraph prohibits a disability insurance policy or
19 self-insured health plan from imposing cost sharing on insulin in an amount less
20 than the amount specified under subd. 2. Nothing in this paragraph requires a
21 disability insurance policy or self-insured health plan to impose any cost sharing on
22 insulin.

23 **SECTION 22. Nonstatutory provisions.**

