

1999 DRAFTING REQUEST

Assembly Substitute Amendment (ASA-AB815)

Received: 02/24/2000

Received By: kenneda

Wanted: As time permits

Identical to LRB:

For: Peggy Krusick (608) 266-1733

By/Representing: *Christian (aide)*

This file may be shown to any legislator: NO

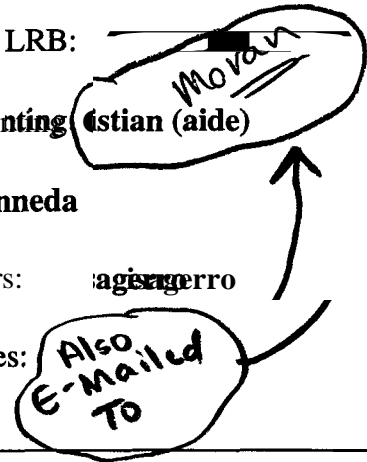
Drafter: kenneda

May Contact: Bill Burns (DHFS), CWAG

Alt. Drafters: *agisgerro*

Subject: Health - miscellaneous
Public Assistance - misc

Extra Copies:



Pre Topic:

No specific pre topic given

Topic:

Prescription drug program for low-income elderly

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>
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May Contact: **Bill Burns (DHFS),CWAG**

Alt. Drafters: **isagerro**

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Public Assistance - misc**

Extra Copies: *NGG*

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1999 DRAFTING REQUEST

Assembly Substitute Amendment (ASA-AB(LRBx3918/9))

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Received: **02/24/2000**

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Wanted: **As time permits**

Identical to LRB:

For: **Peggy Krusick (608) 266-1733**

By/Representing: **Christian (aide)**

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

Drafter: **kenneda**

May Contact: **Bill Burns (DHFS),CWAG**

Alt. Drafters: **isagerro**

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Public Assistance - misc**

Extra Copies: *MG*

Pre Topic:

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Instructions:

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FE Sent For:

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FE Sent For:

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February 24, 2000

TO: DEBORA KENNEDY, Managing Attorney
FROM: Christian Moran (Peggy Krusick's office, 6-1733)
SUBJECT: Substitute amendment to LRB-39 18

Peggy would like to request a substitute amendment be drafted to replace LRB-3918. The provisions, as proposed by the Coalition of Wisconsin Aging Groups, are attached. The only addition would be to include a starting date of Jan. 1, 2001.

Sorry about the short notice, but this request is time sensitive. LRB-3918 is scheduled to come before the Health Committee on Tuesday, Feb. 29. It would be great if Peggy could get an LRB drafted by Monday, Feb. 28.

Thank you for your assistance. Please feel free to contact me if you have any questions.



Thomas L. Frazier, Executive Director

Coalition of Wisconsin Aging Groups

From Christian: May consult Bill Burd (D HFS) 267-9594

TO: Wisconsin Legislators
FROM: Tom Frazier
DATE: February 24, 2000
SUBJECT: Prescription Drug Program for the Elderly

As credit for participation in Medicaid - pharmacies

BACKGROUND

The cost of out-of-pocket prescription drugs is a huge problem for the elderly. With the cost of the most common prescription drugs increasing at more than four times the rate of inflation, and basically no coverage under Medicare, prescription drugs represent one of the largest health care financing problems for the elderly. Because insurance for prescription drugs is virtually unavailable in Wisconsin - and totally unaffordable for elders of moderate and low-incomes, an average Wisconsin elder pays over \$1,200 out-of-pocket each year on these prescription drugs.

The Coalition of Wisconsin Aging Groups appreciates the bi-partisan interest of the Governor and members of both parties in both the Assembly and Senate in proposing legislation to address the problem of prescription drugs for the elderly. In order to reach consensus on one proposal that is passable this session below, This proposal blends the main ideas of all of the plans put forth so far. Its key features are; (1) a market discount; and (2) a subsidy for low-income elders with the highest prescription drug costs.

KEY FEATURES OF CWAG'S COMPROMISE PROPOSAL

Eligibility - Persons age 65 and over with incomes below 185% of the federal poverty level-the same as Badger Care (\$15,240 a year for individuals and \$20,460 for couples),

As a condition of MA participation? Yes

Discount - All persons eligible would be able to purchase drugs at the same rate as the Medicaid program which is a discount of approximately 23%.

Indigible for MA? Yes (AWP - 10% + dispensing fee)

Coverage - All prescription drugs covered by the Medicaid program would be included under this proposal.

Targeting - Persons with low incomes and the highest drug costs would receive the most help. This would be accomplished through a deductible of \$40 a month and a two-tier system where the program would pay 50% of the first \$2,000 in drug costs (after the discount and deductible) and then 70% of drug costs between \$2,001 up to a cap of \$6,250. The \$6,250 was selected based on the fact that Medigap insurance will pay 80% of drug costs after a person has incurred

What does the state pay for deductibles?

Pharm-

\$6,250 of drug costs. Approximately 75% of older people in Wisconsin have Medigap insurance.

✓ **Rebates - DHFS** should be directed to negotiate rebates with drug manufacturers. **If DHFS is successful**, rebates should be used to help finance the proposed program.

✓ **Prior Authorization - DHFS** should develop a list of high cost drugs that would be subject to prior authorization in order to refer persons to lower cost generic drugs or lower cost brand name drugs.

✓ **Medicaid Eligibility** - Expand eligibility from 97% of the federal poverty level to 100% of the FPL which would include 2,350 persons covered under Medicaid. This component is included in the Governor's proposal and would add \$2.4 million a year to the cost. **NOTE:** This would add \$2.4 million to all the proposals on the enclosed comparison chart except the Governor's proposal.

✓ **Administration** - The program would be administered by DHFS at a cost of approximately \$3 million a year. This cost is included in the enclosed chart, but a one-time start up cost of \$1.5 million for information systems is not included. The administrative cost of the program would be covered by an annual enrollment fee of \$25 a year per eligible person. *2000-01 J.A. P...*

✓ **Cost** - The cost of this proposal in the enclosed chart is based on full implementation which estimates that approximately 75% of the over 200,000 eligible people will enroll in the program

✓ **Summary** - The enclosed chart compares how the different proposals would affect older persons with annual drugs costs ranging from \$1,200 to \$10,000. CWAG has attempted to develop a compromise that combines features of all the proposals, targets the assistance to lower income persons with the highest drug costs with a cost that is affordable to the state. In addition, the cost is shared by seniors, pharmacies and manufacturers.

We urge you to reach a bipartisan compromise and pass a prescription drug bill for the elderly this session.

Other Organizations Supporting This Proposal - As of 2/24/00 .

- ❖ Wisconsin Board on Aging and Long Term Care
- ❖ Wisconsin Association of Area Agencies on Aging
- ❖ Wisconsin Association of Aging Unit Directors

* We anticipate that many other organizations will be signing on in support of this proposal.

*For each of the following organizations
 contact person with rebate agreement
 list of names and phone numbers
 by the following date 2/24/00
 to be included in the*

COMPARISON OF PRESCRIPTION DRUG PROPOSALS FOR THE ELDERLY

2-24-00

Examples of Seniors' Annual Prescription Drug Costs	Rep. Krusick Plan ¹	Senator Clausung Plan ²	Rep. Wiecek Plan ³	Governor's Plan ⁴	Reps. Huber/Decker Plan ⁵	CWAG Compromise Proposal ⁶
\$1,200/year	\$1,200	\$969	\$ 276	\$300	\$738	\$498
\$2,000/year	\$1,558	\$1,615	\$ 460	\$500	\$1,230	\$990
\$4,000/year	\$1,558	\$3,230	\$ 920	\$1,000	\$2,460	\$2,436
\$6,000/year	\$1,558	\$4,845	\$1,380	\$1,500	\$3,690	\$3,974
\$10,000/year	\$1,558	\$8,075	\$2,300	\$2,500	\$6,150	\$6,035
Poverty level for eligibility*	150%	\$50,000/ind.	185%	185%	185%	185%
Cost**	\$39 million	\$194.5 million	Not available	\$3.4 million	Not available	\$40.9 million
Net Cost** (after rebates)	\$29 million	\$151.1 million	Not available	\$3.4 million	Not available	\$22.3 million

The figures in the boxes represent how much the senior would save.

¹ Includes co-payments of \$4 (generic) and \$8 (non-generic) and a \$25 annual enrollment fee.

² Includes co-payments of \$5 (generic) and \$10 (non-generic). Program pays 75% of prescription drug costs up to \$10,000 per year.

³ All Medicare recipients are eligible to purchase drugs at the Medicaid reimbursement rate, which is estimated to be a 24% reduction in the usual rate paid by the average consumer. Figures in chart assume all of the beneficiary's drugs are those covered in the plan. Savings will be less than indicated if some drugs are not.

⁴ Similar to Rep. Wiecek's plan, but would cut Medicaid reimbursement resulting in a 25% discount. The cost of the program includes administration (\$1 million) and increasing eligibility for Medicaid (\$2.4 million). Limits coverage to drugs for "chronic conditions." Figures in chart assume all of beneficiary's drugs are for chronic conditions. Savings will be less than indicated if some drugs are not for "chronic conditions."

⁵ Sliding enrollment of \$25-\$200 (based on income) per year. Only certain drugs for "chronic conditions" are covered. Plan would pay 50% of Medicaid reimbursement rate. Figures in chart do not include enrollment fee and assume all of beneficiary's drugs are for chronic conditions. Savings to senior will be less than indicated if some drugs are not for "chronic conditions" and enrollment fee.

⁶ Includes a \$40 per month deductible (\$480/year). Program pays 50% of prescription drugs up to \$2,000 per year and then 70% of costs between \$2,001 and \$6,250 per year. Medicaid insurance will cover 80% of prescription drug costs after a \$6,250 deductible.

* 185% of poverty is \$15,240 for an individual and \$20,460 for a couple annually. 150% of poverty is \$12,360 for an individual and \$16,590 for a couple annually.

** All cost estimates were compiled either by DHS or Legislative Fiscal Bureau.

'Kenned". Debora

From: Moran, Christian
Sent: Thursday, February 24, 2000 2:44 PM
To: Kennedy, Debora
Subject: Drafting request

Debora:

I sent over a drafting request today for a substitute amendment to replace **LRB-39 18**.

There's one small revision. Please change the requested starting date from January 1, 2001 to March **1, 2001**.

Thanks again for your help. Please call if you have any questions.

Christian
Peggy Krusick's office
6-1733

SUBSTITUTE AMENDMENT [TO A BILL]

D-NOTE

DAK+ISP: WJ

Use the appropriate components and routines developed for substitute amendments.

WPO: Inserts are out of order.

§ (A) SUBSTITUTE AMENDMENT

TO 1999 §B (AB) (LRB-3918 19)

AN ACT . . . [generate catalog] to repeal . . . ; to renumber . . . ; to consolidate and renumber . . . ; to renumber and amend . . . ; to consolidate, renumber and amend . . . ; to amend . . . ; to repeal and recreate . . . ; and to create . . . of the statutes; relating to:

.....

[NOTE: See section 4.02 (2) (br), Drafting Manual, for specific order of standard phrases.]

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION #.



1999 BILL

expanding medical assistance income eligibility requirements for elderly persons;
Regenerate

1 AN ACT to create 20.435 (4) (j), 49.45 (48) and 49.688 of the statutes; relating
 2 to requiring pharmacies and pharmacists, as a condition of medical assistance
 3 participation, to charge low-income persons ~~eligible for Medicare~~ ^{elderly,} for certain
 4 prescription drugs no more than specific amounts; ^{requiring} authorizing the department
 5 of health and family services to ~~enter into~~ ^{attempt to negotiate} rebate agreements with drug
 6 manufacturers and making appropriations.

Analysis by the Legislative Reference Bureau

Under current state law, pharmacies and pharmacists that are certified providers of medical assistance services are reimbursed for the provision of certain prescription drugs to medical assistance (MA) recipients at a rate established by the department of health and family services (DHFS). Under current federal law, persons entitled to coverage under part B of Medicare do not receive coverage for prescription drugs for outpatient care as a benefit.

This bill specifies that, beginning January 1, 2001, as a condition of participation by a pharmacy or pharmacist in the MA program, the pharmacy or pharmacist may not charge persons who are eligible for Medicare, ineligible for MA and whose incomes do not exceed 185% of the federal poverty line an amount for certain prescription drugs for outpatient care that exceeds the average wholesale price minus 11% or the maximum allowable cost, as determined by DHFS, whichever is lower, for providing that drug, plus a dispensing fee. Prescription drugs for which

BILL

the reduced charges must be made are those for treatment of a chronic condition, as defined in the bill, as determined by DHFS. Persons who are eligible to purchase the prescription drugs under the reduced charges must provide a card, issued by DHFS after a determination of eligibility, to qualify for the reduced charges. DHFS must calculate and transmit to pharmacies and pharmacists that participate in the MA program the amounts that may be charged for providing the specified prescription drugs and must periodically update this information and transmit the updated information to pharmacies and pharmacists. DHFS must monitor compliance by pharmacies and pharmacists with the requirement to charge low-income medicare-eligibles for the specified prescription drugs at the reduced amounts and annually report to the legislature concerning the compliance.

DHFS is authorized, under the bill, to enter with drug manufacturers into rebate agreements, which are modeled on federal medicaid rebate agreements, under which the manufacturer must make payments to DHFS for each of the manufacturer's drugs that is prescribed for outpatient care for treatment of a chronic condition to persons who are eligible to pay reduced charges for the drugs. The amount of the rebate payment under the agreement is required to be determined by the method that is specified under the federal medicaid rebate agreements. The amounts of the rebate payments must, in turn, be paid by DHFS to pharmacies or pharmacists that have reduced charges for prescription drugs for the eligible persons. In addition, DHFS may not, after January 1, 2001, and before June 30, 2003, subject the prescription drugs manufactured by manufacturers that enter into the rebate agreements to prior authorization requirements for prescription drugs for the eligible persons or to any expansion of prior authorization requirements under MA.

DHFS is authorized to enter into a contract with an entity to perform DHFS' duties and exercise its powers under the prescription drug assistance program.

DHFS must report to the legislature if federal law is changed to provide coverage for outpatient prescription drugs as a benefit under medicare. The bill appropriates \$1,000,000 in general purpose revenues in fiscal year 2000-01 to DHFS for administration of the program.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.435 (4) (j) of the statutes is created to read:

20.435 (4) (j) *Prescription drug assistance for low-income medicare beneficiaries, payments of manufacturer rebates to pharmacies.* All moneys received from rebate payments by manufacturers under s. 49.688 (7), to be used for payments

payment of monthly deductibles under s. 49.688 (6) (a) and

deductibles and

20.435 (4) (j)

BILL

INSERT
3-2

~~under s. 49.688 (8) to pharmacies or pharmacists that provide prescription drugs at discount.~~

SECTION 2. 49.45 (48) of the statutes is created to read:

~~49.45 (48) PRIOR AUTHORIZATION FOR LEGEND DRUGS. After January 1, 2001, and before June 30, 2003, if a manufacturer enters into a rebate agreement under s. 49.688 (7), the department may not expand the prior authorization requirements for prescription drugs manufactured by the manufacturer for which coverage is provided under s. 49.46 (2) (b) 6. h. beyond those prior authorization requirements that are in effect on January 1, 2001.~~

SECTION 3. 49.688 of the statutes is created to read:

49.688 Prescription drug charges, low-income medicare beneficiaries.

(1) In this section:

~~(a) "Chronic condition" means a cardiac condition, high blood pressure, diabetes, arthritis, blood coagulation or hematologic disease, hyperlipidemia, osteoporosis, chronic obstructive pulmonary disease, asthma, incontinence, thyroid disease, glaucoma, Alzheimer's disease, Parkinson's disease, multiple sclerosis, amyotrophic lateral sclerosis (Lou Gehrig's disease) and cancer.~~

~~(b) "Entitled to coverage under part A of medicare" means eligible for and enrolled in part A of medicare under 42 USC 1395c to 1395i-5.~~

~~(c) "Entitled to coverage under part B of medicare" means eligible for and enrolled in part B of medicare under 42 USC 1395j to 1395w-28.~~

~~(d) "Medicare" means coverage under 42 USC 1395 to 1395y.~~

~~(e) "Poverty line" means the nonfarm federal poverty line for the continental United States, as defined by the federal department of labor under 42 USC 9902 (2).~~

~~(f) "Prescription drug" means the meaning given in s. 450.01 (20).~~

elderly persons

assistance fee

means a prescription drug, as defined

that is included in the drugs specified under s. 49.46 (2) (b) 6. h.

SECTION 3

BILL

at least 65 years of age

and who pays the program enrollment fee specified in sub. (3) (a)

01 (1) "Prescription order" has the meaning given in s. 450.01 (21).

02 (2) A person who is entitled to coverage under part A of medicare or entitled

03 to coverage under part B of medicare, who is ineligible for medical assistance and

04 whose income does not exceed 185% of the poverty line is eligible to purchase a

05 prescription drug for outpatient care for treatment of a chronic condition, at the

06 amount specified in sub. (6). (b) The person may apply to the department, on a form

07 provided by the department, together with program enrollment fee payment for a determination of eligibility and issuance of a

08 prescription drug card for purchase of prescription drugs under this section.

INSERT 4-8

09 (3) The department shall devise and distribute a form for application for the

10 program under sub. (2), shall determine eligibility of applicants and shall issue to

11 eligible persons a prescription drug card for use in purchasing prescription drugs, as

12 specified in sub. (5).

March

13 (4) The department shall determine the categories of prescription drugs that

14 are appropriate for outpatient care for treatment of a chronic condition.

15 (5) Beginning January 1, 2001, as a condition of participation by a pharmacy

16 or pharmacist in the program under ss. 49.45, 49.46 or 49.47, the pharmacy or

17 pharmacist may not charge a person who presents a valid prescription order and a

18 card indicating that he or she meets eligibility requirements under sub. (2) an

19 amount for a prescription drug, as determined by the department under sub. (4), for

20 outpatient care for treatment of a chronic condition, under the order that exceeds the

21 amount specified in sub. (6). (b) The pharmacy or pharmacist shall forward to the state treasurer, for deposit in the appropriation account under s. 20.435(4)

22 (6) The amount that a pharmacy or pharmacist may charge for a prescription

23 drug for outpatient care for treatment of a chronic condition is the average wholesale

24 price minus 15% or the maximum allowable cost, as determined by the department,

25 whichever is less, plus a dispensing fee. The department shall, for the purposes of

INSERT 4-25

and payment, if applicable, of the monthly deductible amount specified in sub. (3) (b)

#(c)

BILL

(1) ~~this subsection~~, calculate and transmit to pharmacies and pharmacists that are
 (2) certified providers of medical assistance amounts that may be ~~charged~~ under ~~this~~
 (3) ~~subsection~~. The department shall periodically update this information and transmit
 4 the updated amounts to pharmacies and pharmacists.

(5) (7) The department or an entity with which the department contracts ~~may~~
 (6) ~~enter into~~ a rebate agreement that is modeled on the rebate agreement specified
 (7) 7 under 42 USC 1396r-8 with a drug manufacturer that sells drugs for prescribed use
 (8) 8 in this state. The rebate agreement ^{if negotiated,} shall include all of the following as requirements:

(9) (a) That the manufacturer shall make rebate payments for each ^{prescription} drug of the
 10 manufacturer that is prescribed, for persons who are eligible under sub. (2) ^{for}
 (11) 11 ~~outpatient care for treatment of a chronic condition~~ to the state treasurer to be
 12 credited to the appropriation under s. 20.435 (4) (j), each calendar quarter or
 13 according to a schedule established by the department.

14 (b) That the amount of the rebate payment shall be determined by a method
 15 specified in 42 USC 1396r-8 (c).

16 (c) That the department or the entity with which the department contracts
 17 shall inform pharmacies and pharmacists concerning the rebate amount for each
 18 drug specified under the agreement.

(19) (8) From the appropriation ^{accounts} under s. 20.435 (4) (j), beginning ^{(bv) and} January 1, 2001,
 20 the department shall provide payments, under a schedule that is identical to that
 21 used by the department for payment of pharmacy provider claims under medical
 22 assistance, ~~to pharmacies and pharmacists that provide a~~ ^{correspond to the} discount specified under
 (23) 23 sub. (6) ^{(a) and (b)} ~~prescription drugs designated by the department for a chronic condition~~ to
 24 persons who meet criteria for eligibility under sub. (2). ^{March} The payments shall equal
 25 ~~amounts of manufacturer rebates, if any, for prescription drugs purchased by eligible~~

to pharmacies and pharmacists

provided by the pharmacies and pharmacists

par. (a)

used in calculating charges

shall attempt to negotiate

if negotiated,

prescription

for

March

BILL

~~persons under sub. (5) during a specific period of time, as reported by the pharmacy or pharmacist to the department,~~ The department shall devise and distribute a form for reports by pharmacies and pharmacists under this subsection.

(9) The department shall 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.

(10) If federal law is amended to provide coverage for prescription drugs for outpatient care as a benefit under medicare, the department shall submit a report concerning this fact to appropriate standing committees of the legislature under s. 13.172 (3).

(11) After January 1, 2001, and before June 30, 2003, the department may not subject a manufacturer that enters into a rebate agreement under sub. (7) to prior authorization requirements for a prescription drug for outpatient care for treatment of a chronic condition.

(10) (12) Except as provided in subs. (9) to (11), the department may enter into a contract with an entity to perform the duties and exercise the powers of the department under this section.

INSERT 6-18 ↓

SECTION 4. Appropriation changes, health and family services.

(1) **PRESCRIPTION DRUG CHARGES; ADMINISTRATION.** In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of health and family services under section 20.435 (4) (a) of the statutes, as affected by the acts of 1999, the dollar amount is increased by \$1,000,000 for fiscal year 2000-01 to increase

BILL

1
2
3

funding for administration of the prescription drug charges program under section
49.688 of the statutes, as created by this act.

END

ASSEMBLY BILL 705

1 (4) If prescription drug assistance for the number of applying eligible
2 individuals under sub. (3) exceeds the amount appropriated under s. 20.435 (4) (bv)
3 and the amount available under s. 20.435 (4) (j), the department may place an
4 eligible applicant's name on a waiting list for the reimbursement program under sub.
5 (2).

6 (5) A drug manufacturer that sells drugs for prescribed use in this state shall,
7 as a condition of inclusion of those drugs in the program under this section, enter
8 with the department into a rebate agreement that is modeled on the rebate
9 agreement specified under 42 USC 1396r-8. The rebate agreement shall include all
10 of the following as requirements:

11 (a) That the manufacturer shall make rebate payments to the department each
12 calendar quarter or according to a schedule established by the department.

13 (b) That the amount of the rebate payment shall be determined by the method
14 specified in 42 USC 1396r-8 (c).

15 (6) Beginning in 2002, the department shall annually, after consulting with
16 pharmacists and advocates for persons aged 65 or older, submit a report to the chief
17 clerk of each house of the legislature for distribution to the legislature under s.
18 13.172 (2). The report shall be on the operation of the program under this section for
19 the previous year and shall contain any recommendations for changes in the
20 program.

*State Treasurer can deposit
in the account under s. 20.425 (4)*

21 SECTION 4. Nonstatutory provisions.

22 (1) PRESCRIPTION DRUG ASSISTANCE FOR ELDERLY PERSONS; ADMINISTRATION. The
23 department of health and family services may request the joint committee on finance
24 to supplement, from the appropriation account under section 20.865 (4) (a) of the
25 statutes, the appropriation account under section 20.435 (4) (a) of the statutes, to pay

ASSEMBLY BILL 705

SECTION 5

\$1,500,000

1 the costs of administration of the program of prescription drug assistance for elderly
 2 persons under section 49.688 of the statutes, as created by this act. If the department
 3 of health and family services requests supplementation of the appropriation account
 4 under section 20.435 (4) (a) of the statutes, the department shall submit a plan to the
 5 joint committee on finance to expend not more than ~~\$1,000,000~~ for fiscal year
 6 1999-2000 and not more than ~~\$1,000,000~~ for fiscal year 2000-01. If the
 7 cochairpersons of the committee do not notify the secretary of the department within
 8 14 working days after the date of the department's submittal that the committee
 9 intends to schedule a meeting to review the request, the appropriation account shall
 10 be supplemented as provided in the request. If, within 14 working days after the date
 11 of the department's submittal, the cochairpersons of the committee notify the
 12 secretary of the department that the committee intends to schedule a meeting to
 13 review the request, the appropriation account shall be supplemented only as
 14 approved by the committee. Notwithstanding section 13.101 (3) (a) 1. of the statutes,
 15 the committee is not required to find that an emergency exists.

SECTION 6. Appropriation changes; joint committee on finance.

17 (1) ~~PRESCRIPTION DRUG ASSISTANCE FOR ELDERLY ADMINISTRATION.~~ In the schedule
 18 under section 20.005 (3) of the statutes for the appropriation to the joint committee
 19 on finance under section 20.865 (4) (a) of the statutes, as affected by the acts of 1999,
 20 the dollar amount is increased by ~~\$1,000,000~~ for fiscal year 1999-00 and the dollar
 21 amount is increased by ~~\$1,000,000~~ for fiscal year 2000-01 to increase funding for
 22 administration of the prescription drug assistance for elderly program under section
 23 49.688 of the statutes, as created by this act.

END

\$\$\$ CHANGE

1. In the component bar:

For the action phrase, execute: **create** → **action:** → *NS: → \$change

For the budget action phrase, execute: **create** → **action:** → *NS: → 92XX

For the text, execute: **create** → **text:** → *NS: → \$change

2. Nonstatutory subunits are numbered automatically if "(#1)", "(#2)", etc., is filled in. Below, for the budget, fill in the **9200** department code; and fill in "____" or "(____)" only if a "frozen" number is needed.

SECTION # 2 [**92** 2 1]. **Appropriation changes:** 2

.....

(²#) ^(C5) EXPANDED MEDICAL ASSISTANCE

ELIGIBILITY In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of health and family services

under section 20. 4.35 (4) (b) of the statutes, as affected by the acts of 1999, the dollar amount is increased by \$ for fis-

cal year 1999-00 and the dollar amount is increased by \$

for fiscal year 2000-01 to increase funding for the [purpose] [purposes] for which the appropriation is made to increase funding

for expanded eligibility for medical assistance

program benefits

* Use the 2nd alternative if the purpose of the increase or decrease is more limited than the purpose or purposes of the appropriation as currently shown in the text of ch. 20, stats.

INSERT INITIAL APP ↓ →

(End)



p. 1 of 6

ASSEMBLY BILL 705

\$8 for each brand-name drug. Under the program, DHFS is the payer of last resort for coverage for prescription drugs and must reimburse pharmacist providers at the rate under which pharmacists are reimbursed under the medical assistance program. DHFS must also maintain or contract for the maintenance of a toll-free telephone number to provide information, including application information, about the prescription drug assistance program. In addition, if prescription drug assistance for the number of eligible applicants exceeds the amounts of general purpose revenues appropriated under the bill for the program and the program revenue resulting from the annual enrollment fees and copayments, DHFS is authorized to create waiting lists of eligible applicants. In order for drugs manufactured by a manufacturer doing business in this state to be included in the program, the manufacturer must enter with DHFS into a rebate agreement that is modeled on rebate agreements under federal Medicaid law. The rebate agreement must provide that the manufacturer make payments to DHFS each calendar quarter or as scheduled by DHFS and that the rebate payment amounts be determined by the method specified in federal Medicaid law. Beginning in 2002, DHFS must annually, after consulting with pharmacists and advocates for elderly persons, submit to the legislature a report on the previous year's operation of the program and include in the report any recommendations for program changes. The bill appropriates \$1,000,000 in general purpose revenues in each of fiscal years 1999-2000 and 2000-01 to the general program supplementation appropriation account of the joint committee on finance (JCF) and requires DHFS to submit to JCF a plan for expenditure of these funds for administration of the prescription drug assistance program. If the cochairpersons of JCF do not notify the secretary of health and family services of the committee's intent to schedule a meeting to review the plan, JCF must supplement the DHFS general program operations appropriation account as provided in the DHFS plan. If the cochairpersons of JCF notify the secretary of health and family services that JCF intends to schedule a meeting to review the plan, the DHFS appropriation account may be supplemented only as approved by JCF.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

~~§~~

- 1 **SECTION 4.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
2 the following amounts for the purposes indicated:

ASSEMBLY BILL 705

1999-00 2000-01

20.435 Health and family services, department
of

(4) HEALTH SERVICES PLANNING, REGULATION AND
DELIVERY; HEALTH CARE FINANCING

(bv) Prescription drug assistance for

elderly; aids

GPR A

-0-

3,716,700
7,000,000

SECTION 2. 20.435 (4) (bv) of the statutes is created to read:

20.435 (4) (bv) **Prescription drug assistance for elderly; aids.** The amounts in the schedule for the program for prescription drug assistance for elderly persons under s. 49.688.

SECTION 3. 20.435 (4) (j) of the statutes is created to read:

20.435 (4) (j) **Prescription drug assistance for elderly; fees and manufacturer rebates.** All moneys received from payments of enrollment fees and rebate payments by manufacturers under s. 49.688 (3), to be used for prescription drug assistance for elderly persons under s. 49.688.

deductibles

monthly deductibles under s. 49.688 (5)

SECTION 4. 49.688 of the statutes is created to read:

49.688 Prescription drug assistance for elderly persons. (1) In this section:

(a) "Brand name" has the meaning given in s. 450.12 (1) (a).

(b) "Generic name" has the meaning given in s. 450.12 (1) (b).

(c) "Poverty line" means the nonfarm federal poverty line for the continental

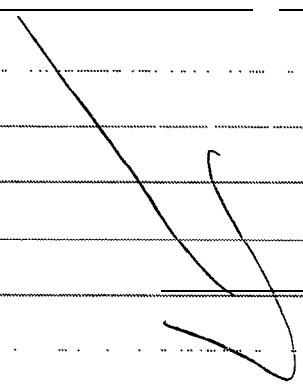
United States, as defined by the federal department of labor under 42 USC 9902 (2).

SECTION # . CR; 20.135(4)(j) ✓

20.135(4)(j) ^(B) ~~Prescription drug assistance~~ ^(I)

^(F) for elderly; enrollment fees ^(C) All moneys received from payment of enrollment fees under S. 49.688(2)

to be used for administration of the program under s. 49.688(2)



INSERT 3-2
1999-2000 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4294/1insISR
ISR:.....

p. 4
6

Insert A.

Under current law, an individual who is 65 years of age or older is eligible to receive medical assistance (MA) if he or she meets certain income and asset requirements. Currently, to satisfy the income requirements for MA eligibility, an individual who is 65 years of age or older, must have an income that does not exceed 133.33% of the maximum payment amount under the former aid to families with dependent children (AFDC) program.

This bill increases the maximum income level for individuals 65 years of age or older to ~~133.33%~~ 100% of the federal poverty level.

Insert

SECTION ~~1.~~[#] 49.47 (4) (aq) of the statutes is created to read:

49.47 (4) (aq) 1. Subject to subd. ~~2.~~², an individual who does not meet the limitation on income under par. (c) is eligible for medical assistance if the individual is 65 years of age or older and the individual's income does not exceed ~~133.33%~~¹⁰⁰ of the federal poverty level.

2. If a federal waiver is necessary to provide medical assistance to individuals specified in subd. 1., the department shall request a waiver from the secretary of the federal department of health and human services before providing medical assistance under this paragraph.

SECTION ~~2.~~[#] 49.47 (4) (b) 2m. b. ^J of the statutes is amended to read:

49.47 (4) (b) 2m. b. For persons who are eligible under par. (a) ~~3. or 4.~~^{3. or 4. or (aq)}, motor vehicles are exempt from consideration as an asset to the same extent as provided under 42 USC 1381 to 1385.

History: 1971 c. 125; 1971 c. 213 s. 5; 1971 c. 215; 1973 c. 90, 147, 333; 1977 c. 29 ss. 593.1656 (18); 1977 c. 105 s. 59; 1977 c. 273.418; 1979 c. 34; 1981 c. 20.93; 1981 c. 314s. 144; 1983 a. 27, 245; 1985 8.29; 1987 a. 27, 307, 399, 413; 1989 a. 9; 1989 a. 31 ss. 1462k to 1466d, 2909c to 2909i; 1989 a. 173, 336, 351; 1991 a. 39, 178, 269, 316, 1993 a. 16, 269, 277, 437; 1995 a. 27 ss. 3026 to 3028.9126 (19); 1995 a. 225, 289.295; 1997 a. 27; 1999 a. 9.

SECTION ~~3.~~[#] 49.47 (4) (b) 2r. ^J of the statutes is amended to read:

49.47 (4) (b) 2r. For a person who is eligible under par. (a) ~~3. or 4.~~^{3. or 4. or (aq)}, the **value of** any burial space or agreement representing the purchase of a burial space

↓

P. 57
60

held for the purpose of providing a place for the burial of the person or any member of his or her immediate family.

History: 1971 c. 125; 1971 c. 213s. 5; 1971 c. 215; 1973 c. 90, 147, 333; 1977 c. 29 ss. 593,1656 (18); 1977 c. 105 s. 59; 1977 c. 273,418; 1979 c. 34; 1981 c. 20,93; 1981 c. 314 s. 144; 1983 a. 27, 245; 1985 a. 29; 1987 a. 27, 307, 399, 413; 1989 a. 9; 1989 a. 31 ss. 1462k to 1466d, 2909c to 2909i; 1989 a. 173, 336, 351; 1991 a. 39, 178, 269, 316; 1993 a. 16, 269, 277, 437; 1995 a. 27 ss. 3026 to 3028, 9126 (19); 1995 a. 225, 289, 295; 1997 a. 27; 1999 a. 9.

SECTION 4. 49.47 (4) (b) ~~2w.~~ of the statutes is amended to read:

49.47 (4) (b) ~~2w.~~ For a person who is eligible under par. (a) ~~3. or~~ 4. or (aq), life insurance with cash surrender values if the total face value of all life insurance policies is not more than \$1,500.

History: 1971 c. 125; 1971 c. 213 s. 5; 1971 c. 215; 1973 c. 90, 147, 333; 1977 c. 29 ss. 593, 1656 (18); 1977 c. 105 s. 59; 1977 c. 273,418; 1979 c. 34; 1981 c. 20, 93; 1981 c. 314 s. 144; 1983 a. 27, 245; 1985 a. 29; 1987 a. 27, 307, 399, 413; 1989a. 9; 1989 a. 31 ss. 1462k to 1466d, 2909c to 2909i; 1989a. 173, 336, 351; 1991a. 39, 178, 269, 316; 1993 a. 16, 269, 277, 437; 1995 a. 27 ss. 3026 to 3028, 9126 (19); 1995 a. 225, 289, 295; 1997 a. 27; 1999 a. 9.

SECTION 5. 49.47 (4) (b) 3. of the statutes is amended to read:

49.47 (4) (b) 3. For a person who is eligible under par. (a) ~~3. or~~ 4. or (aq), funds set aside to meet the burial and related expenses of the person and his or her spouse in an amount not to exceed \$1,500 each, minus the sum of the cash value of any life insurance excluded under subd. ~~2w.~~ and the amount in any irrevocable burial trust under s. 445.125 (1) (a).

History: 1971 c. 125; 1971 c. 213 s. 5; 1971 c. 215; 1973 c. 90, 147, 333; 1977 c. 29 ss. 593,1656 (18); 1977 c. 105 s. 59; 1977 c. 273,418; 1979 c. 34; 1981 c. 20,93; 1981 c. 314s. 144; 1983 a. 27,245; 1985 a.29; 1987 a. 27, 307, 399, 413; 1989a. 9; 1989a. 31 ss. 1462k to 1466d, 2909c to 2909i; 1989 a. 173, 336, 351; 1991 a. 39, 178, 269, 316; 1993 a. 16, 269, 277, 437; 1995 a. 27 ss. 3026 to 3028, 9126 (19); 1995 a. 225, 289, 295; 1997 a. 27; 1999 a. 9.

SECTION 6. 49.47 (4) (c) 1. of the statutes is amended to read:

49.47 (4) (c) 1. Except as provided in ~~par. pars.~~ (am) and (aq) and as limited by subd. 3., eligibility exists if income does not exceed 133 1/3% of the maximum aid to families with dependent children payment under s. 49.19 (11) for the applicant's family size or the combined benefit amount available under supplemental security income under 42 USC 1381 to 1383c and state supplemental aid under s. 49.77 whichever is higher. In this subdivision "income" includes earned or unearned income that would be included in determining eligibility for the individual or family under s. 49.19 or 49.77, or for the aged, blind or disabled under 42 USC 1381 to 1385. "Income" does not include earned or unearned income which would be excluded in



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determining eligibility for the individual or family under s. 49.19 or 49.77, or for the aged, blind or disabled individual under 42 USC 1381 to 1385.

History: 1971 c. 125; 1971 c. 213 a 5; 1971 c. 215; 1973 c. 90, 147, 333; 1977 c. 29 ss. 593, 1656 (18); 1977 c. 105 s. 59; 1977 c. 273, 418; 1979 c. 34; 1981 c. 20, 93; 1981 c. 314 s. 144; 1983 a. 27, 245; 1985 a. 29; 1987 a. 27, 307, 399, 413; 1989 a. 9; 1989 a. 31 ss. 1462k to 1466d, 2909c to 2909i; 1989 a. 173, 336, 351; 1991 a. 39, 178, 269, 316; 1993 a. 16, 269, 277. SECTION 49.47 (4) (c) 3. of the statutes is amended to read:

49.47 (4) (c) 3. Except as provided in ~~par.~~ pars. (am) and (aq), no person is eligible for medical assistance under this section if the person's income exceeds the maximum income levels that the U.S. department of health and human services sets for federal financial participation under 42 USC 1396b (f).

History: 1971 c. 125; 1971 c. 213 s. 5; 1971 c. 215; 1973 c. 90, 147, 333; 1977 c. 29 ss. 593, 1656 (18); 1977 c. 105 s. 59; 1977 c. 273, 418; 1979 c. 34; 1981 c. 20, 93; 1981 c. 314 s. 144; 1983 a. 27, 245; 1985 a. 29; 1987 a. 27, 307, 399, 413; 1989 a. 9; 1989 a. 31 ss. 1462k to 1466d, 2909c to 2909i; 1989 a. 173, 336, 351; 1991 a. 39, 178, 269, 316; 1993 a. 16, 269, 277. SECTION 49.47 (4) (i) 2. (intro.) of the statutes is amended to read:

49.47 (4) (i) 2. (intro.) Notwithstanding par. (b) 2r. and 3., a person who is described in par. (a) ~~3. or 4.~~ (aq) is not eligible for benefits under this section if any of the following criteria is met:

(END OF INSERT 3-2)

History: 1971 c. 125; 1971 c. 213 s. 5; 1971 c. 215; 1973 c. 90, 147, 333; 1977 c. 29 ss. 593, 1656 (18); 1977 c. 105 s. 59; 1977 c. 273, 418; 1979 c. 34; 1981 c. 20, 93; 1981 c. 314 s. 144; 1983 a. 27, 245; 1985 a. 29; 1987 a. 27, 307, 399, 413; 1989 a. 9; 1989 a. 31 ss. 1462k to 1466d, 2909c to 2909i; 1989 a. 173, 336, 351; 1991 a. 39, 178, 269, 316; 1993 a. 16, 269, 277, 437; 1995 a. 27 ss. 3026 to 3028, 9126 (19); 1995 a. 225, 289, 295; 1997 a. 27; 1999 a. 9.

SECTION 9. Initial applicability.

(1) The treatment of section 49.47 (4) (a) 3., (aq), (b) 2m. b., 2r., 2w. and 3., (c) 1. and 3. and (i) (2) (intro.) of the statutes first applies to eligibility determinations made for medical assistance on the effective date of this subsection.

INSERT INITIAL APP

January 1, 2001

NOTE: This INSERT GOES AT THE END OF THE BILL

¶ (3) Program participants shall pay all of the following:

¶ (a) Annually, a program enrollment fee of \$25.

¶ (b) Monthly, a deductible of \$40.

¶ (c) Annually ^{for} prescription drugs, all of the following:

¶ 1. Fifty percent of the first \$2,000 in charges, as specified in sub. (b)(a).

¶ 2. Thirty percent of the charges, as specified in sub. (b)(a), that exceed \$2,000 but that do not exceed \$6,250.

¶ 3. One hundred percent of the charges, calculated at the retail price of the pharmacy or pharmacist, that exceed \$6,250.

(a) The charge for prescription drugs shall be calculated at the average wholesale ^{price} price minus 10% or the maximum allowable cost, as determined by the department, whichever is

less, plus a dispensing fee and, if applicable, plus a deductible, as specified in sub. (3) (b) ^o w

(b) The amounts that a pharmacy or pharmacist may charge a person specified in sub. (2) ^v in a ^v calendar year period for the prescription drugs are the following:

¶ 1. Fifty percent of the first \$2,000 in charges, as specified in par. (a), for the prescription drugs

¶ 2. Seventy percent of the charges, as specified in par. (a), ~~for the prescription~~

~~drugs~~ that exceed \$2,000 but that do not exceed \$6,250, for the prescription drugs ^o

¶ 3. One hundred percent of charges, calculated

at the retail price of the pharmacy or
pharmacist, that exceed \$6,250, for the
prescription drugs.

End of INS
4-25

4 (9) The department shall identify and list prescription drugs that account for significant prescription order expenditure by persons who are aged at least 65 years. Provision of a prescription drug so listed is reimburseable under sub. (8) only if the pharmacy or pharmacist that provides the drug receives prior authorization from the department for the provision. The department shall distribute to pharmacies and pharmacists the list required under this subsection.

D-NOTE

To Representative Kruisick:

¶ 1. Several questions remain concerning the process by which persons obtain reduced drug charges under this draft:

¶ a. Obviously, the payment structure is an annual one; does the annual period

correspond to a calendar year or is

it somehow prorated for someone who

begins ^{buying} drugs in, for instance,

April? I have drafted a calendar year period with no mention of proration.

¶ b. After a person reaches the \$6,250

cap, must the person then pay 100% of

the ^{cost} under the program (AWP minus

10%, plus a dispensing fee and, if applicable,

a monthly deductible) or 100% of

the pharmacy's retail price? I have

drafted the latter and have assumed that

DHFS analysis of the CWAG proposal reflect this

having of the monthly deductible? Also, it's
(under the proposal)

unclear whether the pharmacy forwards to

the department the entire \$40, for payback

by the department later, or not; I have drafted a requirement that the pharmacy do so.

5. Does a program participant owe \$40 for

a month of a year in which he or she

purchased no drugs?

6. This proposal does not include a waiting

list. Should it?

(see ^{number} #2, above)

7. Since the rebate amount is so uncertain

I am very uncertain if the figure in the

schedule for s. 20.435(4)(b) is correct @

DAK

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBs0335/1dn
DAK:wlj:ch

February 28, 2000

To Representative Krusick:

1. Several questions remain concerning the process by which persons obtain reduced drug charges under this draft:

a. Obviously, the payment structure is an annual one; does the annual period correspond to a calendar year or is it somehow prorated for someone who begins buying drugs in, for instance, April? I have drafted a calendar year period with no mention of proration.

b. After a person reaches the \$6,250 cap, must the person then pay 100% of the cost under the program (AWP minus 10%, plus a dispensing fee and, if applicable, a monthly deductible) or 100% of the pharmacy's retail price? I have drafted the latter and have assumed that the monthly deductible no longer applies.

2. This bill creates no incentive or requirement that manufacturers enter into rebate agreements. Without either, it is unlikely that they will do so.

3. I did not know when the expanded MA eligibility should take effect. For simplicity's sake, I made it effective January 1, 2001, and halved the estimated GPR annual increase.

4. The CWAG proposal requires that the program pay 50% of the first drug costs, after the discount has been subtracted and the deductible added. In effect, that means that the program participant is actually paying a deductible of \$20, rather than \$40. I have, in the interests of time, drafted the bill as CWAG has proposed, but I'm not sure it's the result you want. Does the DHFS analysis of the CWAG proposal reflect this halving of the monthly deductible? Also, it's unclear under the proposal whether the pharmacy forwards to the department the entire \$40, for payback by the department later, or not; I have drafted a requirement that the pharmacy do so.

5. Does a program participant owe \$40 for a month of a year in which he or she purchased no drugs?

6. This proposal does not include a waiting list. Should it?

7. Since the rebate amount is so uncertain (see number 2., above), I am very uncertain if the figure in the schedule for s. 20.435 (4) (bv) is correct.

Debora A. Kennedy
Managing Attorney
Phone: (608) 266-0137

TUESDAY 3:00

**ASSEMBLY SUBSTITUTE AMENDMENT,
TO 1999 ASSEMBLY BILL (LRB-3918/9)**

D-note

Regen

1 **AN ACT** *to amend* 49.47 (4) (b) 2m. b., 49.47 (4) (b) 2r., 49.47 (4) (b) 2w., 49.47 (4)
2 (b) 3., 49.47 (4) (c) 1., 49.47 (4) (c) 3. and 49.47 (4) (i) 2. (intro.); and to **create**
3 **20.435 (4) (bv), 20.435 (4) (j), . 20.435 (4) (jb), 49.47 (4) (aq) and 49.688** of the
4 statutes; **relating to:** expanding medical assistance income eligibility
5 requirements for elderly persons; requiring pharmacies and pharmacists, as a
6 condition of medical assistance participation, to charge elderly, low-income
7 persons for prescription drugs no more than specific amounts; requiring the
8 department of health and family services to **attempt** to negotiate rebate
9 agreements with drug manufacturers; and making appropriations.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

10 **SECTION 1. 20.005 (3)** (schedule) of the statutes: at the appropriate place, insert
11 the following amounts for the purposes indicated:

1999-00 2000-01

**20.435 Health and family services, department
of**

(4) HEALTH SERVICES PLANNING, REGULATION AND
DELIVERY; HEALTH CARE FINANCING

(bv) Prescription drug assistance for
elderly; aids

GPR A -0- 3,716,700

SECTION 2. 20.435 (4) (bv) of the statutes is created to read:

20.435 (4) (bv) Prescription drug assistance for elderly; aids. The amounts in the schedule for the program for prescription drug assistance for elderly persons under s. 49.688.

SECTION 3. 20.435 (4) (j) of the statutes is created to read:

20.435 (4) (j) Prescription drug assistance for elderly; deductibles and manufacturer rebates. All moneys received from payments of monthly deductibles under s. 49.688 (5) and rebate payments by manufacturers under s. 49.688 (7), to be used for prescription drug assistance for elderly persons under s. 49.688.

SECTION 4. 20.435 (4) (jb) of the statutes is created to read:

20.435 (4) (jb) Prescription drug assistance for elderly; enrollment fees. All moneys received from payment of enrollment fees under s. 49.688 (2), to be used for administration of the program under s. 49.688.

SECTION 5. 49.47 (4) (aq) of the statutes is created to read:

49.47 (4) (aq) 1. Subject to subd. 2., an individual who does not meet the limitation on income under par. (c) is eligible for medical assistance if the individual

1 is 65 years of age or older and the individual's income does not exceed 100% of the
2 federal poverty level.

3 2. If a federal waiver is necessary to provide medical assistance to individuals
4 specified in subd. 1., the department shall request a waiver from the secretary of the
5 federal department of health and human services before providing medical
6 assistance under this paragraph.

7 **SECTION 6.** 49.47 (4) (b) 2m. b. of the statutes is amended to read:

8 49.47 (4) (b) 2m. b. For persons who are eligible under par. (a) ~~3. or 4.~~ or (aq),
9 motor vehicles are exempt from consideration as an asset to the same extent as
10 provided under 42 USC 1381 to 1385.

11 **SECTION 7.** 49.47 (4) (b) 2r. of the statutes is amended to read:

1 2 49.47 (4) (b) 2r. For a person who is eligible under par. (a) ~~3. or 4.~~ or (aq), the
13 value of any burial space or agreement representing the purchase of a burial space
14 held for the purpose of providing a place for the burial of the person or any member
15 of his or her immediate family

16 **SECTION 8.** 49.47 (4) (b) 2w. of the statutes is amended to read:

17 49.47 (4) (b) 2w. For a person who is eligible under par. (a) ~~3. or 4.~~ or (aq), life
18 insurance with cash surrender values if the total face value of all life insurance
19 policies is not more than \$1,500.

20 **SECTION 9.** 49.47 (4) (b) 3. of the statutes is amended to read:

21 49.47 (4) (b) 3. For a person who is eligible under par. (a) ~~3. or 4.~~ or (aq), funds
22 set aside to meet the burial and related expenses of the person and his or her spouse
23 in an amount not to exceed \$1,500 each, minus the sum of the cash value of any life
24 insurance excluded under subd. 2w. and the amount in any irrevocable burial trust
25 under s. 445.125 (1) (a).

1 **SECTION 10.** 49.47 (4) (c) 1. of the statutes is amended to read:

2 49.47 (4) (c) 1. Except as provided in ~~par. pars.~~ (am) and (aq) and as limited by
3 subd. 3., eligibility exists if income does not exceed 133 1/3% of the maximum aid to
4 families with dependent children payment under s. 49.19 (11) for the applicant's
5 family size or the combined benefit amount available under supplemental security
6 income under 42 USC 1381 to ~~1383c~~ and state supplemental aid under s. 49.77
7 whichever is higher. In this subdivision "income" includes earned or unearned
8 income that would be included in determining eligibility for the individual or family
9 under s. 49.19 or 49.77, or for the aged, blind or disabled under 42 USC 1381 to 1385.
10 "Income" does not include earned or unearned income which would be excluded in
11 determining eligibility for the individual or family under s. 49.19 or 49.77, or for the
12 aged, blind or disabled individual under 42 USC 1381 to 1385.

13 **SECTION 11.** ~~49.47 (4)~~ (c) 3. of the statutes is amended to read:

14 49.47 (4) (c) 3. Except as provided in ~~par. pars.~~ (am) and (aq), no person is
15 eligible for medical assistance under this section if the person's income exceeds the
16 maximum income levels that the U.S. department of health and human services sets
17 for federal financial participation under 42 USC 1396b (f).

18 **SECTION 12.** 49.47 (4) (i) 2. (intro.) of the statutes is amended to read:

19 49.47 (4) (i) 2. (intro.) Notwithstanding par. (b) 2r. and 3., a person who is
20 described in par. (a) ~~3. or 4.~~ or (aq) is not eligible for benefits under this section if any
21 of the following criteria is met:

22 **SECTION 13.** 49.688 of the statutes is created to read:

23 **49.688 Prescription drug assistance for low-income elderly persons.**

24 **(1)** In this section:

1 (a) "Poverty line" means the nonfarm federal poverty line for the continental
2 United States, as defined by the federal department of labor under 42 USC 9902 (2).

3 (b) "Prescription drug" means a prescription drug, as defined in s. 450.01 (20),
4 that is included in the drugs specified under s. 49.46 (2) (b) 6. h.

5 (c) "Prescription order" has the meaning given in s. 450.01 (21).

6 (2) A person who is at least 65 years of age, who is ineligible for medical
7 assistance, whose income does not exceed 185% of the poverty line and who pays the
8 program enrollment fee specified in sub. (3) (a) is eligible to purchase a prescription
9 drug at the amount specified in sub. (6) (b). The person may apply to the department,
10 on a form provided by the department together with program enrollment fee
11 payment, for a determination of eligibility and issuance of a prescription drug card
12 for purchase of prescription drugs under this section.

13 (3) Program participants shall pay all of the following:

14 (a) Annually, a program enrollment fee of \$25.

15 (b) Monthly, a deductible of \$40.

16 (c) Annually for prescription drugs, all of the following:

17 1. Fifty percent of the first \$2,000 in charges, as specified in sub. (6) (a).

18 2. Thirty percent of the charges, as specified in sub. (6) (a), that exceed \$2,000
19 but that do not exceed \$6,250.

20 3. One hundred percent of the charges, calculated at the retail price of the
21 pharmacy or pharmacist, that exceed \$6,250.

22 (4) The department shall devise and distribute a form for application for the
23 program under sub. (2), shall determine eligibility of applicants and shall issue to
24 eligible persons a prescription drug card for use in purchasing prescription drugs, as
25 specified in sub. (5).

(5) Beginning March 1, 2001, as a condition of participation by a pharmacy or pharmacist in the program under ss. 49.45, 49.46 or 49.47, the pharmacy or pharmacist may not charge a person who presents a valid prescription order, a card indicating that he or she meets eligibility requirements under sub. (2) and payment, if applicable, of the monthly deductible amount specified in sub. (3) (b) an amount for a prescription drug under the order that exceeds the amount specified in sub. (6) (b). The pharmacy or pharmacist shall forward to the state treasurer, for deposit in the appropriation account under s. 20.435 (4) (j), the monthly deductible amount.

(6) (a) The charge for prescription drugs shall be calculated at the average wholesale price minus 10% or the maximum allowable cost, as determined by the department, whichever is less, plus a dispensing fee ~~and, if applicable, plus a~~ deductible, as specified in sub. (3) (b).

The charge does not include

(b) The amounts that a pharmacy or pharmacist may charge a person specified in sub. (2) in a calendar year period for the prescription drugs are the following:

1. *If applicable, a deductible, as specified in sub. (3) (b), for*
 2. Fifty percent of the first \$2,000 in charges, as specified in par. (a), for the prescription drugs *after the deductible, if applicable, is charged*

3. Seventy percent of the charges, as specified in par. (a), that exceed \$2,000 but that do not exceed \$6,250, for the prescription drugs. *the amount specified in sub. 2, ✓*

4. One hundred percent of charges, calculated at the retail price of the pharmacy or pharmacist, that exceed \$6,250, for the prescription drugs.

(c) The department shall, for the purposes of par. (a), calculate and transmit to pharmacies and pharmacists that are certified providers of medical assistance amounts that may be used in calculating charges under par. (a). The department shall periodically update this information and transmit the updated amounts to pharmacies and pharmacists.

1 **(7)** The department or an entity with which the department contracts shall
2 attempt to negotiate with a drug manufacturer that sells drugs for prescribed use in
3 this state a rebate agreement that is modeled on the rebate agreement specified
4 under 42 USC ~~1396r-8~~. The rebate agreement, if negotiated, shall include all of the
5 following as requirements:

6 (a) That the manufacturer shall make rebate payments for each prescription
7 drug of the manufacturer that is prescribed for persons who are eligible under sub.
8 **(2)**, to the state treasurer to be credited to the appropriation under s. 20.435 (4) **(j)**,
9 each calendar quarter or according to a schedule established by the department.

10 (b) That the amount of the rebate payment shall be determined by a method
11 specified in 42 USC 1396r-8 (c).

12 **(8)** From the appropriation accounts under s. 20.435 (4) **(bv)** and **(j)**, beginning
13 March 1, 2001, the department shall provide to pharmacies and pharmacists
14 payments, under a schedule that is identical to that used by the department for
15 payment of pharmacy provider claims under medical assistance, that correspond to
16 the discounts specified under sub. **(6)** **(a)** and **(b)** provided by the pharmacies and
17 pharmacists to persons who meet criteria for eligibility under sub. **(2)**. The
18 department shall devise and distribute a form for reports by pharmacies and
19 pharmacists under this subsection.

20 **(9)** The department shall identify and list prescription drugs that account for
21 significant prescription order expenditure by persons who are aged at least 65 years.
22 Provision of a prescription drug so listed is reimbursable under sub. **(8)** only if the
23 pharmacy or pharmacist that provides the drug receives prior authorization from the
24 department for the provision. The department shall distribute to pharmacies and
25 pharmacists the list required under this subsection.

1 **(10)** The department may enter into a contract with an entity to perform the
2 duties and exercise the powers of the department under this section.

3 **SECTION 14. Nonstatutory provisions.**

4 **(1) PRESCRIPTION DRUG ASSISTANCE FOR ELDERLY PERSONS; ADMINISTRATION.** The
5 department of health and family services may request the joint committee on finance
6 to supplement, from the appropriation account under section 20.865 (4) (a) of the
7 statutes, the appropriation account under section 20.435 (4) (a) of the statutes, to pay
8 the costs of administration of the program of prescription drug assistance for elderly
9 persons under section 49.688 of the statutes, as created by this act. If the department
10 of health and family services requests supplementation of the appropriation account
11 under section 20.435 (4) (a) of the statutes, the department shall submit a plan to the
12 joint committee on finance to expend not more than \$1,500,000 for fiscal year
13 1999-2000 and not more than \$1,500,000 for fiscal year 2000-01. If the
14 cochairpersons of the committee do not notify the secretary of the department within
15 14 working days after the date of the department's submittal that the committee
16 intends to schedule a meeting to review the request, the appropriation account shall
17 be supplemented as provided in the request. If, within 14 working days after the date
18 of the department's submittal, the cochairpersons of the committee notify the
19 secretary of the department that the committee intends to schedule a meeting to
20 review the request, the appropriation account shall be supplemented only as
21 approved by the committee. Notwithstanding section 13.101 (3) (a) 1. of the statutes,
22 the committee is not required to find that an emergency exists.

23 **SECTION 15. Appropriation changes.**

24 **(1) PRESCRIPTION DRUG ASSISTANCE FOR ELDERLY; ADMINISTRATION.** In the schedule
25 under section 20.005 (3) of the statutes for the appropriation to the joint committee

1 on finance under section 20.865 (4) (a) of the statutes, as affected by the acts of 1999,
2 the dollar amount is increased by \$1500,000 for fiscal year 1999-00 and the dollar
3 amount is increased by \$1,500,000 for fiscal year 2000-01 to increase funding for
4 administration of the prescription drug assistance for elderly program under section
5 49.688 of the statutes, as created by this act.

6 **(2) EXPANDED MEDICAL ASSISTANCE ELIGIBILITY.** In the schedule under section
7 20.005 (3) of the statutes for the appropriation to the department of health and family
8 services under section 20.435 (4) (b) of the statutes, as affected by the acts of 1999,
9 the dollar amount is increased by \$1,200,000 for fiscal year 2000-01 to increase
10 funding for expanded eligibility for medical assistance program benefits.

11 **SECTION 16. Initial applicability.**

12 (1) The treatment of section 49.47 (4) (aq), (b) 2m. b., 2r., 2w. and 3., (c) 1. and
13 3. and (i) (2) (intro.) of the statutes first applies to eligibility determinations made
14 for medical assistance on the January 1, 2001.

15 (END)

D-note

Christian Moran:
4 If As we discussed, this version of
the substitute amendment does not
include the proposed provision related
to medicare supplement policies.

PTK

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

LRBs0335/2dn
PJK:wlj:km

February 29, 2000

Christian Moran:

As we discussed, this version of the substitute amendment does not include the proposed provision related to medicare supplement policies.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: Pam.Kahler@legis.state.wi.us

Peggy Krusick 2/29/00 3:00

- redraft 99s0335/2 to include draft-4452
to be sub. to LRB-4576 (AB815)

-

cmH

**ASSEMBLY SUBSTITUTE AMENDMENT,
TO 1999 ASSEMBLY BILL ~~WAB-3918/9~~ 815**

Today

Only one
*Change to
relating clause
page 8, line 4
page 9

1 **AN ACT to amend 49.47 (4) (b) 2m. b., 49.47 (4) (b) 2r., 49.47 (4) (b) 2w., 49.47 (4)**
2 **(b) 3., 49.47 (4) (c) l., 49.47 (4) (c) 3. and 49.47 (4) (i) 2. (intro.); and to create**
3 **20.435 (4) (bv), 20.435 (4) (j), 20.435 (4) (jb), 49.47 (4) (aq) and 49.688 of the**
4 **statutes; relating to:** expanding medical assistance income eligibility
5 requirements for elderly persons; requiring pharmacies and pharmacists, as a
6 condition of medical assistance participation, to charge elderly, low-income
7 persons for prescription drugs no more than specific amounts; requiring the
8 department of health and family services to attempt to negotiate rebate
9 agreements with drug manufacturers; and making appropriations.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

10 **SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert**
11 **the following amounts for the purposes indicated:**

requiring an annual report on the sale and pricing of certain drugs and programs that offer discounts on drugs to consumers;

1 is 65 years of age or older and the individual's income does not exceed 100% of the
2 federal poverty level.

3 2. If a federal waiver is necessary to provide medical assistance to individuals
4 specified in subd. 1., the department shall request a waiver from the secretary of the
5 federal department of health and human services before providing medical
6 assistance under this paragraph.

7 **SECTION 6.** 49.47 (4) (b) 2m. b. of the statutes is amended to read:

8 49.47 (4) (b) 2m. b. For persons who are eligible under par. (a) ~~3. or~~ 4. or (aq),
9 motor vehicles are exempt from consideration as an asset to the same extent as
10 provided under 42 USC 1381 to 1385.

11 **SECTION 7.** 49.47 (4) (b) 2r. of the statutes is amended to read:

12 49.47 (4) (b) 2r. For a person who is eligible under par. (a) ~~3. or~~ 4. or (aq), the
13 value of any burial space or agreement representing the purchase of a burial space
14 held for the purpose of providing a place for the burial of the person or any member
15 of his or her immediate family.

16 **SECTION 8.** 49.47 (4) (b) 2w. of the statutes is amended to read:

17 49.47 (4) (b) 2w. For a person who is eligible under par. (a) ~~3. or~~ 4. or (aq), life
18 insurance with cash surrender values if the total face value of all life insurance
19 policies is not more than \$1,500.

20 **SECTION 9.** 49.47 (4) (b) 3. of the statutes is amended to read:

21 49.47 (4) (b) 3. For a person who is eligible under par. (a) ~~3. or~~ 4. or (aq), funds
22 set aside to meet the burial and related expenses of the person and his or her spouse
23 in an amount not to exceed \$1,500 each, minus the sum of the cash value of any life
24 insurance excluded under subd. 2w. and the amount in any irrevocable burial trust
25 under s. 445.125 (1) (a).

1 **SECTION 10.** 49.47 (4) (c) 1. of the statutes is amended to read:

2 49.47 (4) (c) 1. Except as provided in ~~par. pars.~~ (am) and (aq) and as limited by
3 subd. 3., eligibility exists if income does not exceed 133 1/3% of the maximum aid to
4 families with dependent children payment under s. 49.19 (11) for the applicant's
5 family size or the combined benefit amount available under supplemental security
6 income under 42 USC 1381 to ~~1383c~~ and state supplemental aid under s. 49.77
7 whichever is higher. In this subdivision "income" includes earned or unearned
8 income that would be included in determining eligibility for the individual or family
9 under s. 49.19 or 49.77, or for the aged, blind or disabled under 42 USC 1381 to 1385.
10 "Income" does not include earned or unearned income which would be excluded in
11 determining eligibility for the individual or family under s. 49.19 or 49.77, or for the
12 aged, blind or disabled individual under 42 USC 1381 to 1385.

13 **SECTION 11.** 49.47 (4) (c) 3. of the statutes is amended to read:

14 49.47 (4) (c) 3. Except as provided in ~~par. pars.~~ (am) and (aq), no person is
15 eligible for medical assistance under this section if the person's income exceeds the
16 maximum income levels that the U.S. department of health and human services sets
17 for federal financial participation under 42 USC ~~1396b~~ (f).

18 **SECTION 12.** 49.47 (4) (i) 2. (intro.) of the statutes is amended to read:

19 49.47 (4) (i) 2. (intro.) Notwithstanding par. (b) 2r. and 3., a person who is
20 described in par. (a) ~~3. or 4.~~ or (aq) is not eligible for benefits under this section if any
21 of the following criteria is met:

22 **SECTION 13.** 49.688 of the statutes is created to read:

23 **49.688 Prescription drug assistance for low-income elderly persons.**

24 (1) In this section:

1 (a) "Poverty line" means the nonfarm federal poverty line for the continental
2 United States, as defined by the federal department of labor under 42 USC 9902 (2).

3 (b) "Prescription drug" means a prescription drug, as defined in s. 450.01 (20),
4 that is included in the drugs specified under s. 49.46 (2) (b) 6. h.

5 (c) "Prescription order" has the meaning given in s. 450.01 (21).

6 (2) A person who is at least 65 years of age, who is ineligible for medical
7 **assistance, whose income does not exceed 185% of the poverty line** and who pays the
8 program enrollment fee specified in sub. (3) (a) is eligible to purchase a prescription
9 drug at the amount specified in sub. (6) (b). The person may apply to the department,
10 on a form provided by the department together with program enrollment fee
11 payment, for a determination of eligibility and issuance of a prescription drug card
12 for purchase of prescription drugs under this section.

13 (3) Program participants shall pay all of the following:

14 (a) Annually, a program enrollment fee of \$25.

15 (b) Monthly, a deductible of \$40.

16 (c) Annually for prescription drugs, all of the following:

17 1. Fifty percent of the first \$2,000 in charges, as specified in sub. (6) (a).

18 2. Thirty percent of the charges, as specified in sub. (6) (a), that exceed \$2,000
19 but that do not exceed \$6,250.

20 3. One hundred percent of the charges, calculated at the retail price of the
21 pharmacy or pharmacist, that exceed \$6,250.

22 (4) The department shall devise and distribute a form for application for the
23 program under sub. (2), shall determine eligibility of applicants and shall issue to
24 eligible persons a prescription drug card for use in purchasing prescription drugs, as
25 specified in sub. (5).

1 (5) Beginning March 1, 2001, as a condition of participation by a pharmacy or
2 pharmacist in the program under ss. 49.45, 49.46 or 49.47, the pharmacy or
3 pharmacist may not charge a person who presents a valid prescription order, a card
4 indicating that he or she meets eligibility requirements under sub. (2) and payment,
5 if applicable, of the monthly deductible amount specified in sub. (3) (b) an amount
6 for a prescription drug under the order that exceeds the amount specified in sub. (6)
7 (b). The pharmacy or pharmacist shall forward to the state treasurer, for deposit in
8 the appropriation account under s. 20.435 (4) (j), the monthly deductible amount.

9 (6) (a) The charge for prescription drugs shall be calculated at the average
10 wholesale price minus 10% or the maximum allowable cost, as determined by the
11 department, whichever is less, plus a dispensing fee. The charge does not include a
12 deductible, as specified in sub. (3) (b).

13 (b) The amounts that a pharmacy or pharmacist may charge a person specified
14 in sub. (2) in a calendar year period for the prescription drugs are the following:

15 1. If applicable, a deductible, as specified in sub. (3) (b), for prescription drugs
16 that are charged at the rate specified in par. (a).

17 2. Fifty percent of the first \$2,000 in charges, as specified in par. (a), for the
18 prescription drugs after the deductible, if applicable, is charged.

19 3. Seventy percent of the charges, as specified in par. (a), that exceed the
20 amount specified in subd. 2. but that do not exceed \$6,250, for the prescription drugs.

21 4. One hundred percent of charges, calculated at the retail price of the
22 pharmacy or pharmacist, that exceed \$6,250, for the prescription drugs.

23 (c) The department shall, for the purposes of par. (a), calculate and transmit
24 to pharmacies and pharmacists that are certified providers of medical assistance
25 amounts that may be used in calculating charges under par. (a). The department

1 shall periodically update this information and transmit the updated amounts to
2 pharmacies and pharmacists.

3 (7) The department or an entity with which the department contracts shall
4 attempt to negotiate with a drug manufacturer that sells drugs for prescribed use in
5 this state a rebate agreement that is modeled on the rebate agreement specified
6 under 42 USC 1396r-8. The rebate agreement, if negotiated, shall include all of the
7 following as requirements:

8 (a) That the manufacturer shall make rebate payments for each prescription
9 drug of the manufacturer that is prescribed for persons who are eligible under sub.
10 (2), to the state treasurer to be credited to the appropriation under s. 20.435 (4) (j),
11 each calendar quarter or according to a schedule established by the department.

12 (b) That the amount of the rebate payment shall be determined by a method
13 specified in 42 USC 1396r-8 (c).

14 (8) From the appropriation accounts under s. 20.435 (4) (bv) and (j), beginning
15 March 1, 2001, the department shall provide to pharmacies and pharmacists
16 payments, under a schedule that is identical to that used by the department for
17 payment of pharmacy provider claims under medical assistance, that correspond to
18 the discounts specified under sub. (6) (a) and (b) provided by the pharmacies and
19 pharmacists to persons who meet criteria for eligibility under sub. (2). The
20 department shall devise and distribute a, form for reports by pharmacies and
21 pharmacists under this subsection.

22 (9) The department shall identify and list prescription drugs that account for
23 significant prescription order expenditure by persons who are aged at least 65 years.
24 Provision of a prescription drug so listed is reimbursable under sub. (8) only if the
25 pharmacy or pharmacist that provides the drug receives prior authorization from the

1 department for the provision. The department shall distribute to pharmacies and
2 pharmacists the list required under this subsection.

3 (10) The department may enter into a contract with an entity to perform the
4 duties and exercise the powers of the department under this section.

5 **SECTION 14. Nonstatutory provisions.**

6 (1) ~~PRESCRIPTION DRUG ASSISTANCE FORELDERLYPERSONS; ADMINISTRATION.~~ The
7 department of health and family services may request the joint committee on finance
8 to supplement, from the appropriation account under section 20.865 (4) (a) of the
9 statutes, the appropriation account under section 20.435 (4) (a) of the statutes, to pay
10 the costs of administration of the program of prescription drug assistance for elderly
11 persons under section 49.688 of the statutes, as created by this act. If the department
12 of health and family services requests supplementation of the appropriation account
13 under section 20.435 (4) (a) of the statutes, the department shall submit a plan to the
14 joint committee on finance to expend not more than \$1,500,000 for fiscal year
15 1999-2000 and not more than \$1,500,000 for fiscal year 2000-01. If the
16 cochairpersons of the committee do not notify the secretary of the department within
17 14 working days after the date of the department's submittal that the committee
18 intends to schedule a meeting to review the request, the appropriation account shall
19 be supplemented as provided in the request. If, within 14 working days after the date
20 of the department's submittal, the cochairpersons of the committee notify the
21 secretary of the department that the committee intends to schedule a meeting to
22 review the request, the appropriation account shall be supplemented only as
23 approved by the committee. Notwithstanding section 13.101 (3) (a) 1. of the statutes,
24 the committee is not required to find that an emergency exists.

25 **SECTION 15. Appropriation changes.**

Insert
4
8

1 (1) **PRESCRIPTION DRUG ASSISTANCE FOR ELDERLY; ADMINISTRATION.** In the schedule
2 under section 20.005 (3) of the statutes for the appropriation to the joint committee
3 on finance under section 20.865 (4) (a) of the statutes, as affected by the acts of 1999,
4 the dollar amount is increased by \$1,500,000 for fiscal year 1999-00 and the dollar
5 amount is increased by \$1,500,000 for fiscal year 2000-01 to increase funding for
6 administration of the prescription drug assistance for elderly program under section
7 49.688 of the statutes, as created by this act.

8 (2) **EXPANDED MEDICAL ASSISTANCE ELIGIBILITY.** In the schedule under section
9 20.005 (3) of the statutes for the appropriation to the department of health and family
10 services under section 20.435 (4) (b) of the statutes, as affected by the acts of 1999,
11 the dollar amount is increased by \$1,200,000 for fiscal year 2000-01 to increase
12 funding for expanded eligibility for medical assistance program benefits.

13 **SECTION 16. Initial applicability.**

14 (1) The treatment of section 49.47 (4) (aq), (b) 2m. b., 2r., 2w. and 3., (c) 1. and
15 3. and (i) (2) (intro.) of the statutes first applies to eligibility determinations made
16 for medical assistance on the January 1, 2001.

17

es (END)

Insert
8-4

BILL

SECTION 1

1 ~~SECTION 1.~~ 100.31 (2m) of the statutes is created to read.

2 100.31 (2m) ANNUAL REPORT AND PUBLICITY ON SELLER DISCOUNT PROGRAMS.

3 Before March 1 annually, the department shall submit a report to the governor, and
4 to the chief clerk of each house for distribution to the appropriate. standing
5 committees under s. 13.172 (3), on compliance of sellers with sub. (2) and on whether
6 purchasers have passed on to consumers any savings resulting from sellers'
7 compliance with sub. (2) during the preceding year. The report shall also describe
8 programs offered by sellers and others that offer discounts on drugs to consumers.
9 Within the limits of available resources, the department shall publicize these
10 programs to consumers. In preparing the report, the department shall consult with
11 sellers, purchasers and consumers, including elderly consumers.

12

(END)

of merit

Barman, Mike

From: Barman, Mike
Sent: Wednesday, March 01, 2000 8:48 AM
To: Moran, Christian
Subject: LRB 99s0335/3 (per your request)



99s0335/3

Mike Barman

Mike Barman - Senior Program Asst. (PH. 608-266-3561)
(E-Mail: mike.barman@legis.state.wi.us) (FAX: 608-264-6948)

State of Wisconsin
legislative Reference Bureau - legal Section - Front Office
100 N. Hamilton Street - 5th Floor
Madison, WI 53703

NOW

1999 - 2000 LEGISLATURE

LRBs0335/4
DAK&ISR:wlj&cmh:bjf

Redraft
maker has
been
run

**ASSEMBLY SUBSTITUTE AMENDMENT,
TO 1999 ASSEMBLY BILL 815**

Regen

1 **AN ACT** ~~to amend~~ 49.47 (4) (b) 2m. b., 49.47 (4) (b) 2r., 49.47 (4) (b) 2w., 49.47 (4)
2 (b) 3., 49.47 (4) (c) 1., 49.47 (4) (c) 3. and 49.47 (4) (i) 2. (intro.); and to **create**
3 20.435 (4) (bv), 20.435 (4) (j), 20.435 (4) (jb), 49.47 (4) (aq), 49.688 and 100.31
4 (2m) of the statutes; **relating to:** expanding medical assistance income
5 eligibility requirements for elderly persons; requiring pharmacies and
6 pharmacists, as a condition of medical assistance participation, to charge
7 elderly, low-income persons for prescription drugs no more than specific
8 amounts; requiring the department of health and family services to attempt to
9 negotiate rebate agreements with drug manufacturers; requiring an annual
10 report on the sale and pricing of certain drugs and programs that offer discounts
11 on drugs to consumers; and making appropriations.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
2 the following amounts for the purposes indicated:

3 1999-00 2000-01

4 20.435 **Health and family services, department**
5 **of**

6 (4) **HEALTH SERVICES PLANNING, REGULATION AND**
7 **DELIVERY; HEALTH CARE FINANCING**

8 (bv) Prescription drug assistance for
9 elderly; aids

GPR A

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5,575,000
~~2,116,700~~

10 SECTION 2. 20.435 (4) (bv) of the statutes is created to read:

11 **20.435 (4) (bv) Prescription drug assistance for elderly; aids.** The amounts in
12 the schedule for the program for prescription drug assistance for elderly persons
13 under s. 49.688.

14 SECTION 3. 20.435 (4) (j) of the statutes is created to read:

15 20.435 (4) (j) **Prescription drug assistance for elderly; deductibles and**
16 **manufacturer rebates.** All moneys received from payments of monthly deductibles
17 under s. 49.688 (5) and rebate payments by manufacturers under s. 49.688 (7), to be
18 used for prescription drug assistance for elderly persons under s. 49.688.

19 SECTION 4. 20.435 (4) (jb) of the statutes is created to read:

20 20.435 (4) (jb) **Prescription drug assistance for elderly; enrollment fees.** All
21 moneys received from payment of enrollment fees under s. 49.688 (2), to be used for
22 administration of the program under s. 49.688.

23 SECTION 5. 49.47 (4) (aq) of the statutes is created to read:

1 49.47 (4) (aq) 1. Subject to subd. 2., an individual who does not meet the
2 limitation on income under par. (c) is eligible for medical assistance if the individual
3 is 65 years of age or older and the individual's income does not exceed 100% of the
4 federal poverty level.

5 2. If a federal waiver is necessary to provide medical assistance to individuals
6 specified in subd. 1., the department shall request a waiver from the secretary of the
7 federal department of health and human services before providing medical
8 assistance under this paragraph.

9 **SECTION 6.** 49.47 (4) (b) 2m. b. of the statutes is amended to read:

10 49.47 (4) (b) 2m. b. For persons who are eligible under par. (a) ~~3. or 4. or (aq)~~,
11 motor vehicles are exempt from consideration as an asset to the same extent as
12 provided under 42 USC 1381 to 1385.

13 **SECTION 7.** 49.47 (4) (b) 2r. of the statutes is amended to read:

14 49.47 (4) (b) 2r. For a person who is eligible under par. (a) ~~3. or 4. or (aq)~~, the
15 value of any burial space or agreement representing the purchase of a burial space
16 held for the purpose of providing a place for the burial of the person or any member
17 of his or her immediate family.

18 **SECTION 8.** 49.47 (4) (b) 2w. of the statutes is amended to read:

19 49.47 (4) (b) 2w. For a person who is eligible under par. (a) ~~3. or 4. or (aq)~~, life
20 insurance with cash surrender values if the total face value of all life insurance
21 policies is not more than \$1,500.

22 **SECTION 9.** 49.47 (4) (b) 3. of the statutes is amended to read:

23 49.47 (4) (b) 3. For a person who is eligible under par. (a) ~~3. or 4. or (aq)~~, funds
24 set aside to meet the burial and related expenses of the person and his or her spouse
25 in an amount not to exceed \$1,500 each, minus the sum of the cash value of any life

1 insurance excluded under subd. **2w.** and the amount in any irrevocable burial trust
2 under s. 445.125 (1) (a).

3 **SECTION 10.** 49.47 (4) (c) 1. of the statutes is amended to read:

4 49.47 (4) (c) 1. Except as provided in ~~par. pars.~~ (am) and (aq) and as limited by
5 subd. **3.**, eligibility exists if income does not exceed 133 1/3% of the maximum aid to
6 families with dependent children payment under s. 49.19 (11) for the applicant's
7 family size or the combined benefit amount available under supplemental security
8 income under 42 USC 1381 to **1383c** and state supplemental aid under s. 49.77
9 whichever is higher. In this subdivision "income" includes earned or unearned
10 income that would be included in determining eligibility for the individual or family
11 under s. 49.19 or 49.77, or for the aged, blind or disabled under 42 USC 1381 to 1385.
12 "Income" does not include earned or unearned income which would be excluded in
13 determining eligibility for the individual or family under s. 49.19 or 49.77, or for the
14 aged, blind or disabled individual under 42 USC 1381 to 1385.

15 **SECTION 11 .** 49.47 (4) (c) 3. of the statutes is amended to read:

16 49.47 (4) (c) 3. Except as provided in ~~par. pars.~~ (am) and (aq), no person is
17 eligible for medical assistance under this section if the person's income exceeds the
18 maximum income levels that the U.S. department of health and human services sets
19 for federal financial participation under 42 USC **1396b (f)**.

20 **SECTION 12.** 49.47 (4) (i) 2. (intro.) of the statutes is amended to read:

21 49.47 (4) (i) 2. (intro.) Notwithstanding par. (b) 2r. and **3.**, a person who is
22 described in par. (a) ~~3. or~~ 4. or (aq) is not eligible for benefits under this section if any
23 of the following criteria is met:

24 **SECTION 13.** 49.688 of the statutes is created to read:

1 **49.688 Prescription drug assistance for low-income elderly persons.**

2 **(1)** In this section:

3 (a) "Poverty line" means the nonfarm federal poverty line for the continental
4 United States, as defined by the federal department of labor under 42 USC 9902 (2).

5 (b) "Prescription drug" means a prescription drug, as defined in s. 450.01 (20),
6 that is included in the drugs specified under s. 49.46 (2) (b) 6. h.

7 (c) "Prescription order" has the meaning given in s. 450.01 (21).

8 (2) A person who is at least 65 years of age, who is ineligible for medical
9 assistance, whose income does not exceed 185% of the poverty line and who pays the
10 program enrollment fee specified in sub. (3) (a) is eligible to purchase a prescription
11 drug at the amount specified in sub. (6) (b). The person may apply to the department,
12 on a form provided by the department together with program enrollment fee
13 payment, for a determination of eligibility and issuance of a prescription drug card
14 for purchase of prescription drugs under this section.

15 (3) Program participants shall pay all of the following:

16 (a) Annually, a program enrollment fee of \$25.

17 (b) Monthly, a deductible of \$40.

18 (c) Annually for prescription drugs, all of the following:

19 1. Fifty percent of the first \$2,000 in charges, as specified in sub. (6) (a).

20 2. Thirty percent of the charges, as specified in sub. (6) (a), that exceed \$2,000
21 but that do not exceed \$6,250.

22 3. One hundred percent of the charges, calculated at the retail price of the
23 pharmacy or pharmacist, that exceed \$6,250.

24 (4) The department shall devise and distribute a form for application for the
25 program under sub. (2), shall determine eligibility of applicants and shall issue to

1 eligible persons a prescription drug card for use in purchasing prescription drugs, as
2 specified in sub. (5).

April

3 (5) Beginning ~~March~~ 1, 2001, as a condition of participation by a pharmacy or
4 pharmacist in the program under ss. 49.45, 49.46 or 49.47, the pharmacy or
5 pharmacist may not charge a person who presents a valid prescription order, a card
6 indicating that he or she meets eligibility requirements under sub. (2) and payment,
7 if applicable, of the monthly deductible amount specified in sub. (3) (b) an amount
8 for a prescription drug under the order that exceeds the amount specified in sub. (6)
9 (b). The pharmacy or pharmacist shall forward to the state treasurer, for deposit in
10 the appropriation account under s. 20.435 (4) (j), the monthly deductible amount.

11 (6) (a) The charge for prescription drugs shall be calculated at the average
12 wholesale price minus 10% or the maximum allowable cost, as determined by the
13 department, whichever is less, plus a dispensing fee. The charge does not include a
14 deductible, as specified in sub. (3) (b).

15 (b) The amounts that a pharmacy or pharmacist may charge a person specified
16 in sub. (2) in a calendar year period for the prescription drugs are the following:

17 1. If applicable, a deductible, as specified in sub. (3) (b), for prescription drugs
18 that are charged at the rate specified in par. (a).

19 2. Fifty percent of the first \$2,000 in charges, as specified in par. (a), for the
20 prescription drugs after the deductible, if applicable, is charged.

21 3. ~~Seventy~~ percent of the charges, as specified in par. (a), that exceed the
22 amount specified in subd. 2. but that do not exceed \$6,250, for the prescription drugs.

23 4. One hundred percent of charges, calculated at the retail price of the
24 pharmacy or pharmacist, that exceed \$6,250, for the prescription drugs.

Thirty

1 (c) The department shall, for the purposes of par. (a), calculate and transmit
2 to pharmacies and pharmacists that are certified providers of medical assistance
3 amounts that may be used in calculating charges under par. (a). The department
4 shall periodically update this information and transmit the updated amounts to
5 pharmacies and pharmacists.

6 (7) The department or an entity with which the department contracts shall
7 attempt to negotiate with a drug manufacturer that sells drugs for prescribed use in
8 this state a rebate agreement that is modeled on the rebate agreement specified
9 under 42 USC 1396r-8. The rebate agreement, if negotiated, shall include all of the
10 following as requirements:

11 (a) That the manufacturer shall make rebate payments for each prescription
12 drug of the manufacturer that is prescribed for persons who are eligible under sub.
13 (2), to the state treasurer to be credited to the appropriation under s. 20.435 (4) (j),
14 each calendar quarter or according to a schedule established by the department.

15 (b) That the amount of the rebate payment shall be determined by a method
16 specified in 42 USC 1396r-8 (c).

17 (8) From the appropriation accounts under s. 20.435 (4) (bv) and (j), beginning
18 ~~March 1, 2001~~, the department shall provide to pharmacies and pharmacists
19 payments, under a schedule that is identical to that used by the department for
20 payment of pharmacy provider claims under medical assistance, that correspond to
21 the discounts specified under sub. (6) (a) and (b) provided by the pharmacies and
22 pharmacists to persons who meet criteria for eligibility under sub. (2). The
23 department shall devise and distribute a form for reports by pharmacies and
24 pharmacists under this subsection.

1 (9) The department shall identify and list prescription drugs that account for
2 significant prescription order expenditure by persons who are aged at least 65 years.
3 Provision of a prescription drug so listed is reimbursable under sub. (8) only if the
4 pharmacy or pharmacist that provides the drug receives prior authorization from the
5 department for the provision. The department shall distribute to pharmacies and
6 pharmacists the list required under this subsection

7 **(10)** The department may enter into a contract with an entity to perform the
8 duties and exercise the powers of the department under this section.

9 **SECTION 14.** 100.31 (2m) of the statutes is created to read:

10 **100.31 (2m) ANNUAL REPORT AND PUBLICITY ON SELLER DISCOUNT PROGRAMS.**

11 Before March 1 annually, the department shall submit a report to the governor, and
12 to the chief clerk of each house for distribution to the appropriate standing
13 committees under s. 13.172 (3), on compliance of sellers with sub. (2) and on whether
14 purchasers have passed on to consumers any savings resulting from sellers'
15 compliance with sub. (2) during the preceding year. The report shall also describe
16 programs offered by sellers and others that offer discounts on drugs to consumers.
17 Within the limits of available resources, the department shall publicize these
18 programs to consumers. In preparing the report, the department shall consult with
19 sellers, purchasers and consumers, including elderly consumers.

20 **SECTION 15. Nonstatutory provisions.**

21 **(1) PRESCRIPTION DRUG ASSISTANCE FOR ELDERLY PERSONS; ADMINISTRATION.** The
22 department of health and family services may request the joint committee on finance
23 to supplement, from the appropriation account under section 20.865 (4) (a) of the
24 statutes, the appropriation account under section 20.435 (4) (a) of the statutes, to pay
25 the costs of administration of the program of prescription drug assistance for elderly

1 persons under section 49.688 of the statutes, as created by this act. If the department
2 of health and family services requests supplementation of the appropriation account
3 under section 20.435 (4) (a) of the statutes, the department shall submit a plan to the
4 joint committee on finance to expend not more than \$1,500,000 for fiscal year
5 1999-2000 and not more than \$1,500,000 for fiscal year 2000-01. If the
6 cochairpersons of the committee do not notify the secretary of the department within
7 14 working days after the date of the department's submittal that the committee
8 intends to schedule a meeting to review the request, the appropriation account shall
9 be supplemented as provided in the request. If, within 14 working days after the date
10 of the department's submittal, the cochairpersons of the committee notify the
11 secretary of the department that the committee intends to **schedule** a meeting to
12 review the request, the appropriation account shall be supplemented only as
13 approved by the committee. Notwithstanding section 13.101 (3) (a) 1. of the statutes,
14 the committee is not required to find that an emergency exists.

15 **SECTION 16. Appropriation changes.**

16 (1) **PRESCRIPTION DRUG ASSISTANCE FOR ELDERLY; ADMINISTRATION.** In the schedule
17 under section 20.005 (3) of the statutes for the appropriation to the joint committee
18 on finance under section 20.865 (4) (a) of the statutes, as affected by the acts of 1999,
19 the dollar amount is increased by \$1,500,000 for fiscal year 1999-00 and the dollar
20 amount is increased by \$1,500,000 for fiscal year 2000-01 to increase funding for
21 administration of the prescription drug assistance for elderly program under section
22 49.688 of the statutes, as created by this act.

23 (2) **EXPANDED MEDICAL ASSISTANCE ELIGIBILITY.** In the schedule under section
24 20.005 (3) of the statutes for the appropriation to the department of health and family
25 services under section 20.435 (4) (b) of the statutes, as affected by the acts of 1999,

1 the dollar amount is increased by \$1,200,000 for fiscal year 2000-01 to increase
2 funding for expanded eligibility for medical assistance program benefits.

3 **SECTION 17. Initial applicability.**

4 (1) The treatment of section 49.47 (4) (aq), (b) 2m. b., 2r., 2w. and 3., (c) 1. and
5 3. and (i) (2) (intro.) of the statutes first applies to eligibility determinations made
6 for medical assistance on January \$2001.

7 (END)

Now

**ASSEMBLY SUBSTITUTE AMENDMENT,
TO 1999 ASSEMBLY BILL 815**

Only changes are
pp 1 and 8

Regen

1 **AN ACT** ~~to amend~~ **49.47 (4)** (b) 2m. b., 49.47 (4) (b) 2r., 49.47 (4) (b) 2w., 49.47 (4)
2 (b) 3., 49.47 (4) (c) 1., 49.47 (4) (c) 3. and 49.47 (4) (i) 2. (intro.); and **to create**
3 **20.435 (4)** (bv), 20.435 (4) (j), 20.435 (4) (jb), 49.47 (4) (aq), 49.688 and 100.31
4 (2m) of the statutes; **relating to:** expanding medical assistance income
5 eligibility requirements for elderly persons; requiring pharmacies and
6 pharmacists, as a condition of medical assistance participation, to charge
7 elderly, low-income persons for prescription drugs no more than specific
8 amounts; requiring the department of health and family services to attempt to
9 negotiate rebate agreements with drug manufacturers; ~~requiring an annual~~
10 ~~report on the sale and pricing of certain drugs and programs that offer discounts~~
11 ~~on drugs to consumers;~~ and making appropriations.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 49.47 (4) (aq) 1. Subject to subd. 2., an individual who does not meet the
2 limitation on income under par. (c) is eligible for medical assistance if the individual
3 is 65 years of age or older and the individual's income does not exceed 100% of the
4 federal poverty level.

5 2. If a federal waiver is necessary to provide medical assistance to individuals
6 specified in subd. 1., the department shall request a waiver from the secretary of the
7 federal department of health and human services before providing medical
8 assistance under this paragraph.

9 **SECTION 6.** 49.47 (4) (b) 2m. b. of the statutes is amended to read:

10 49.47 (4) (b) 2m. b. For persons who are eligible under par. (a) ~~3. or 4.~~ or (aq),
11 motor vehicles are exempt from consideration as an asset to the same extent as
12 provided under 42 USC 1381 to 1385.

13 **SECTION 7.** 49.47 (4) (b) 2r. of the statutes is amended to read:

14 49.47 (4) (b) 2r. For a person who is eligible under par. (a) ~~3. or 4.~~ or (aq), the
15 value of any burial space or agreement representing the purchase of a burial space
16 held for the purpose of providing a place for the burial of the person or any member
17 of his or her immediate family

18 **SECTION 8.** 49.47 (4) (b) 2w. of the statutes is amended to read:

19 49.47 (4) (b) 2w. For a person who is eligible under par. (a) ~~3. or 4.~~ or (aq), life
20 insurance with cash surrender values if the total face value of all life insurance
21 policies is not more than \$1,500.

22 **SECTION 9.** 49.47 (4) (b) 3. of the statutes is amended to read:

23 49.47 (4) (b) 3. For a person who is eligible under par. (a) ~~3. or 4.~~ or (aq), funds
24 set aside to meet the burial and related expenses of the person and his or her spouse
25 in an amount not to exceed \$1,500 each, minus the sum of the cash value of any life

1 insurance excluded under subd. ~~2w.~~ and the amount in any irrevocable burial trust
2 under s. 445.125 (1) (a).

3 SECTION PO. 49.47 (4) (c) 1. of the statutes is amended to read:

4 49.47 (4) (c) 1. Except as provided in ~~par. pars.~~ (am) and (aq) and as limited by
5 subd. ~~3.~~, eligibility exists if income does not exceed 133 $\frac{1}{3}$ % of the maximum aid to
6 families with dependent children payment under s. 49.19 (11) for the applicant's
7 family size or the combined benefit amount available under supplemental security
8 income under 42 USC 1381 to ~~1383c~~ and state supplemental aid under s. 49.77
9 whichever is higher. In this subdivision "income" includes earned or unearned
10 income that would be included in determining eligibility for the individual or family
11 under s. 49.19 or 49.77, or for the aged, blind or disabled under 42 USC 1381 to 1385.
12 "Income" does not include earned or unearned income which would be excluded in
13 determining eligibility for the individual or family under s. 49.19 or 49.77, or for the
14 aged, blind or disabled individual under 42 USC 1381 to 1385.

15 SECTION 11. 49.47 (4) (c) 3. of the statutes is amended to read:

16 49.47 (4) (c) 3. Except as provided in ~~par. pars.~~ (am) and (aq), no person is
17 eligible for medical assistance under this section if the persons income exceeds the
18 maximum income levels that the U.S. department of health and human services sets
19 for federal financial participation under 42 USC ~~1396b~~ (f).

20 SECTION 12. 49.47 (4) (i) 2. (intro.) of the statutes is amended to read:

21 49.47 (4) (i) 2. (intro.) Notwithstanding par. (b) 2r. and ~~3.~~, a person who is
22 described in par. (a) ~~3. or~~ 4. or (aq) is not eligible for benefits under this section if any
23 of the following criteria is met:

24 SECTION 13. 49.688 of the statutes is created to read:

1 **49.688 Prescription drug assistance for low-income elderly persons.**

2 **(1)** In this section:

3 (a) "Poverty line" means the nonfarm federal poverty line for the continental
4 United States, as defined by the federal department of labor under 42 USC 9902 (2).

5 (b) "Prescription drug" means a prescription drug, as defined in s. 450.01 (20),
6 that is included in the drugs specified under s. 49.46 (2) (b) 6. h.

7 (c) "Prescription order" has the meaning given in s. 450.01 (21).

8 (2) A person who is at least 65 years of age, who is ineligible, for medical
9 assistance, whose income does not exceed 185% of the poverty line and who pays the
10 program enrollment fee specified in sub. (3) (a) is eligible to purchase a prescription
11 drug at the amount specified in sub. (6) (b). The person may apply to the department,
12 on a form provided by the department together with program enrollment fee
13 payment, for a determination of eligibility and issuance of a prescription drug card
14 for purchase of prescription drugs under this section.

15 (3) Program participants shall pay all of the following:

16 (a) Annually, a program enrollment fee of \$25.

17 (b) Monthly, a deductible of \$40.

18 (c) Annually for prescription drugs, all of the following:

19 1. Fifty percent of the first \$2,000 in charges, as specified in sub. (6) (a).

20 2. Thirty percent of the charges, as specified in sub. (6) (a), that exceed \$2,000
21 but that do not exceed \$6,250.

22 3. One hundred percent of the charges, calculated at the retail price of the
23 pharmacy or pharmacist, that exceed \$6,250.

24 (4) The department shall devise and distribute a form for application for the
25 program under sub. (2), shall determine eligibility of applicants and shall issue to

1 eligible persons a prescription drug card for use in purchasing prescription drugs, as
2 specified in sub. (5).

3 (5) Beginning April 1, 2001, as a condition of participation by a pharmacy or
4 pharmacist in the program under ss. 49.45, 49.46 or 49.47, the pharmacy or
5 pharmacist may not charge a person who presents a valid prescription order, a card
6 indicating that he or she meets eligibility requirements under sub. (2) and payment,
7 if applicable, of the monthly deductible amount specified in sub. (3) (b) an amount
8 for a prescription drug under the order that exceeds the **amount** specified in sub. (6)
9 (b). The pharmacy or pharmacist shall forward to the state treasurer, for deposit in
10 the appropriation account under s. 20.435 (4) (j), the monthly deductible amount.

11 (6) (a) The charge for prescription drugs shall be calculated at the average
12 wholesale price minus 10% or the maximum allowable cost, as determined by the
13 department, whichever is less, plus a dispensing fee. The charge does not include a
14 deductible, as specified in sub. (3) (b).

15 (b) The amounts that a pharmacy or pharmacist may charge a person specified
16 in sub. (2) in a calendar year period for the prescription drugs are the following:

17 1. If applicable, a deductible, as specified in sub. (3) (b), for prescription drugs
18 that are charged at the rate specified in par. (a).

19 2. Fifty percent of the first \$2,000 in charges, as specified in par. (a), for the
20 prescription drugs after the deductible, if applicable, is charged.

21 3. Thirty percent of the charges, as specified in par. (a), that exceed the amount
22 specified in subd. 2. but that do not exceed \$6,250, for the prescription drugs.

23 4. One hundred percent of charges, calculated at the retail price of the
24 pharmacy or pharmacist, that exceed \$6,250, for the prescription drugs.

1 (c) The department shall, for the purposes of par. (a), calculate and transmit
2 to pharmacies and pharmacists that are certified providers of medical assistance
3 amounts that may be used in calculating charges under par. (a). The department
4 shall periodically update this information and transmit the updated amounts to
5 pharmacies and pharmacists.

6 (7) The department or an entity with which the department contracts shall
7 attempt to negotiate with a drug manufacturer that sells drugs for prescribed use in
8 this state a rebate agreement that is modeled on the rebate agreement specified
9 under 42 USC 1396r-8. The rebate agreement, if negotiated, shall include all of the
10 following as requirements:

11 (a) That the manufacturer shall make rebate payments for each prescription
12 drug of the manufacturer that is prescribed for persons who are eligible under sub.
13 (2), to the state treasurer to be credited to the appropriation under s. 20.435 (4) (j),
14 each calendar quarter or according to a schedule established by the department.

15 (b) That the amount of the rebate payment shall be determined by a method
16 specified in 42 USC 1396r-8 (c).

17 (8) From the appropriation accounts under s. 20.435 (4) (bv) and (j), beginning
18 April 1, 2001, the department shall provide to pharmacies and pharmacists
19 payments, under a schedule that is identical to that used by the department for
20 payment of pharmacy provider claims under medical assistance, that correspond to
21 the discounts specified under sub. (6) (a) and (b) provided by the pharmacies and
22 pharmacists to persons who meet criteria for eligibility under sub. (2). The
23 department shall devise and distribute a form for reports by pharmacies and
24 pharmacists under this subsection.

1 (9) The department shall identify and list prescription drugs that account for
2 significant prescription order expenditure by persons who are aged at least 65 years.
3 Provision of a prescription drug so listed is reimbursable under sub. (8) only if the
4 pharmacy or pharmacist that provides the drug receives prior authorization from the
5 department for the provision The department shall distribute to pharmacies and
6 pharmacists the list required under this subsection.

7 (10) The department may enter into a contract with an entity to perform the
8 duties and exercise the powers of the department under this section.

9 **SECTION 14.** 100.31 (2m) of the statutes is created to read:

10 **100.31 (2m) ANNUAL REPORT AND PUBLICITY ON SELLER DISCOUNT PROGRAMS.**
11 Before March 1 annually, the department shall submit a report to the governor, and
12 to the chief clerk of each house for distribution to the appropriate standing
13 committees under s. 13.172 (3), on compliance of sellers with sub. (2) and on whether
14 purchasers have passed on to consumers any savings resulting from sellers'
15 compliance with sub. (2) during the preceding year. The report shall also describe
16 programs offered by sellers and others that offer discounts on drugs to consumers.
17 Within the limits of available resources, the department shall publicize these
18 programs to consumers. In preparing the report, the department shall consult with
19 sellers, purchasers and consumers, including elderly consumers.

20 **SECTION 15. Nonstatutory provisions.**

21 (1) PRESCRIPTION DRUG ASSISTANCE FOR ELDERLY PERSONS; ADMINISTRATION. The
22 department of health and family services may request the joint committee on finance
23 to supplement, from the appropriation account under section 20.865 (4) (a) of the
24 statutes, the appropriation account under section 20.435 (4) (a) of the statutes, to pay
25 the costs of administration of the program of prescription drug assistance for elderly

1 persons under section 49.688 of the statutes, as created by this act. If the department
2 of health and family services requests supplementation of the appropriation account
3 under section 20.435 (4) (a) of the statutes, the department shall submit a plan to the
4 joint committee on finance to expend not more than \$1,500,000 for fiscal year
5 1999-2000 and not more than \$1,500,000 for fiscal year 2000-01. If the
6 cochairpersons of the committee do not notify the secretary of the department within
7 14 working days after the date of the department's submittal that the committee
8 intends to schedule a meeting to review the request, the appropriation account shall
9 be supplemented as provided in the request. If, within 14 working days after the date
10 of the department's submittal, the cochairpersons of the committee notify the
11 secretary of the department that the committee intends to schedule a meeting to
12 review the request, the appropriation account shall be supplemented only as
13 approved by the committee. Notwithstanding section 13.101 (3) (a) 1. of the statutes,
14 the committee is not required to find that an emergency exists.

15 **SECTION 16. Appropriation changes.**

16 (1) **PRESCRIPTION DRUG ASSISTANCE FOR ELDERLY; ADMINISTRATION.** In the schedule
17 under section 20.005 (3) of the statutes for the appropriation to the joint committee
18 on finance under section 20.865 (4) (a) of the statutes, as affected by the acts of 1999,
19 the dollar amount is increased by \$1,500,000 for fiscal year 1999-00 and the dollar
20 amount is increased by \$1,500,000 for fiscal year 2000-01 to increase funding for
21 administration of the prescription drug assistance for elderly program under section
22 49.688 of the statutes, as created by this act.

23 (2) **EXPANDED MEDICAL ASSISTANCE ELIGIBILITY.** In the schedule under section
24 20.005 (3) of the statutes for the appropriation to the department of health and family
25 services under section 20.435 (4) (b) of the statutes, as affected by the acts of 1999,

1 the dollar amount is increased by \$1,200,000 for fiscal year 2000-01 to increase
2 funding for expanded eligibility for medical assistance program benefits.

3 **SECTION 17. Initial applicability**

4 (1) The treatment of section 49.47 (4) (aq), (b) 2m. b., **2r.**, **2w.** and **3.**, (c) 1. and
5 3. and (i) (2) (intro.) of the statutes first applies to eligibility determinations made
6 for medical assistance on January 1, 2001.

7 (END)