Received: 05/09/2001

2001 DRAFTING REQUEST

Received By: rkite

| 7 | _ | | - | ٦ |
|---|---|---|---|---|
| | v | • | | |
| | | | | |
| | | | | |

| Wanted: | Soon | · | Identical to LRB: | | | | | | |
|------------------|---------------------------------------------|----------------------------------|------------------------|-------------|----------------------------|-----------------|-----------------|--|--|
| For: Pe g | ggy Krusick (6 | 508) 266-1733 | | | By/Representing: Christian | | | | |
| This file | may be shown | to any legislato | r: NO | | Drafter: kunkemd | | | | |
| May Co | ntact: | | | | Addl. Drafters: | | | | |
| Subject: | | Regulation - oth tional Reg m | | | Extra Copies: | MGG, PK | | | |
| Submit | via email: NO | | | | | | | | |
| Pre Top | pic: | | | · · | | | | | |
| No spec | ific pre topic gi | ven | | | | | | | |
| Topic: | | | | | | | | | |
| Prohibit | ing overchargir | ng for prescription | on drugs | | | | | | |
| Instruc | tions: | | | | | | | | |
| See Atta | ached | | | | | | | | |
| | | | | | | | | | |
| Draftin | g History: | · · | . | | | | | | |
| Vers. | Drafted | Reviewed | Typed | Proofed | Submitted | <u>Jacketed</u> | <u>Required</u> | | |
| <i>!</i> ? | rkite 06/09/2001 gibsom 06/11/2001 | | | | | | State | | |
| /P1 | kunkemd 06/11/2001 | jdyer 06/12/2001 | pgreensl 06/12/2001 | | lrb_docadmin 06/12/2001 | | S&L | | |
| /1 | kunkemd | wjackson | kfollet | | lrb_docadmin | | S&L | | |

| Vers. | <u>Drafted</u> | Reviewed | <u>Typed</u> | Proofed | Submitted | <u>Jacketed</u> | Required |
|-------|-------------------------------------|----------------------------------------------------------|------------------------|---------|----------------------------|---------------------------|----------|
| | 09/18/2001 kunkemd 10/29/2001 | 09/18/2001 jdyer 09/19/2001 jdyer 10/29/2001 | 09/20/2001 | | 09/20/2001 | | · |
| /2 | | | pgreensl 10/29/2001 | | lrb_docadmin 10/29/2001 | lrb_docadmi 02/06/2002 | n |

FE Sent For: 10/04/2001, 10/29/2001, 10/29/2001, ("/2") <END>

2001 DRAFTING REQUEST

Bill

| Receive | d: 05/09/2001 | | Received By: rkite | | | | | | |
|-----------|---------------------------------------------|---------------------------------|---------------------------------------|---------|----------------------------|----------|-------------|--|--|
| Wanted: | Wanted: Soon | | | | Identical to LRB: | | | | |
| For: Peg | ggy Krusick (6 | By/Representing: | Christian | | | | | | |
| This file | may be shown | to any legislate | or: NO | | Drafter: kunkemd | I | | | |
| May Co | ntact: | | | | Addl. Drafters: | | | | |
| Subject: | | Regulation - ot tional Reg n | | | Extra Copies: | MGG, PK | | | |
| Submit | via email: NO | | | | • | | | | |
| Pre Top | pic: | | | | | | | | |
| No spec | ific pre topic gi | ven | | | | | , | | |
| Topic: | | | · · · · · · · · · · · · · · · · · · · | | · | · | | | |
| Prohibit | ing overcharging | ng for prescripti | ion drugs | | | | | | |
| Instruc | tions: | | | | | | | | |
| See Atta | ached | | | | | | | | |
| Draftin | g History: | | , . | | | | | | |
| Vers. | <u>Drafted</u> | Reviewed | Typed | Proofed | Submitted | Jacketed | Required | | |
| /? | rkite 06/09/2001 gibsom 06/11/2001 | | | | | | State | | |
| /P1 | kunkemd 06/11/2001 | jdyer 06/12/2001 | pgreensl 06/12/2001 | | lrb_docadmin 06/12/2001 | | S&L | | |
| /1 | kunkemd | wjackson | kfollet | | lrb_docadmin | | S&L | | |

| Vers. | <u>Drafted</u> | Reviewed | Typed | Proofed | <u>Submitted</u> | Jacketed | Required |
|-------|-------------------------------------|----------------------------------------------------------|-----------------------|----------------|----------------------------|----------|----------|
| | 09/18/2001 kunkemd 10/29/2001 | 09/18/2001 jdyer 09/19/2001 jdyer 10/29/2001 | 09/20/200 | 1 | 09/20/2001 | | |
| /2 | | | pgreensl 10/29/200 | 1 | lrb_docadmin 10/29/2001 | | |

FE Sent For: 10/04/2001, 10/04/2001.

"12" 10/29/01 requested by Christian

<END>

2001 DRAFTING REQUEST

Bill

| Received: 05/ | /09/2001 | Received By: rki | Received By: rkite | | | |
|---------------|---------------------------------------------------|-------------------|--------------------|--|--|--|
| Wanted: Soon | | Identical to LRB: | | | | |
| For: Peggy K | rusick (608) 266-1733 | By/Representing: | Christian | | | |
| This file may | be shown to any legislator: NO | Drafter: kunkem | d | | | |
| May Contact: | : | Addl. Drafters: | | | | |
| Subject: | Trade Regulation - other Occupational Reg misc | Extra Copies: | MGG, PK | | | |
| Submit via er | mail: NO | | | | | |
| Pre Topic: | | | | | | |
| No specific p | re topic given | | | | | |
| Topic: | ` | | | | | |
| Prohibiting o | vercharging for prescription drugs | | • | | | |
| Instructions | | | <u> </u> | | | |
| See Attached | | | | | | |

| Vers. | Drafted | Reviewed | Typed | Proofed | Submitted | Jacketed | Required |
|-------|---------------------------------------------|-----------------------------|-----------------------|----------------------------------------|----------------------------|----------|----------|
| /? | rkite 06/09/2001 gibsom 06/11/2001 | | | —————————————————————————————————————— | | | State |
| /P1 | kunkemd 06/11/2001 | jdyer 06/12/2001 | pgreensl 06/12/200 | 1 PH R | lrb_docadmin 06/12/2001 | | S&L |
| /1 | kunkemd | wjackson /2 f0/ 29 Ld | kfollet | | lrb_docadmin | · | |

09/20/2001 10:35:08 AM Page 2

| Vers. | Drafted | Reviewed | Typed | Proofed | Submitted | <u>Jacketed</u> | Required |
|---------|------------|-----------------------------------|-----------|-------------|------------|-----------------|----------|
| , * | 09/18/2001 | 09/18/2001 jdycr 09/19/2001 | 09/20/200 |)1 | 09/20/2001 | | |
| FE Sent | For: | | | <end></end> | | | |
| | >10-0 | 4-2001 | | | | | |
| | (`> | <1") | • | | | | |

2001 DRAFTING REQUEST

| | | | oui Dian | r III O KL | QUEST | | |
|-----------|---------------------------------------------|----------------------------------|---------------|------------|-------------------|-----------------|----------|
| Bill | | | | | | | |
| Receive | d: 05/09/2001 | | | | Received By: rki | te . | |
| Wanted: | Soon | | | | Identical to LRB: | | |
| For: Peg | ggy Krusick (| 608) 266-1733 | | | By/Representing | Christian | |
| This file | may be show | n to any legislat | or: NO | | Drafter: kunkem | d | |
| May Co | ntact: | | | | Addl. Drafters: | | |
| Subject: | | Regulation - ot ational Reg r | | | Extra Copies: | MGG, PK | T |
| Submit | via email: NO | | | | | | |
| Request | er's email: | | | | | | |
| Pre Top | oic: | | | | | | |
| No spec | ific pre topic g | given | | | | | e |
| Topic: | | | . | | , | <u> </u> | - |
| Prohibit | ing overcharg | ng for prescript | ion drugs | | | | |
| Instruc | tions: | | | | | | |
| See Atta | ached | | | | | | |
| | | | | | | | |
| Draftin | g History: | | | | | | |
| Vers. | <u>Drafted</u> | Reviewed | Typed | Proofed | Submitted | <u>Jacketed</u> | Required |
| /? | rkite 06/09/2001 gibsom 06/11/2001 | | | | , | | State |

/P1

kunkemd

lrb_docadmin

.06/12/2001 08:57:02 AM Page 2

| Vers. | <u>Drafted</u> | Reviewed | Typed | <u>Proofed</u> | Submitted | Jacketed | Required |
|-------|----------------|------------|-----------|----------------|------------|----------|----------|
| - | 06/11/2001 | 06/12/2001 | 06/12/200 | 1 | 06/12/2001 | | |

FE Sent For:

<END>

kunkemd

2001 DRAFTING REQUEST

| Bil | 1 |
|-----|---|

| Received | 1: 05/09/2001 | Received By: rk | Received By: rkite Identical to LRB: | | | | |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------------------------------|---|--|--|--|
| Wanted: | Soon | Identical to LRB | | | | | |
| For: Pegg | gy Krusick (608) 266-1733 | By/Representing | : Christian | | | | |
| This file | may be shown to any legislator: NO | Drafter: kunkem | Drafter: kunkemd | | | | |
| May Con | ntact: | Addl. Drafters: | | | | | |
| Subject: | Trade Regulation - other Occupational Reg misc | Extra Copies: | MGG, PK | | | | |
| Submit v | ria email: NO | | | | | | |
| Requeste | er's email: | | | | | | |
| Pre Topi | ic: | *** | | | | | |
| No specif | fic pre topic given | | | | | | |
| Topic: | | | | | | | |
| Prohibitii | ng overcharging for prescription drugs | | | | | | |
| Instructi | ions: | | | | | | |
| See Attac | ched | | | | | | |
| | | | | | | | |
| Drafting | g History: | | | | | | |
| <u>Vers.</u> /? | Drafted Reviewed Typed Proof rkite 06/09/2001 //2 //2 gibsom pg 5th | Submitted | Jacketed Required State | 1 | | | |

06/11/2001 04:15:21 PM Page 2

<u>Vers.</u> <u>Drafted</u> <u>Reviewed</u> <u>Typed</u> <u>Proofed</u> <u>Submitted</u> <u>Jacketed</u> <u>Required</u>

FE Sent For:

<END>

| 5/4/01 Fram Christian (Krusick's Mice) 6-1733 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| |
| Problem: Some pharmacists (pharmacis?) are charging persons |
| Problem: Some phormacists (phormacis?) are charging persons who have medical insurance the full amount |
| price that is less than the coparment amount |
| price that is less than the coparment amount |
| |
| Solution: |
| Probabit pharmacy/pharmacist from charging, for a |
| prescrip, drug, any out, in excess of the retail |
| price padrie vegardess if the vetail price |
| If the copacy and under the purchaser's insurance |
| policy is brigher than that retail price |
| |
| or . |
| Pharmany must reveal retail puce to purchaser, who then can decide what to pay ?? |
| who then can deade what to pay ?? |
| |
| See 100.31 leufair discreur in drup pricing |
| |
| Park to a contract of the second of the seco |
| Totental proprem: Patient B3 with HMO to pay |
| Potential problem: Patrient K5 with HMO to pay copay-does he have to pay it regardless of the cost. |
| OF AND COSI. |
| |
| |
| |
| |
| |
| |
| |
| |



2

3

State of Misconsin 2001 - 2002 LEGISLATURE

D-NUTE)

LRB-3275/P1 MDK: رئال

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

TODAY, P.M.

Today, P.

AN ACT ...; relating to: retail prices for prescription drugs that require copayments and providing a penalty.

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a later version. 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. 100.31 (title) of the statutes is amended to read:

4 100.31 (title) Unfair discrimination in Prescription drug pricing.

History: 1975 c. 168, 421, 422; 1983 a. 188, 189; 1993 a. 352.

SECTION 2. 100.31 (1) (a) of the statutes is renumbered 100.31 (1) (ar) and

6 amended to read:

7 100.31 (1) (ar) "Drug" "Prescription drug" means any substance subject to 21

8 USC 353 (b).

History: 1975 c. 168, 421, 422; 1983 a. 188, 189; 1993 a. 352.

| 1 | SECTION 3. 100.31 (1) (ag) of the statutes is created to read: |
|----|--------------------------------------------------------------------------------------------------------------------------------|
| 2 | 100.31 (1) (ag) "Consumer" means a person for whom a prescription drug is |
| 3 | prescribed. |
| 4 | SECTION 4. 100.31 (1) (b) of the statutes is amended to read: |
| 5 | 100.31 (1) (b) "Purchaser" "Retailer" means any person who engages primarily |
| 6 | in selling prescription drugs directly to consumers. |
| 7 | History: 1975 c. 168, 421, 422; 1983 a. 188, 189; 1993 a. 352. SECTION 5. 100.31 (1) (c) of the statutes is amended to read: |
| 8 | 100.31 (1) (c) "Seller" "Wholesale seller" means any person who trades in |
| 9 | prescription drugs for resale to purchasers retailers in this state. |
| 10 | History: 1975 c. 168, 421, 422; 1983 a. 188, 189; 1993 a. 352. SECTION 6. 100.31 (2) of the statutes is amended to read: |
| 11 | 100.31 (2) PRICE WHOLESALE PRICE DISCRIMINATION PROHIBITED. Every wholesale |
| 12 | seller shall offer prescription drugs from the list of therapeutically equivalent drugs |
| 13 | published by the federal food and drug administration to every purchaser retailer in |
| 14 | this state, with all rights and privileges offered or accorded by the wholesale seller |
| 15 | to the most favored purchaser <u>retailer</u> , including purchase prices for similar volume |
| 16 | purchases, rebates, free merchandise, samples, and similar trade concessions. |
| 17 | Nothing in this subsection prohibits the giving of a discount for volume purchases. |
| 18 | History: 1975 c. 168, 421, 422; 1983 a. 188, 189; 1993 a. 352. SECTION 7. 100.31 (2m) of the statutes is created to read: |
| 19 | 100.31 (2m) RETAIL PRESCRIPTION DRUG PRICES. If a consumer has insurance |
| 20 | coverage for prescription drugs and is required to pay a copayment for a prescription |
| 21 | drug covered under the consumer's insurance policy, a retailer who sells the |
| 22 | prescription drug to the consumer may not require the consumer to pay an amount |
| 23 | for the prescription drug that is more than the amount of the copayment or the |
| 24 | average price that the retailer charges for the prescription drug to consumers who |

| 1 | do not have insurance coverage of prescription drugs, whichever is less. This |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2 | subsection does not apply to a retailer who sells prescription drugs exclusively to |
| 3 | consumers who have insurance coverage of prescription drugs. |
| 4 | SECTION 8. 100.31 (3) of the statutes is amended to read: |
| 5 | 100.31 (3) Treble damages for retailers. Any purchaser retailer damaged by |
| 6 | a violation of this section sub. (2) may bring an action against the wholesale seller |
| 7 | to recover treble damages sustained by reason of such violation. |
| 8 | History: 1975 c. 168, 421, 422; 1983 a. 188, 189; 1993 a. 362. SECTION 9. 100.31 (4) of the statutes is amended to read: |
| 9 | 100.31 (4) PENALTIES. For any violation of this section, the department or a |
| 10 | district attorney may commence an action on behalf of the state to recover a forfeiture |
| 11 | of not less than \$100 nor more than \$10,000 for each offense. Each delivery of a |
| 12 | prescription drug sold to a purchaser retailer or consumer at a price in violation of |
| 13 | this section and each separate day in violation of an injunction issued under this |
| 14 | section is a separate offense. |
| 15 | History: 1975 c. 168, 421, 422; 1983 a. 188, 189; 1993 a. 352. SECTION 10. 450.10 (1) (a) 2. of the statutes is amended to read: |
| 16 | 450.10 (1) (a) 2. Violating this chapter, s. 100.31 (2m), or, subject to s. 961.38 |
| 17 | (4r), ch. 961 or any federal or state statute or rule which substantially relates to the |
| 18 | practice of the licensee. |
| 19 | History: 1985 a. 146; 1987 a. 264, 399; 1989 a. 31, 316; 1991 a. 39, 160; 1993 a. 222, 443; 1995 a. 27 s. 9145 (1); 1995 a. 448; 1997 a. 27, 67, 75, 175; 1999 a. 9, 32, 180. SECTION 11. Nonstatutory provisions. |
| 20 | (1) If a retailer, as defined in section 100.31 (1) (b) of the statutes, as affected |
| 21 | by this act, is subject to a contract that is in effect on the effective date of this |
| 22 | subsection and that contains provisions regarding retail prices of prescription drugs, |
| 23 | as defined in section 100.31 (1) (ar) of the statutes, as affected by this act, that are |
| 24 | inconsistent with section 100.31 (2m) of the statutes, as created by this act, then, |

2

5

6

7

| notwithstanding section 100.31 (2m) of the statutes, as created by this act, the |
|------------------------------------------------------------------------------------------|
| retailer may perform its obligations, and exercise its rights, under that contract until |
| the contract expires, is extended, modified, or renewed, whichever occurs first. |
| C |

SECTION 12. Effective date.

(1) This act takes effect on the first day of the 3rd month beginning after publication.

(END)

D-note

DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

date

Representative Krusick:

Please review this draft very carefully to make sure that it achieves your intent. In particular, please note the following:

- 1. Under current law, DATCP and local district attorneys enforce a prohibition on wholesale price discrimination for prescription drugs. Therefore, I thought it was appropriate to require DATCP and local district attorneys to enforce the draft's prohibition on retail prescription drug prices. Is that okay, or do you want some other state agency to have enforcement authority?
- 2. The draft prohibits charging a retail price that is more than the copayment amount or the *average* price charged to uninsured consumers, whichever is less. Is that okay? I referred to average price because I understand that the same retailer may charge different prices for a prescription drug to different groups of consumers. For example, according to the federal Department of Health and Human Services in its Report to the President on Prescription Drug Coverage, Spending, Utilization, and Prices (April 2000), pharmacies may offer across—the—board discounts on drugs to certain groups of cash customers, such as senior citizens. See chapter 3 of the report, which deals with prices, at http://aspe.hhs.gov/health/reports/drugstudy/chap03.htm.
- 3. The prohibition regarding retail prices does not apply to a retailer who sells prescription drugs exclusively to insured consumers. The reason is that such a retailer doesn't provide prescription drugs to uninsured consumers, and, as a result, the prohibition cannot logically apply to such a retailer. Is that okay, or do you want to impose some other requirements on such retailers?
- 4. Under current law, a retailer may obtain treble damages from a wholesale seller who violates the price discrimination prohibition. Do you want to allow consumers to obtain treble damages from retailers who violate the retail price prohibition?
- * 5. The draft has a delayed effective date (3 months after publication) to give retailers some time to comply with the draft's requirements.
 - 6. The nonstatutory provision is intended to avoid any impairment of contracts issues that might otherwise arise. Is it okay?

Please contact me if you have any questions or redraft instructions.

Mark D. Kunkel Legislative Attorney Phone: (608) 266–0131

E-mail: mark.kunkel@legis.state.wi.us

DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRB-3275/P1dn MDK:jld:pg

June 12, 2001

Representative Krusick:

Please review this draft very carefully to make sure that it achieves your intent. In particular, please note the following:

- 1. Under current law, DATCP and local district attorneys enforce a prohibition on wholesale price discrimination for prescription drugs. Therefore, I thought it was appropriate to require DATCP and local district attorneys to enforce the draft's prohibition on retail prescription drug prices. Is that okay, or do you want some other state agency to have enforcement authority?
- 2. The draft prohibits charging a retail price that is more than the copayment amount or the *average* price charged to uninsured consumers, whichever is less. Is that okay? I referred to average price because I understand that the same retailer may charge different prices for a prescription drug to different groups of consumers. For example, according to the federal Department of Health and Human Services in its Report to the President on Prescription Drug Coverage, Spending, Utilization, and Prices (April 2000), pharmacies may offer across—the—board discounts on drugs to certain groups of cash customers, such as senior citizens. See chapter 3 of the report, which deals with prices, at http://aspe.hhs.gov/health/reports/drugstudy/chap03.htm.
- 3. The prohibition regarding retail prices does not apply to a retailer who sells prescription drugs exclusively to insured consumers. The reason is that such a retailer doesn't provide prescription drugs to uninsured consumers, and, as a result, the prohibition cannot logically apply to such a retailer. Is that okay, or do you want to impose some other requirements on such retailers?
- 4. Under current law, a retailer may obtain treble damages from a wholesale seller who violates the price discrimination prohibition. Do you want to allow consumers to obtain treble damages from retailers who violate the retail price prohibition?
- 5. The draft has a delayed effective date (three months after publication) to give retailers some time to comply with the draft's requirements.
- 6. The nonstatutory provision is intended to avoid any impairment of contracts issues that might otherwise arise. Is it okay?

Please contact me if you have any questions or redraft instructions.

Mark D. Kunkel Legislative Attorney Phone: (608) 266–0131

E-mail: mark.kunkel@legis.state.wi.us

Kunkel, Mark

From:

Moran, Christian

Sent:

Tuesday, July 03, 2001 4:10 PM

To:

Kunkel, Mark

Subject:

RE: LRB-3275/P1 question

Sounds good. You will find the language Peggy wants added to the bill attached. Please call me at your convenience to talk about it.

Thanks. Christian, 6-1733



Purchaser language (s. 100.31)...

----Original Message-----

From:

Kunkel, Mark

Sent:

Tuesday, July 03, 2001 3:35 PM

To:

Moran, Christian

Subject:

LRB-3275/P1 question

Christian:

A co-worker belongs to Group Health and goes to a pharmacy in Capitol Center that only sells prescription drugs to Group Health members, and not to anyone else. (They also only sell prescription drugs, and no nonprescription drugs.)

Therefore, it probably makes sense to keep the exception in the bill.

Mark Kunkel Legislative Attorney Legislative Reference Bureau (608) 266-0131 mark.kunkel@legis.state.wi.us **SECTION 1.** 100.31 (1)(a) of the statutes is renumbered 100.31(1)(ar).

SECTION 2. 100.31(1)(ag) of the statutes is created to read:

100.31(1)(ag) "Dispense means dispense as defined in s. 450.01(7), Stats.

SECTION 3. 100.31(1)(b) of the statutes is amended to read:

100.31(1)(b) "Purchaser" means any person who engages primarily in selling dispensing drugs directly to consumers for outpatient use. "Purchaser" includes a managed care plan, as defined in s. 609.01(3c), that provides drugs or drug coverage to its enrollees and a hospital that directly or indirectly bills patients for drugs.

operator?



2

3

4

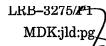
5

6

7

10

State of Misconsin 2001 - 2002 LEGISLATURE



PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

En ras

INSERTA

Regen

prices

AN/ACT to renumber and amend 100.31 (1) (a); to amend 100.31 (title), 100.31

(1) (b), 100.31 (1) (c), 100.31 (2), 100.31 (3), 100.31 (4) and 450.10 (1) (a) 2.; and

to create 100.31 (1) (ag) and 100.31 (2m) of the statutes; relating to:

prices for prescription drugs that require coperments and providing a penalty.

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a later version.

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

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

SECTION 1. 100.31 (title) of the statutes is amended to read:

100.31 (title) Unfair discrimination in Prescription drug pricing.

SECTION 2. 100.31 (1) (a) of the statutes is renumbered 100.31 (1) (a) and amended to read:

100.31 (1) (Ar) "Drug" "Prescription drug" means any substance subject to 21 USC 353 (b).

16

17

18

19

20

21

22

23

24

25

| · Nas | defined in s. |
|-------|---------------|
| | 450.01 (7) |

SECTION 3. 100.31 (1) (ag) of the statutes is created to read:

100.31 (1) (ag) "Consumer" means a person for whom a prescription drug is 2 renumbered 100.31(1) 3 prescribed. dispensing 4 OF SECTION 4. 100.31 (1) (b) of the statutes is amended to read: 100.31 (1) (1) "Purchaser" (Hatallet) means any person who engages primar in selling prescription drugs directly to consumers. 6 SECTION 5, 100.31 (1) (c) of the statutes is amended to read: 7 "Seller") Wholesale seller means any person who trades in 8 prescription drugs for resale to purchasers that lin this state. dispensers 9 **Section 6.** 100.31 (2) of the statutes is amended to read: 10 100.31 (2) PRICE MINOTES ALE PRICE DISCRIMINATION PROHIBITED. Every Mingles ale 11 seller shall offer prescription drugs from the list of therapeutically equivalent drugs 12 published by the federal food and drug administration to every purchaser the ler in 13 this state, with all rights and privileges offered or accorded by the wholesale seller 14 to the most favored purchaser policies including purchase prices for similar volume 15

Nothing in this subsection prohibits the giving of a discount for volume purchases.

Section 7. 100.31 (2m) of the statutes is created to read:

purchases, rebates, free merchandise, samples, and similar trade concessions.

dispenser 100.31 (2m) RETAIL DRESCRIPTION DRUG PRICES If a consumer has insurance coverage for prescription drugs and is required to pay a copayment for a prescription drug covered under the consumer's insurance policy, a thatler who sells the prescription drug to the consumer may not require the consumer to pay an amount for the prescription drug that is more than the amount of the copayment or the average price that the felather/charges for the prescription drug to consumers who do not have insurance coverage of prescription drugs, whichever is less.

COPATMENT PRICE LIMITATIONS

24

| | dispenser dispenses |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | subsection does not apply to a whaten who white prescription drugs exclusively to |
| 2 | consumers who have insurance coverage of prescription drugs. |
| 3 | SECTION 8. 100.31 (3) of the statutes is amended to read: |
| 4 | 100.31 (3) TREBLE DAMAGES TOR THE ANY PURCHASER MANAGES TO LANGE DE LA COMPANIE D |
| 5 | SECTION 8. 100.31 (3) of the statutes is amended to read: 100.31 (3) TREBLE DAMAGES HOP REVALUERS. Any purchaser for lamaged by a violation of this section sub. (2) may bring an action against the whole sale seller |
| 6 | to recover treble damages sustained by reason of such violation. |
| 7 | SECTION 9. 100.31 (4) of the statutes is amended to read: |
| 8 | 100.31 (4) PENALTIES. For any violation of this section, the department or a |
| 9 | district attorney may commence an action on behalf of the state to recover a forfeiture |
| 10 | of not less than \$100 nor more than \$10,000 for each offense. Each delivery of a |
| 11 | prescription drug sold to a purchaser detailer or consumer at a price in violation of |
| 12 | this section and each separate day in violation of an injunction issued under this |
| 13 | section is a separate offense. |
| 14 | SECTION 10. 450.10 (1) (a) 2. of the statutes is amended to read: |
| 15 | 450.10 (1) (a) 2. Violating this chapter, s. 100.31 (2m), or, subject to s. 961.38 |
| 16 | (4r), ch. 961 or any federal or state statute or rule which substantially relates to the |
| 17 | practice of the licensee. |
| 18 | SECTION 11. Nonstatutory provisions. |
| 19 | (1) If a least as defined in section 100.31 (1) (1) of the statutes, as affected |
| 20 | by this act, is subject to a contract that is in effect on the effective date of this |
| 21 | subsection and that contains provisions regarding prices of prescription drugs, |
| 22 | as defined in section 100.31 (1) (at) of the statutes, as affected by this act, that are |

inconsistent with section 100.31 (2m) of the statutes, as created by this act, then,

notwithstanding section 100.31 (2m) of the statutes, as created by this act, the

· 1

2

3

4

5

6

LRB-3275/P1 MDK:jld:pg SECTION 11

| | (1) This act takes effect on the first day of the 3rd month beginning after |
|----|------------------------------------------------------------------------------------|
| | SECTION 12. Effective date. |
| t! | he contract expires, or is extended, modified, or renewed, whichever occurs first. |
| Y) | Mispland description of the contract until |
| | |

2001–2002 DRAFTING INSERT FROM THE LEGISLATIVE REFERENCE BUREAU

1

INSERT A:

This bill imposes a limit on the price of certain prescription drugs. Under the bill, if a person is required to make an insurance copayment for a prescription drug, the dispenser of the drug may not require the person to pay an amount for the drug that exceeds the amount of the copayment or the average price that the dispenser charges to consumers who do not have insurance coverage of prescription drugs, whichever is less. The bill defines a "dispenser" as a person who delivers a prescription drug to the ultimate user for outpatient use, including an insurer that issues certain types of managed health care plans or a hospital. The bill's prohibition does not apply to a dispenser who delivers prescription drugs exclusively to persons who have insurance coverage of prescription drugs. A dispenser who violates the bill's prohibition may be subject to a forfeiture of between \$100 and \$10,000 per violation. The department of agriculture, trade, and consumer protection (DANCP) and district attorneys are authorized to bring actions for forfeitures.

The bill also changes a prohibition under current law against price discrimination that applies to persons who trade in prescription drugs for resale. Under current law, the prohibition applies to trades with persons who engage primarily in selling prescription drugs directly to consumers. Under the bill, the prohibition applies to trades with dispensers, as defined above.

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

2

INSERT 2-6:

for outpatient use. "Dispenser" includes a hospital that directly or indirectly bills

patients for prescription drugs, or an insurer that issues a defined network plan, as

defined in s. 609.01 (1b), and that provides prescription drugs or prescription drug

coverage to the enrollees of the plan

WISCONSIN STATE ASSEMBLY



TO:

Mark Kunkel

FROM:

Peggy Krusick

DATE:

October 10, 2001

SUBJECT:

Revisions to LRB-3275/1 (Prescription drug pricing bill)

Please revise LRB-3275/1 to include the recommended provisions highlighted on the attached letter from the Department of Agriculture Trade and Consumer Protection.

In addition, I recently received a question on whether this bill addresses cases in which an insured customer pays a percentage of their prescription drug costs rather than a copayment. For example, some insurers pay 80% of the cost of a prescription, with the insured person paying the rest. Does the bill address this issue as drafted? If not, can it be revised to do so?

I am hoping to circulate this bill for co-sponsorship soon, so I would appreciate receiving a revised draft as soon as possible. Thanks for your help. Please feel free to contact me if you have any questions.



State of Wisconsin Scott McCallum, Governor

Department of Agriculture, Trade and Consumer Protection Ben Brancel, Secretary

March 19, 2001

The Honorable Peggy Krusick State Representative PO Box 8952 Madison, WI 53708

Dear Representative Krusick:

Thank you for allowing us to comment on your proposed bill draft LRB-1977, relating to wholesale price discrimination in prescription drugs. We make the following recommendations and comments on this bill.

After reviewing the amended definition of "purchaser," we agree that the slightly modified definition of "purchaser" would include hospitals and HMOs as drafted. However, we believe the revised definition might leave some potential loopholes for those who might want to debate this issue. Please see the enclosed document for an alternative suggestion. In our suggested definition, the reference to "selling" drugs is completely removed rather than modified. Instead, we introduce the defined term "dispense". This new term may help eliminate a potential argument in the case where HMOs or other third party payers buy drugs for consumers. Under current law, one might try to argue that a pharmacy that distributes drugs to consumers but accepts payment from an HMO did not really "engage in selling drugs to consumers." Our suggested definition eliminates this potential argument. In addition, it accounts for the future possibility of government entities paying for drugs that are dispensed to consumers.

Regarding the department's annual report to the Legislature on compliance, we welcome the opportunity to share the results of our work with the Legislature.

We are less comfortable, however, with the requirement that the department "describe programs offered by sellers and others that offer discounts on drugs to consumers" to the Legislature and to consumers. The Department certainly agrees that public disclosure of study results is desirable. However, publication of any results could be limited if a "purchaser" legally claims its documents are proprietary trade secrets under Wis. Stats. Section 19.36(5) and, therefore, are not subject to public disclosure.

One additional area where the drug price discrimination law might be improved is within s. 100.31(2). This subsection contains a reference to "the list of therapeutically equivalent drugs published by the federal food and drug administration". We suggest deleting this general reference and replacing it with the specific title of the list as follows:

(2) PRICE DISCRIMINATION PROHIBITED. Every seller shall offer drugs from the list of therapeutically equivalent drugs published by the federal food and drug administration latest edition of "approved drug products with therapeutic equivalence evaluations" published by the U.S. department of health and human services.

If you choose to pursue amending the statute to name the specific publication, it might be wise to plan for the possibility that the Food and Drug Administration may someday discontinue the publication or change the name. This could be accomplished by granting the department authority to update the reference by administrative rule.

Finally, I would like to clarify the final point in your recent letter. The drug pricing position was vacated shortly after I became Bureau Director. We filled the position in November of 1997, but we were precluded from enforcement efforts at that time because of the private lawsuits in state and federal court. We began our investigations when those suits were resolved during the summer of 1998. Prior to these events, we had devoted considerable resources and effort to our wholesale drug-pricing program, including the nationally recognized study.

Again, thank you for allowing us the opportunity to comment on LRB-1977. Trade Practices Analyst Kevin LeRoy, and Assistant Counsel Karl Marquardt contributed to these suggestions. If you feel it would be beneficial, we would be willing to meet with you and your staff to discuss these suggestions in person. Please contact me if you have any additional questions, comments or if you would like to schedule a meeting.

Sincerely,

John Norton, Director

Bureau of Business Trade Practices

(608)224-4922

Electronic Orange Book

Approved Drug Products

with
Therapeutic Equivalence Evaluations

Current through July 2001

Preface

FAQ

Search by Active Ingredient Search by Applicant Holder

Search by Proprietary Name Search by Application Number

The products in this list have been approved under section 505 of the Federal Food, Drug, and Cosmetic Act.

Drug questions email: <u>DRUGINFO@CDER.FDA.GOV</u>

U.S Department of Health and Human Services
Public Health Service
Food and Drug Administration
Center for Drug Evaluation and Research
Office of Information Technology
Division of Data Management and Services

Updated: October 19, 2001

U.S. Food and Drug Administration • Center for Drug Evaluation and Research



Drug Information

0.0 Search



CDER Home | Site Info | Contact Us | What's N

FOOD AND DRUG ADMINISTRATION CENTER FOR DRUG EVALUATION AND RESEARCH APPROVED DRUG PRODUCTS

with

Therapeutic Equivalence Evaluations

PREFACE

The publication, Approved Drug Products with Therapeutic Equivalence Evaluations (the List). identifies drug products approved on the basis of safety and effectiveness by the Food and Drug Administration (FDA) under the Federal Food, Drug, and Cosmetic Act (the Act). Drugs on the market approved only on the basis of safety (covered by the ongoing Drug Efficacy Study Implementation [DESI] review [e.g., Donnatal7 Tablets and Librax7 Capsules] or pre-1938 drugs [e.g., Phenobarbital Tablets]) are not included in this publication. The main criterion for the inclusion of any product is that the product is the subject of an application with an effective approval that has not been withdrawn for safety or efficacy reasons. Inclusion of products on the List is independent of any current regulatory action through administrative or judicial means against a drug product. In addition, the List contains therapeutic equivalence evaluations for approved multisource prescription drug products. These evaluations have been prepared to serve as public information and advice to state health agencies, prescribers, and pharmacists to promote public education in the area of drug product selection and to foster containment of health care costs. Therapeutic equivalence evaluations in this publication are not official FDA actions affecting the legal status of products under the Act.

Background of the Publication. To contain drug costs, virtually every state has adopted laws and/or regulations that encourage the substitution of drug products. These state laws generally require either that substitution be limited to drugs on a specific list (the positive formulary approach) or that it be permitted for all drugs except those prohibited by a particular list (the negative formulary approach). Because of the number of requests in the late 1970s for FDA assistance in preparing both positive and negative formularies, it became apparent that FDA could not serve the needs of each state on an individual basis. The Agency also recognized that providing a single list based on common criteria would be preferable to evaluating drug products on the basis of differing definitions and criteria in various state laws. As a result, on May 31, 1978, the Commissioner of the Food and Drug Administration sent a letter to officials of each state stating FDA's intent to provide a list of all prescription drug products that are approved by FDA for safety and effectiveness, along with therapeutic equivalence determinations for multisource prescription products.

The List was distributed as a proposal in January 1979. It included only currently marketed prescription drug products approved by FDA through new drug applications (NDAs) and abbreviated new drug applications (ANDAs) under the provisions of Section 505 of the Act.

Memo

To: Rep. Krusick

(The Bill's Requestor)

Attached is a fiscal estimate prepared for your 2001 draft that has not yet been introduced.

LRB Number: LRB **- 3275**

Version: "/____ "

Entered In Computer And Copy Sent To Requestor Via E-Mail: 10 / 2001

Fiscal Estimate Prepared By: (agency abbr.)

If you have questions about the attached fiscal estimate, you may contact the agency/individual who prepared the fiscal estimate. If you disagree with the enclosed fiscal estimate, please contact the LRB drafter of your proposal to discuss your options under the fiscal estimate procedure.

To: LRB – Legal Section PA's

Subject: Fiscal Estimate Received For A Un-Introduced Draft

- If this is **re-drafted** to a new version please attach this early fiscal estimate to the back of the draft's file between the old version and the new version.
- If this draft gets **introduced** ... and the version of the attached fiscal estimate is correct ... please write the drafts intro. number below and give this fiscal estimate to Mike (or Lynn) to process.

THIS DRAFT WAS INTRODUCED AS: 2001

• If this draft gets **introduced** ... and the version of the attached fiscal estimate is for a previous version ... please attach this early fiscal estimate to the back of the draft's file between the old version and the new version. Have Mike (or Lynn) get the ball rolling on getting a fiscal estimate prepared for the introduced version.

Barman, Mike

From: Sent: To: Subject:

Barman, Mike Tuesday, October 09, 2001 12:43 PM Rep.Krusick LRB-3275/1 (FE by DORL - attached - for your review)



FE-3275_Krusick.pdf

Wisconsin Department of Administration Division of Executive Budget and Finance DOA-2048 (R07/2000)

Fiscal Estimate - 2001 Session

| X | Original | | Updated | | Corrected | | Supplemental | |
|--------|-------------------------------------------------------------------------------|------------------------------------|----------------------------|-------------------------|-----------------------------|------------|------------------------------------------------|----|
| LRB | Number | 01-3275/1 | | Intro | duction Num | ber | | _ |
| _ | Subject Prohibiting overcharging for prescription drugs | | | | | | | |
| State: | No State Fisc Indeterminate Increase Appropria Decrease Appropria | e Existing tions Existing | Revenu Decrea Revenu | se Existing | absori | | May be possible to ency's budget | |
| Local | No Local Go Indeterminat 1. Increas Permis 2. Decrea | e Costs sive Mandato | 4. Decrea | sive Mand se Revenue | Units A Units A To datory | ountles | overnment Village Cition Others WTCS Districts | es |
| | Sources Aff | | PRS S | SEG 🖺 S | Affected C EGS 165(1)(g) | h. 20 Appı | ropriations | |
| Agen | cy/Prepared | Ву | | Authorized | Signature | | Date | |
| R&L/ | Gail Riedascl | h (608) 266-074 | 6 | Gail Riedasc | ch (608) 266-074 | 6 | 10/9/01 | |

Fiscal Estimate Narratives R&L 10/9/01

| LRB Number | 01-3275/1 | Introduction Number | Estimate Type | Original |
|------------------|-------------------------|---------------------|---------------|----------|
| Subject | | | | |
| Prohibiting over | ercharging for prescrip | tion drugs | | |

Assumptions Used in Arriving at Fiscal Estimate

This bill imposes a limit on the price of certain prescription drugs.

There would be little or no fiscal impact to the agency.

Long-Range Fiscal Implications

Memo

| To: | Rep. | Kru | sick |
|-----|------|-----|------|
| | | | |

(The Bill's Requestor)

Attached is a fiscal estimate prepared for your 2001 draft that has not yet been introduced.

LRB Number: LRB **- 3275**

Version: "/___ "

Entered In Computer And Copy Sent To Requestor Via E-Mail: 10 / 16 / 2001

Fiscal Estimate Prepared By: (agency abbr.) DATCP

If you have questions about the attached fiscal estimate, you may contact the agency/individual who prepared the fiscal estimate. If you disagree with the enclosed fiscal estimate, please contact the LRB drafter of your proposal to discuss your options under the fiscal estimate procedure.

To: LRB - Legal Section PA's

Subject:

Fiscal Estimate Received For A Un-Introduced Draft

- If this is **re-drafted** to a new version please attach this early fiscal estimate to the back of the draft's file between the old version and the new version.
- If this draft gets **introduced** ... and the version of the attached fiscal estimate is correct ... please write the drafts intro. number below and give this fiscal estimate to Mike (or Lynn) to process.

THIS DRAFT WAS INTRODUCED AS: 2001

• If this draft gets **introduced** ... and the version of the attached fiscal estimate is for a previous version ... please attach this early fiscal estimate to the back of the draft's file between the old version and the new version. Have Mike (or Lynn) get the ball rolling on getting a fiscal estimate prepared for the introduced version.

Barman, Mike

From: Sent: To:

Subject:

Barman, Mike Tuesday, October 16, 2001 8:44 AM Rep.Krusick LRB-3275/1 (FE by DATCP - attached - for your review)



FE-3275_DATCP.pdf

Wisconsin Department of Administration Division of Executive Budget and Finance DOA-2048 (R07/2000)

Fiscal Estimate - 2001 Session

| | Original | | Updated | | Corrected | | Suppler | mental |
|---------------|---------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------|-----------|---------------------------------------|----------------------------------------|------------------------------------------|------------|
| LRB | Number | 01-3275/1 | | Introdu | uction Number | ^ | • | |
| _ | Subject Prohibiting overcharging for prescription drugs | | | | | | | |
| State: | _ | Existing Lions Existing Lions Ew Appropriation Vernment Costs | Increase Ex Revenues Decrease E Revenues is | existing | Decrease 5.Types of Louis Affectives | thin ag Yes Costs ocal Gotted | ency's bu | dget No |
| Fund G | 2. Decreas | sive Mandato | ry Permissive 4. Decrease R ry Permissive Permissive | evenue | School tory District Affected Ch. 2 | es [l [ts | Village Others WTCS Districts ropriation | |
| Agen | cy/Prepared | Ву | Auth | orized Si | gnature | | | Date |
| DATO | P/ Kevin LeR | oy (608) 224-49 | 928 Barb | Кпарр (6 | 08) 224-4746 | | | 10/16/01 |

Fiscal Estimate Narratives DATCP 10/16/01

| LRB Number 01 | I-3275/1 | Introduction Number | Estimate Type | Original |
|--------------------|----------------------|---------------------|---------------|----------|
| Subject | | | | |
| Prohibiting overch | narging for prescrip | tion drugs | · | |

Assumptions Used in Arriving at Fiscal Estimate

The department has occasionally investigated possible violations of "Unfair discrimination in drug pricing" over the last several years. We do not expect this bill to change the amount of staff time and other resources used in this type of investigation.

The proposed "Copayment price limitation" portion of this bill is a new statutory requirement and a new responsibility for DATCP. DATCP will have some immaterial costs associated with educating consumers and the retail prescription drug industry of this new requirement. However, we do not anticipate spending significant resources on enforcement of this provision.

Long-Range Fiscal Implications

(odar 6 m)

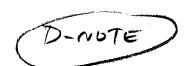
Regen-cati

2

3

4

2001 – 2002 LEGISLATURE



2001

MDK:jld:kjf

has an insurance policy that requires him or the price of the price of the pay a portion of the price of the pay a portion of the price of the pay.

AN ACT to renumber and amend 100.31 (1) (a) and 100.31 (1) (b); to amend 1

100.31 (title), 100.31 (1) (c), 100.31 (2), 100.31 (3), 100.31 (4) and 450.10 (1) (a)

2.; and to ereate 100.31 (1) (ag) and 100.31 (2m) of the statutes; relating to:

prescription drug prices and providing a penalty.

squanting rulesmotting an thority

Analysis by the Legislative Reference Bureau

This bill imposes a limit on the price of certain prescription drugs. Under the bill, if a person is required to make an insurance copayment for a prescription drug, the dispenser of the drug may not require the person to pay an amount for the drug that exceeds the amount of the consyment or the average price that the dispenser charges to consumers who do not have insurance coverage of prescription drugs, whichever is less. The bill defines a "dispenser" as a person who delivers a prescription drug to the ultimate user for outpatient use, including an insurer that issues certain types of managed health care plans or a hospital. The bill's prohibition does not apply to a dispenser who delivers prescription drugs exclusively to persons who have insurance coverage of prescription drugs. A dispenser who violates the bill's prohibition may be subject to a forfeiture of between \$100 and \$10,000 per violation. The department of agriculture, trade and consumer protection and district attorneys are authorized to bring actions for forfeitures.

The bill also changes a prohibition under current law against price discrimination that applies to persons who trade in prescription drugs for resale. Under current law, the prohibition applies to trades with persons who engage

(DATCA)

BILL

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

INSERT ZA)V

primarily in selling prescription drugs directly to consumers. Under the bill, the prohibition applies to trades with dispensers, as defined above.

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:

SECTION 1. 100.31 (title) of the statutes is amended to read:

100.31 (title) Unfair discrimination in Prescription drug pricing.

SECTION 2. 100.31 (1) (a) of the statutes is renumbered 100.31 (1) (bm) and amended to read:

100.31 (1) (bm) "Drug" "Prescription drug" means any substance subject to 21 USC 353 (b).

SECTION 3. 100.31 (1) (a) of the statutes is created to read:

100.31 (1) (a) "Consumer" means a person for whom a prescription drug is prescribed.

SECTION 4. 100.31 (1) (b) of the statutes is renumbered 100.31 (1) (a) and amended to read:

100.31 (1) (2) "Purchaser" "Dispenser" means any person who engages primarily in selling dispensing, as defined in s. 450.01 (7), prescription drugs directly to consumers for outpatient use. "Dispenser" includes a hospital that directly or indirectly bills patients for prescription drugs, or an insurer that issues a defined network plan, as defined in s. 609.01 (1b), and that provides prescription drugs or prescription drug coverage to the enrollees of the plan.

SECTION 5. 100/31 (1) (c) of the statutes is amended to read:

INSERT 2.

100.31 (1) (c) "Seller" means any person who trades in <u>prescription</u> drugs for resale to <u>purchasers</u> dispensers in this state.

BILL

most current federal drug

SECTION 6. 100.31 (2) of the statutes is amended to read:

prescription drugs from the list of therapeutically equivalent drugs published by the federal food and drug administration to every purchaser dispenser in this state, with all rights and privileges offered or accorded by the seller to the most favored purchaser dispenser, including purchase prices for similar volume purchases, rebates, free merchandise, samples, and similar trade concessions. Nothing in this subsection prohibits the giving of a discount for volume purchases.

SECTION 7. 100.31 (21) of the statutes is created to read:

100.31 (21) CONAMENT PRICE LIMITATION. If a consumer has insurance coverage for prescription drugs and is required to pay a consumer has insurance coverage covered under the consumer's insurance policy, a dispenser who sells the prescription drug to the consumer may not require the consumer to pay an amount for the prescription drug that is more than the prescription drug to consumers who do not have insurance coverage of prescription drugs, whichever is less. This subsection does not apply to a dispenser who dispenses prescription drugs exclusively to consumers who have insurance coverage of prescription drugs.

SECTION 8. 100.31 (3) of the statutes is amended to read:

100.31 (3) TREBLE DAMAGES. Any purchaser dispenser damaged by a violation of this section sub. (2) may bring an action against the seller to recover treble damages sustained by reason of such violation.

SECTION 9. 100.31 (4) of the statutes is amended to read:

100.31 (4) PENALTIES. For any violation of this section, the department or a district attorney may commence an action on behalf of the state to recover a forfeiture

INSERT 2-18

under the policy;

required to pay

BILL

| of not less than \$100 nor more than \$10,000 for each | offense. Each delivery of a |
|----------------------------------------------------------|-------------------------------|
| prescription drug sold to a purchaser dispenser or con | sumer at a price in violation |
| of this section and each separate day in violation of an | injunction issued under this |
| section is a separate offense. | - 29 |

SECTION 10. 450.10 (1) (a) 2. of the statutes is amended to read:

450.10 (1) (a) 2. Violating this chapter, s. 100.31 (241), or, subject to s. 961.38 (4r), ch. 961 or any federal or state statute or rule which substantially relates to the practice of the licensee.

SECTION 11. Nonstatutory provisions.

(1) If a dispenser, as defined in section 100.31 (1) (4r) of the statutes, as affected by this act, is subject to a contract that is in effect on the effective date of this subsection and that contains provisions regarding prices of prescription drugs, as defined in section 100.31 (1) (bm) of the statutes, as affected by this act, that are inconsistent with section 100.31 (26) of the statutes, as created by this act, then, notwithstanding section 100.31 (26) of the statutes, as created by this act, the dispenser may perform its obligations, and exercise its rights, under that contract until the contract expires, or is extended, modified, or renewed, whichever occurs first.

SECTION 12. Effective date.

(1) This act takes effect on the first day of the 3rd month beginning after publication.

2001–2002 DRAFTING INSERT FROM THE LEGISLATIVE REFERENCE BUREAU

1

INSERT 2A:

Finally, the bill provides that the prohibition against price discrimination described above applies to drugs included in the most current version of either of the following: 1) the "Approved Drug Products with Therapeutic Equivalence Evaluations" which is published by the federal Food and Drug Administration (FDA); or 2) another publication specified in rules promulgated by DATCP that identifies drug products approved on the basis of safety and effectiveness by the FDA under the federal Food, Drug, and Cosmetic Act. Current law refers only to the list of therapeutically equivalent drugs published by the FDA.

 $\mathbf{2}$

3

4

INSERT 2-9:

SECTION 1. 100.31 (1) (as) of the statutes is created to read:

(5)

100.31 (1) (as) "Federal drug list" means the "Approved Drug Products with

Therapeutic Equivalence Evaluations" published by the federal Food and Frug Kdministration, or other publication specified in rules promulgated by the

department under sub. (2r).

8

9

INSERT 3–18:

SECTION 2. 100.31 (2r) of the statutes is created to read:

10

100.31 (2r) Rules. The department may promulgate rules that, for purposes

11

of sub. (1) (as), specify a publication that identifies drug products approved on the

(12)

basis of safety and effectiveness by the federal Food and Drug Administration under

the federal Food, Drug, and Cosmetic Act.

DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRB-3275/2dn MDK_{//}.....

Representative Krusick:

This version is identical to the previous version, except for the following:

- 1. Instead of referring to a "copayment" this version refers to an insurance policy that requires a consumer to pay a portion of the price of a drug. The term "portion" is broad enough to include a portion that is either a specific amount or percentage.
- 2. This version makes the change recommended by DATCP regarding the federal list. Note, however, that the FDA, not the federal Department of Health and Human Services, publishes the list.

Mark D. Kunkel Legislative Attorney Phone: (608) 266–0131

E-mail: mark.kunkel@legis.state.wi.us

Basford, Sarah

From: Basford, Sarah

Sent: Thursday, October 04, 2001 9:09 AM

To: Rep.Krusick

Subject: LRB -3275/1 (attached)

DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRB-3275/2dn MDK:jld:pg

October 29, 2001

Representative Krusick:

This version is identical to the previous version, except for the following:

- 1. Instead of referring to a "copayment," this version refers to an insurance policy that requires a consumer to pay a portion of the price of a drug. The term "portion" is broad enough to include a portion that is either a specific amount or percentage.
- 2. This version makes the change recommended by DATCP regarding the federal list. Note, however, that the FDA, not the federal Department of Health and Human Services, publishes the list.

Mark D. Kunkel Legislative Attorney Phone: (608) 266–0131

E-mail: mark.kunkel@legis.state.wi.us

Emery, Lynn

From:

Emery, Lynn

Sent:

Monday, October 29, 2001 1:11 PM

To:

Rep.Krusick

Subject: LRB-3275/2 (attached as requested)

Lynn Emery

Lynn Emery - Program Asst. (PH. 608-266-3561) (E-Mail: lynn.emery@legis.state.wi.us) (FAX: 608-264-6948)

Legislative Reference Bureau - Legal Section - Front Office 100 N. Hamilton Street - 5th Floor Madison, WI 53703

Emery, Lynn

From: Sent: To:

Rep.Krusick Wednesday, February 06, 2002 12:09 PM LRB.Legal Jacket Request (LRB-3275/2)

Subject:

Please jacket LRB-3275/2 for introduction in the Assembly.

Peggy Krusick 128 North 6-1733

Memo

| To: Rep. Krusick | (The Draft's Requestor) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Attached is a fiscal estimate prepa 2001 draft that has not yet been int | - |
| LRB Number: LRB <u>-3275</u> | |
| Version: "/2" | |
| Entered In Computer And Copy Sent To Requestor Via E- | -Mail: 12 / 03 / 2001 |
| Fiscal Estimate Prepared By: (agency abbr.) | DORL |
| If you have questions about the attached fiscal estimate, individual who prepared the fiscal estimate. If you disagrestimate, please contact the LRB drafter of your proposal under the fiscal estimate procedure. | ee with the enclosed fiscal |
| * * * * * * * * * * * * * * * * * * * | |
| Subject: Fiscal Estimate Received For A Un-Introduced Draft | |
| • If this is re-drafted to a new version please attach this early fiscal estimate the old version and the new version. | e to the back of the draft's file between |
| • If this draft gets introduced and the version of the attached fiscal estimator. number below and give this fiscal estimate to Mike (or Lynn) to proceed THIS DRAFT WAS INTRODUCED AS: 2001 | nate is correct please write the drafts $\begin{cases} 2 & \\ \end{cases}$ |
| • If this draft gets introduced and the version of the attached fiscal estin | nate is for a previous version please |

attach this early fiscal estimate to the back of the draft's file between the old version and the new version. Have Mike

(or Lynn) get the ball rolling on getting a fiscal estimate prepared for the introduced version.

Barman, Mike

From: Sent:

To:

Subject:

Barman, Mike Monday, December 03, 2001 8:48 AM Rep.Krusick LRB-3275/2 (FE by DORL - attached - for your review)



FE_Krusick.pdf

Memo

To: Rep. Krusick

(The Draft's Hequestor)

Attached is a fiscal estimate prepared for your 2001 draft that has not yet been introduced.

LRB Number: LRB **- 3275**

Version: "/2"

Entered In Computer And Copy Sent To Requestor Via E-Mail: 10 / 31 / 2001

Fiscal Estimate Prepared By: (agency abbr.)

If you have questions about the attached fiscal estimate, you may contact the agency/individual who prepared the fiscal estimate. If you disagree with the enclosed fiscal estimate, please contact the LRB drafter of your proposal to discuss your options under the fiscal estimate procedure.

To: LRB – Legal Section PA's

Subject: Fiscal Estimate Received For A Un-Introduced Draft

- If this is **re-drafted** to a new version please attach this early fiscal estimate to the back of the draft's file between the old version and the new version.
- If this draft gets **introduced** ... and the version of the attached fiscal estimate is correct ... please write the drafts intro. number below and give this fiscal estimate to Mike (or Lynn) to process.

THIS DRAFT WAS INTRODUCED AS: 2001 AB 82/

• If this draft gets **introduced** ... and the version of the attached fiscal estimate is for a previous version ... please attach this early fiscal estimate to the back of the draft's file between the old version and the new version. Have Mike (or Lynn) get the ball rolling on getting a fiscal estimate prepared for the introduced version.

Barman, Mike

From: Sent:

To:

Subject:

Barman, Mike Wednesday, October 31, 2001 9:14 AM Rep.Krusick LRB-3275/2 (FE by DATCP - attached - for your review)



FE-3275_DATCP.pdf