### 2001 DRAFTING REQUEST

Senate Amendment (SA-SSA1-SB55)

Receive	ed: <b>06/15/2001</b>	06/15/2001 Received By: kenneda As time permits Identical to LRB:						
Wanted	l: As time perm							
For: Se	For: Senate Democratic Caucus			By/Representing: Keckhaver				
This file	e may be shown	to any legislat	or: NO		Drafter: kenneda	Drafter: <b>kenneda</b>		
May Co	ontact:				Addl. Drafters:			
Subject	: IIealth	- miscellaneou	s		Extra Copies:	ISR		
Submit	via email: NO							
Request	ter's email:							
Pre To	pic:							
SDC:	Keckhaver - C	CN8507,						
Topic:								
Prescrip	otion drugs for e	lderly						
Instruc	ctions:							
See Atta	ached							
Draftin	ng History:							
Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required	
/1	kenneda 06/17/2001	hhagen 06/18/2001	jfrantze 06/18/20	01	lrb_docadmin 06/18/2001			
/2	kenneda 06/18/2001	jdyer 06/18/2001	pgreensl 06/18/20	01	lrb_docadmin 06/18/2001			

FE Sent For:

### 2001 DRAFTING REQUEST

Senate Amendment (SA-SSA1-SB55)

Received: 06/15/2001 Received By	: kenneda
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Wanted: As time permits Identical to LRB:

For: Senate Democratic Caucus

By/Representing: Keckhaver

This file may be shown to any legislator: NO Drafter: kenneda

May Contact: Addl. Drafters:

Subject: Health - miscellaneous Extra Copies: ISR

Submit via email: NO

Requester's email:

Pre Topic:

SDC:.....Keckhaver - CN8507,

Topic:

Prescription drugs for 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>

06/17/2001 06/18/2001 06/18/2001 06/18/2001

FE Sent For:

### 2001 DRAFTING REQUEST

### Senate Amendment (SA-SSA1-SB55)

Received: 06/15/2001			Received By: kenneda					
Wanted:	Wanted: As time permits			Identical to LRB:				
For: Sen	ate Democra	tic Caucus			By/Representing: Keckhaver			
This file	may be show	n to any legisla	tor: NO		Drafter: kenneda			
May Co	ntact:				Addl. Drafter	s:		
Subject:	Health	- miscellaneo	IS		Extra Copies	: ISR		
Submit v	via email: NO							
Requesto	er's email:						·	
Pre Top	pic:							
SDC:	Keckhaver -	CN8507,						
Topic:	- 1,,,,,,		<u> </u>					
Prescrip	tion drugs for	elderly						
Instruc	tions:					·		
See Atta	ached							
 Draftin	g History:	1						
<u>Vers.</u> /?	<u>Drafted</u> kenneda	Reviewed  11 had  10/18/01	Typed & Color	Proofed  Who have  6/8	Submitted SUM	<u>Jacketed</u>	d Required	

FE Sent For:

<END>

Subject:

Prescription Drug Assistance (WisconsinCare)

Prior Reference:

LFB Paper #482; Department of Health & Family Services

Medical Assistance;

State AFL-CIO.

Fiscal Effect:

\$1 million GPR in FY 02 for program administration. Annual cost

of approximately \$105.9 million effective March 2002.

Amendment:

Incorporate Senate Bill 1 (WisconsinCare).

Explanation:

WisconsinCare, embodied in Senate Bill 1, is a plan that serves seniors with lowest incomes and highest out-of-pocket costs for drugs as well as moderate-income persons with very high drug costs. WisconsinCare passed the Senate with a bipartisan 20-13 vote. WisconsinCare has the support of the Coalition for Wisconsin Aging Groups, AARP, Wisconsin Citizen Action, Lcague of Women Voters, Federation of Nurses and Health Professionals, Allied Council of Senior Citizens, Service Employees International Union, State Medical Society, Pharmacy Society of Wisconsin, Wisconsin Nurses Association, Medical College of Wisconsin, United Auto Workers, Wisconsin Pipe Trades Association, Wisconsin Retired Educators, and Wisconsin

SSAI to SBI = 50010 SAI 105SAI = 00026

LRB b (059 / 1

### AMDT TO BUDGET SUB AMDT

D-NOVE)

DAK: hah:

See form AMENDMENTS — COMPONENTS & ITEMS.

# SENATE AMENDMENT TO SENATE AMENDMENT 1, TO 2001 SENATE BILL 55

At the locations indicated, amend the substitute amendment the as follows:

#. Page ? OR, line !? : after that line went :

#. Page ..., line ....

#. Page ...., line ....:

**#.** Page . . . , line . . . :

**#.** Page . . . , line . . . :

**#.** Page . . . , line . . . :

[rev: 6/15/01 2001DF16(fm)SB]

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File With Statute 20.005 (3) Schedule				
\$\$\$ SCHEDULE				
In the component bar:  For the action phrase, execute: $\mathbf{create} \to \mathbf{action} : \to \mathbf{ch20}$ For the table layout, execute: $\mathbf{create} \to  \to \$sched$				
SECTION #. 20.005 (3) (schedule) of the statutes: at the appropriate place,				
insert the following amounts for the purposes indicated:				
2001-02 2002-03				
20.				
(bv) Prescription drug assistance				
#. Page 209, line 8: after that line weit:				
"() Prescription drug  assistance for elderly;  manufactures rebates PR C -00-				

9	0	0	1
4	U	U	_1

	LRB/_
Fi	ile With Statute 20.005 (3) Schedule
ውውው	SCHEDULE
φφφ	SCHEDULE
F	component bar: create $\rightarrow$ action: $\rightarrow$ ch20 or the table layout, execute: create $\rightarrow$ <table> <math>\rightarrow</math> \$sched</table>
	CTION # 20.005 (3) (schedule) of the statutes: at the appropriate place,
insert	the following amounts for the purposes indicated:
	2901-02 2002-03
20	
( (j	b) Prescription due assistance for elderly;
	enrollment fero PR C -0-, -0-,
20	> (Insect B)
(	)

LRBs0010/1 DAK:jld:pg

## SENATE SUBSTITUTE AMENDMENT 1, TO 2001 SENATE BILL 1

January 25, 2001 – Offered by Committee on Health, Utilities, Veterans and Military Affairs.

AN ACT to create 20.435 (4) (bv), 20.435 (4) (j), 20.435 (4) (jb) and 49.688 of the statutes; relating to: requiring pharmacies and pharmacists, as a condition of medical assistance participation, to charge elderly persons for prescription drugs no more than specific amounts; specifying requirements for rebate agreements between the department of health and family services and drug manufacturers; requiring the exercise of rule-making authority; making appropriations; and providing penalties.

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

(8) "SECTION 1 20.435 (4) (bv) of the statutes is created to read:

9

10

20.435 (4) (bv) Prescription drug assistance for clderly; aids. A sum sufficient

for payment to pharmacies and pharmacists under s. 49.688 (7) for prescription drug

assistance for elderly persons. \*\*

# Page 359 line 8: after that line uset:

"Sparron 40 20 425 (4) (5) at the state of t

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

1	20.435 (4) (j) Prescription drug assistance for elderly; manufacturer rebates.
2	All moneys received from rebate payments by manufacturers under s. 49.688 (6), to
3	be used for payment to pharmacies and pharmacists under s. 49.688 (7) for
4	prescription drug assistance for elderly persons.
(5)	SECTION 2. 20.435 (4) (jb) of the statutes is created to read:
6	20.435 (4) (jb) Prescription drug assistance for elderly; enrollment fees. All
7	moneys received from payment of enrollment fees under s. 49.688 (3), to be used for
<b>8 9</b>	administration of the program under s. 49.688.",  # . Page 646, line 22: after that line insert:  SECTION 4. 49.688 of the statutes is created to read:
10	49.688 Prescription drug assistance for elderly persons. (1) In this
11	section:
12	(a) "Generic name" has the meaning given in s. 450.12 (1) (b).
13	(b) "Poverty line" means the nonfarm federal poverty line for the continental
14	United States, as defined by the federal department of labor under 42 USC 9902 (2).
15	(c) "Prescription drug" means a prescription drug, as defined in s. $450.01(20)$ ,
16	that is included in the drugs specified under s. 49.46 (2) (b) 6. h. and that is
17	manufactured by a drug manufacturer that enters into a rebate agreement in force
18	under sub. (6).
19	(d) "Prescription order" has the meaning given in s. 450.01 (21).
20	(e) "Program payment rate" means the rate of payment made for the identical
21	drug specified under s. $49.46$ (2) (b) $\stackrel{\checkmark}{6}$ . h., plus $5\%$ .
22	(2) (a) A person to whom all of the following applies is eligible to purchase a
23	prescription drug for the amounts specified in sub. (5) (a) $1$ . and $2$ .:
24	1. The person is a resident, as defined in s. 27.01 (10) (a), of this state.
25	2. The person is at least 65 years of age.

- 3. The person is not a recipient of medical assistance.

  4. The person's annual household income, as determined by the department,

  does not exceed 300% of the federal poverty line for a family the size of the person's

  eligible family.
  - 5. The person pays the program enrollment fee specified in sub. (3) (a).
  - (b) A person to whom par. (a) 1. to 3. and 5. applies, but whose annual household income, as determined by the department, exceeds 300% of the federal poverty line for a family the size of the persons' eligible family, is eligible to purchase a prescription drug at the amounts specified in sub. (5) (a) 4. only during the remaining amount of any 12-month period in which the person has first paid the annual deductible specified in sub. (3) (b) 2. a. in purchasing prescription drugs at the retail price and has then paid the annual deductible specified in sub. (3) (b) 2. b.
    - (3) Program participants shall pay all of the following:
    - (a) For each 12-month benefit period, a program enrollment fee of \$20.
  - (b) 1. For each 12-month benefit period, for a person specified in sub. (2) (a), a deductible for prescription drugs of \$500, except that a person whose annual household income, as determined by the department, is 175% or less of the federal poverty line for a family the size of the person's eligible family pays no deductible.
  - 2. For each 12-month benefit period, for a person specified in sub. (2) (b), a deductible for prescription drugs that equals all of the following:
  - a. The difference between the person's annual household income and 300% of the federal poverty line for a family the size of the person's eligible family.
    - b. Five hundred dollars.
- 24 (c) After payment of any applicable deductible under par. (b), all of the following:

 $\mathbf{2}$ 

- 1. A copayment of \$5 for each prescription drug that bears only a generic name.
  - 2. A copayment of \$10 for each prescription drug that does not bear only a generic name.
  - (d) Notwithstanding s. 49.002, if a person who is eligible under this section has other available coverage for payment of a prescription drug, this section applies only to costs for prescription drugs for the person that are not covered under the person's other available coverage.
  - (4) The department shall devise and distribute a form for application for the program under sub. (2), shall determine eligibility for each 12-month benefit period of applicants and shall issue to eligible persons a prescription drug card for use in purchasing prescription drugs, as specified in sub. (5). The department shall promulgate rules that specify the criteria to be used to determine household income under sub. (2) (a) 4. and (b) and (3) (b) 1.
  - (5) (a) Beginning March 1, 2002, as a condition of participation by a pharmacy or pharmacist in the program under s. 49.45, 49.46, or 49.47, the pharmacy or pharmacist may not charge a person who presents a valid prescription order and a card indicating that he or she meets eligibility requirements under sub. (2) an amount for a prescription drug under the order that exceeds the following:
  - 1. For a deductible, as specified in sub. (3) (b) 1. and 2. b., the program payment rate, plus a dispensing fee that is equal to the dispensing fee permitted to be charged for prescription drugs for which coverage is provided under s. 49.46 (2) (b) 6. h.
  - 2. After any applicable deductible under subd. 1. is charged, the copayment, as applicable, that is specified in sub. (3) (c) 1. or 2. No dispensing fee, as specified under subd. 1., may be charged to a person under this subdivision.
    - 3. For a deductible, as specified in sub. (3) (b) 2. a., the retail price.

- 4. After the deductible under subd. 3. is charged, the copayment, as applicable, that is specified in sub. (3) (c) 1. or 2. No dispensing fee, as specified under subd. 1., may be charged to a person under this subdivision.
- (b) The department shall 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.
- (6) The department or an entity with which the department contracts shall provide to a drug manufacturer that sells drugs for prescribed use in this state material designed for use by the manufacturer in entering into a rebate agreement with the department or entity that is modeled on the rebate agreement specified under 42 USC 1396r-8. A rebate agreement under this subsection shall include all of the following as requirements:
- (a) That the manufacturer shall make rebate payments for each prescription drug of the manufacturer that is prescribed for and purchased by persons who meet criteria under sub. (2) (a) and persons who meet criteria under sub. (2) (b) and have paid the deductible under sub. (3) (b) 2. a., to the state treasurer to be credited to the appropriation under s. 20.435 (4) (j), each calendar quarter or according to a schedule established by the department.
- (b) That the amount of the rebate payment shall be determined by a method specified in 42 USC 1396r-8 (c).
- (7) From the appropriation accounts under s. 20.435 (4) (bv) and (j), beginning March 1, 2002, the department shall, under a schedule that is identical to that used by the department for payment of pharmacy provider claims under medical assistance, provide to pharmacies and pharmacists payments for prescription drugs

sold by the pharmacies or pharmacists to persons eligible under sub. (2) who have paid the deductible specified under sub. (3) (b) 1. or 2. or who, under sub. (3) (b) 1., are not required to pay a deductible. The payment for each prescription drug under this subsection shall be at the program payment rate, minus any copayment paid by the person under sub. (5) (a) 2. or 4., plus a dispensing fee, as specified under sub. (5) (a) 1., and plus, if applicable, incentive payments that are similar to those provided under s. 49.45 (8v). The department shall devise and distribute a claim form for use by pharmacies and pharmacists under this subsection and may limit payment under this subsection to those prescription drugs for which payment claims are submitted by pharmacists or pharmacies directly to the department. The department may apply to the program under this section the same utilization and cost control procedures that apply under rules promulgated by the department to medical assistance under subch. IV of ch. 49.

- (8) The department shall, under methods promulgated by the department by rule, 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.
- (9) (a) The department shall promulgate rules relating to prohibitions on fraud that are substantially similar to applicable provisions under s. 49.49 (1) (a).
- (b) A person who is convicted of violating a rule promulgated by the department under par. (a) in connection with that person's furnishing of prescription drugs under

(15)

- this section may be fined not more than \$25,000, or imprisoned for not more than 7
  years and 6 months, or both.
  - (c) A person other than a person specified in par. (b) who is convicted of violating a rule promulgated by the department under par. (a) may be fined not more than \$10,000, or imprisoned for not more than one year, or both.
  - (10) If federal law is amended to provide coverage for prescription drugs for outpatient care as a benefit under medicare or to provide similar coverage under another program, the department shall submit to appropriate standing committees of the legislature under s. 13.172 (3) a report that contains an analysis of the differences between such a federal program and the program under this section and that provides recommendations concerning alignment, if any, of the differences.
  - (11) Except as provided in subs. (8) to (10) and except for the department's rule—making requirements and authority, the department may enter into a contract with an entity to perform the duties and exercise the powers of the department under this section.

162 SECTION & Nonstatutory provisions.

# Page 1338, Line 20: after that line usert:

17) 16 PRESCRIPTION DRUG ASSISTANCE FOR ELDERLY ADMINISTRATION

PRESCRIPTION DRUG ASSISTANCE FOR ELDERLY; ADMINISTRATION. Before July 1, 2002, the department of health and family services may develop and submit to the department of administration a proposal for expenditure of the funds appropriated under section 20.865 (4) (a) of the statutes for administration of the prescription drug assistance for elderly program under section 49.688 of the statutes, as created by this act. The department of administration may approve, disapprove, or modify and approve any proposal it receives under this subsection. If the department of administration approves the proposal, the department shall submit the proposal, together with any modifications, to the cochairpersons of the joint committee on

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finance. If the cochairpersons of the committee do not notify the secretaries of administration and health and family services within 14 working days after receiving the proposal that the cochairpersons have scheduled a meeting for the purpose of reviewing the proposal, the secretary of administration may transfer from the appropriation under section 20.865 (4) (a) of the statutes to the appropriation recourt under section 20.435 (4) (a) of the statutes the amount specified in the proposal or any proposed modifications of the proposal for expenditure as specified in the proposal or any proposed modifications of the proposal and may approve any position authority specified in the proposal or any proposed modifications of the proposal. If. within 14 working days after receiving the proposal, the cochairpersons notify the secretaries of administration and health and family services that the cochairpersons have scheduled a meeting for the purpose of reviewing the proposal, the secretary of administration may not transfer any amount specified in the proposal or any proposed modifications of the proposal from the appropriation/under section 20.865 (4) (a) of the statutes and may not approve any position authority specified in the proposal or any proposed modifications of the proposal, except as approved by the committee INSERT 8-17

SECTION 6. Appropriation changes.

(1) Prescription drug assistance for elderly; 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 2001, the dollar amount is increased by \$1,000,000 for fiscal year 2001–02 to increase funding for administration of the prescription drug assistance for elderly program under section 49.688 of the statutes, as created by this act.

 $\square$ 

1	(2) Prescription drug assistance for elderly; additional administration. In
2	the schedule under section 20.005 (3) of the statutes for the appropriation to the joint
3	committee on finance under section 20.865 (4) (a) of the statutes, as affected by the
4	acts of 2001, the dollar amount is increased by \$1,000,000 for fiscal year 2001-02 to
5	increase funding for administration of the prescription drug assistance for elderly
6	program under section 49.688 of the statutes, as created by this act.
7	SECTION 7. Effective dates; health and family services. This act takes
18	effect on the 2nd day after publication of the biennial budget act, except as follows:
9,00	" PRESCRIPTION DRUG ASSISTANCE FOR ELDERLY. The treatment of section 20.435
10	(4) (bv) of the statutes takes effect on March 1, 2002.
11	(E/RIFA)

D-NOTE

## AMENDMENTS

LRB/_
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### **\$\$\$ INCREASE/DECREASE**

In the component bar, for a "regular" amendment item:  For the item text, execute: create → item: → m: → \$inc-dec
#. Page 20.7, line . 19.: in rease the dollar amount for fiscal year 2001-02
by \$ ! , . O.O.O. , . O.O.O and in descrease the dollar amount for fiscal year
2002-03 by \$ .2 2., 2
(purposes) for which the appropriation is made //to
administration of the prescription drug assistance
for elderly program
#. Page 288, line 2.: in crease the dollar amount for fiscal year 2001-02
by \$ ! , , and in de ease the dollar amount for fiscal year
200203 by \$2 2 2 2 [ to M. erease funding for the [purpose]
[purposes] for which the appropriation is madel ito acrease funding for
administration of the prescription drug assistance
In the component bar, for a "frozen" amendment item (used in amendments to amendments):  For the item text, execute: create → item: → afterline [or the applicable item]  For the "frozen" item text, execute: create → item: → frz: → m: → \$inc-dec
#. Page, line:
Page, line: in(de)crease the dollar amount for fiscal year 2001–02
by \$ , and in(de)crease the dollar amount for fiscal year
2002-03 by \$ , , [to crease funding for the [purpose]
[purposes] for which the appropriation is made] [tocrease funding for
* 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.

2001 \ 2002 LEGISLATURE

LRBa0026/1 PJK:jld:km

# SENATE AMENDMENT 1, TO SENATE SUBSTITUTE AMENDMENT 1,

TO 2001 SÉNATE BILL 1

January 25, 2001 – Offered by Committee on Health, Utilities, Veterans and Military Affairs.

At the locations indicated, amend the substitute amendment as follows:

1. Pages, line 17 after that line insert;

3 NOTIFICATION OF ELIGIBILITY FOR THE HEALTH INSURANCE RISK-SHARING PLAN.

Before January 1, 2002, the department of health and family services shall provide, to the extent permitted under federal law, to every resident of this state who is covered by medicare because he or she is disabled under 42 USC 423 and who is not covered under the health insurance risk—sharing plan under chapter 149 of the statutes, notice by mail of all of the following:

- (a) That he or she may be eligible for coverage under the health insurance risk-sharing plan.
- (b) How to apply for coverage under the health insurance risk-sharing plan.".

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		D-NOTE		biosali
		Date		DAK howh
	As requested	, this amend	huent un	wduces
Senati	Substitute	Amendment	1 40 20	vi Senate Bil
		by Senate		
<del></del>				1. However,
···	·			· · · · · · · · · · · · · · · · · · ·
ther	e are Several	technical c	hauges th	at should
he i	uade to the	amendment	in partio	ulai, the
				e. 49 688 (1)(e)
Sl	rould be cla	arified to w	clude a	dispensing tee
£	qual to th	e medical as	ustance d	lis pensing fee,
(	rather tha	n 570. Do	for want	me to
A	make the	technical c	hauges?	Quoued also
	like to dis	ours with &	Pachel Car	abell of
	the Fiscal	Bureau au	y other v	ecessary
	technical		<u> </u>	
		2		HK

## DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRBb1059/1dn DAK:hmh;jf

June 18, 2001

As requested, this amendment reproduces Senate Substitute Amendment 1 to 2001 Senate Bill 1, as amended by Senate Amendment 1 to Senate Substitute Amendment 1. However, there are several technical changes that should be made to the amendment; in particular, the program payment rate (defined in s. 49.688 (1) (e)) should be clarified to include a dispensing fee equal to the medical assistance dispensing fee, rather than 5%. Do you want me to make the technical changes? I would also like to discuss with Rachel Carabell of the Fiscal Bureau any other necessary technical changes.

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

E-mail: debora.kennedy@legis.state.wi.us

#### Kennedy, Debora

From:

Sent:

Keckhaver, John Monday, June 18, 2001 7:18 PM

To:

Kennedy, Debora LRB 1059/1

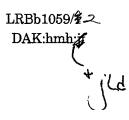
Subject:

### STATE OF WISCONSIN – **LEGISLATIVE REFERENCE BUREAU** – LEGAL SECTION (608–266–3561)

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From Rachel	
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that indude 5%	7
Eff date is Sept 1,2002	
	_
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### State of Misconsin 2001 - 2002 LEGISLATURE



SDC:.....Keckhaver - CN8507, Prescription drugs for elderly

### FOR 2001-03 BUDGET -- NOT READY FOR INTRODUCTION

# CAUCUS SENATE AMENDMENT TO SENATE SUBSTITUTE AMENDMENT 1, TO 2001 SENATE BILL 55

1	At the locations mulcated, amend the substitute amendment as follows:				
2	1. Page 207, line 19: increase the dollar amount for fiscal year 2001-02 by				
3	\$1,000,000 to increase funding for administration of the prescription drug assistance				ssistance
4	for elderly program.	·			
5	<b>2.</b> Page 208, line 12: after	that line insert:			
6	"(bv) Prescription drug assista	ance for			
7	elderly; aids	GPR	S	<b>-</b> 0-	-0-".

3. Page 209, line 8: after that line insert:

1	<b>"</b> (j)	Prescription drug assistance for		
2		elderly; manufacturer rebates PR C -00-		
3	(jb)	Prescription drug assistance for		
4		elderly; enrollment fees PR C -00-".		
5	4	4. Page 288, line 2: increase the dollar amount for fiscal year 2001-02 by		
6	\$1,000,000 to increase funding for administration of the prescription drug assistance			
7	for eld	derly program.		
8	ł	<b>5.</b> Page 358, line 11: after that line insert:		
9		"Section 707bg. 20.435 (4) (bv) of the statutes is created to read:		
10	9	20.435 (4) (bv) Prescription drug assistance for elderly; aids. A sum sufficient		
11	for pa	syment to pharmacies and pharmacists under s. 49.688 (7) for prescription drug		
12	assist	cance for elderly persons.".		
13	(	6. Page 359, line 8: after that line insert:		
14		"Section 711g. 20.435 (4) (j) of the statutes is created to read:		
	ı	"Section 711g. 20.435 (4) (j) of the statutes is created to read: 20.435 (4) (j) Prescription drug assistance for elderly; manufacturer rebates.		
14				
14 15	All m	20.435 (4) (j) Prescription drug assistance for elderly; manufacturer rebates.		
14 15 16	All m	20.435 (4) (j) Prescription drug assistance for elderly; manufacturer rebates.  coneys received from rebate payments by manufacturers under s. 49.688 (6), to		
14 15 16 17	All m	20.435 (4) (j) Prescription drug assistance for elderly; manufacturer rebates. oneys received from rebate payments by manufacturers under s. 49.688 (6), to sed for payment to pharmacies and pharmacists under s. 49.688 (7) for		
14 15 16 17 18	All m be us presc	20.435 (4) (j) Prescription drug assistance for elderly; manufacturer rebates. coneys received from rebate payments by manufacturers under s. 49.688 (6), to sed for payment to pharmacies and pharmacists under s. 49.688 (7) for cription drug assistance for elderly persons.		
14 15 16 17 18 19	All m be us presc	20.435 (4) (j) Prescription drug assistance for elderly; manufacturer rebates. coneys received from rebate payments by manufacturers under s. 49.688 (6), to sed for payment to pharmacies and pharmacists under s. 49.688 (7) for cription drug assistance for elderly persons.  Section 711h. 20.435 (4) (jb) of the statutes is created to read:		
14 15 16 17 18 19 20	All mone	20.435 (4) (j) Prescription drug assistance for elderly; manufacturer rebates. coneys received from rebate payments by manufacturers under s. 49.688 (6), to sed for payment to pharmacies and pharmacists under s. 49.688 (7) for cription drug assistance for elderly persons.  Section 711h. 20.435 (4) (jb) of the statutes is created to read:  20.435 (4) (jb) Prescription drug assistance for elderly; enrollment fees. All		
14 15 16 17 18 19 20 21	All mones	20.435 (4) (j) Prescription drug assistance for elderly; manufacturer rebates. coneys received from rebate payments by manufacturers under s. 49.688 (6), to sed for payment to pharmacies and pharmacists under s. 49.688 (7) for cription drug assistance for elderly persons.  Section 711h. 20.435 (4) (jb) of the statutes is created to read:  20.435 (4) (jb) Prescription drug assistance for elderly; enrollment fees. All eys received from payment of enrollment fees under s. 49.688 (3), to be used for		

1	49.688 Prescription drug assistance for elderly persons. (1) In this
2	section:
3	(a) "Generic name" has the meaning given in s. 450.12 (1) (b).
4	(b) "Poverty line" means the nonfarm federal poverty line for the continental
5	United States, as defined by the federal department of labor under 42 USC 9902 (2).
6	(c) "Prescription drug" means a prescription drug, as defined in s. 450.01 (20),
7	that is included in the drugs specified under s. 49.46 (2) (b) 6. h. and that is
8	manufactured by a drug manufacturer that enters into a rebate agreement in force
9	under sub. (6).  (d) "Prescription order" has the meaning given in s. 450.01 (21).) s. 49.46
10	(d) "Prescription order" has the meaning given in s. 450.01 (21) 5.49.46
11	(e) "Program payment rate" means the rate of payment made for the identical
12	drug specified under s. 49.46 (2) (b) 6. h., plus 5%
13	(2) (a) A person to whom all of the following applies is eligible to purchase a
14	prescription drug for the amounts specified in sub. (5) (a) 1. and 2.:
15	1. The person is a resident, as defined in s. 27.01 (10) (a), of this state.
16	2. The person is at least 65 years of age.
17	3. The person is not a recipient of medical assistance.
18	4. The person's annual household income, as determined by the department,
19	does not exceed 300% of the federal poverty line for a family the size of the person's
20	eligible family.
21	5. The person pays the program enrollment fee specified in sub. (3) (a).
22	(b) A person to whom par. (a) 1. to 3. and 5. applies, but whose annual household
23	income, as determined by the department, exceeds 300% of the federal poverty line
24	for a family the size of the persons' eligible family, is eligible to purchase a
25	prescription drug at the amounts specified in sub. (5) (a) 4. only during the remaining

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- amount of any 12-month period in which the person has first paid the annual deductible specified in sub. (3) (b) 2. a. in purchasing prescription drugs at the retail price and has then paid the annual deductible specified in sub. (3) (b) 2. b.
  - (3) Program participants shall pay all of the following:
  - (a) For each 12-month benefit period, a program enrollment fee of \$20.
- (b) 1. For each 12-month benefit period, for a person specified in sub. (2) (a), a deductible for prescription drugs of \$500, except that a person whose annual household income, as determined by the department, is 175% or less of the federal poverty line for a family the size of the person's eligible family pays no deductible.
- 2. For each 12-month benefit period, for a person specified in sub. (2) (b), a deductible for prescription drugs that equals all of the following:
- a. The difference between the person's annual household income and 300% of the federal poverty line for a family the size of the person's eligible family.
  - b. Five hundred dollars.
- (c) After payment of any applicable deductible under par. (b), all of the following:
  - 1. A copayment of \$5 for each prescription drug that bears only a generic name.
- 2. A copayment of \$10 for each prescription drug that does not bear only a generic name.
- (d) Notwithstanding s. 49.002, if a person who is eligible under this section has other available coverage for payment of a prescription drug, this section applies only to costs for prescription drugs for the persons that are not covered under the person's other available coverage.
- (4) The department shall devise and distribute a form for application for the program under sub. (2), shall determine eligibility for each 12-month benefit period

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- of applicants and shall issue to eligible persons a prescription drug card for use in purchasing prescription drugs, as specified in sub. (5). The department shall promulgate rules that specify the criteria to be used to determine household income under sub. (2) (a) 4. and (b) and (3) (b) 1.
  - (5) (a) Beginning March 1, 2002, as a condition of participation by a pharmacy or pharmacist in the program under s. 49.45, 49.46, or 49.47, the pharmacy or pharmacist may not charge a person who presents a valid prescription order and a card indicating that he or she meets eligibility requirements under sub. (2) an amount for a prescription drug under the order that exceeds the following:
  - 1. For a deductible, as specified in sub. (3) (b) 1. and 2. b., the program payment rate/plus a dispensing fee that is equal to the dispensing fee permitted to be charged for prescription days for which coverage is provided under s. 49.46(2) (5) 6.4.
  - 2. After any applicable deductible under subd. 1. is charged, the copayment, as applicable, that is specified in sub. (3) (c) 1. or 2. No dispensing fee as specified angles.

    Alter any applicable deductible under subd. 1. is charged, the copayment, as applicable, that is specified in sub. (3) (c) 1. or 2. No dispensing fee as specified angles.
    - 3. For a deductible, as specified in sub. (3) (b) 2. a., the retail price.
  - 4. After the deductible under subd. 3. is charged, the copayment, as applicable, that is specified in sub. (3) (c) 1. or 2. No dispensing fee as specified under subd. 2., may be charged to a person under this subdivision.
  - (b) The department shall 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.
  - (6) The department, or an entity with which the department contracts, shall provide to a drug manufacturer that sells drugs for prescribed use in this state

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designed for use by the manufacturer in entering into a rebate agreement with the department or entity that is modeled on the rebate agreement specified under 42 USC 1396r-8. A rebate agreement under this subsection shall include all of the following as requirements:

- (a) That the manufacturer shall make rebate payments for each prescription drug of the manufacturer that is prescribed for and purchased by persons who meet criteria under sub. (2) (a) and persons who meet criteria under sub. (2) (b) and have paid the deductible under sub. (3) (b) 2. a., to the state treasurer to be credited to the appropriation account under s. 20.435 (4) (j), each calendar quarter or according to a schedule established by the department.
- (b) That the amount of the rebate payment shall be determined by a method specified in 42 USC 1396r-8 (c).
- Mark 1, 2002, the department shall, under a schedule that is identical to that used by the department for payment of pharmacy provider claims under medical assistance, provide to pharmacies and pharmacists payments for prescription drugs sold by the pharmacies or pharmacists to persons eligible under sub. (2) who have paid the deductible specified under sub. (3) (b) 1. or 2. or who, under sub. (3) (b) 1., are not required to pay a deductible. The payment for each prescription drug under this subsection shall be at the program payment rate, minus any copayment paid by the person under sub. (5) (a) 2. or 4. It is a dispensing fee as specified pade sate, (2) It and plus, if applicable, incentive payments that are similar to those provided under s. 49.45 (8v). The department shall devise and distribute a claim form for use by pharmacies and pharmacists under this subsection and may limit payment under this subsection to those prescription drugs for which payment claims

- are submitted by pharmacists or pharmacies directly to the department. The department may apply to the program under this section the same utilization and cost control procedures that apply under rules promulgated by the department to medical assistance under subch. IV of ch. 49.
- (8) The department shall, under methods promulgated by the department by rule, 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.
- (9) (a) The department shall promulgate rules relating to prohibitions on fraud that are substantially similar to applicable provisions under s. 49.49 (1) (a).
- (b) A person who is convicted of violating a rule promulgated by the department under par. (a) in connection with that person's furnishing of prescription drugs under this section may be fined not more than \$25,000, or imprisoned for not more than 7 years and 6 months, or both.
- (c) A person other than a person specified in par. (b) who is convicted of violating a rule promulgated by the department under par. (a) may be fined not more than \$10,000, or imprisoned for not more than one year, or both.
- (10) If federal law is amended to provide coverage for prescription drugs for outpatient care as a benefit under medicare or to provide similar coverage under another program, the department shall submit to appropriate standing committees of the legislature under s. 13.172 (3) a report that contains an analysis of the

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differences between such a federal program and the program under this section and that provides recommendations concerning alignment, if any, of the differences.

(11) Except as provided in subs. (8) to (10) and except for the department's rule—making requirements and authority, the department may enter into a contract with an entity to perform the duties and exercise the powers of the department under this section."

### **8.** Page 1338, line 20: after that line insert:

"(16h) Prescription drug assistance for elderly; administration. Before July 1, 2002, the department of health and family services may develop and submit to the department of administration a proposal for expenditure of the funds appropriated under section 20.865 (4) (a) of the statutes for administration of the prescription drug assistance for elderly program under section 49.688 of the statutes, as created by this act. The department of administration may approve, disapprove, or modify and approve any proposal it receives under this subsection. If the department of administration approves the proposal, the department shall submit the proposal, together with any modifications, to the cochairpersons of the joint committee on finance. If the cochairpersons of the committee do not notify the secretaries of administration and health and family services within 14 working days after receiving the proposal that the cochairpersons have scheduled a meeting for the purpose of reviewing the proposal, the secretary of administration may transfer from the appropriation account under section 20.865 (4) (a) of the statutes to the appropriation account under section 20.435 (4) (a) of the statutes the amount specified in the proposal or any proposed modifications of the proposal for expenditure as specified in the proposal or any proposed modifications of the

proposal and may approve any position authority specified in the proposal or any
proposed modifications of the proposal. If, within 14 working days after receiving the
proposal, the cochairpersons notify the secretaries of administration and health and
family services that the cochairpersons have scheduled a meeting for the purpose of
reviewing the proposal, the secretary of administration may not transfer any amount
specified in the proposal or any proposed modifications of the proposal from the
appropriation account under section 20.865 (4) (a) of the statutes and may not
approve any position authority specified in the proposal or any proposed
modifications of the proposal, except as approved by the committee.

- (16j) Notification of Eligibility for the Health insurance risk-sharing plan. Before January 1, 2002, the department of health and family services shall provide, to the extent permitted under federal law, to every resident of this state who is covered by medicare because he or she is disabled under 42 USC 423 and who is not covered under the health insurance risk-sharing plan under chapter 149 of the statutes, notice by mail of all of the following:
- (a) That he or she may be eligible for coverage under the health insurance risk-sharing plan.
  - (b) How to apply for coverage under the health insurance risk-sharing plan.".
  - 9. Page 1420, line 19: after that line insert:
- "(19h) PRESCRIPTION DRUG ASSISTANCE FOR ELDERLY. The treatment of section 20.435 (4) (bv) of the statutes takes effect on Manda 1, 2002.".

SDC:.....Keckhaver - CN8507, Prescription drugs for elderly

FOR 2001-03 BUDGET -- NOT READY FOR INTRODUCTION

# CAUCUS SENATE AMENDMENT TO SENATE SUBSTITUTE AMENDMENT 1, TO 2001 SENATE BILL 55

1 At the locations indicated, amend the substitute amendment as follows: 1. Page 207, line 19: increase the dollar amount for fiscal year 2001-02 by 2 \$1,000,000 to increase funding for administration of the prescription drug assistance 3 4 for elderly program. 5 2. Page 208, line 12: after that line insert. 6 "(bv) Prescription drug assistance for 7 elderly; aids GPR  $\mathbf{S}$ -0-". -0-**3.** Page 209, line 8: after that line insert: 8

		·				
1	"(j)	Prescription drug assistance for				
2		elderly; manufacturer rebates	PR	$\mathbf{C}$	-0-	-0-
3	(jb)	Prescription drug assistance for				
4		elderly; enrollment fees	PR	$\mathbf{C}$	-0-	-0-".
5	4	4. Page 288, line 2: increase the	e dollar a	mount fo	or fiscal year 200	01–02 by
6	\$1,000	0,000 to increase funding for admir	nistration	of the pr	escription drug a	.ssistance
7	for eld	lerly program.				
8	Ę	5. Page 358, line 11: after that lin	ne insert:			
9	۵	Section 707bg. 20.435 (4) (bv) o	f the stat	cutes is cr	eated to read:	
10	2	20.435 (4) (bv) Prescription drug of	issistance	for elder	ly; aids. A sum s	sufficient
11	for pa	yment to pharmacies and pharmac	cists unde	er s. 49.68	8 (7) for prescrip	tion drug
12	assist	ance for elderly persons.".			•	
13	(	3. Page 359, line 8: after that lin	e insert:			
14	66	<b>SECTION 711g.</b> 20.435 (4) (j) of the	e statute	s is creat	ed to read:	
15	2	20.435 (4) (j) Prescription drug a	ssistance	for elder	ly; manufacturer	r rebates.
16	All mo	oneys received from rebate payme	nts by ma	anufactur	ers under s. 49.6	i88 (6), to
17	be us	ed for payment to pharmacies	and pha	rmacists	under s. 49.688	8 (7) for
18	prescr	ription drug assistance for elderly	persons.			
19	\$	SECTION 711h. 20.435 (4) (jb) of the	he statute	es is crea	ted to read:	
20	2	20.435 (4) (jb) Prescription drug	assistand	ce for eld	erly; enrollment	fees. All
21	money	ys received from payment of enroll	ment fee	s under s	. 49.688 (3), to be	used for
22	admir	nistration of the program under s.	49.688.".			
23	ŗ	7. Page 646, line 22: after that li	ne insert:	:		
24	"	<b>SECTION 1838gb.</b> 49.688 of the s	tatutes is	created	to read:	

1	49.688 Prescription drug assistance for elderly persons. (1) In this
2	section:
3	(a) "Generic name" has the meaning given in s. 450.12 (1) (b).
4	(b) "Poverty line" means the nonfarm federal poverty line for the continental
5	United States, as defined by the federal department of labor under 42 USC 9902 (2).
6	(c) "Prescription drug" means a prescription drug, as defined in s. 450.01 (20),
7	that is included in the drugs specified under s. 49.46 (2) (b) 6. h. and that is
8	manufactured by a drug manufacturer that enters into a rebate agreement in force
9	under sub. (6).
10	(d) "Prescription order" has the meaning given in s. 450.01 (21).
· <b>11</b>	(c) "Program payment rate" means the rate of payment made for the identical
12	drug specified under s. 49.46 (2) (b) 6. h., plus 5%, plus a dispensing fee that is equal
13	to the dispensing fee permitted to be charged for prescription drugs for which
14	coverage is provided under s. 49.46 (2) (b) 6. h.
15	(2) (a) A person to whom all of the following applies is eligible to purchase a
16	prescription drug for the amounts specified in sub. (5) (a) 1. and 2.:
17	1. The person is a resident, as defined in s. 27.01 (10) (a), of this state.
18	2. The person is at least 65 years of age.
19	3. The person is not a recipient of medical assistance.
20	4. The person's annual household income, as determined by the department,
21	does not exceed 300% of the federal poverty line for a family the size of the person's
22	eligible family.
23	5. The person pays the program enrollment fee specified in sub. (3) (a).
24	(b) A person to whom par. (a) 1. to 3. and 5. applies, but whose annual household

income, as determined by the department, exceeds 300% of the federal poverty line

- for a family the size of the persons' eligible family, is eligible to purchase a prescription drug at the amounts specified in sub. (5) (a) 4. only during the remaining amount of any 12-month period in which the person has first paid the annual deductible specified in sub. (3) (b) 2. a. in purchasing prescription drugs at the retail price and has then paid the annual deductible specified in sub. (3) (b) 2. b.
  - (3) Program participants shall pay all of the following:
  - (a) For each 12-month benefit period, a program enrollment fee of \$20.
- (b) 1. For each 12-month benefit period, for a person specified in sub. (2) (a), a deductible for prescription drugs of \$500, except that a person whose annual household income, as determined by the department, is 175% or less of the federal poverty line for a family the size of the person's eligible family pays no deductible.
- 2. For each 12-month benefit period, for a person specified in sub. (2) (b), a deductible for prescription drugs that equals all of the following:
- a. The difference between the person's annual household income and 300% of the federal poverty line for a family the size of the person's eligible family.
  - b. Five hundred dollars.
- (c) After payment of any applicable deductible under par. (b), all of the following:
  - 1. A copayment of \$5 for each prescription drug that bears only a generic name.
- 2. A copayment of \$10 for each prescription drug that does not bear only a generic name.
- (d) Notwithstanding s. 49.002, if a person who is eligible under this section has other available coverage for payment of a prescription drug, this section applies only to costs for prescription drugs for the persons that are not covered under the person's other available coverage.

- (4) The department shall devise and distribute a form for application for the program under sub. (2), shall determine eligibility for each 12-month benefit period of applicants and shall issue to eligible persons a prescription drug card for use in purchasing prescription drugs, as specified in sub. (5). The department shall promulgate rules that specify the criteria to be used to determine household income under sub. (2) (a) 4. and (b) and (3) (b) 1.
- (5) (a) Beginning September 1, 2002, as a condition of participation by a pharmacy or pharmacist in the program under s. 49.45, 49.46, or 49.47, the pharmacy or pharmacist may not charge a person who presents a valid prescription order and a card indicating that he or she meets eligibility requirements under sub.

  (2) an amount for a prescription drug under the order that exceeds the following:
- 1. For a deductible, as specified in sub. (3) (b) 1. and 2. b., the program payment rate.
- 2. After any applicable deductible under subd. 1. is charged, the copayment, as applicable, that is specified in sub. (3) (c) 1. or 2. No dispensing fee may be charged to a person under this subdivision.
  - 3. For a deductible, as specified in sub. (3) (b) 2. a., the retail price.
- 4. After the deductible under subd. 3. is charged, the copayment, as applicable, that is specified in sub. (3) (c) 1. or 2. No dispensing fee may be charged to a person under this subdivision.
- (b) The department shall 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.

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- (6) The department, or an entity with which the department contracts, shall provide to a drug manufacturer that sells drugs for prescribed use in this state documents designed for use by the manufacturer in entering into a rebate agreement with the department or entity that is modeled on the rebate agreement specified under 42 USC 1396r–8. A rebate agreement under this subsection shall include all of the following as requirements:
- (a) That the manufacturer shall make rebate payments for each prescription drug of the manufacturer that is prescribed for and purchased by persons who meet criteria under sub. (2) (a) and persons who meet criteria under sub. (2) (b) and have paid the deductible under sub. (3) (b) 2. a., to the state treasurer to be credited to the appropriation account under s. 20.435 (4) (j), each calendar quarter or according to a schedule established by the department.
- (b) That the amount of the rebate payment shall be determined by a method specified in 42 USC 1396r-8 (c).
- (7) From the appropriation accounts under s. 20.435 (4) (bv) and (j), beginning September 1, 2002, the department shall, under a schedule that is identical to that used by the department for payment of pharmacy provider claims under medical assistance, provide to pharmacies and pharmacists payments for prescription drugs sold by the pharmacies or pharmacists to persons eligible under sub. (2) who have paid the deductible specified under sub. (3) (b) 1. or 2. or who, under sub. (3) (b) 1., are not required to pay a deductible. The payment for each prescription drug under this subsection shall be at the program payment rate, minus any copayment paid by the person under sub. (5) (a) 2. or 4., and plus, if applicable, incentive payments that are similar to those provided under s. 49.45 (8v). The department shall devise and distribute a claim form for use by pharmacies and pharmacists under this subsection

- and may limit payment under this subsection to those prescription drugs for which payment claims are submitted by pharmacists or pharmacies directly to the department. The department may apply to the program under this section the same utilization and cost control procedures that apply under rules promulgated by the department to medical assistance under subch. IV of ch. 49.
- (8) The department shall, under methods promulgated by the department by rule, 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.
- (9) (a) The department shall promulgate rules relating to prohibitions on fraud that are substantially similar to applicable provisions under s. 49.49 (1) (a).
- (b) A person who is convicted of violating a rule promulgated by the department under par. (a) in connection with that person's furnishing of prescription drugs under this section may be fined not more than \$25,000, or imprisoned for not more than 7 years and 6 months, or both.
- (c) A person other than a person specified in par. (b) who is convicted of violating a rule promulgated by the department under par. (a) may be fined not more than \$10,000, or imprisoned for not more than one year, or both.
- (10) If federal law is amended to provide coverage for prescription drugs for outpatient care as a benefit under medicare or to provide similar coverage under another program, the department shall submit to appropriate standing committees of the legislature under s. 13.172 (3) a report that contains an analysis of the

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differences between such a federal program and the program under this section and that provides recommendations concerning alignment, if any, of the differences.

(11) Except as provided in subs. (8) to (10) and except for the department's rule—making requirements and authority, the department may enter into a contract with an entity to perform the duties and exercise the powers of the department under this section."

#### 8. Page 1338, line 20: after that line insert:

"(16h) Prescription drug assistance for elderly; administration. Before July 1, 2002, the department of health and family services may develop and submit to the department of administration a proposal for expenditure of the funds appropriated under section 20.865 (4) (a) of the statutes for administration of the prescription drug assistance for elderly program under section 49.688 of the statutes, as created by this act. The department of administration may approve, disapprove, or modify and approve any proposal it receives under this subsection. If the department of administration approves the proposal, the department shall submit the proposal, together with any modifications, to the cochairpersons of the joint committee on finance. If the cochairpersons of the committee do not notify the secretaries of administration and health and family services within 14 working days after receiving the proposal that the cochairpersons have scheduled a meeting for the purpose of reviewing the proposal, the secretary of administration may transfer from the appropriation account under section 20.865 (4) (a) of the statutes to the appropriation account under section 20.435 (4) (a) of the statutes the amount specified in the proposal or any proposed modifications of the proposal for expenditure as specified in the proposal or any proposed modifications of the

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proposal and may approve any position authority specified in the proposal or any proposed modifications of the proposal. If, within 14 working days after receiving the proposal, the cochairpersons notify the secretaries of administration and health and family services that the cochairpersons have scheduled a meeting for the purpose of reviewing the proposal, the secretary of administration may not transfer any amount specified in the proposal or any proposed modifications of the proposal from the appropriation account under section 20.865 (4) (a) of the statutes and may not approve any position authority specified in the proposal or any proposed modifications of the proposal, except as approved by the committee.

- (16j) Notification of Eligibility for the health insurance risk—sharing plan. Before January 1, 2002, the department of health and family services shall provide, to the extent permitted under federal law, to every resident of this state who is covered by medicare because he or she is disabled under 42 USC 423 and who is not covered under the health insurance risk—sharing plan under chapter 149 of the statutes, notice by mail of all of the following:
- (a) That he or she may be eligible for coverage under the health insurance risk-sharing plan.
  - (b) How to apply for coverage under the health insurance risk-sharing plan.".
  - 9. Page 1420, line 19: after that line insert:
- "(19h) Prescription drug assistance for elderly. The treatment of section 20.435 (4) (bv) of the statutes takes effect on September 1, 2002.".