

2001 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-SB55)

Received: 06/21/2001

Received By: kenneda

Wanted: As time permits

Identical to LRB:

For: Assembly Republican Caucus 7-4887

By/Representing: Hughes

This file may be shown to any legislator: NO

Drafter: kenneda

May Contact: LFB

Addl. Drafters: isagerro

Subject: Health - miscellaneous

Extra Copies:

Submit via email: NO

Requester's email:

Pre Topic:

ARC:.....Hughes -

Topic:

AM22--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>
/?	kenneda 06/22/2001	csicilia 06/22/2001		_____			
/1			kfollet 06/23/2001	_____	lrb_docadmin 06/23/2001		

FE Sent For:

<END>

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1/?	kenneda	1 cis 6/22 01	ky 6/23	ky/jf 6/23			

FE Sent For:

<END>

Memorandum

H

To: Fred Ammerman – Fiscal Bureau
Cathleen Hanaman – Reference Bureau

CC: Heather Smith – Assembly Republican Caucus

From: Paul Tessmer – Assembly Republican Caucus

Date: 06/21/01

Re: ARC Amendments – Passed 6-20-01

Please find enclosed copies of the budget amendments passed by the Assembly Republicans in Caucus on Tuesday, June 20, 2001. The amendments are provided in the following four areas:

- The Health Care Working Group Package. Associated freestanding amendments incorporated in this package are also provided. Contact Carolyn Hughes (ARC) at 7-4887.
- The Agriculture Working Group Package. Associated freestanding amendments incorporated in this package are also provided. Contact Mark Jefferson (ARC) at 7-0900.
- The Higher Education Working Group Package. Associated freestanding amendments incorporated in this package are also provided. Contact Jim Emerson (ARC) at 7-0904.
- Other Freestanding Amendments. Contact the ARC analyst listed on the amendment at 6-1452.

NOTE: The Working Group Package document takes precedence over its associated freestanding amendments. Please call the contact person listed above (or the ARC analyst listed on the amendment) for supporting documentation.

Hard copies of the Working Group Packages are also being sent to your office. The hard copies may contain supporting documentation not included in the Word document.

I am also available to help answer questions at 4-8587.

part of the bill. This motion would require payment by health insurers to pay anesthesiologists for the two distinct services.

29. Dental School Staff Licensing:

An applicant who is invited to serve on the academic staff of a dental school in this state as a member of the faculty shall be granted a faculty license if the applicant does not engage in any of the types of conduct prohibited by ss. 447.07(3)(a)-(o).

Such license shall remain in force only while the holder is serving full-time on the academic staff of a dental school. The holder's license allows practice within educational facilities and as adjunct to teaching functions. Such license shall expire 2 years after its date of granting and may be renewed at the discretion of the Dental Examining Board (DEB). The board may require an applicant for licensure under this subdivision to appear for an interview.

The board may promulgate rules to carry out the purposes of this subdivision. This reflects an agreement between DEB and Marquette Dental School.

30. Drug and Alcohol Regulation and Licensing:

Require certification for Alcohol and Drug Counselors to Regulation and Licensing, and grant rule-making authority. This will ensure we have counselors who are certified.

31. Prescription Drug Plan:

Eligibility	Age 65 or Older Income less than 185% of FPL* (\$15,448/individual or \$20,800/couple)	
Enrollment Fee	\$25	
Co-Payment	\$10 for generic \$20 for brand name	
Deductible	\$840 per individual ¹	
Drugs Covered	Limited to those drugs produced by manufacturers entered into rebate agreements with the state ²	
State Cost	Approximately \$44 million	
Number Eligible	171,000 individuals	
Start Date	July 2002	

From Rachel:

✓ AB 120 - all 7/1/02
Restore MA reimb.
rate to AWP - 10

✓ Benefits 16,900,000 - 02-03

Increase to MA 1,200,000

Program is AWP minus 5%

*FPL - Federal Poverty Level

¹ An approximate 18% discount of prescription drugs would be available to enrollees during their deductible period.

² Pharmacist's Reimbursement will be AWP minus 10%

From Rachel:

MA reimb. rate for pharmacists: To take Jt. Fin.
Sub. (12.5%) back to 10% =

1st	2d yr.
3,582,600	4, 0 047,500

b1411

Questions for Rachel

① Restoration of MA reimb. rate to AWP-10
in eff on passage, right?

② Technical needs to be put in

③ With re 20.865(4)(a) - Does it still work to
have all admin \$ in 2001-02? Yes; it's a biennial

2001

Date (time) needed Soon - credit
6/22

LRB b 1411 / 11

**ARC CAUCUS BUDGET AMENDMENT
[ONLY FOR CAUCUS]**

DAIC \$15R : g3 :

See form **AMENDMENTS — COMPONENTS & ITEMS.**

**D-NOTE
CAUCUS AMENDMENT**

**TO ASSEMBLY SUBSTITUTE AMENDMENT 1
TO 2001 SENATE BILL 55**

>>FOR CAUCUS SUPERAMENDMENT — NOT FOR INTRODUCTION<<

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

INSERT A

#. Page 208, line 12 : after that line insert :

#. Page , line :

#. Page , line :

#. Page , line :

#. Page , line :

#. Page , line :

2001 ASSEMBLY BILL 120

S.A. ✓

February 13, 2001 – Introduced by Representatives WIECKERT, FRISKE, GRONEMUS, RHOADES, PETTIS, KRAWCZYK, PETROWSKI, LOEFFELHOLZ, D. MEYER, LEIBHAM, J. FITZGERALD, TOWNSEND, REYNOLDS, LIPPERT, MCCORMICK, BIES, AINSWORTH, ALBERS, FREESE, GUNDERSON, GUNDRUM, HOVEN, HUNDERTMARK, JESKEWITZ, JOHNSRUD, KAUFERT, KESTELL, KREIBICH, F. LASEE, M. LEHMAN, MUSSER, NASS, OLSEN, OTT, OWENS, SERATTI, SKINDRUD, STONE, SYKORA, TRAVIS, UNDERHEIM, URBAN, VRAKAS, WADE and WARD, cosponsored by Senators ROSENZWEIG, HARSDORF, S. FITZGERALD, DARLING, SCHULTZ and ROESSLER. Referred to Committee on Health.

1 **AN ACT to amend** 49.47 (4) (b) 2m. b., 49.47 (4) (b) 2r., 49.47 (4) (b) 2w., 49.47 (4)
 2 (b) 3., 49.47 (4) (c) 1., 49.47 (4) (c) 3. and 49.47 (4) (i) 2. (intro.); and **to create**
 3 20.435 (4) (bv), 20.435 (4) (j), 20.435 (4) (jb), 49.45 (48), 49.47 (4) (aq) and 49.688
 4 of the statutes; **relating to:** expanding medical assistance income eligibility
 5 requirements for elderly persons; requiring pharmacies and pharmacists, as a
 6 condition of medical assistance participation, to charge elderly, low-income
 7 persons for prescription drugs no more than specific amounts; specifying
 8 requirements for rebate agreements between the department of health and
 9 family services and drug manufacturers; limiting prior authorization
 10 requirements under medical assistance; requiring the exercise of rule-making
 11 authority; making appropriations; and providing penalties.

Analysis by the Legislative Reference Bureau

Under current state law, pharmacies and pharmacists that are certified providers of medical assistance (MA) services are reimbursed, at a rate established by the department of health and family services (DHFS), for providing certain prescription drugs to MA recipients. Under the MA program, numerous prescription

ASSEMBLY BILL 120

drugs must be authorized by DHFS prior to being dispensed to MA recipients. Under current federal law, persons entitled to coverage under part B of medicare do not receive coverage for prescription drugs for outpatient care as a benefit.

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

Beginning March 1, 2002, this bill increases to 100% of the federal poverty level the maximum income level for eligibility for MA for individuals who are 65 years of age or older, blind, or permanently disabled.

This bill provides that, beginning March 1, 2002, persons who have applied for and have been found by DHFS to be eligible for prescription drug assistance and who have paid an annual enrollment fee of \$25 may use a card, issued by DHFS, to obtain certain prescription drugs for outpatient care at a rate that is the average wholesale price minus 5% or the maximum allowable cost, as determined by DHFS, whichever is less, plus a pharmacy dispensing fee. After an eligible person has paid a deductible by expending \$840 in a 12-month period for prescription drugs at this reduced rate, the person may obtain additional prescription drugs in that period by paying a copayment of \$10 for each generic drug and a copayment of \$20 for each drug that is not a generic drug. Persons who are eligible to obtain prescription drugs for these reduced charges are state residents who are at least 65 years of age, are not MA recipients, and have household incomes, as determined by DHFS, that do not exceed 185% of the federal poverty line for a family the size of the persons' eligible families. As a condition of participation by a pharmacy or pharmacist in the MA program, the pharmacy or pharmacist may not charge persons who are eligible for prescription drug assistance more than these amounts; as a part of the costs chargeable for the deductible, the pharmacy or pharmacist may include a dispensing fee but may not charge a dispensing fee after the deductible is met. If a person who is eligible has other available coverage for prescription drugs, the program does not apply to the costs for prescription drugs available under that other coverage.

Under the bill, DHFS or an entity with which DHFS contracts may enter with drug manufacturers into rebate agreements that are modeled on federal medicaid rebate agreements, under which the manufacturer must make payments to the state treasurer for deposit in the general fund for the manufacturer's drugs that are prescribed and purchased under the program. The amount of the rebate payment under the agreement is required to be determined by the method that is specified under federal medicaid rebate agreements. The amounts of the rebate payments must, in turn, together with general purpose revenues, be paid by DHFS to pharmacies or pharmacists that have reduced charges for prescription drugs for the eligible persons. Payment is at the average wholesale price minus 5% or the maximum allowable cost, as determined by DHFS, whichever is less, minus any

ASSEMBLY BILL 120

copayment made, plus a dispensing fee. If a manufacturer enters into a rebate agreement, DHFS may not, after February 28, 2002, and before March 1, 2004, expand the prior authorization requirements under the MA program or under the prescription drug program created under the bill for prescription drugs manufactured by that manufacturer beyond those prior authorization requirements in effect under the MA program on March 1, 2002.

Under the bill, DHFS is authorized to enter into a contract with an entity to perform DHFS' duties and exercise its powers, other than rule making, under the prescription drug assistance program. DHFS must, under the bill, promulgate rules that specify the criteria to be used to determine household income for persons eligible for prescription drug assistance. Prescription drugs for which the reduced charges must be made are those that are available as an MA benefit and that are manufactured by a manufacturer that enters into a rebate agreement with DHFS. DHFS must calculate and transmit to pharmacies and pharmacists that participate in the MA program the prices at the discounted rate that must be charged to certain eligible persons in meeting the deductible for prescription drugs and must periodically update this information and transmit the updated information to pharmacies and pharmacists. DHFS must monitor compliance by pharmacies and pharmacists with the requirement to charge eligible persons for the specified prescription drugs at the reduced amounts and annually report to the legislature concerning the compliance. DHFS also must promulgate rules that establish prohibitions against fraud that are substantially similar to MA fraud provisions; the bill specifies penalties applicable to violations of these prohibitions. If federal law is changed to provide coverage for outpatient prescription drugs as a benefit under medicare or another program, DHFS must provide a report to the legislature that analyzes the differences between the federal program and the program under the bill and that provides recommendations concerning alignment, if any, of the differences. The bill appropriates \$2,000,000 in general purpose revenues in fiscal year 2001-02 to the joint committee on finance and authorizes DHFS to submit a proposal for review and approval by the department of administration and by the joint committee on finance, for expenditure of these moneys for administration of the program.

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

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

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

ASSEMBLY BILL 120

2001-02

2002-03

20.435 Health and family services, department

of

(4) HEALTH SERVICES PLANNING, REGULATION AND

DELIVERY, HEALTH CARE FINANCING

6 " (bv) Prescription drug assistance for

elderly; aids

GPR A

-0- 16,900,000
~~8,900,000~~ 26,400,000

INSERT 4-7

#. Page 358, line 11: after that line insert:

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

20.435 (4) (bv) Prescription drug assistance for elderly; aids. The amounts in the schedule for payment to pharmacies and pharmacists under s. 49.688 (8) for prescription drug assistance for elderly persons."

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

20.435 (4) (j) Prescription drug assistance for elderly; manufacturer rebates.

All moneys received from rebate payments by manufacturers under s. 49.688 (7), to be used for payment to pharmacies and pharmacists under s. 49.688 (8) for prescription drug assistance for elderly persons.

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

20.435 (4) (jb) Prescription drug assistance for elderly; enrollment fees. All moneys received from payment of enrollment fees under s. 49.688 (3), to be used for administration of the program under s. 49.688."

SECTION 5. 49.45 (49) of the statutes is created to read:

49.45 (49) PRIOR AUTHORIZATION FOR LEGEND DRUGS. If, after February 28, 2002,

and before March 1, 2004, a manufacturer has in force a rebate agreement under s.

49.688 (7), the department may not during that period expand the prior

20

49

21

22

23

24

July

June 30

49

17929

February 28

March 1

2001

INSERT 4-7

p-1 of 2

LRB _____ / _____

File With Statute **20.005 (3)** Schedule _____ : _____ : _____

\$\$\$ SCHEDULE

In the component bar:

For the action phrase, execute: create → action: → ch20

For the table layout, execute: create → <Table> → \$sched

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

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. _____

.....

() _____

→ " (j) Prescription drug assistance for elderly; manufacturer rebates PR C -0- -0-

20. _____

.....

() _____

(jb) Prescription drug assistance for elderly; enrollment fees PR C -0- -0- "

AMENDMENTS

LRB _____/_____
_____:_____:_____

\$\$\$ INCREASE/DECREASE

In the component bar, for a "regular" amendment item:

For the item text, execute: create → item: → m: → \$inc-dec

#. Page 288, line 2 : in(de)crease the dollar amount for fiscal year 2001-02 by \$ 2,000,000 and in(de)crease the dollar amount for fiscal year 2002-03 by \$ 2,000,000 to increase funding for the [purpose] [purposes] for which the appropriation is made] to increase funding for administration of the prescription drug assistance for elderly program 9*.

#. 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] [to ...crease funding for]*.

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] [to ...crease 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.

End of
INSERT 4-7

ASSEMBLY BILL 120

1 authorization requirements for prescription drugs manufactured by the
2 manufacturer for which coverage is provided under s. 49.46 (2) (b) 6. h. beyond those
3 prior authorization requirements that are in effect on ~~March~~ 1, 2002. "

#. Page 637, line 6: after that line insert:

4 → " SECTION ~~8.~~ 49.47 (4) (aq) of the statutes is created to read: July

1814-L

5 49.47 (4) (aq) 1. Subject to subd. 2., an individual who does not meet the
6 limitation on income under par. (c) is eligible for medical assistance if the individual's
7 income does not exceed 100% of the federal poverty level, and the individual is 65
8 years of age or older or is blind or totally and permanently disabled, as defined under
9 federal Title XVI.

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

#. Page 637, line 13: after that line insert:

14 " SECTION ~~7.~~ 49.47 (4) (b) 2m. b. of the statutes is amended to read:

1815cb

15 49.47 (4) (b) 2m. b. For persons who are eligible under par. (a) 3. or 4. or (aq),
16 motor vehicles are exempt from consideration as an asset to the same extent as
17 provided under 42 USC 1381 to 1385.

18 SECTION ~~6.~~ 49.47 (4) (b) 2r. of the statutes is amended to read:

1815cd

19 49.47 (4) (b) 2r. For a person who is eligible under par. (a) 3. or 4. or (aq), the
20 value of any burial space or agreement representing the purchase of a burial space
21 held for the purpose of providing a place for the burial of the person or any member
22 of his or her immediate family. 1815cd

23 SECTION ~~5.~~ 49.47 (4) (b) 2w. of the statutes is amended to read:

ASSEMBLY BILL 120

1 49.47 (4) (b) 2w. For a person who is eligible under par. (a) 3. or 4. or (aq), life
 2 insurance with cash surrender values if the total face value of all life insurance
 3 policies is not more than \$1,500. (1815 ce)

4 SECTION ~~10~~. 49.47 (4) (b) 3. of the statutes is amended to read:

5 49.47 (4) (b) 3. For a person who is eligible under par. (a) 3. or 4. or (aq), funds
 6 set aside to meet the burial and related expenses of the person and his or her spouse
 7 in an amount not to exceed \$1,500 each, minus the sum of the cash value of any life
 8 insurance excluded under subd. 2w. and the amount in any irrevocable burial trust
 9 under s. 445.125 (1) (a). (1815 cf)

10 SECTION ~~11~~. 49.47 (4) (c) 1. of the statutes is amended to read:

11 49.47 (4) (c) 1. Except as provided in par. ~~pars.~~ (am) and (aq) and as limited by
 12 subd. 3., eligibility exists if income does not exceed ~~133 1/3%~~ 133.33% of the
 13 maximum aid to families with dependent children payment under s. 49.19 (11) for
 14 the applicant's family size or the combined benefit amount available under
 15 supplemental security income under 42 USC 1381 to 1383c and state supplemental
 16 aid under s. 49.77 whichever is higher. In this subdivision "income" includes earned
 17 or unearned income that would be included in determining eligibility for the
 18 individual or family under s. 49.19 or 49.77, or for the aged, blind or disabled under
 19 42 USC 1381 to 1385. "Income" does not include earned or unearned income which
 20 would be excluded in determining eligibility for the individual or family under s.
 21 49.19 or 49.77, or for the aged, blind or disabled individual under 42 USC 1381 to
 22 1385. "

. Page 638, line 16; after that line insert =
 " SECTION ~~12~~. 49.47 (4) (c) 3. of the statutes is amended to read:

24 49.47 (4) (c) 3. Except as provided in par. ~~pars.~~ (am) and (aq), no person is
 25 eligible for medical assistance under this section if the person's income exceeds the

ASSEMBLY BILL 120

1 maximum income levels that the U.S. department of health and human services sets
2 for federal financial participation under 42 USC 1396b (f). 1815p

3 SECTION 13. 49.47 (4) (i) 2. (intro.) of the statutes is amended to read:

4 49.47 (4) (i) 2. (intro.) Notwithstanding par. (b) 2r. and 3., a person who is
5 described in par. (a) 3. or 4. or (aq) is not eligible for benefits under this section if any
6 of the following criteria is met: ”. 1838f ¶ #Page 646, line 22:
after that line
insert:

7 “ SECTION 14. 49.688 of the statutes is created to read:

8 **49.688 Prescription drug assistance for low-income elderly persons.**

9 (1) In this section:

10 (a) “Generic name” has the meaning given in s. 450.12 (1) (b).

11 (b) “Poverty line” means the nonfarm federal poverty line for the continental
12 United States, as defined by the federal department of labor under 42 USC 9902 (2).

13 (c) “Prescription drug” means a prescription drug, as defined in s. 450.01 (20),
14 that is included in the drugs specified under s. 49.46 (2) (b) 6. h. and that is
15 manufactured by a manufacturer that enters into a rebate agreement in force under
16 sub. (7).

17 (d) “Prescription order” has the meaning given in s. 450.01 (21).

18 (2) A person who is a resident, as defined in s. 27.01 (10) (a), of this state, who
19 is at least 65 years of age, who is not a recipient of medical assistance, whose annual
20 household income, as determined by the department, does not exceed 185% of the
21 poverty line for a family the size of the person’s eligible family, and who pays the
22 program enrollment fee specified in sub. (3) (a) is eligible to purchase a prescription
23 drug at the amounts specified in sub. (6) (b). The person may apply to the
24 department, on a form provided by the department ~~together with program~~

ASSEMBLY BILL 120

SECTION 14

(1) ~~enrollment fee payment~~ for a determination of eligibility and issuance of a prescription drug card for purchase of prescription drugs under this section.

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

1. For each 12-month benefit period, a program enrollment fee of \$25.

2. For each 12-month benefit period, a deductible for each person of \$840.

3. After payment of the deductible under subd. 2., all of the following:

a. A copayment of \$10 for each prescription drug that bears only a generic name.

b. A copayment of \$20 for each prescription drug that does not bear only a generic name.

(b) 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 annual household income under sub. (2).

(5) Beginning ~~March~~ ^{July} 1, 2002, as a condition of participation by a pharmacy or pharmacist in the program under ss. 49.45, 49.46, or 49.47, the pharmacy or pharmacist may not charge a person who presents a valid prescription order and a card indicating that he or she meets eligibility requirements under sub. (2) an

ASSEMBLY BILL 120

1 amount for a prescription drug under the order that exceeds the amounts specified
2 in sub. (6) (b).

3 (6) (a) The charge for a prescription drug shall be calculated at the average
4 wholesale price minus 5% or the maximum allowable cost, as determined by the
5 department, whichever is less.

6 (b) The amounts that a pharmacy or pharmacist may charge a person specified
7 in sub. (2) in a ~~calendar year~~ ^{12-month} period for a prescription drug are the following:

8 1. If applicable, a deductible, as specified in sub. (3) (a) 2., for a prescription
9 drug that is charged at the rate specified in par. (a), plus a dispensing fee that is equal
10 to the dispensing fee permitted to be charged for prescription drugs for which
11 coverage is provided under s. 49.46 (2) (b) 6. h.

12 2. After the deductible under subd. 1. is charged, the copayment, as applicable,
13 that is specified in sub. (3) (a) 3. a. or b.

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

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

23 (a) That the manufacturer shall make rebate payments for each prescription
24 drug of the manufacturer that is prescribed for persons who are eligible under sub.

ASSEMBLY BILL 120

SECTION 14

1 (2), to the state treasurer to be credited to the appropriation under s. 20.435 (4) (j),
2 each calendar quarter or according to a schedule established by the department.

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

5 July (8) From the appropriation accounts under s. 20.435 (4) (bv) and (j), beginning
6 March 1, 2002, the department shall, under a schedule that is identical to that used
7 by the department for payment of pharmacy provider claims under medical
8 assistance, provide to pharmacies and pharmacists payments for prescription drugs
9 sold by the pharmacies or pharmacists to persons eligible under sub. (2) who have
10 paid the deductible specified under sub. (3) (a) 2. The payment for each prescription
11 drug under this subsection shall be at the rate specified in sub. (6) (a), minus the
12 amount of a copayment charged under sub. (6) (b) 2., plus a dispensing fee, as
13 specified in sub. (6) (b) 1. The department shall devise and distribute a form for
14 reports by pharmacies and pharmacists under this subsection and may limit
15 payment under this subsection to those prescription drugs for which payment claims
16 are submitted by pharmacies or pharmacists directly to the department. The
17 department may apply to the program under this section the same utilization and
18 cost control procedures that apply under rules promulgated by the department to
19 medical assistance under subch. IV.

20 (9) The department shall, under methods promulgated by the department by
21 rule, monitor compliance by pharmacies and pharmacists that are certified providers
22 of medical assistance with the requirements of sub. (5) and shall annually report to
23 the legislature under s. 13.172 (2) concerning the compliance. The report shall
24 include information on any pharmacies or pharmacists that discontinue

ASSEMBLY BILL 120

1 participation as certified providers of medical assistance and the reasons given for
2 the discontinuance.

3 (10) (a) The department shall promulgate rules relating to prohibitions on
4 fraud that are substantially similar to applicable provisions under s. 49.49 (1) (a).

5 (b) A person who is convicted of violating a rule promulgated by the department
6 under par. (a) in connection with that person's furnishing of prescription drugs under
7 this section may be fined not more than \$25,000, or imprisoned for not more than 7
8 years and 6 months, or both.

9 (c) A person other than a person specified in par. (b) who is convicted of violating
10 a rule promulgated by the department under par. (a) may be fined not more than
11 \$10,000, or imprisoned for not more than one year, or both.

12 (11) If federal law is amended to provide coverage for prescription drugs for
13 outpatient care as a benefit under medicare or to provide similar coverage under
14 another program, the department shall submit to appropriate standing committees
15 of the legislature under s. 13.172 (3) a report that contains an analysis of the
16 differences between such a federal program and the program under this section and
17 that provides recommendations concerning alignment, if any, of the differences.

18 (12) After ~~December 31~~ ^{June 30}, 2002, and before ~~March 1~~ ^{July}, 2004, the department may
19 not subject a manufacturer that enters into a rebate agreement under sub. (7) to prior
20 authorization requirements for a prescription drug under this section that are an
21 expansion of prior authorization requirements in effect under the medical assistance
22 program on ~~March 1~~ ^{July}, 2002.

23 (13) Except as provided in subs. (9) to (12), and except for the department's
24 rule-making requirements and authority, the department may enter into a contract

ASSEMBLY BILL 120

1 with an entity to perform the duties and exercise the powers of the department under
2 this section. " (o)

~~SECTION 15. Nonstatutory provisions.~~

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

4 ²⁰⁰² "(1) ^{* (10a)} PRESCRIPTION DRUG ASSISTANCE FOR ELDERLY; ADMINISTRATION. Before July 1,

5 ~~2001~~, the department of health and family services may develop and submit to the
6 department of administration a proposal for expenditure of the funds appropriated
7 under section 20.865 (4) (a) of the statutes for administration of the prescription drug
8 assistance for elderly program under section 49.688 of the statutes, as created by this
9 act. The department of administration may approve, disapprove, or modify and
10 approve any proposal it receives under this subsection. If the department of
11 administration approves the proposal, the department shall submit the proposal,
12 together with any modifications, to the cochairpersons of the joint committee on
13 finance. If the cochairpersons of the committee do not notify the secretaries of
14 administration and health and family services within 14 working days after
15 receiving the proposal that the cochairpersons have scheduled a meeting for the
16 purpose of reviewing the proposal, the secretary of administration may transfer from
17 the appropriation under section 20.865 (4) of the statutes to the appropriation under
18 section 20.435 (4) (a) of the statutes the amount specified in the proposal or any
19 proposed modifications of the proposal for expenditure as specified in the proposal
20 or any proposed modifications of the proposal and may approve any position
21 authority specified in the proposal or any proposed modifications of the proposal. If,
22 within 14 working days after receiving the proposal, the cochairpersons notify the
23 secretaries of administration and health and family services that the cochairpersons
24 have scheduled a meeting for the purpose of reviewing the proposal, the secretary of
25 administration may not transfer any amount specified in the proposal or any

Non Stat

ASSEMBLY BILL 120

1 proposed modifications of the proposal from the appropriation under section 20.865
2 (4) of the statutes and may not approve any position authority specified in the
3 proposal or any proposed modifications of the proposal, except as approved by the
4 committee.)

NON STAT

5 SECTION 16. Appropriation changes.

6 (1) PRESCRIPTION DRUG ASSISTANCE FOR ELDERLY; ADMINISTRATION. In the schedule
7 under section 20.005 (3) of the statutes for the appropriation to the joint committee
8 on finance under section 20.865 (4) (a) of the statutes, as affected by the acts of 1999,
9 the dollar amount is increased by \$2,000,000 for fiscal year 2001-02 to increase
10 funding for administration of the prescription drug assistance for elderly program
11 under section 49.688 of the statutes, as created by this act.

12 SECTION 17. Initial applicability.

13 # . Page 1399, line 20 ; after that line insert :
14 " (1) MEDICAL ASSISTANCE ELIGIBILITY. The treatment of section 49.47 (4) (aq), (b)
15 2m. b., 2r., 2w., and 3., (c) 1. and 3., and (i) 2. (intro.) of the statutes first applies to
16 eligibility determinations made for medical assistance on the effective date of this
subsection. " ←

INIT APP

17 SECTION 18. Effective date. This act takes effect on the 2nd day after

18 publication of the biennial budget act, except as follows:

19 # . Page 1420, line 19 ; after that line insert :
20 " (1) PRESCRIPTION DRUG ASSISTANCE FOR ELDERLY. The treatment of section 20.435
21 (4) (bv) of the statutes takes effect on March 1, 2002. July
22 (2) MEDICAL ASSISTANCE ELIGIBILITY. The treatment of section 49.47 (4) (aq), (b)
23 2m. b., 2r., 2w., and 3., (c) 1. and 3., and (i) 2. (intro.) of the statutes and SECTION 18
of this act take effect on March 1, 2002. July

EFF DATES

(END)

9323 (*)
169

D - NOTE

AMENDMENTS

LRB _____ / _____

\$\$\$ INCREASE/DECREASE

In the component bar, for a "regular" amendment item:

For the item text, execute: create → item: → m: → \$inc-dec

#. Page 208, line 6. . . . : ~~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 \$ 1, 200, 000~~

~~[to . . . create funding for the [purpose] [purposes] for which the appropriation is made]~~ to increase funding for expanded medical assistance eligibility for individuals whose income does not exceed 100% of the federal poverty level.

#. Page 208, line 6. . . . : ~~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 \$ 16, 000, 000~~

~~[to . . . create funding for the [purpose] [purposes] for which the appropriation is made]~~ to increase funding for limiting expansion of prior authorization requirements for prescription drugs under the medical assistance program.

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 . . . create funding for the [purpose] [purposes] for which the appropriation is made] [to . . . create 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.

AMENDMENTS

LRB _____ / _____

\$\$\$ INCREASE/DECREASE

medical assistance

In the component bar, for a "regular" amendment item:

For the item text, execute: create -> item: -> m: -> \$inc-dec

#. Page 208, line 4: in(de)crease the dollar amount for fiscal year 2001-02 by \$ 3,582,600 and in(de)crease the dollar amount for fiscal year 2002-03 by \$ 4,047,500

[to increase funding for the [purpose] [purposes] for which the appropriation is made] to increase funding for maintaining the rate of payment for legend drugs at the average wholesale price minus 10%.

#. 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] [to ...crease funding for ...]]*

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] [to ...crease 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.

End INSERT A

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb1411/7/dn

DAK/.....

95

This amendment, in expanding medical assistance eligibility to persons whose income does not exceed 100% of the federal poverty line, treats s. 49.47 (4) (c) 1., stats. This treatment depends on the inclusion of LRB b1376 (AM22—Delete increase in AFDC income limit) in the Assembly Republican Caucus superamendment, which deletes different treatment of s. 49.47 (4) (c) 1., stats. from Assembly Substitute Amendment 1. If LRB b1376 is not included in the Assembly Republican Caucus superamendment and this amendment is included, the treatment of s. 49.47 (4) (c) 1. by this amendment will have to be changed.

I have included the following technical corrections to 2001 Assembly Bill 120 in this amendment:

1. The date for submittal by DHFS to DOA and to the Joint Finance Committee of the DHFS proposal for expenditure of funds for administration of the prescription drug program is changed to "by July 1, 2002"; the date specified in the bill is "by July 1, 2001," which does not allow expenditure of the administrative funds in the next biennium when the prescription drug program is slated to begin and to be implemented.

2. References in s. 49.688 (6) (b) (intro.) to the benefit period are changed to 12 months, rather than a calendar year, to conform to the benefit period specified in s. 49.688 (3) (a) 1. and 2. in the amendment.

3. The phrase "together with program enrollment fee payment" is deleted from s. 49.688 (2). Although payment of the enrollment fee is a prerequisite for participation in the program, it is not a prerequisite for applying for an eligibility determination, and removal of this language precludes that possibility.

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DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb1411/1dn
DAK:cjs:kjf

June 23, 2001

This amendment, in expanding medical assistance eligibility to persons whose income does not exceed 100% of the federal poverty line, treats s. 49.47 (4) (c) 1., stats. This treatment depends on the inclusion of LRB b1376 (AM22—Delete increase in AFDC income limit) in the Assembly Republican Caucus superamendment, which deletes a different treatment of s. 49.47 (4) (c) 1., stats. from Assembly Substitute Amendment 1. If LRB b1376 is not included in the Assembly Republican Caucus superamendment and this amendment is included, the treatment of s. 49.47 (4) (c) 1. by this amendment will have to be changed.

I have included the following technical corrections to 2001 Assembly Bill 120 in this amendment:

1. The date for submittal by DHFS to DOA and to the Joint Finance Committee of the DHFS proposal for expenditure of funds for administration of the prescription drug program is changed to "by July 1, 2002"; the date specified in the bill is "by July 1, 2001," which does not allow expenditure of the administrative funds in the next biennium when the prescription drug program is slated to begin and to be implemented.
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3. The phrase "together with program enrollment fee payment" is deleted from s. 49.688 (2). Although payment of the enrollment fee is a prerequisite for participation in the program, it is not a prerequisite for applying for an eligibility determination, and removal of this language precludes that possibility.

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ARC:.....Hughes – AM22—Prescription drugs for elderly

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS ASSEMBLY AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

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

2 **1.** Page 208, line 6: increase the dollar amount for fiscal year 2002-03 by
3 \$1,200,000 to increase funding for expanded medical assistance eligibility for
4 individuals whose income does not exceed 100% of the federal poverty level.

5 **2.** Page 208, line 6: increase the dollar amount for fiscal year 2002-03 by
6 \$16,000,000 to increase funding for limiting expansion of prior authorization
7 requirements for prescription drugs under the medical assistance program.

8 **3.** Page 208, line 6: increase the dollar amount for fiscal year 2001-02 by
9 \$3,582,600 and increase the dollar amount for fiscal year 2002-03 by \$4,047,500 to

1 increase funding for maintaining the rate of medical assistance payment for legend
2 drugs at the average wholesale price minus 10%.

3 **4.** Page 208, line 12: after that line insert:

4 “(bv) Prescription drug assistance for

5 elderly; aids GPR A –0– 16,900,000

6 ”.

7 **5.** Page 209, line 8: after that line insert:

8 “(j) Prescription drug assistance for

9 elderly; manufacturer rebates PR C –0– –0–

10 (jb) Prescription drug assistance for

11 elderly; enrollment fees PR C –0– –0–”.

12 **6.** Page 288, line 2: increase the dollar amount for fiscal year 2001–02 by
13 \$2,000,000 to increase funding for administration of the prescription drug assistance
14 for elderly program.

15 **7.** Page 358, line 11: after that line insert:

16 “SECTION 707t. 20.435 (4) (bv) of the statutes is created to read:

17 20.435 (4) (bv) *Prescription drug assistance for elderly; aids.* The amounts in
18 the schedule for payment to pharmacies and pharmacists under s. 49.688 (8) for
19 prescription drug assistance for elderly persons.”.

20 **8.** Page 359, line 8: after that line insert:

21 “SECTION 711L. 20.435 (4) (j) of the statutes is created to read:

22 20.435 (4) (j) *Prescription drug assistance for elderly; manufacturer rebates.*

23 All moneys received from rebate payments by manufacturers under s. 49.688 (7), to

1 be used for payment to pharmacies and pharmacists under s. 49.688 (8) for
2 prescription drug assistance for elderly persons.

3 **SECTION 711m.** 20.435 (4) (jb) of the statutes is created to read:

4 20.435 (4) (jb) *Prescription drug assistance for elderly; enrollment fees.* All
5 moneys received from payment of enrollment fees under s. 49.688 (3), to be used for
6 administration of the program under s. 49.688.”

7 **9.** Page 630, line 20: after that line insert:

8 “**SECTION 1792g.** 49.45 (49) of the statutes is created to read:

9 49.45 (49) **PRIOR AUTHORIZATION FOR LEGEND DRUGS.** If, after June 30, 2002, and
10 before July 1, 2004, a manufacturer has in force a rebate agreement under s. 49.688
11 (7), the department may not during that period expand the prior authorization
12 requirements for prescription drugs manufactured by the manufacturer for which
13 coverage is provided under s. 49.46 (2) (b) 6. h. beyond those prior authorization
14 requirements that are in effect on July 1, 2002.”

15 **10.** Page 637, line 6: after that line insert:

16 “**SECTION 1814L.** 49.47 (4) (aq) of the statutes is created to read:

17 49.47 (4) (aq) 1. Subject to subd. 2., an individual who does not meet the
18 limitation on income under par. (c) is eligible for medical assistance if the individual’s
19 income does not exceed 100% of the federal poverty level, and the individual is 65
20 years of age or older or is blind or totally and permanently disabled, as defined under
21 federal Title XVI.

22 2. If a federal waiver is necessary to provide medical assistance to individuals
23 specified in subd. 1., the department shall request a waiver from the secretary of the

1 federal department of health and human services before providing medical
2 assistance under this paragraph.”.

3 **11.** Page 637, line 13: after that line insert:

4 “**SECTION 1815cb.** 49.47 (4) (b) 2m. b. of the statutes is amended to read:

5 49.47 (4) (b) 2m. b. For persons who are eligible under par. (a) 3. or 4. or (aq),
6 motor vehicles are exempt from consideration as an asset to the same extent as
7 provided under 42 USC 1381 to 1385.

8 **SECTION 1815cc.** 49.47 (4) (b) 2r. of the statutes is amended to read:

9 49.47 (4) (b) 2r. For a person who is eligible under par. (a) 3. or 4. or (aq), the
10 value of any burial space or agreement representing the purchase of a burial space
11 held for the purpose of providing a place for the burial of the person or any member
12 of his or her immediate family.

13 **SECTION 1815cd.** 49.47 (4) (b) 2w. of the statutes is amended to read:

14 49.47 (4) (b) 2w. For a person who is eligible under par. (a) 3. or 4. or (aq), life
15 insurance with cash surrender values if the total face value of all life insurance
16 policies is not more than \$1,500.

17 **SECTION 1815ce.** 49.47 (4) (b) 3. of the statutes is amended to read:

18 49.47 (4) (b) 3. For a person who is eligible under par. (a) 3. or 4. or (aq), funds
19 set aside to meet the burial and related expenses of the person and his or her spouse
20 in an amount not to exceed \$1,500 each, minus the sum of the cash value of any life
21 insurance excluded under subd. 2w. and the amount in any irrevocable burial trust
22 under s. 445.125 (1) (a).

23 **SECTION 1815cf.** 49.47 (4) (c) 1. of the statutes is amended to read:

1 49.47 (4) (c) 1. Except as provided in ~~par.~~ pars. (am) and (aq) and as limited by
2 subd. 3., eligibility exists if income does not exceed ~~133 1/3%~~ 133.33% of the
3 maximum aid to families with dependent children payment under s. 49.19 (11) for
4 the applicant's family size or the combined benefit amount available under
5 supplemental security income under 42 USC 1381 to 1383c and state supplemental
6 aid under s. 49.77 whichever is higher. In this subdivision "income" includes earned
7 or unearned income that would be included in determining eligibility for the
8 individual or family under s. 49.19 or 49.77, or for the aged, blind or disabled under
9 42 USC 1381 to 1385. "Income" does not include earned or unearned income which
10 would be excluded in determining eligibility for the individual or family under s.
11 49.19 or 49.77, or for the aged, blind or disabled individual under 42 USC 1381 to
12 1385."

13 **12.** Page 638, line 16: after that line insert:

14 "SECTION 1815L. 49.47 (4) (c) 3. of the statutes is amended to read:

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

19 **SECTION 1815p.** 49.47 (4) (i) 2. (intro.) of the statutes is amended to read:

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

23 **13.** Page 646, line 22: after that line insert:

24 "SECTION 1838f. 49.688 of the statutes is created to read:

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

2 (1) In this section:

3 (a) “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 manufacturer that enters into a rebate agreement in force under
9 sub. (7).

10 (d) “Prescription order” has the meaning given in s. 450.01 (21).

11 (2) A person who is a resident, as defined in s. 27.01 (10) (a), of this state, who
12 is at least 65 years of age, who is not a recipient of medical assistance, whose annual
13 household income, as determined by the department, does not exceed 185% of the
14 poverty line for a family the size of the person’s eligible family, and who pays the
15 program enrollment fee specified in sub. (3) (a) is eligible to purchase a prescription
16 drug at the amounts specified in sub. (6) (b). The person may apply to the
17 department, on a form provided by the department for a determination of eligibility
18 and issuance of a prescription drug card for purchase of prescription drugs under this
19 section.

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

21 1. For each 12-month benefit period, a program enrollment fee of \$25.

22 2. For each 12-month benefit period, a deductible for each person of \$840.

23 3. After payment of the deductible under subd. 2., all of the following:

24 a. A copayment of \$10 for each prescription drug that bears only a generic
25 name.

1 b. A copayment of \$20 for each prescription drug that does not bear only a
2 generic name.

3 (b) Notwithstanding s. 49.002, if a person who is eligible under this section has
4 other available coverage for payment of a prescription drug, this section applies only
5 to costs for prescription drugs for the person that are not covered under the person's
6 other available coverage.

7 (4) The department shall devise and distribute a form for application for the
8 program under sub. (2), shall determine eligibility for each 12-month benefit period
9 of applicants, and shall issue to eligible persons a prescription drug card for use in
10 purchasing prescription drugs, as specified in sub. (5). The department shall
11 promulgate rules that specify the criteria to be used to determine annual household
12 income under sub. (2).

13 (5) Beginning July 1, 2002, as a condition of participation by a pharmacy or
14 pharmacist in the program under s. 49.45, 49.46, or 49.47, the pharmacy or
15 pharmacist may not charge a person who presents a valid prescription order and a
16 card indicating that he or she meets eligibility requirements under sub. (2) an
17 amount for a prescription drug under the order that exceeds the amounts specified
18 in sub. (6) (b).

19 (6) (a) The charge for a prescription drug shall be calculated at the average
20 wholesale price minus 5% or the maximum allowable cost, as determined by the
21 department, whichever is less.

22 (b) The amounts that a pharmacy or pharmacist may charge a person specified
23 in sub. (2) in a 12-month period for a prescription drug are the following:

24 1. If applicable, a deductible, as specified in sub. (3) (a) 2., for a prescription
25 drug that is charged at the rate specified in par. (a), plus a dispensing fee that is equal

1 to the dispensing fee permitted to be charged for prescription drugs for which
2 coverage is provided under s. 49.46 (2) (b) 6. h.

3 2. After the deductible under subd. 1. is charged, the copayment, as applicable,
4 that is specified in sub. (3) (a) 3. a. or b.

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

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

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

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

20 (8) From the appropriation accounts under s. 20.435 (4) (bv) and (j), beginning
21 July 1, 2002, the department shall, under a schedule that is identical to that used
22 by the department for payment of pharmacy provider claims under medical
23 assistance, provide to pharmacies and pharmacists payments for prescription drugs
24 sold by the pharmacies or pharmacists to persons eligible under sub. (2) who have
25 paid the deductible specified under sub. (3) (a) 2. The payment for each prescription

1 drug under this subsection shall be at the rate specified in sub. (6) (a), minus the
2 amount of a copayment charged under sub. (6) (b) 2., plus a dispensing fee, as
3 specified in sub. (6) (b) 1. The department shall devise and distribute a form for
4 reports by pharmacies and pharmacists under this subsection and may limit
5 payment under this subsection to those prescription drugs for which payment claims
6 are submitted by pharmacies or pharmacists directly to the department. The
7 department may apply to the program under this section the same utilization and
8 cost control procedures that apply under rules promulgated by the department to
9 medical assistance under subch. IV.

10 (9) The department shall, under methods promulgated by the department by
11 rule, monitor compliance by pharmacies and pharmacists that are certified providers
12 of medical assistance with the requirements of sub. (5) and shall annually report to
13 the legislature under s. 13.172 (2) concerning the compliance. The report shall
14 include information on any pharmacies or pharmacists that discontinue
15 participation as certified providers of medical assistance and the reasons given for
16 the discontinuance.

17 (10) (a) The department shall promulgate rules relating to prohibitions on
18 fraud that are substantially similar to applicable provisions under s. 49.49 (1) (a).

19 (b) A person who is convicted of violating a rule promulgated by the department
20 under par. (a) in connection with that person's furnishing of prescription drugs under
21 this section may be fined not more than \$25,000, or imprisoned for not more than 7
22 years and 6 months, or both.

23 (c) A person other than a person specified in par. (b) who is convicted of violating
24 a rule promulgated by the department under par. (a) may be fined not more than
25 \$10,000, or imprisoned for not more than one year, or both.

1 (11) If federal law is amended to provide coverage for prescription drugs for
2 outpatient care as a benefit under medicare or to provide similar coverage under
3 another program, the department shall submit to appropriate standing committees
4 of the legislature under s. 13.172 (3) a report that contains an analysis of the
5 differences between such a federal program and the program under this section and
6 that provides recommendations concerning alignment, if any, of the differences.

7 (12) After June 30, 2002, and before July 1, 2004, the department may not
8 subject a manufacturer that enters into a rebate agreement under sub. (7) to prior
9 authorization requirements for a prescription drug under this section that are an
10 expansion of prior authorization requirements in effect under the medical assistance
11 program on July 1, 2002.

12 (13) Except as provided in subs. (9) to (12), and except for the department's
13 rule-making requirements and authority, the department may enter into a contract
14 with an entity to perform the duties and exercise the powers of the department under
15 this section."

16 **14.** Page 1338, line 20: after that line insert:

17 “(10q) PRESCRIPTION DRUG ASSISTANCE FOR ELDERLY; ADMINISTRATION. Before July
18 1, 2002, the department of health and family services may develop and submit to the
19 department of administration a proposal for expenditure of the funds appropriated
20 under section 20.865 (4) (a) of the statutes for administration of the prescription drug
21 assistance for elderly program under section 49.688 of the statutes, as created by this
22 act. The department of administration may approve, disapprove, or modify and
23 approve any proposal it receives under this subsection. If the department of
24 administration approves the proposal, the department shall submit the proposal,

1 together with any modifications, to the cochairpersons of the joint committee on
2 finance. If the cochairpersons of the committee do not notify the secretaries of
3 administration and health and family services within 14 working days after
4 receiving the proposal that the cochairpersons have scheduled a meeting for the
5 purpose of reviewing the proposal, the secretary of administration may transfer from
6 the appropriation under section 20.865 (4) of the statutes to the appropriation under
7 section 20.435 (4) (a) of the statutes the amount specified in the proposal or any
8 proposed modifications of the proposal for expenditure as specified in the proposal
9 or any proposed modifications of the proposal and may approve any position
10 authority specified in the proposal or any proposed modifications of the proposal. If,
11 within 14 working days after receiving the proposal, the cochairpersons notify the
12 secretaries of administration and health and family services that the cochairpersons
13 have scheduled a meeting for the purpose of reviewing the proposal, the secretary of
14 administration may not transfer any amount specified in the proposal or any
15 proposed modifications of the proposal from the appropriation under section 20.865
16 (4) of the statutes and may not approve any position authority specified in the
17 proposal or any proposed modifications of the proposal, except as approved by the
18 committee.”.

19 **15.** Page 1399, line 20: after that line insert:

20 “(16q) MEDICAL ASSISTANCE ELIGIBILITY. The treatment of section 49.47 (4) (aq),
21 (b) 2m. b., 2r., 2w., and 3., (c) 1. and 3., and (i) 2. (intro.) of the statutes first applies
22 to eligibility determinations made for medical assistance on the effective date of this
23 subsection.”.

24 **16.** Page 1420, line 19: after that line insert:

