

**2001 DRAFTING REQUEST**

**Bill**

Received: **12/19/2001**

Received By: **kenneda**

Wanted: **As time permits**

Identical to LRB:

For: **Frank Urban (608) 266-9175**

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

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

Drafter: **kenneda**

May Contact:

Addl. Drafters:

Subject: **Health - AIDS**

Extra Copics:

Submit via email: **YES**

Requester's email: **Rep.Urban@legis.state.wi.us**

Carbon copy (CC:) to:

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**Pre Topic:**

No specific pre topic given

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**Topic:**

AIDS drug reimbursement program eligibility

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**Instructions:**

See Attached

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**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>
/1	kenneda 01/15/2002	gilfokm 01/15/2002	kfollet 01/15/2002	_____	lrb_docadmin 01/15/2002	lrb_docadminS&L 01/15/2002	

FE Sent For:

*(Signature)*  
*Attntro.*

<END>

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For: Frank Urban (608) 266-9175

By/Representing: Sara (aide)

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Addl. Drafters:

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Pre Topic:

No specific pre topic given

Topic:

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Instructions:

See Attached

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1?	kenneda	11/15-Kmg	8/11/15	8/11/15			

FE Sent For:

<END>

(drafting request  
per our phone  
conversation  
last week.)



**I thought you might find the  
attached information of  
interest.**

Debra -

Just a reminder  
that we need this  
by the first week in  
January. If possible,  
could you also send an  
electronic copy?

Representative Frank H. Urban  
P.O. Box 8953  
Madison, WI 53708  
(608) 266-9175  
Toll-Free: (888) 534-0099

Sara

## **RYAN WHITE FY 2001 SUPPLEMENTAL TREATMENT DRUG GRANTS FOR AIDS DRUG ASSISTANCE PROGRAMS (ADAP)**

### **Legislative Request:**

The Department is seeking a statutory change to increase the income eligibility for the AIDS/HIV Drug Reimbursement Program (ADRP) from the current 200% of the federal poverty level (FPL) to 300% of the FPL.

This statutory change would enable the Department to expand drug treatment services to persons with HIV infection without increasing state GPR expenditures.

### **Background:**

The Wisconsin ADRP is designed to maintain the health and independence of persons living with HIV infection in Wisconsin by providing access to anti-retroviral and other HIV-related medications for low income persons with HIV disease. The Wisconsin ADRP reimburses pharmacies for HIV-related covered medications for individuals and families with income at or below 200% of the FPL. Currently, the majority of funding for the ADRP is from the federal Ryan White Title II Grant, ADRP earmark. A GPR appropriation and revenue from rebates obtained from pharmaceutical companies also supports the program.

### **Supplemental Treatment Drug Grant:**

The Health Resources and Services Administration (HRSA) informed states that Title II Supplemental Treatment Drug Grant funds were available to states to remove limitations to access to ADRP. Wisconsin qualified because our ADRP financial eligibility criterion currently limits participation to persons whose income is at or below 200% of the FPL.

On July 6, 2001 the Wisconsin AIDS/HIV Program submitted an application requesting \$200,000 in supplemental funds specifically to expand access to the ADRP by increasing the financial criteria to 300% of the FPL. On August 16, 2001 the Program received a Notice of Grant Award for \$412,898 based on the HRSA award computation.

### **Rationale for increasing eligibility above 200% of the FPL:**

- The cost of drugs for the treatment of HIV can exceed \$12,000 annually, which is approximately 50% of the annual income of an uninsured individual whose income is 300% of the FPL (\$25,770).
- In the past, the income eligibility guideline for ADRP was 350% of FPL.
- Income eligibility for the AIDS/HIV Insurance Subsidy Program is currently 300% of the FPL.
- Almost two-thirds (62%) of State ADAPS now have financial eligibility set at or above 300% of FPL.
- Wisconsin ADRP committed to expanding access to individuals with incomes at or below 300% of the FPL as part of the Title II Supplemental Treatment Drug Grant.
- In addition to the federal supplemental funds, the ADRP has revenue from rebates from pharmaceutical companies in a continuing appropriation sufficient to cover the cost of increasing the income eligibility to 300% of the FPL.

**Estimated cost to increase ADRP eligibility above 200% of the FPL:**

When the ADRP income eligibility was 350% of the FPL, the number of clients above 200% of the FPL represented 15% of program participants and accounted for 10% of program expenditures. By adjusting this data to reflect an increase to 300% of FPL, we project a 13% increase in clients and an 8.5% increase in costs over the 01-03 ADRP budget reestimates. This means the program will serve an additional 95 clients at a cost of \$230,000 in fiscal year 02 and an additional 100 clients at a cost of \$250,000 in fiscal year 03.

**Matching and Maintenance of Effort Requirements:**

The State must make available a non-Federal contribution toward the activities to be carried out under this Supplemental Treatment Drug Grant in an amount equal to \$1 for each \$4 of federal funds provided in the grant. Wisconsin intends to use the existing \$100,000 in ADRP State General Purpose Revenue (GPR) funds for this purpose. To provide the estimated \$230,000 needed in fiscal year 02, the ADRP will need \$184,000 in federal funds and \$46,000 in GPR match. To provide the estimated \$250,000 needed in fiscal year 03 the ADRP will need \$200,000 in federal funds and \$50,000 in GPR match. No new GPR funds are required to implement the income expansion.

In order to receive federal Ryan White funds, Wisconsin has always been subject to maintenance of effort (MOE) of state GPR funds for HIV-related activities. GPR funds used to meet the matching requirement for this grant will not be included in Wisconsin's MOE. Therefore, GPR funds used as match for this grant will not be necessary to meet nor will they be counted towards our MOE.

**Statutory Authority (FOR LRB DRAFTING):**

Current Wisconsin statute 49.686 (3) (f) defines eligibility for the ADRP as "an individual whose annual gross household income is at or below 200% of the FPL". The Department proposes that section 49.686 (3) be amended to include the following addition:

49.686(3)(f) Is an individual whose annual gross household income is at or below 200% of the poverty line or, if funding is available from sources other than general purpose revenue, is an individual whose annual gross household income is above 200% and at or below 300% of the poverty line.

## Kennedy, Debora

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**From:** Kennedy, Debora  
**Sent:** Wednesday, December 19, 2001 4:45 PM  
**To:** Buschman, Sara  
**Subject:** AIDS drug reimbursement program eligibility

Sara, Corey in your office suggested that I e-mail you with problems I've encountered in drafting Representative Urban's request concerning the AIDS drug reimbursement program. The point of the request is to expand eligibility to 300% of the federal poverty line so that DHFS would be able to provide reimbursement. What is proposed is to amend s. 49.686 (3) (f) to expand eligibility to individuals whose incomes are above 200% and at or below 300% of the poverty line, "if funding is available from sources other than general purpose revenue". The problems are these:

1. Section 49.686 (3) specifies criteria for eligibility for the reimbursement specified under s. 49.686 (2), which refers only to the appropriation under s. 20.435 (5) (am), which is a sum certain appropriation of general purpose revenue. Therefore, as proposed, the language expands eligibility, to be paid from s. 20.435 (5) (am) if other funding is available--there is no increase proposed for the appropriation under s. 20.435 (5) (am), which is limited to the amounts in the schedule. Is the expanded eligibility in fact to be paid from s. 20.435 (5) (am), or from some federal program revenue appropriation? If it is to be paid from s. 20.435 (5) (am), why not just change the 200% of poverty line to be 300% of poverty line? If it is to be paid from some federal program revenue appropriation, what is the appropriation?
2. The proposed language appears to provide eligibility to people between 200% and 300% of the federal poverty line only if other funding than gpr is available--correct? Does that mean that persons below 200% of the poverty line can only get gpr reimbursement?
3. In the phrase "or, if funding is available . . .", the "or" seems to be incorrect, since it could be interpreted to be exclusive, i.e., if funding is available from sources other than general purpose revenue, the only individuals eligible would be those whose income is between 200% and 300% of the poverty line. "And," rather than "or," appears to be appropriate.

If you would like to refer me to someone at DHFS who might answer these questions, please let me know.

*Debora A. Kennedy*  
Managing Attorney  
Legislative Reference Bureau  
(608) 266-0137  
debora.kennedy@legis.state.wi.us

## Kennedy, Debora

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**From:** Kennedy, Debora  
**Sent:** Thursday, December 27, 2001 12:24 PM  
**To:** Buschman, Sara  
**Subject:** RE: AIDS drug reimbursement program eligibility

Thanks, Sara.

-----Original Message-----

**From:** Buschman, Sara  
**Sent:** Thursday, December 27, 2001 12:23 PM  
**To:** Kennedy, Debora  
**Subject:** RE: AIDS drug reimbursement program eligibility

Debora, I had forwarded your e-mail on to DHFS since they are the ones to answer your questions. I guess they must not be around. Well, since we are doing it at their request, if they don't get back to you in time then there is nothing we can do about it. I will e-mail them again to make sure they get ahold of you. I am out of the office this week, but am checking e-mails.

Sara

-----Original Message-----

**From:** **Kennedy, Debora**  
**Sent:** Thursday, December 27, 2001 11:47 AM  
**To:** Buschman, Sara  
**Subject:** AIDS drug reimbursement program eligibility

Sara, I am somewhat concerned about this request, since your note indicates that you need it for the first week in January. Have you been able to address the questions that I sent you by e-mail on December 19? If there is a problem that I could help you with, or if you now want to delay the request, could you let me know? Thanks very much.

*Debora A. Kennedy*  
Managing Attorney  
Legislative Reference Bureau  
(608) 266-0137  
debora.kennedy@legis.state.wi.us

## Kennedy, Debora

---

**From:** Radloff, Gary  
**Sent:** Monday, January 14, 2002 3:39 PM  
**To:** Kennedy, Debora  
**Subject:** Fwd: Re: FW: AIDS drug reimbursement program eligibility

Hi Debora:

I wanted to make sure you had received the attached information. In the transition on projects with Russ and I some things fell between us. Is this draft ready for Rep. Urban? Thanks,

Gary Radloff  
Legislative Liaison  
DHFS  
266-3262

-----Original Message-----

Date: 01/04/2002 02:57 pm -0600 (Friday)  
From: James Vergeront  
To: Pederson, Russell; Radloff, Gary  
CC: Hadidian, Ellen; Zahorik, Dale  
Subject: Re: FW: AIDS drug reimbursement program eligibility

This is in response to Deb Kennedy's questions. The Drug Reimbursement Program is funded through a combination of three funding sources:

State GPR s. 20.435 (5) (am)  
Federal Ryan White grant from HRSA (appropriation 149, project 918)  
Drug company rebates (appropriation 533)

All of these funds are currently used for persons below 200% but only the federal and rebate funds would be used for persons between 200% -300%.

I agree that rather than using the word "or" the word "and" should be used.

>>> Buschman, Sara 12/20/01 03:54PM >>>  
Russ and/or Gary,

Deborah sent me this e-mail yesterday. For some reason she can never seem to remember that I have already okay'd her to talk to both of you about this. So, if either of you call her to talk to her about it and she says she can't discuss it, let me know and we will remind her for the 3rd time.

Happy Holidays to both of you!

Sara

ps I am out of the office pretty much until the 2nd of January but will be reachable via e-mail

-----Original Message-----

From: Kennedy, Debora  
Sent: Wednesday, December 19, 2001 4:45 PM  
To: Buschman, Sara  
Subject: AIDS drug reimbursement program eligibility

Sara, Corey in your office suggested that I e-mail you with problems

*From Ellen Hadidian:  
These are 20.435  
(1)(m) and  
(5)(i)*

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Managing Attorney  
Legislative Reference Bureau  
(608) 266-0137  
debra.kennedy@legis.state.wi.us



DAK *Wing*

## 2001 BILL

- Sen Act.*
- 1 AN ACT *...*; relating to: expanding eligibility for drug treatment reimbursement
  - 2 grants for persons with HIV infections.

*the department of health and family services*

### ***Analysis by the Legislative Reference Bureau***

Under current law, for certain eligible persons (DHFS) provides reimbursement or supplements reimbursement for prescription drugs for the treatment of infections of human immunodeficiency virus (HIV) and of acquired immunodeficiency syndrome (AIDS). The funding for the reimbursement is from general purpose revenues, from federal moneys, and from revenue received as rebates from pharmaceutical companies that sell prescription drugs for <sup>the</sup> treatment of HIV and AIDS. To be eligible, among other things, a person must have an HIV infection; must have applied and been denied eligibility for medical assistance within 12 months of applying for the drug reimbursement program; must have no or inadequate insurance coverage for the drug; and must have an annual gross household income of no more than 200% of the federal poverty line.

This bill expands eligibility for reimbursement or reimbursement supplements for prescription drugs for the treatment of HIV infections and AIDS, <sup>to include</sup> persons whose annual gross household incomes are above 200% but no more than 300% of the federal poverty line. Under the bill, reimbursement or a reimbursement supplement may be provided to these persons from federal funding or revenue from rebates from pharmaceutical companies, if the funding or revenue is available.



**Emery, Lynn**

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**From:** Buschman, Sara  
**Sent:** Tuesday, January 15, 2002 3:31 PM  
**To:** LRB.Legal  
**Subject:** Draft review: LRB-4495/1 Topic: AIDS drug reimbursement program eligibility

It has been requested by <Buschman, Sara> that the following draft be jacketed for the ASSEMBLY:

Draft review: LRB-4495/1 Topic: AIDS drug reimbursement program eligibility