

2003 DRAFTING REQUEST

Bill

Received: **01/15/2003**

Received By: **dkennedy**

Wanted: **As time permits**

Identical to LRB:

For: **Tim Carpenter (608) 266-8535**

By/Representing: **Himself**

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

Drafter: **rryan**

May Contact: **Lynn Breedlove 267-0214, Tom Fra**

Addl. Drafters: **jkreye**

Subject: **Health - miscellaneous
Health - medical assistance**

Extra Copies: **DAK**

Submit via email: **YES**

Requester's email: **Sen.Carpenter@legis.state.wi.us**

Carbon copy (CC:) to: **joseph.kreye@legis.state.wi.us**

Pre Topic:

No specific pre topic given

Topic:

Extend Senior Care to persons under 65 on Medicare

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>
/?	dkennedy 02/17/2003			_____			State
/1	rryan 03/28/2003 jkreye 03/31/2003	jdyer 03/31/2003 jdyer 03/31/2003	pgreensl 03/31/2003	_____	lemery 03/31/2003		State

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/2	rryan 04/09/2003	jdye 04/09/2003	pgreensl 04/09/2003	_____	lemery 04/09/2003	mbarman 04/10/2003	
		jdye 04/09/2003		_____			

FE Sent For:

At
Intro.

<END>

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Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

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Drafter: ~~dkennedy~~ rryan

May Contact: Lynn Breedlove 267-0214, Tom Fra

Addl. Drafters: jkrege

Subject: Health - miscellaneous
Health - medical assistance

Extra Copies: ~~RDR~~
DAK

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1?	dkennedy	1/31 jld	3/31 P8	3/31 P8/11b			

FE Sent For:

<END>

TELEPHONE DRAFTING INSTRUCTIONS

Drafting instructions received by Debora Kennedy.

DATE:

01/15/03

CONVERSATION
WITH:

Sen. Carpenter

OF:

TELEPHONE NO:

REGARDING LRB #
OR DRAFT TOPIC:

INSTRUCTIONS:

Extend Senior Care to persons under
65 on Medicaid

DHFS to seek Medicaid waiver

Finance: Increase rate of assmt?

Increase cig. tax?

Increase rebate?

Start enrollment 11/1/03

Start benefit 1/1/04

Contact: Lynn Breedlove

267-0214

Tom Frazer

224-0606

Rachel Carabell to send memo.

3/26/03
LRB-1516

P/c Stuart

funding:

- 3¢ increase on cigarette tax
- increase rebates for prescription drugs
 - apply to prescription drugs under MA and Sen-Care

Ryan, Robin

To: Carabell, Rachel
Subject: RE: cigarette tax increase

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

From: Carabell, Rachel
Sent: March 28, 2003 9:08 AM
To: Ryan, Robin
Cc: Russell, Faith
Subject: RE: cigarette tax increase

We confirmed this with Senator Carpenter, but it would be 5 cents, assuming the change would be effective September 1, 2003. Let me know if you need anything else. Thanks!

Rachel Carabell
Legislative Fiscal Bureau
rachel.carabell@legis.state.wi.us
Phone: 608-266-3847

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

From: Ryan, Robin
Sent: Thursday, March 27, 2003 5:05 PM
To: Carabell, Rachel
Subject: RE: cigarette tax increase

i just want to confirm that the cig tax increase should be 3 cents. thanks

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

From: Carabell, Rachel
Sent: March 27, 2003 7:38 AM
To: Ryan, Robin
Cc: Morgan, Charlie
Subject: RE: cigarette tax increase

Hi Robin,

Based on my estimate, I would increase the SeniorCare GPR appropriation by \$6.9 million in FY 04 and \$20.9 million in FY 05. I assume that you are not drafting increases to the PR and FED appropriations. If you are, let me know and I can give you those numbers too.

Also, this estimate is based on an assumption that only those under 65 under Medicare due to a disability would qualify. I believe that other individuals under age 65 can be receiving Medicare for other reasons, such as widows/widowers and children of deceased individuals, etc.. I am not positive about this, but you might want to check with Senator Carpenter if the draft should specify people under 65 on Medicare due to a disability. If he wants to include all individuals on Medicare under 65 years of age, this estimate does not reflect assumptions regarding these other types of individuals. I hope this helps.

Rachel Carabell
Legislative Fiscal Bureau
rachel.carabell@legis.state.wi.us
Phone: 608-266-3847

42 USC 1395c
Medicare Part A eligibility
<65 & elig for SS bens.
"on the basis of disability"

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

From: Ryan, Robin
Sent: Wednesday, March 26, 2003 2:10 PM
To: Carabell, Rachel
Subject: cigarette tax increase

I am working on the bill for Sen. Carpenter that increases the cigarette tax by 3 cents to fund expansion of Senior Care to persons under 65 who are eligible for Medicare. Presuming that the benefit is effective Jan. 1, 2004, by how much should I increase the FY 2004 and FY 2005 GPR appropriations for Senior Care?
Thanks



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-1516/1
RLR&JK:.....

Handwritten initials: JLD

2003 BILL

in 3-31-03
due 4-1-03

D-N

1 AN ACT ...; relating to: prescription drug assistance, rebates on prescription
2 drugs, increasing the cigarette tax rate, and making appropriations.

Analysis by the Legislative Reference Bureau

Under current law, elderly persons may purchase prescription drugs at reduced amounts under a program commonly known as "Senior Care." Persons eligible for * Senior Care are state residents who are at least 65 years of age, who are not Medical * Assistance recipients or do not receive prescription drug coverage as recipients, and whose annual household incomes, as determined by the Department of Health and Family Services (department), do not exceed 240% of the federal poverty line. A person must pay an annual \$20 fee to enroll in Senior Care. An enrollee pays the "program rate" for prescription drugs (105% of the MA prescription drug payment rate plus a dispensing fee) until the enrollee has met a \$500 annual deductible, and thereafter pay only a copayment of \$5 for generic prescription drugs and a copayment of \$15 for nongeneric prescription drugs. (Eligible persons with an annual household income that does not exceed 160% of the federal poverty line are not required to pay the \$500 deductible.) Other persons who meet all the requirements except the income limitation are also eligible to purchase prescription drugs for the \$5 and \$15 copayment amounts for the time remaining in a 12-month period after spending the difference between their household income and 240% of the poverty line by paying for prescription drugs at the retail price and meeting the \$500 deductible by purchasing prescription drugs at the program payment rate. Pharmacies and pharmacists are prohibited, as a condition of participation in MA, from charging Senior Care enrollees more than the program payment rate for the deductible and the applicable copayment charge for prescription drugs.

payment

Federal

plain

of

BILL

The department reimburses pharmacies and pharmacists the program ^{rate} minus any copayment paid by a Senior Care enrollee for prescription drugs purchased by Senior Care enrollees who have paid any applicable deductible. Payments to pharmacies and pharmacists are funded with general purpose revenue and rebates discussed below. Also, under a federal Medicaid ^{payment} waiver, the federal government pays a portion of the cost of prescription drugs purchased under Senior Care for persons whose annual household income does not exceed 200% of the federal poverty line.

Currently, manufacturers of prescription drugs must pay the state rebates that are set by the federal government for prescription drugs purchased under MA and under Badger Care. Current law requires the department to solicit similar rebates for drugs purchased under Senior Care and several aids programs for persons with certain diseases. Those manufacturers who have entered into agreements with the department currently pay rebates on prescription drugs purchased under Senior Care and the disease aids programs.

This bill expands eligibility for Senior Care to persons who are enrolled in Part A of the federal Medicare program on the basis of disability and who meet all of the current eligibility requirements for Senior Care other than the age requirement. This change in eligibility is effective January 1, 2004. The bill directs the department to request that the federal secretary of ~~the~~ Department of Health and ~~Human Services~~ extend the Medicaid waiver for Senior Care to cover persons made eligible for Senior Care under this bill. The bill also directs the department to solicit rebates from manufacturers on prescription drugs purchased under Senior Care by persons made eligible for Senior Care under this bill.

The bill increases the tax on cigarettes by five cents per pack, directs that the revenue generated from the tax increase be deposited in the general purpose revenue appropriation for Senior Care, and increases the amounts in the appropriation schedule for the general purpose revenue appropriation for Senior Care.

^(P) In addition, the bill ~~also~~ directs the department to negotiate with drug manufacturers to obtain supplemental rebates on prescription drugs purchased under MA, Badger Care, Senior Care, and the disease aids programs. For purposes of the bill, a rebate is supplemental if it is greater than the amount required under federal law for drugs purchased under MA. Any supplemental rebates obtained under the bill are appropriated for the purchase of prescription drugs under Senior Care.

Finally, the bill directs the department to negotiate with drug manufacturers to obtain rebates that are greater than the rebates required by the federal government under MA. The bill appropriates for the purchase of prescription drugs under Senior Care any rebate amount received for drugs purchased under MA, Badger Care, Senior Care, or the disease aids programs that is greater than the rebate amount required by the federal government under MA.

BILL

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

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

1 **SECTION 1.** 20.435 (4) (j) [✓] of the statutes is amended to read:
 2 20.435 (4) (j) *Prescription drug assistance for elderly; manufacturer rebates.*
 3 All moneys received from rebate payments by manufacturers under s. 49.688 (6) and
 4 all moneys received from supplemental rebate payments by manufacturers under s.
 5 49.69, [✓] to be used for payment to pharmacies and pharmacists under s. 49.688 (7) for
 6 prescription drug assistance for elderly persons.

History: 1971 c. 125 ss. 138 to 155, 522 (1); 1971 c. 211, 215, 302, 307, 322; 1973 c. 90, 198, 243; 1973 c. 284 s. 32; 1973 c. 308, 321, 322, 333, 336; 1975 c. 39 ss. 153 to 173, 732 (1), (2); 1975 c. 41 s. 52; 1975 c. 82, 224, 292; 1975 c. 413 s. 18; 1975 c. 422, 423; 1975 c. 430 ss. 1, 2, 80; 1977 c. 29 ss. 236 to 273, 1657 (18); 1977 c. 112; 1977 c. 203 s. 106; 1977 c. 213, 233, 327; 1977 c. 354 s. 101; 1977 c. 359; 1977 c. 418 ss. 129 to 137, 924 (18) (d), 929 (55); 1977 c. 428 s. 115; 1977 c. 447; 1979 c. 32 s. 92 (11); 1979 c. 34, 48; 1979 c. 102 s. 237; 1979 c. 111, 175, 177; 1979 c. 221 ss. 118g to 133, 2202 (20); 1979 c. 238, 300, 331, 361; 1981 c. 20 ss. 301 to 356b, 2202 (20) (b), (d), (g); 1981 c. 93 ss. 3 to 8, 186; 1981 c. 298, 314, 317, 359, 390; 1983 a. 27 ss. 318 to 410, 2202 (20); 1983 a. 192, 199, 245; 1983 a. 333 s. 6; 1983 a. 363, 398, 410, 427; 1983 a. 435 ss. 2, 3, 7; 1983 a. 538; 1985 a. 24, 29, 56, 73, 120, 154, 176, 255, 281, 285, 332; 1987 a. 27, 339, 368, 398, 399, 402; 1987 a. 403 ss. 25, 256; 1987 a. 413; 1989 a. 31, 53; 1989 a. 56 ss. 13, 259; 1989 a. 102; 1989 a. 107 ss. 11, 13, 17 to 37; 1989 a. 120, 122, 173, 199, 202, 318, 336, 359; 1991 a. 6, 39, 189, 269, 275, 290, 315, 322; 1993 a. 16, 27, 76, 98, 99, 168, 183, 377, 437, 445, 446, 450, 469, 479, 490, 491; 1995 a. 27 ss. 806 to 961r, 9126 (19); 1995 a. 77, 98; 1995 a. 216 ss. 26, 27; 1995 a. 266, 276, 289, 303, 404, 417, 440, 448, 464, 468; 1997 a. 27 ss. 211, 214, 216, 217, 527 to 609; 1997 a. 35, 105, 231, 237, 280, 293; 1999 a. 5, 9, 32, 52, 84, 103, 109, 113, 133, 185, 186; 2001 a. 16, 69, 103, 105.

7 **SECTION 2.** 49.688 (2) (a) 2. [✓] of the statutes is amended to read:
 8 49.688 (2) (a) 2. The person is at least 65 years of age or is enrolled in [✓]
 9 part A of Medicare [✓] under 42 USC 1395c to 1395f on the basis of disability. [✓]

History: 2001 a. 16, 109.

10 **SECTION 3.** 49.69 [✓] of the statutes is created to read:
 11 **49.69 Supplemental prescription drug rebates.** (1) In this [✓] section:
 12 (a) “Prescription drug” has the meaning given in s. 450.01 (20). [✓]
 13 (b) “Supplemental rebate” [✓] means a rebate for a prescription drug that is in
 14 addition to the rebate amount paid by a manufacturer of the prescription drug and
 15 received by the state under 42 USC 1396r–8.
 16 (2) The department, [✓] or an entity with which the department contracts, shall
 17 negotiate with manufacturers of prescription drugs to obtain supplemental rebates
 18 for prescription drugs purchased under the Medical Assistance ~~P~~rogram and under

BILL**SECTION 3**

1 ss. 49.665, 49.68, 49.683, 49.685, and 49.688. Any supplemental rebate paid by a
 2 manufacturer for a prescription drug purchased under the Medical Assistance
 3 program or under ss. 49.665, 49.68, 49.683, 49.685, or 49.688 shall be deposited in
 4 the appropriation account under s. 20.435 (4) (j).

5 **SECTION 4.** 139.31 (1) (a) of the statutes is amended to read:

6 139.31 (1) (a) On cigarettes weighing not more than 3 pounds per thousand,
 7 ~~38.5~~ 41 mills on each cigarette.

8 History: 1971 c. 125; 1981 c. 20, 317, 390; 1983 a. 2, 27; 1985 a. 29; 1987 a. 27; 1991 a. 269; 1995 a. 27; 1997 a. 27; 2001 a. 16.

8 **SECTION 5.** 139.31 (1) (b) of the statutes is amended to read:

9 139.31 (1) (b) On cigarettes weighing more than 3 pounds per thousand, ~~77~~ 82
 10 mills on each cigarette.

11 History: 1971 c. 125; 1981 c. 20, 317, 390; 1983 a. 2, 27; 1985 a. 29; 1987 a. 27; 1991 a. 269; 1995 a. 27; 1997 a. 27; 2001 a. 16.

11 **SECTION 6.** 139.326 of the statutes is created to read:

12 **139.326 Revenue distribution.** From the taxes collected under this
 13 subchapter, the department shall deposit in s. 20.435 (4) (bv) an amount equal to 2.5
 14 mills on each cigarette weighing not more than 3 pounds per thousand and 5 mills
 15 on each cigarette weighing more than 3 pounds per thousand.

16 **SECTION 7. Nonstatutory provisions.**

17 (1) **ISSUANCE OF PRESCRIPTION DRUG CARDS.** By November 1, 2003, the
 18 department of health and family services shall begin issuing prescription drug cards
 19 under section 49.688 (4) of the statutes to persons who are under 65 years of age and
 20 are eligible for prescription drug assistance under section 49.688 (2) of the statutes,
 21 as affected by this act.

22 (2) **WAIVER.** By January 1, 2004, the department of health and family services
 23 shall request that the federal secretary of health and human services extend the
 24 federal Medicaid waiver under section 49.688 (11) of the statutes to cover persons

BILL

1 who are under 65 years of age and are eligible for prescription drug assistance under
2 section 49.688 (2) of the statutes, as affected by this act.

3 (3) MANUFACTURER REBATES. By January 1, 2004, the department of health and
4 family services, or an entity with which the department, ^{of health and family} ~~contracts,~~ ^{services} shall solicit
5 rebates from manufacturers of prescription drugs as provided under section 49.688
6 (6) of the statutes for prescription drugs that are purchased under section 49.688 of
7 the statutes, as affected by this act, by persons who are under 65 years of age.

SECTION 8. Appropriation changes.

8
9 (1) In the schedule under section 20.005 (3) of the statutes for the appropriation
10 to the department of health and family services under section 20.435 (4) (bv) of the
11 statutes, as affected by the acts of 2003, the dollar amount is increased by \$6,900,000
12 for fiscal year 2003–04 and the dollar amount is increased by \$20,900,000 for fiscal
13 year 2004–05 to fund prescription drug assistance under section 49.688 of the
14 statutes, as affected by this act, for persons who are under 65 years of age.

15 **SECTION 9. Effective date.** This act takes effect on the day after publication,
16 except as follows:

17 (1) The treatment of section 49.688 (2) (a) 2. of the statutes takes effect on
18 January 1, 2004.

19 (2) The treatment of sections 139.31 (1) (a) and (b) and 139.326 of the statutes
20 takes effect on the first day of the 2nd month beginning after publication.

21 (END)

D-note



DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1516/1dn

RLR:.....
↑
JLD

Stuart,

As requested, the bill requires DHFS to begin issuing Senior Care cards by November 1, 2003, for people made eligible under the bill, and makes the expansion in eligibility for Senior Care effective January 1, 2004. If this bill is not passed before November 2003, you will need to amend the date by which DHFS must begin issuing Senior Care cards, and, if the bill is not passed before January 2004, you will need to amend the effective date for the expansion of Senior Care eligibility. The bill makes the cigarette tax increase effective on the first day of the second month following publication of the bill as an act. If the bill is not passed before November 2003, the cigarette tax increase will not be effective before the expansion in Senior Care eligibility is effective. For these reasons, you may wish to make the expansion of Senior Care eligibility effective a certain number of months after the bill is published as an act, rather than making it effective on a fixed date.

The Fiscal Bureau provided the amounts for the cigarette tax increase and for the appropriation increases that are included in the bill. Please note that the bill increases the cigarette tax by five cents rather than the three-cent increase that you initially requested.

Robin Ryan
Legislative Attorney
Phone: (608) 261-6927
E-mail: robin.ryan@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1516/1dn
RLR:jld:pg

March 31, 2003

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The Fiscal Bureau provided the amounts for the cigarette tax increase and for the appropriation increases that are included in the bill. Please note that the bill increases the cigarette tax by five cents rather than the three-cent increase that you initially requested.

Robin Ryan
Legislative Attorney
Phone: (608) 261-6927
E-mail: robin.ryan@legis.state.wi.us

Ryan, Robin

P/c
4/4/03

From: Sen. Carpenter
Sent: April 03, 2003 10:20 AM
To: Ryan, Robin
Subject: LRB 1516 Expansion of Senior Care

Hello Robin-

We have received two questions regarding this LRB, can you tell us the answers?

Question 1: what definition for "disability" is being used and does this include persons with mental illness & aoda & HIV?

Question 2: What is the practical effect of limiting this to persons eligible under Part A of Medicare and not also Part B--I'm not familiar with the eligibility requirements for these separate parts?

We are planning on a press conference to announce this bill on April 15, 2003 at 1:00. Would you be able to be on hand if some drafting questions come up?

Regards,
G. Stuart Ewy
Chief of Staff

Office Of Senator Tim Carpenter
State Capitol Building
Room 126S
PO BOX 7882
Madison, WI 53707-7882
(608) 266-8535

If under 65
have to be entitled
to Part A in order
to get part B

20 CFR 404.1505 unable to work due to
medically determinable physical or
mental impairment

Stuart: will want to change "enrolled in"
M'care Part A to "entitled to" M'ed. Part A
diag "on basis of disability"

LRB 1516

Stuart 4/8

(1) Adjust effective dates to date of publication

(2) Persons eligible for SC = those eligible for M'Care b/c on SSI

don't worry about HRSP overlap.
Potential eligibles can choose between HRSP & Sen-Care.



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-1516/1

RLR&JK:jld:pg

2

TODAY

2003 BILL

RMR

LPS - Print
w/line numbers



Regen

AN ACT *to amend* 20.435 (4) (j), 49.688 (2) (a) 2., 139.31 (1) (a) and 139.31 (1) (b);
and *to create* 49.69 and 139.326 of the statutes; **relating to:** prescription drug
assistance, rebates on prescription drugs, increasing the cigarette tax rate, and
making appropriations.

Analysis by the Legislative Reference Bureau

Under current law, elderly persons may purchase prescription drugs at reduced amounts under a program commonly known as "Senior Care." Persons eligible for Senior Care are state residents who are at least 65 years of age, who are not medical assistance (MA) recipients or do not receive prescription drug coverage as MA recipients, and whose annual household incomes, as determined by the Department of Health and Family Services (department), do not exceed 240% of the federal poverty line. A person must pay an annual \$20 fee to enroll in Senior Care. An enrollee pays the "program payment rate" for prescription drugs (105% of the MA prescription drug payment rate plus a dispensing fee) until the enrollee has met a \$500 annual deductible, and thereafter pays only a copayment of \$5 for generic prescription drugs and a copayment of \$15 for nongeneric prescription drugs. (Eligible persons with an annual household income that does not exceed 160% of the federal poverty line are not required to pay the \$500 deductible.) Other persons who meet all of the requirements except the income limitation are also eligible to purchase prescription drugs for the \$5 and \$15 copayment amounts for the time remaining in a 12-month period after spending the difference between their household income and 240% of the federal poverty line by paying for prescription

BILL

drugs at the retail price and meeting the \$500 deductible by purchasing prescription drugs at the program payment rate. Pharmacies and pharmacists are prohibited, as a condition of participation in MA, from charging Senior Care enrollees more than the program payment rate for the deductible and the applicable copayment charge for prescription drugs.

described ✓
The department reimburses pharmacies and pharmacists the program payment rate minus any copayment paid by a Senior Care enrollee for prescription drugs purchased by Senior Care enrollees who have paid any applicable deductible. Payments to pharmacies and pharmacists are funded with general purpose revenue and rebates ~~discussed~~ below. Also, under a federal Medicaid waiver, the federal government pays a portion of the cost of prescription drugs purchased under Senior Care for persons whose annual household income does not exceed 200% of the federal poverty line.

Currently, manufacturers of prescription drugs must pay the state rebates that are set by the federal government for prescription drugs purchased under MA and under Badger Care. Current law requires the department to solicit similar rebates for drugs purchased under Senior Care and several aids programs for persons with certain diseases. Those manufacturers who have entered into agreements with the department currently pay rebates on prescription drugs purchased under Senior Care and the disease aids programs.

This bill expands eligibility for Senior Care to persons who are ~~enrolled in Part A of the federal Medicare program on the basis of disability~~ *enrolled in Part A of the federal Medicare program on the basis of disability* and who meet all of the current eligibility requirements for Senior Care other than the age requirement. ~~This change in eligibility is effective January 1, 2004.~~ The bill directs the department to request that the federal secretary of the health and human services extend the Medicaid waiver for Senior Care to cover persons made eligible for Senior Care under this bill. The bill also directs the department to solicit rebates from manufacturers on prescription drugs purchased under Senior Care by persons made eligible for Senior Care under this bill.

The bill increases the tax on cigarettes by five cents per pack, directs that the revenue generated from the tax increase be deposited in the general purpose revenue appropriation for Senior Care, and increases the amounts in the appropriation schedule for the general purpose revenue appropriation for Senior Care.

Finally ✓
~~In addition,~~ the bill directs the department to negotiate with drug manufacturers to obtain supplemental rebates on prescription drugs purchased under MA, Badger Care, Senior Care, and the disease aids programs. For purposes of the bill, a rebate is supplemental if it is greater than the amount required under federal law for drugs purchased under MA. Any supplemental rebates obtained under the bill are appropriated for the purchase of prescription drugs under Senior Care.

Finally ✓
Finally, the bill directs the department to negotiate with drug manufacturers to obtain rebates that are greater than the rebates required by the federal government under MA. The bill appropriates for the purchase of prescription drugs under Senior Care any rebate amount received for drugs purchased under MA,

eligible for Medicare because they receive Social Security Insurance benefits for a disability

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Badger Care, Senior Care, or the disease aids programs that is greater than the rebate amount required by the federal government under MA.

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

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

SECTION 1. 20.435 (4) (j) of the statutes is amended 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 (6) and all moneys received from supplemental rebate payments by manufacturers under s. 49.69, to be used for payment to pharmacies and pharmacists under s. 49.688 (7) for prescription drug assistance for elderly persons.

SECTION 2. 49.688 (2) (a) 2. of the statutes is amended to read:

49.688 (2) (a) 2. The person is at least 65 years of age or is ~~enrolled in part A~~ eligible for Medicare under 42 USC 1395c to 1395f on the basis of disability.

SECTION 3. 49.69 of the statutes is created to read:

49.69 Supplemental prescription drug rebates. (1) In this section:

(a) "Prescription drug" has the meaning given in s. 450.01 (20).

(b) "Supplemental rebate" means a rebate for a prescription drug that is in addition to the rebate amount paid by a manufacturer of the prescription drug and received by the state under 42 USC 1396r-8.

(2) The department, or an entity with which the department contracts, shall negotiate with manufacturers of prescription drugs to obtain supplemental rebates for prescription drugs purchased under the Medical Assistance program and under ss. 49.665, 49.68, 49.683, 49.685, and 49.688. Any supplemental rebate paid by a manufacturer for a prescription drug purchased under the Medical Assistance

line numbers

eligible for

because he or she is disabled and receiving Social Security disability insurance benefits under 42 USC 423

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program or under s. 49.665, 49.68, 49.683, 49.685, or 49.688 shall be deposited in the appropriation account under s. 20.435 (4) (j).

SECTION 4. 139.31 (1) (a) of the statutes is amended to read:

139.31 (1) (a) On cigarettes weighing not more than 3 pounds per thousand, ~~38.5~~ 41 mills on each cigarette.

SECTION 5. 139.31 (1) (b) of the statutes is amended to read:

139.31 (1) (b) On cigarettes weighing more than 3 pounds per thousand, ~~77~~ 82 mills on each cigarette.

SECTION 6. 139.326 of the statutes is created to read:

139.326 Revenue distribution. From the taxes collected under this subchapter, the department shall deposit in s. 20.435 (4) (bv) an amount equal to 2.5 mills on each cigarette weighing not more than 3 pounds per thousand and 5 mills on each cigarette weighing more than 3 pounds per thousand.

SECTION 7. Nonstatutory provisions.

(1) ISSUANCE OF PRESCRIPTION DRUG CARDS. By ~~November 1, 2003~~, the department of health and family services shall begin issuing prescription drug cards under section 49.688 (4) of the statutes to persons who are under 65 years of age and are eligible for prescription drug assistance under section 49.688 (2) of the statutes, as affected by this act. *the first day of the 3rd month beginning after publication*

(2) WAIVER. By ~~January 1, 2004~~, the department of health and family services shall request that the federal secretary of health and human services extend the federal Medicaid waiver under section 49.688 (11) of the statutes to cover persons who are under 65 years of age and are eligible for prescription drug assistance under section 49.688 (2) of the statutes, as affected by this act. *the first day of the 4th month beginning after publication*

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the first day of the 4th month beginning after publication
SECTION 7

(3) MANUFACTURER REBATES. By ~~January 1, 2004~~, the department of health and family services, or an entity with which the department of health and family services contracts, shall solicit rebates from manufacturers of prescription drugs as provided under section 49.688 (6) of the statutes for prescription drugs that are purchased under section 49.688 of the statutes, as affected by this act, by persons who are under 65 years of age.

SECTION 8. Appropriation changes.

(1) 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) (bv) of the statutes, as affected by the acts of 2003, the dollar amount is increased by \$6,900,000 for fiscal year 2003-04 and the dollar amount is increased by \$20,900,000 for fiscal year 2004-05 to fund prescription drug assistance under section 49.688 of the statutes, as affected by this act, for persons who are under 65 years of age.

SECTION 9. Effective date. This act takes effect on the day after publication, except as follows:

✓
(#) ~~21~~ The treatment of section 49.688 (2) (a) 2. of the statutes takes effect on ~~January 1, 2004~~ the first day of the 4th month beginning after publication.

(#) ~~22~~ The treatment of sections 139.31 (1) (a) and (b) and 139.326 of the statutes takes effect on the first day of the 2nd month beginning after publication.

(END)

NOTE
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Barman, Mike

From: Ewy, Gordon
Sent: Thursday, April 10, 2003 12:37 PM
To: LRB.Legal
Subject: Draft review: LRB 03-1516/2 Topic: Extend Senior Care to persons under 65 on Medicare

It has been requested by <Ewy, Gordon> that the following draft be jacketed for the SENATE:

Draft review: LRB 03-1516/2 Topic: Extend Senior Care to persons under 65 on Medicare