

2003 SENATE BILL 418

February 3, 2004 – Introduced by Senators HANSEN, BRESKE, ROBSON, LASSA, CARPENTER, ERPENBACH, CHVALA, COGGS, WIRCH and A. LASEE, cosponsored by Representatives SHILLING, CULLEN, HINES, KRUSICK, KREIBICH, ZEPNICK, SINICKI, M. LEHMAN, TURNER, J. LEHMAN, GRONEMUS, POCAN, MILLER, BERCEAU and GUNDERSON. Referred to Committee on Health, Children, Families, Aging and Long Term Care.

1 **AN ACT to create** 49.688 (4r) of the statutes; **relating to:** treating property taxes
2 as a deduction to annual household income for purposes of determining
3 eligibility and deductible amounts under the prescription drug assistance
4 program for the elderly.

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.” A person is eligible for Senior Care if he or she is a state resident, is at least 65 years of age, is not a medical assistance (MA) recipient or does not receive prescription drug coverage as an MA recipient, and his or her annual household income, as determined by the Department of Health and Family Services (DHFS), does not exceed 240% of the federal poverty line. A person must pay an annual \$30 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 an annual deductible, if applicable, and thereafter pays only a copayment of \$5 for generic prescription drugs and a copayment of \$15 for nongeneric prescription drugs. A person whose annual household income is 160% or less of the federal poverty line pays no deductible; if the person’s annual household income is more than 160% but not more than 200% of the federal poverty line, the deductible is \$500; and if the person’s annual household income exceeds 200% of the federal poverty line, the deductible is \$850. Other persons who meet all of the requirements except the income limitation are also eligible to purchase prescription drugs for the \$5 and \$15

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copayment amounts for the time remaining in a 12-month period after spending the difference between their annual household income and 240% of the federal poverty line by paying for prescription drugs at the retail price and satisfying the \$850 deductible by purchasing prescription drugs at the program payment rate.

This bill requires that in determining a person's annual household income for purposes of Senior Care eligibility, DHFS must deduct the amount that the person paid in property taxes on his or her primary residence in the previous 12 months. DHFS must also use the annual household income adjusted for property taxes to determine the appropriate deductible amount for persons who are enrolled in Senior Care.

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.** 49.688 (4r) of the statutes is created to read:

2 49.688 (4r) In determining a person's annual household income under sub. (2)

3 (a) 4. and (b) for purposes of determining eligibility for prescription drug assistance

4 and under sub. (3) (b) 1. and 2. a. for purposes of establishing the required deductible

5 amount, the department shall deduct the amount of property taxes that the person

6 or any member of his or her household paid on the person's primary residence in the

7 12-month period before the department makes an eligibility determination under

8 sub. (4).

9 **SECTION 2. Initial applicability.**

10 (1) DEDUCTIBLE. The treatment of section 49.688 (4r) of the statutes first applies

11 to eligibility determinations made and deductible amounts paid on the effective date

12 of this subsection.

13 **SECTION 3. Effective date.**

