

2003 DRAFTING REQUEST

Bill

Received: **01/14/2003**

Received By: **dkennedy**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 267-7980**

By/Representing: **Blaine**

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

Drafter: **dkennedy**

May Contact:

Addl. Drafters:

Subject: **Health - miscellaneous**

Extra Copies: **RLR, PJK**

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

DOA:.....Blaine - BB0343,

Topic:

Senior Care cost sharing and provider reimbursement

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>
/?				_____			S&L
/1	dkennedy 01/16/2003	csicilia 01/20/2003	jfrantze 01/21/2003	_____	sbasford 01/21/2003		S&L
/2	dkennedy 01/21/2003	csicilia 01/22/2003	pgreensl 01/22/2003	_____	lemery 01/22/2003		S&L

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/3	dkennedy 01/29/2003	csicilia 01/30/2003	rschluet 01/30/2003	_____	lemery 01/30/2003		S&L
/4	dkennedy 02/01/2003	wjackson 02/02/2003	rschluet 02/02/2003	_____	sbasford 02/03/2003		S&L
/5	dkennedy 02/04/2003	wjackson 02/04/2003	chaskett 02/04/2003	_____	mbarman 02/04/2003		S&L

FE Sent For:

<END>

2003 DRAFTING REQUEST

Bill

Received: **01/14/2003**

Received By: **dkennedy**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 267-7980**

By/Representing: **Blaine**

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

Drafter: **dkennedy**

May Contact:

Addl. Drafters:

Subject: **Health - miscellaneous**

Extra Copies: **RLR, PJK**

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

DOA:.....Blaine - BB0343,

Topic:

Senior Care cost sharing and provider reimbursement

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>
/?				_____			S&L
/1	dkennedy 01/16/2003	csicilia 01/20/2003	jfrantze 01/21/2003	_____	sbasford 01/21/2003		S&L
/2	dkennedy 01/21/2003	csicilia 01/22/2003	pgreensl 01/22/2003	_____	lemery 01/22/2003		S&L

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/3	dkennedy 01/29/2003	csicilia 01/30/2003	rschluet 01/30/2003	<i>rs/cph</i> <u>2/4</u>	lemery 01/30/2003		S&L
/4	dkennedy 02/01/2003	wjackson 02/02/2003	rschluet 02/02/2003	_____	sbasford 02/03/2003		S&L
FE Sent For:		<i>/5 WLJ 2/4</i>	<i>/5 cph</i> <i>2/4</i>				
				<END>			

2003 DRAFTING REQUEST

Bill

Received: **01/14/2003**

Received By: **dkennedy**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 267-7980**

By/Representing: **Blaine**

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

Drafter: **dkennedy**

May Contact:

Addl. Drafters:

Subject: **Health - miscellaneous**

Extra Copies: **RLR, PJK**

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

DOA:.....Blaine - BB0343,

Topic:

Senior Care cost sharing and provider reimbursement

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>
/?							S&L
/1	dkennedy 01/16/2003	csicilia 01/20/2003	jfrantze 01/21/2003		sbasford 01/21/2003		S&L
/2	dkennedy 01/21/2003	csicilia 01/22/2003	pgreensl 01/22/2003		lemery 01/22/2003		S&L

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

/3 dkennedy csicilia rschluet _____ lemery S&L
 01/29/2003 01/30/2003 01/30/2003 _____ 01/30/2003

FE Sent For: /4 2/2 WLj

<END>

2003 DRAFTING REQUEST

Bill

Received: 01/14/2003

Received By: dkennedy

Wanted: As time permits

Identical to LRB:

For: Administration-Budget 267-7980

By/Representing: Blaine

This file may be shown to any legislator: NO

Drafter: dkennedy

May Contact:

Addl. Drafters:

Subject: Health - miscellaneous

Extra Copies: RLR, PJK

Submit via email: YES

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

DOA:.....Blaine - BB0343,

Topic:

Senior Care cost sharing and provider reimbursement

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>
/?							S&L
/1	dkennedy 01/16/2003	csicilia 01/20/2003	jfrantze 01/21/2003		sbasford 01/21/2003		S&L
/2	dkennedy 01/21/2003	csicilia 01/22/2003	pgreensl 01/22/2003		lemery 01/22/2003		S&L

13 gjs 1/30 03 [Signature] 1-30-03 PG

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

FE Sent For:

<END>

2003 DRAFTING REQUEST

Bill

Received: 01/14/2003

Received By: dkennedy

Wanted: As time permits

Identical to LRB:

For: Administration-Budget 267-7980

By/Representing: Blaine

This file may be shown to any legislator: NO

Drafter: dkennedy

May Contact:

Addl. Drafters:

Subject: Health - miscellaneous

Extra Copies: RLR, PJK

Submit via email: YES

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

DOA:.....Blaine - BB0343,

Topic:

Senior Care cost sharing and provider reimbursement

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>
/?							S&L
/1	dkennedy 01/16/2003	csicilia 01/20/2003	jfrantze 01/21/2003	<i>[Handwritten initials]</i>	sbasford 01/21/2003		S&L

FE Sent For:

12 c/s 1/22/03

[Handwritten initials and signatures]

2003 DRAFTING REQUEST

Bill

Received: 01/14/2003

Received By: dkennedy

Wanted: As time permits

Identical to LRB:

For: Administration-Budget 267-7980

By/Representing: Blaine

This file may be shown to any legislator: NO

Drafter: dkennedy

May Contact:

Addl. Drafters:

Subject: Health - miscellaneous

Extra Copies: RLR, PJK

Submit via email: YES

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

DOA:.....Blaine - BB0343,

Topic:

Senior Care cost sharing and provider reimbursement

Instructions:

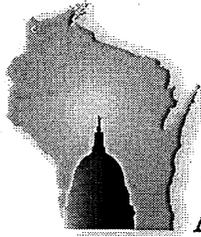
See Attached

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>
1?	dkennedy	1 cjs 1/20 02	Jo/ls 1/21	Jo/ls 1/21			

FE Sent For:

<END>



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

JIM DOYLE
GOVERNOR
MARC MAROTTA
SECRETARY

Division of Executive Budget and Finance
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1736
Fax (608) 267-0372
TTY (608) 267-9629

Date: January 10, 2003

To: Steve Miller, Chief
Legislative Reference Bureau

From: Robert Blaine, Executive Policy and Budget Analyst
State Budget Office

Subject: Statutory Language Requests – Department of Health and Family Services

Attached is one statutory language requests for the 2003-05 biennial budget

- Prescription drug cost sharing and provider rates

Please contact either myself (267-7980) if you have any questions.

BB0343

Agency: Department of Health and Family Services

SBO Analyst: Robert Blaine (7-7980)

Title: Prescription drug cost sharing

Purpose of Draft: The draft will increase cost sharing in the Medical Assistance and BadgerCare programs, and reduce provider rates in SeniorCare.

Medical Assistance and BadgerCare

1. Create a tiered copayment for prescription drugs as follows:
 - a) \$0 co-payment for generic drugs.
 - b) \$3 co-payment for brand name drugs.
2. Eliminate the \$5 monthly prescription drug copayment maximum for Medical Assistance recipients.

Please note: a similar item (which changed copayment amounts and increased the monthly maximum) was introduced by the Assembly Republican Caucus as part of the budget reform bill (Act 109). The provision did not make it into the final bill.

SeniorCare

This draft will reduce provider reimbursement for SeniorCare, as specified under s. 49.688 (1)(e). Current reimbursement to pharmacies is at the Medical Assistance rate plus 5%. This draft would eliminate the 5% increase, and make reimbursement in SeniorCare identical to Medical Assistance. This change would be effective January 1, 2004.

Priority: High.

Kennedy, Debora

From: Blaine, Robert
Sent: Friday, January 10, 2003 4:05 PM
To: Kennedy, Debora
Subject: prescription drugs draft

Hi Debora,

This drafting request (in a more preliminary form) is headed your way via our normal process. Attached is a revised request on the same topic, which should be substituted when you actually receive the "official" drafting request.

Let me know if you have any questions.



MillerMemo
011003a.doc

Thanks!
Robert Blaine

State Budget Office -- WI Dept. of Administration
608/267-7980
608/267-0372 (fax)
robert.blaine@doa.state.wi.us



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

JIM DOYLE
GOVERNOR
MARC MAROTTA
SECRETARY

Division of Executive Budget and Finance
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1736
Fax (608) 267-0372
TTY (608) 267-9629

Date: January 10, 2003

To: Steve Miller, Chief
Legislative Reference Bureau

From: Robert Blaine, Executive Policy and Budget Analyst
State Budget Office

Subject: Statutory Language Requests - Department of Health and Family Services

Attached is one statutory language requests for the 2003-05 biennial budget

- Prescription drug cost sharing and provider rates

Please contact either myself (267-7980) if you have any questions.

Agency: Department of Health and Family Services

SBO Analyst: Robert Blaine (7-7980)

Title: Prescription drug cost sharing

Purpose of Draft: The draft will increase cost sharing in the Medical Assistance and BadgerCare programs, and reduce provider rates in SeniorCare.

Medical Assistance and BadgerCare

1. Create a tiered copayment for prescription drugs as follows:
 - a) \$1 co-payment for generic drugs.
 - b) \$3 co-payment for brand name drugs.
2. Increase the \$5 monthly prescription drug copayment maximum for Medical Assistance recipients to \$12.

Please note: a similar item (which changed copayment amounts and increased the monthly maximum) was introduced by the Assembly Republican Caucus as part of the budget reform bill (Act 109). The provision did not make it into the final bill.

SeniorCare

Cost Sharing

Increase the deductible as specified under s. 49.688(3)(b)1. from \$500 per benefit year to \$750 per benefit year. This deductible level would be effective January 1, 2004, for new enrollees in the program. For individuals already enrolled as of January 1, 2004, the higher deductible would be effective when re-enrolling for a new benefit period.

Provider Reimbursement

This draft will reduce provider reimbursement for SeniorCare, as specified under s. 49.688 (1)(e). Current reimbursement to pharmacies is at the Medical Assistance rate plus 5%. This draft would eliminate the 5% increase, and make reimbursement in SeniorCare identical to Medical Assistance. This change would be effective January 1, 2004.

Priority: High.

Kennedy, Debora

From: Blaine, Robert
Sent: Sunday, January 12, 2003 1:40 PM
To: Kennedy, Debora
Subject: RE: prescription drugs draft

Debora --

Even more changes to this draft. I would recommend a title of "Cost sharing -- MA, BadgerCare & SeniorCare." Additions are noted in the red font.

I will also be sending over another draft which affects only SeniorCare (and which contains one part that's stricken in the attached instructions).

Thanks.

Robert

P.S. If this starting to overlap with Pam's responsibilities, let me know and I can resend the drafting instructions to make it easier for you to break apart.



Cost-sharing.doc

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

From: Blaine, Robert
Sent: Friday, January 10, 2003 4:05 PM
To: Kennedy, Debora
Subject: prescription drugs draft

Hi Debora,

This drafting request (in a more preliminary form) is headed your way via our normal process. Attached is a revised request oin the same topic, which should be substituted when you actually receive the "official" drafting request.

Let me know if you have any questions.

<< File: MillerMemo 011003a.doc >>

Thanks!
Robert Blaine

State Budget Office -- WI Dept. of Administration
608/267-7980
608/267-0372 (fax)
robert.blaine@doa.state.wi.us



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

JIM DOYLE
GOVERNOR
MARC MAROTTA
SECRETARY

Division of Executive Budget and Finance
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1736
Fax (608) 267-0372
TTY (608) 267-9629

Date: January 10, 2003

To: Steve Miller, Chief
Legislative Reference Bureau

From: Robert Blaine, Executive Policy and Budget Analyst
State Budget Office

Subject: Statutory Language Requests - Department of Health and Family Services

Attached is one statutory language requests for the 2003-05 biennial budget

- Prescription drug cost sharing and provider rates

Please contact either myself (267-7980) if you have any questions.

Agency: Department of Health and Family Services

SBO Analyst: Robert Blaine (7-7980)

Title: Cost sharing – MA, BadgerCare and SeniorCare

Purpose of Draft: The draft will increase cost sharing in the Medical Assistance and BadgerCare programs, and reduce provider rates in SeniorCare.

Medical Assistance and BadgerCare

1. Create a tiered copayment for prescription drugs as follows:
 - a) \$1 co-payment for generic drugs.
 - b) \$3 co-payment for brand name drugs.
2. Increase the \$5 monthly prescription drug copayment maximum for Medical Assistance recipients to \$12.

Please note: a similar item (which changed copayment amounts and increased the monthly maximum) was introduced by the Assembly Republican Caucus as part of the budget reform bill (Act 109). The provision did not make it into the final bill.

3. Emergency room visit copayment:

Institute a \$40 copayment for all emergency room visits, by MA and BadgerCare recipients, which do not result in an admission to the hospital. Change would be effective January 1, 2004.

4. Increase premium cost sharing in BadgerCare from 3% of income to 5%.

S. 49.665(5)(a) specifies a premium cost sharing provision, for BadgerCare recipients with incomes above 150% FPL, of no more than 3% of the family's income. This draft would increase this maximum to 5%.

SeniorCare

Increase the deductible as specified under s. 49.688(3)(b)1. from \$500 per benefit year to \$750 per benefit year. This deductible level would be effective January 1, 2004, for new enrollees in the program. For individuals already enrolled as of January 1, 2004, the higher deductible would be effective when re-enrolling for a new benefit period.

Provider Reimbursement

~~This draft will reduce provider reimbursement for SeniorCare, as specified under s. 49.688 (1)(e). Current reimbursement to pharmacies is at the Medical Assistance rate plus 5%. This draft would eliminate the 5% increase, and make reimbursement in SeniorCare identical to Medical Assistance. This change would be effective January 1, 2004.~~

Priority: High.



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

JIM DOYLE
GOVERNOR
MARC MAROTTA
SECRETARY

Division of Executive Budget and Finance
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1736
Fax (608) 267-0372
TTY (608) 267-9629

Date: January 13, 2003

To: Steve Miller, Chief
Legislative Reference Bureau

From: Robert Blaine, Executive Policy and Budget Analyst
State Budget Office

Subject: Statutory Language Requests – Department of Health and Family Services

Attached is one statutory language requests for the 2003-05 biennial budget

- SeniorCare – eligibility and provider reimbursement.

Please contact myself (267-7980) if you have any questions.

BB0348

Agency: Department of Health and Family Services

SBO Analyst: Robert Blaine (7-7980)

Title: SeniorCare – eligibility and provider reimbursement

Purpose of Draft: Reduce eligibility thresholds and provider reimbursement in SeniorCare.

Medical Assistance and BadgerCare

Eligibility

This draft will eliminate coverage as specified under s. 49.688(2)(b) for new participants with incomes over 200% of the federal poverty level. Any individual with income over 200% of the federal poverty level enrolled as of the effective date of the bill will maintain their eligibility for SeniorCare. The draft will also need to eliminate the ability of individuals to "spend down" their income, as specified under s. 49.688(3)(b)2.a., in order to become eligible for program benefits.

Provider Reimbursement

This draft will reduce provider reimbursement for SeniorCare, as specified under s. 49.688 (1)(e). Current reimbursement to pharmacies is at the Medical Assistance rate plus 5%. This draft would eliminate the 5% increase, and make reimbursement in SeniorCare identical to Medical Assistance. This change would be effective January 1, 2004.

Priority: High.

1/15/03, From Robert: Aim of the legis. is to continue eligibility for persons who were eligible before bill passes, whether dec. incomes were below 240% of fpl or whether they "spent down" to that level, as long as they do not have a change in income that would have made them ineligible under 01 state.



State of Wisconsin
2003 - 2004 LEGISLATURE

SOON - In edit 01/16

LRB-1485/1

DAK:/.....

cjs

DOA:.....Blaine - BB0343, Senior Care cost sharing and provider reimbursement

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

CAV
+ vrb /

Do NOT Gen

1 AN ACT relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES ✓

OTHER HEALTH AND HUMAN SERVICES ✓

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 aged at least 65 years, 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 DHFS, do not exceed 240% of the federal poverty line for families the size of each person's eligible family. Persons who meet these requirements must pay a 12-month program enrollment fee of \$20 and an annual \$500 deductible for prescription drugs, at the "program payment rate" (the MA prescription drug payment rate, plus 5%, plus a dispensing fee), and then need 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 for families the size of the persons' eligible families 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 at reduced amounts under Senior Care if, for each 12-month benefit period, they pay the program enrollment

fee and then first “spend down” their income by paying for prescription drugs, at the program payment rate, a deductible of \$500 plus, at the retail price, the difference between their annual household income and 240% of the federal poverty line. Pharmacies and pharmacists are limited, as a condition of participation in MA, ~~to~~ charging participants in Senior Care more than the program payment rate for the deductible and the applicable copayment charge for each prescription drug purchased. Drug manufacturers that enter into rebate agreements with DHFS make rebate payments to the state treasurer for prescription drugs of the manufacturer that are prescribed for and purchased by Senior Care participants.

from

This bill reduces the income limitation for eligibility for Senior Care to 200% of the federal poverty line and eliminates the ability for otherwise-eligible persons to qualify for Senior Care by “spending down” their income to that limit. The bill does not apply to persons who were found eligible for Senior Care before enactment of the bill as an act, including those who “spent down” to obtain eligibility. Further, the bill reduces the program payment rate for payment of the \$500 deductible to pharmacies and pharmacists, to the MA prescription drug payment rate, plus a dispensing fee.

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. 49.688 (1) (e) of the statutes is amended to read:

2 49.688 (1) (e) “Program payment rate” means the rate of payment made for the
3 identical drug specified under s. 49.46 (2) (b) 6. h., plus 5%, plus a dispensing fee that
4 is equal to the dispensing fee permitted to be charged for prescription drugs for which
5 coverage is provided under s. 49.46 (2) (b) 6. h.

✓

History: 2001 a. 16, 109.

6 SECTION 2. 49.688 (2) (a) 4. of the statutes is renumbered 49.688 (2) (a) 4. a. and
7 amended to read:

subd. 4. a.

8 49.688 (2) (a) 4. a. The person’s annual household income, as determined by the
9 department, does not exceed 240% of the federal poverty line for a family the size of
10 the person’s eligible family. This subdivision unit applies only to a person who was
11 determined to be eligible under the limitations of this subdivision before the effective

subd. 4. a.

subd. 4. a.

5

subd. 4. a.

1 date of this ~~subdivision unit~~.... [revisor inserts date] and whose annual household
2 income does not subsequently exceed the limitation of this ~~subdivision unit~~.

History: 2001 a. 16, 109.

3 SECTION 3. 49.688 (2) (a) 4. (intro.) of the statutes is created to read:

4 (4) 49.688 (2) (a) 4. ^(intro.) One of the following applies:

5 SECTION 4. 49.688 (2) (a) 4. b. of the statutes is created to read:

6 49.688 (2) (a) 4. b. The person's annual household income, as determined by the
7 department, does not exceed 200% of the federal poverty line for a family the size of
8 the person's eligible family.

9 SECTION 5. 49.688 (2) (b) of the statutes is amended to read:

10 49.688 (2) (b) A person to whom par. (a) 1. to 3. and 5. applies, but whose annual
11 household income, as determined by the department, exceeds 240% of the federal
12 poverty line for a family the size of the persons' eligible family, is eligible to purchase
13 a prescription drug at the amounts specified in sub. (5) (a) 4. only during the
14 remaining amount of any 12-month period in which the person has first paid the
15 annual deductible specified in sub. (3) (b) 2. a. in purchasing prescription drugs at
16 the retail price and has then paid the annual deductible specified in sub. (3) (b) 2. b.
17 This paragraph applies only to a person who was determined to be eligible under the
18 requirements of this paragraph before the effective date of this paragraph [revisor
19 inserts date] and who subsequently meets the requirements of this paragraph.

History: 2001 a. 16, 109.

20 SECTION 9324. Initial applicability; health and family services.

of the statutes

of the statutes

21 (1) PRESCRIPTION DRUG ASSISTANCE; ELIGIBILITY. The ~~treatment of section 49.688~~
22 ~~(2) of the~~ renumbering and amendment of section 49.688 (2) (a) 4. ~~and the~~
23 creation of section 49.688 (2) (a) 4. (intro.) and b. of the statutes first applies to a

apply

1 person who is determined to be eligible under section 49.688 (2) of the statutes on the
2 effective date of this subsection.

3 **SECTION 9424. Effective dates; health and family services.**

4 (1) PRESCRIPTION DRUG ASSISTANCE; PROVIDER REIMBURSEMENT. The treatment of
5 sections 49.688 (1) (e) of the statutes takes effect on January 1, 2004.

6 (END)

Kennedy, Debora

From: Blaine, Robert
Sent: Friday, January 17, 2003 2:57 PM
To: Kennedy, Debora
Cc: Kahler, Pam
Subject: Drafting -- head's up!

OK (deep breath for Rob) -- it's not as bad as I had feared --- here are the items I'll be sending over soon:

New Items (these will come over formally, but you might not see them until Sun / Mon -- depending on if they're making runs).

- 1) MA -- personal needs allowance for nursing home residents. Reduce the allowance from \$45 / month to \$30 / month. s. 49.45 (7)(a)
- 2) Family Care Expansion to Kenosha (see attached language request).



Standard DD
Eligibility.doc

- 3) Eliminate the County Services Deficit Reduction Benefit (CSDRB).

In addition to this, the following drafts need to be modified.

Items to be Modified

Draft# (no draft received -- SENIORCARE):

- Change the deductible structure as follows: \$500 for persons < 200% FPL. \$750 for persons between 200-240% FPL. \$850% for persons > 240%.
- Increase the enrollment fee as follows: \$25 for persons with incomes < 200% FPL. \$30 for those with incomes above 200% FPL.

Draft# (no draft yet received -- MA & BC cost-sharing): reduce the emergency room copayment to \$10 (previously specified as \$40).

Draft#: 1253 Revise to original 1253/1, repealing 49.45 (6x) (thus, we'll eliminate both the EACH and rural adjustments).

Draft# 0207: increase the assessment charged from \$32 per licensed bed to \$115 per bed

IGT / Revenue Maximization

I sent you an e-mail on Dec. 19 with some instructions. I think you can just scrap this since most of it is now irrelevant (esp. a portion that dealt with a grant to Marquette dental school).

We have been working on four discrete projects under the heading of "revenue maximization." Before I had thought that we could just do them all as one draft, using the IGT draft as a starting point, but it may make more sense to do them separately. What I will do is this. I will put together a plain language description of the projects and send them to you, if not by the end of today, by Sunday. It may be helpful if we met Sunday afternoon or Monday to talk about them (I'd be happy to come to your office for a change!). The broad ideas are as follows:

- 1) Home & Community Based Waivers IGT: do an IGT with counties for waiver services, where the upper limit is a % of the maximum specified in the CIP 1A/1B waiver.
- 2) County Based Services IGT: do an IGT with counties for other county provided services such as mental health services, AODA.
- 3) Municipality-based Services: reallocate some state GPR (shared revenue) to the MA program, and make enhanced payments for health services (e.g., EMS) provided by cities).
- 4) School-based Services: same as the municipal projects, but targeted to school districts for special education services.

Most of the language for these projects (I think) is related to compelling these entities to work with us on these projects, re-working the MA trust fund to park the money, and creating appropriations to budget the money.

*From Robert Blaine 1/21:
This replaces everything in
-1485/1 except the
reduction in the
program payment rate.
DKK*

< = less than
> = greater than

Deductible

CL: \$ 0 160% or less fpl
 \$ 500 < 240%
 \$ 500 > 240%

Proposal \$ 0 160% or less fpl
 \$ 500 < 200%
 \$ 750 200 - 240%
 \$ 850 > 240%

Enrollment fee

CL: \$ 20 for everyone

Proposal \$ 25 < 200% fpl
 \$ 30 > 199% fpl



State of Wisconsin
2003 - 2004 LEGISLATURE

SK ✓
K-140 ✓

SOON - Inedit 1/21

LRB-1485/2

DAK:cjs

Stays

DOA:.....Blaine - BB0343, Senior Care cost sharing and provider reimbursement

FOR 2003-05 BUDGET - NOT READY FOR INTRODUCTION

Do NOT Gen

1 AN ACT...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

OTHER HEALTH AND HUMAN SERVICES

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 aged at least 65 years, 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 DHFS, do not exceed 240% of the federal poverty line for families the size of each person's eligible family. Persons who meet these requirements must pay a 12-month program enrollment fee of \$20 and an annual \$500 deductible for prescription drugs, at the "program payment rate" (the MA prescription drug payment rate, plus 5%, plus a dispensing fee), and then need 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 for families the size of the persons' eligible families 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 at reduced amounts under Senior Care if, for each 12-month benefit period, they pay the program enrollment

fee and then first “spend down” their income by paying for prescription drugs, at the program payment rate, a deductible of \$500 plus, at the retail price, the difference between their annual household income and 240% of the federal poverty line. Pharmacies and pharmacists are limited, as a condition of participation in MA, from charging participants in Senior Care more than the program payment rate for the deductible and the applicable copayment charge for each prescription drug purchased. Drug manufacturers that enter into rebate agreements with DHFS make rebate payments to the state treasurer for prescription drugs of the manufacturer that are prescribed for and purchased by Senior Care participants.

~~This bill reduces the income limitation for eligibility for Senior Care to 200% of the federal poverty line and eliminates the ability for otherwise-eligible persons to qualify for Senior Care by “spending down” their income to that limit. The bill does not apply to persons who were found eligible for Senior Care before enactment of the bill as an act, including those who “spent down” to obtain eligibility. (Further, the bill reduces the program payment rate for payment of the \$500 deductible to pharmacies and pharmacists, to the MA prescription drug payment rate, plus a dispensing fee.~~

1
INSERT
ANAL

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.** 49.688 (1) (e) of the statutes is amended to read:

2 49.688 (1) (e) “Program payment rate” means the rate of payment made for the
3 identical drug specified under s. 49.46 (2) (b) 6. h., ~~plus 5%~~, plus a dispensing fee that
4 is equal to the dispensing fee permitted to be charged for prescription drugs for which
5 coverage is provided under s. 49.46 (2) (b) 6. h.

6 ~~**SECTION 2.** 49.688 (2) (a) 4. (intro.) of the statutes is created to read:~~

7 ~~49.688 (2) (a) 4. (intro.) One of the following applies:~~

8 ~~**SECTION 3.** 49.688 (2) (a) 4. of the statutes is renumbered 49.688 (2) (a) 4. a. and
9 amended to read:~~

10 ~~49.688 (2) (a) 4. a. The person’s annual household income, as determined by the
11 department, does not exceed 240% of the federal poverty line for a family the size of
12 the person’s eligible family. This subd. 4. a. applies only to a person who was~~

1 determined to be eligible under the limitations of this subd. 4. a. before the effective
2 date of this subd. 4. a. [revisor inserts date], and whose annual household income
3 does not subsequently exceed the limitation of this subd. 4. a.

4 **SECTION 4.** 49.688 (2) (a) 4. b. of the statutes is created to read:

5 49.688 (2) (a) 4. b. The person's annual household income, as determined by the
6 department, does not exceed 200% of the federal poverty line for a family the size of
7 the person's eligible family.

8 **SECTION 5.** 49.688 (2) (b) of the statutes is amended to read:

9 49.688 (2) (b) A person to whom par. (a) 1. to 3. and 5. applies, but whose annual
10 household income, as determined by the department, exceeds 240% of the federal
11 poverty line for a family the size of the persons' eligible family, is eligible to purchase
12 a prescription drug at the amounts specified in sub. (5) (a) 4. only during the
13 remaining amount of any 12-month period in which the person has first paid the
14 annual deductible specified in sub. (3) (b) 2. a. in purchasing prescription drugs at
15 the retail price and has then paid the annual deductible specified in sub. (3) (b) 2. b.
16 This paragraph applies only to a person who was determined to be eligible under the
17 requirements of this paragraph before the effective date of this paragraph [revisor
18 inserts date], and who subsequently meets the requirements of this paragraph.

ENROLLMENT FEE AND DEDUCTIBLE

INSERT
3-18

19 **SECTION 9324. Initial applicability; health and family services.**

20 (1) PRESCRIPTION DRUG ASSISTANCE; ~~eligibility~~ The renumbering and
21 ^{treatment} ~~amendment~~ of section 49.688 ^{(3) (b) 2. b.} ~~(3) (a) 1. and 2.~~ of the statutes and the creation of section
22 49.688 ~~(2) (a) 4. and (b)~~ ^{(3) (a) 1. and 2. and (b)} of the statutes first apply to a person who is determined 1. a.,
23 to be eligible under section 49.688 (2) of the statutes on the effective date of this b.,
24 subsection. and c.

25 **SECTION 9424. Effective dates; health and family services.**

the renumbering and amendment of section 49.688 (3)(a) and (b) 1. of the statutes

INSERT ANAL

This bill increases the deductible for each 12-month Senior Care benefit period and the program enrollment fee for Senior Care participants based on the percentage that a person's annual household income is of the federal poverty line for a family the size of the person's eligible family. Under the bill, persons with annual household incomes of more than 160% but less than 200% pay \$500; persons with annual household incomes of at least 200% but less than 241% pay \$750; and persons with annual household incomes of more than 240% pay \$850. In addition, persons with annual household incomes of less than 200% pay a \$25 annual deductible, and persons with annual household incomes of more than 199% pay a \$30 annual deductible.

Use 3+7
a deductible of

INSERT 3-18

~~deductible~~ program enrollment fee

1 SECTION 1. 49.688 (3) (a) of the statutes is renumbered 49.688 (3) (a) (intro.) Use 2x

2 and amended to read:

3 49.688 (3) (a) (intro.) For each 12-month benefit period, a program enrollment
4 fee of \$20. that is based on the percentage that a person's annual household income,
5 as determined by the department, is of the federal poverty line for a family the size
6 of the person's eligible family, as follows:

History: 2001 a. 16, 109.

7 SECTION 2. 49.688 (3) (a) 1. of the statutes is created to read:

8 49.688 (3) (a) 1. Less than 200%, \$25. ✓

9 SECTION 3. 49.688 (3) (a) 2. of the statutes is created to read:

10 49.688 (3) (a) 2. Greater than 199%, \$30. ✓

11 SECTION 4. 49.688 (3) (b) 1. of the statutes is renumbered 49.688 (3) (b) 1.
12 (intro.) and amended to read:

13 49.688 (3) (b) 1. (intro.) For each 12-month benefit period, for a person specified
14 in sub. (2) (a), a deductible for prescription drugs of \$500, except that a person whose
15 that is based on the percentage that a person's annual household income, as

1 determined by the department, is ~~160% or less~~ of the federal poverty line for a family
2 the size of the person's eligible family ~~pays no deductible~~, as follows: ✓

History: 2001 a. 16, 109.

3 **SECTION 5.** 49.688 (3) (b) 1. a. of the statutes is created to read:
4 49.688 (3) (b) 1. a. Less than 161%, no deductible.

5 **SECTION 6.** 49.688 (3) (b) 1. b. of the statutes is created to read:
6 49.688 (3) (b) 1. b. More than 160%, but less than 200%, \$500.

7 **SECTION 7.** 49.688 (3) (b) 1. c. of the statutes is created to read:
8 49.688 (3) (b) 1. c. At least 200%, but less than 241%, \$750.

9 **SECTION 8.** 49.688 (3) (b) 2. b. of the statutes is amended to read:
10 49.688 (3) (b) 2. b. ~~Five~~ Eight hundred fifty dollars. ✓

History: 2001 a. 16, 109.

Kennedy, Debora

From: Blaine, Robert
Sent: Tuesday, January 28, 2003 8:51 PM
To: Kennedy, Debora
Subject: FW: FW: LRB Draft: 03-1485/2 Senior Care cost sharing and provider reimbursement

Hi Debora --

Please note DHFS's first comment below. I tend to agree with them that the way the FPL thresholds are described for the copayments seem to be inconsistent with how FPL thresholds are dealt with in other SeniorCare sections.

For example, in current law, s. 49.688 (3)(b) uses the threshold "160% or less", or in plain speak, less than or equal to 160%. In SeniorCare, we've applied this rule to all the FPL thresholds:

Less than or equal to 160%
Greater than 160% but less than or equal to 200%
Greater than 200% but less than or equal to 240%

I'm sure my drafting instructions were incorrect.

Please disregard their second comment. Don't know where this came from.

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

From: Cunningham, Curtis
Sent: Tuesday, January 28, 2003 11:36 AM
To: Blaine, Robert
Cc: Barry, Shawn; Boroniec, Priscilla; Handrich, Peggy; Pederson, Russell; Vavra, James; Bove, Fredi-Ellen; Cunningham, Curtis; Megna, Richard
Subject: Re: FW: LRB Draft: 03-1485/2 Senior Care cost sharing and provider reimbursement

Robert,

There are two comments on this draft. The first change is very important.

1) It appears that the proposed language doesn't accurately deal with the existing income thresholds. The current thresholds are "up to and including" the 160% and 240% FPL levels, while the new language seems to be "up to but not equal to the FPL levels". For example there are references to 199% and 241% of FPL. Therefore the following changes should be made on page 3:

Line 4 Change "less than 200%, \$25" to "less than or equal to 200%, \$25"

Line 6: Change "Greater than 199%, \$30 to "Greater than 200%"

Line 15: "change less than 161%, no deductible" to " Less than or equal to 160%, no deductible"

Line 17: Change "More than 160% but less than 200%, \$500" to "More than 160% but less than or equal to 200%, \$500"

Line 19: Change "At least 200%, but less than 241%, \$750" to "Greater than 200%, but less than or equal to 240%, \$750"

2) The definition of a generic drug for the purposes of co-pays under SeniorCare should be changed. Currently, a generic drug is defined as a prescription that bears only a generic name. As trade names become brand names it is difficult to systematically differentiate for the purpose of a tier co-pay structure. Therefore it is recommended that the language under 49.688(3)(c)(1) be changed from "a co-payment of \$5 for each prescription drug that bears only a generic name" to "a co-payment of \$5 for each prescription drug that is dispensed generically". We also have the same recommendation for the MA co-pay language that I will send you today.

Please let me know if you have any further questions.

Regards,
Curtis

>>> Blaine, Robert 01/23/03 11:18AM >>>

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

From: Greenslet, Patty
Sent: Wednesday, January 22, 2003 3:16 PM
To: Blaine, Robert
Cc: Johnston, James; Schaeffer, Carole; Hanaman, Cathlene; Haugen, Caroline
Subject: LRB Draft: 03-1485/2 Senior Care cost sharing and provider
reimbursement

Following is the PDF version of draft 03-1485/2.



SOON - In edit '29
State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-1485/3
DAK:cjs:
T
Stays

DOA:.....Blaine - BB0343, Senior Care cost sharing and provider reimbursement

FOR 2003-05 BUDGET - NOT READY FOR INTRODUCTION

Do NOT GEN

1 AN ACT...; relating to: the budget.

Analysis by the Legislative Reference Bureau
HEALTH AND HUMAN SERVICES
OTHER HEALTH AND HUMAN SERVICES

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 aged at least 65 years, 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 DHFS, do not exceed 240% of the federal poverty line for families the size of each person's eligible family. Persons who meet these requirements must pay a 12-month program enrollment fee of \$20 and an annual \$500 deductible for prescription drugs, at the "program payment rate" (the MA prescription drug payment rate, plus 5%, plus a dispensing fee), and then need 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 for families the size of the persons' eligible families 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 at reduced amounts under Senior Care if, for each 12-month benefit period, they pay the program enrollment

200

more than

201

fee and then first “spend down” their income by paying for prescription drugs, at the program payment rate, a deductible of \$500 plus, at the retail price, the difference between their annual household income and 240% of the federal poverty line. Pharmacies and pharmacists are limited, as a condition of participation in MA, from charging participants in Senior Care more than the program payment rate for the deductible and the applicable copayment charge for each prescription drug purchased. Drug manufacturers that enter into rebate agreements with DHFS make rebate payments to the state treasurer for prescription drugs of the manufacturer that are prescribed for and purchased by Senior Care participants.

This bill increases the deductible for each 12-month Senior Care benefit period and the program enrollment fee for Senior Care participants, based on the percentage that a person’s annual household income is of the federal poverty line for a family the size of the person’s eligible family. Under the bill, persons with annual household incomes of more than 160% but less than ~~200%~~ ²⁰⁰ pay a deductible of \$500; persons with annual household incomes of ~~at least~~ ^{at least} 200% but less than 241% pay a deductible of \$750; and persons with annual household incomes of more than 240% pay a deductible of \$850. In addition, persons with annual household incomes of ~~less than~~ ^{or less} 200% pay a \$25 program enrollment fee, and persons with annual household incomes of more than ~~100%~~ pay a \$30 program enrollment fee. Further, the bill reduces the program payment rate for payment of the \$500 deductible to pharmacies and pharmacists, to the MA prescription drug payment rate, plus a dispensing fee.

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.** 49.688 (1) (e) of the statutes is amended to read:

2 49.688 (1) (e) “Program payment rate” means the rate of payment made for the
 3 identical drug specified under s. 49.46 (2) (b) 6. h., ~~plus 5%~~, plus a dispensing fee that
 4 is equal to the dispensing fee permitted to be charged for prescription drugs for which
 5 coverage is provided under s. 49.46 (2) (b) 6. h.

6 **SECTION 2.** 49.688 (3) (a) of the statutes is renumbered 49.688 (3) (a) (intro.)
 7 and amended to read:

8 49.688 (3) (a) (intro.) For each 12-month benefit period, a program enrollment
 9 fee of \$20, that is based on the percentage that a person’s annual household income,

1 as determined by the department, is of the federal poverty line for a family the size
2 of the person's eligible family, as follows:

3 SECTION 3. 49.688 (3) (a) 1. of the statutes is created to read:

4 49.688 (3) (a) 1. ~~Less than 200%~~, \$25.

Two hundred percent or less

5 SECTION 4. 49.688 (3) (a) 2. of the statutes is created to read:

6 49.688 (3) (a) 2. ~~Greater than 100%~~, \$30.

More

200

7 SECTION 5. 49.688 (3) (b) 1. of the statutes is renumbered 49.688 (3) (b) 1.

8 (intro.) and amended to read:

9 49.688 (3) (b) 1. (intro.) For each 12-month benefit period, for a person specified
10 in sub. (2) (a), a deductible for prescription drugs of \$500, ~~except that a person whose~~
11 that is based on the percentage that a person's annual household income, as
12 determined by the department, is 160% or less of the federal poverty line for a family
13 the size of the person's eligible family pays no deductible., as follows:

14 SECTION 6. 49.688 (3) (b) 1. a. of the statutes is created to read:

15 49.688 (3) (b) 1. a. ~~less than 162%~~, no deductible.

One hundred sixty percent or less

16 SECTION 7. 49.688 (3) (b) 1. b. of the statutes is created to read:

17 49.688 (3) (b) 1. b. More than 160%, but less than ~~200%~~, \$500.

201

18 SECTION 8. 49.688 (3) (b) 1. c. of the statutes is created to read:

19 49.688 (3) (b) 1. c. ~~At least~~ ^{More than} 200%, but less than 241%, \$750.

20 SECTION 9. 49.688 (3) (b) 2. b. of the statutes is amended to read:

21 49.688 (3) (b) 2. b. Five Eight hundred fifty dollars.

22 SECTION 9324. Initial applicability; health and family services.

23 (1) PRESCRIPTION DRUG ASSISTANCE; ENROLLMENT FEE AND DEDUCTIBLE. The
24 treatment of section 49.688 (3) (b) 2. b. of the statutes, the renumbering and
25 amendment of section 49.688 (5) (a) and (b) 1. of the statutes, and the creation of

1 section 49.688 (3) (a) 1. and 2. and (b) 1. a., b., and c. of the statutes first apply to a
2 person who is determined to be eligible under section 49.688 (2) of the statutes on the
3 effective date of this subsection.

4 **SECTION 9424. Effective dates; health and family services.**

5 (1) PRESCRIPTION DRUG ASSISTANCE; PROVIDER REIMBURSEMENT. The treatment of
6 section 49.688 (1) (e) of the statutes takes effect on January 1, 2004.

7 (END)

Kennedy, Debora

From: Blaine, Robert
Sent: Saturday, February 01, 2003 2:21 PM
To: Kennedy, Debora
Subject: FW: Fwd: FW: LRB Draft: 03-1485/3 Senior Care cost sharing and provider reimbursement

I'll go ahead and send this one over. To be honest, I don't see the difference between what they are requesting and what you have drafted, but it seems to really have them riled up.

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

From: Cunningham, Curtis
Sent: Friday, January 31, 2003 5:20 PM
To: Blaine, Robert
Cc: Boroniec, Priscilla; Handrich, Peggy; Pederson, Russell; Vavra, James; Bove, Fredi-Ellen; Cunningham, Curtis; Megna, Richard
Subject: Re: Fwd: FW: LRB Draft: 03-1485/3 Senior Care cost sharing and provider reimbursement

Robert,
Again, please see Shawn's comments. The language does not clearly define the income limits we are currently using. I think this is important to get corrected.

Thanks,
Curtis

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

Date: 01/31/2003 08:36 am -0600 (Friday)
From: Shawn Barry
To: Boroniec, Priscilla; Handrich, Peggy; Megna, Richard; Pederson, Russell; Vavra, James
CC: Cunningham, Curtis
Subject: Re: Fwd: FW: LRB Draft: 03-1485/3 Senior Care cost sharing and provider reimbursement

Again, I do not like the language that defines the FPL thresholds. They are too imprecise. Rather than say "more than 160% but less than 201%", it should read "more than 160% and not more than 200%." Likewise for the 240% threshold. This comment pertains to both the introductory text description on page 2 and the detail substitute language for the legislation on page 3, Sections 7 and 8.

Shawn Barry
608-266-9438
BHCB/DHCF

>>> Curtis Cunningham 01/30/03 04:51PM >>>

All,
If possible could you please give me comments by mid Friday afternoon. Please note that this is the final draft.

Thanks,
Curtis



SOON - In edit 2/1
State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-1485/4

DAK:cjs:es

EWLJ

DOA:.....Blaine - BB0343, Senior Care cost sharing and provider reimbursement

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

DO NOT GEN

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

OTHER HEALTH AND HUMAN SERVICES

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 aged at least 65 years, 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 DHFS, do not exceed 240% of the federal poverty line for families the size of each person's eligible family. Persons who meet these requirements must pay a 12-month program enrollment fee of \$20 and an annual \$500 deductible for prescription drugs, at the "program payment rate" (the MA prescription drug payment rate, plus 5%, plus a dispensing fee), and then need 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 for families the size of the persons' eligible families 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 at reduced amounts under Senior Care if, for each 12-month benefit period, they pay the program enrollment

not more than 200%

fee and then first “spend down” their income by paying for prescription drugs, at the program payment rate, a deductible of \$500 plus, at the retail price, the difference between their annual household income and 240% of the federal poverty line. Pharmacies and pharmacists are limited, as a condition of participation in MA, from charging participants in Senior Care more than the program payment rate for the deductible and the applicable copayment charge for each prescription drug purchased. Drug manufacturers that enter into rebate agreements with DHFS make rebate payments to the state treasurer for prescription drugs of the manufacturer that are prescribed for and purchased by Senior Care participants.

This bill increases the deductible for each 12-month Senior Care benefit period and the program enrollment fee for Senior Care participants, based on the percentage that a person’s annual household income is of the federal poverty line for a family the size of the person’s eligible family. Under the bill, persons with annual household incomes of more than 160% but ~~less than 201%~~ pay a deductible of \$500; persons with annual household incomes of more than 200% but ~~less than 241%~~ pay a deductible of \$750; and persons with annual household incomes of more than 240% pay a deductible of \$850. In addition, persons with annual household incomes of 200% or less pay a \$25 program enrollment fee, and persons with annual household incomes of more than 200% pay a \$30 program enrollment fee. Further, the bill reduces the program payment rate for payment of the \$500 deductible to pharmacies and pharmacists, to the MA prescription drug payment rate, plus a dispensing fee.

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

not more than 240%

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

1 **SECTION 1.** 49.688 (1) (e) of the statutes is amended to read:

2 49.688 (1) (e) “Program payment rate” means the rate of payment made for the
3 identical drug specified under s. 49.46 (2) (b) 6. h., ~~plus 5%~~, plus a dispensing fee that
4 is equal to the dispensing fee permitted to be charged for prescription drugs for which
5 coverage is provided under s. 49.46 (2) (b) 6. h.

6 **SECTION 2.** 49.688 (3) (a) of the statutes is renumbered 49.688 (3) (a) (intro.)
7 and amended to read:

8 49.688 (3) (a) (intro.) For each 12-month benefit period, a program enrollment
9 fee of ~~\$20.~~ that is based on the percentage that a person’s annual household income,

1 as determined by the department, is of the federal poverty line for a family the size
2 of the person's eligible family, as follows:

3 **SECTION 3.** 49.688 (3) (a) 1. of the statutes is created to read:

4 49.688 (3) (a) 1. Two hundred percent or less, \$25.

5 **SECTION 4.** 49.688 (3) (a) 2. of the statutes is created to read:

6 49.688 (3) (a) 2. More than 200%, \$30.

7 **SECTION 5.** 49.688 (3) (b) 1. of the statutes is renumbered 49.688 (3) (b) 1.
8 (intro.) and amended to read:

9 49.688 (3) (b) 1. (intro.) For each 12-month benefit period, for a person specified
10 in sub. (2) (a), a deductible for prescription drugs of \$500, ~~except that a person whose~~
11 that is based on the percentage that a person's annual household income, as
12 determined by the department, is 160% or less of the federal poverty line for a family
13 the size of the person's eligible family pays no deductible., as follows:

14 **SECTION 6.** 49.688 (3) (b) 1. a. of the statutes is created to read:

15 49.688 (3) (b) 1. a. One hundred sixty percent or less, no deductible.

16 **SECTION 7.** 49.688 (3) (b) 1. b. of the statutes is created to read:

17 49.688 (3) (b) 1. b. More than 160%, but ~~less than 200%~~ \$500.

not more than 200%

18 **SECTION 8.** 49.688 (3) (b) 1. c. of the statutes is created to read:

19 49.688 (3) (b) 1. c. More than 200%, but ~~less than 240%~~ \$750.

not more than 240%

20 **SECTION 9.** 49.688 (3) (b) 2. b. of the statutes is amended to read:

21 49.688 (3) (b) 2. b. ~~Five~~ Eight hundred fifty dollars.

22 **SECTION 9324. Initial applicability; health and family services.**

23 (1) PRESCRIPTION DRUG ASSISTANCE; ENROLLMENT FEE AND DEDUCTIBLE. The
24 treatment of section 49.688 (3) (b) 2. b. of the statutes, the renumbering and
25 amendment of section 49.688 (5) (a) and (b) 1. of the statutes, and the creation of

1 section 49.688 (3) (a) 1. and 2. and (b) 1. a., b., and c. of the statutes first apply to a
2 person who is determined to be eligible under section 49.688 (2) of the statutes on the
3 effective date of this subsection.

4 **SECTION 9424. Effective dates; health and family services.**

5 (1) PRESCRIPTION DRUG ASSISTANCE; PROVIDER REIMBURSEMENT. The treatment of
6 section 49.688 (1) (e) of the statutes takes effect on January 1, 2004.

7 (END)

Kennedy, Debora

From: Blaine, Robert
Sent: Tuesday, February 04, 2003 10:44 AM
To: Kennedy, Debora
Subject: FW: Fwd: FW: LRB Draft: 03-1485/4 Senior Care cost sharing and provider reimbursement

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

From: Cunningham, Curtis
Sent: Tuesday, February 04, 2003 8:47 AM
To: Blaine, Robert
Cc: Barry, Shawn; Pederson, Russell; Cunningham, Curtis; Megna, Richard
Subject: Re: Fwd: FW: LRB Draft: 03-1485/4 Senior Care cost sharing and provider reimbursement

Robert,
Attached is one more comment from Shawn about language in the analysis section of the SeniorCare bill. Also, could you please let me know if the pharmacy language was pulled or if the changes were made.

Thanks,
Curtis

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

Date: 02/04/2003 08:25 am -0600 (Tuesday)
From: Shawn Barry
To: Cunningham, Curtis; Megna, Richard
CC: Appleby, Pamela; Gray, Carrie; Pederson, Russell
Subject: Re: Fwd: FW: LRB Draft: 03-1485/4 Senior Care cost sharing and provider reimbursement

Hi Curtis, I think the preamble language relating to the rate change should strike the words "of the \$500 deductible" in the second from last sentence. It suggests the rate change only applies to the deductible, and I believe that is too restrictive for what is intended and is not consistent with the actual language change further down the page.
Thanks.

Shawn Barry
608-266-9438
BHCB/DHCF

>>> Curtis Cunningham 02/03/03 04:53PM >>>
The newest one



TODAY
State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-1485/5
DAK:cjs&wlj:15

DOA:.....Blaine - BB0343, Senior Care cost sharing and provider reimbursement

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

DO NOT GEN

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

OTHER HEALTH AND HUMAN SERVICES

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 aged at least 65 years, 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 DHFS, do not exceed 240% of the federal poverty line for families the size of each person's eligible family. Persons who meet these requirements must pay a 12-month program enrollment fee of \$20 and an annual \$500 deductible for prescription drugs, at the "program payment rate" (the MA prescription drug payment rate, plus 5%, plus a dispensing fee), and then need 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 for families the size of the persons' eligible families 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 at reduced amounts under Senior Care if, for each 12-month benefit period, they pay the program enrollment

fee and then first “spend down” their income by paying for prescription drugs, at the program payment rate, a deductible of \$500 plus, at the retail price, the difference between their annual household income and 240% of the federal poverty line. Pharmacies and pharmacists are limited, as a condition of participation in MA, from charging participants in Senior Care more than the program payment rate for the deductible and the applicable copayment charge for each prescription drug purchased. Drug manufacturers that enter into rebate agreements with DHFS make rebate payments to the state treasurer for prescription drugs of the manufacturer that are prescribed for and purchased by Senior Care participants.

This bill increases the deductible for each 12-month Senior Care benefit period and the program enrollment fee for Senior Care participants, based on the percentage that a person’s annual household income is of the federal poverty line for a family the size of the person’s eligible family. Under the bill, persons with annual household incomes of more than 160% but not more than 200% pay a deductible of \$500; persons with annual household incomes of more than 200% but not more than 240% pay a deductible of \$750; and persons with annual household incomes of more than 240% pay a deductible of \$850. In addition, persons with annual household incomes of 200% or less pay a \$25 program enrollment fee, and persons with annual household incomes of more than 200% pay a \$30 program enrollment fee. Further, the bill reduces the program payment rate for payment ~~of the \$500 deductible~~ to pharmacies and pharmacists, to the MA prescription drug payment rate, plus a dispensing fee.

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

INSERT
ANAL

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

1 **SECTION 1.** 49.688 (1) (e) of the statutes is amended to read:

2 49.688 (1) (e) “Program payment rate” means the rate of payment made for the
3 identical drug specified under s. 49.46 (2) (b) 6. h., ~~plus 5%~~, plus a dispensing fee that
4 is equal to the dispensing fee permitted to be charged for prescription drugs for which
5 coverage is provided under s. 49.46 (2) (b) 6. h.

6 **SECTION 2.** 49.688 (3) (a) of the statutes is renumbered 49.688 (3) (a) (intro.)
7 and amended to read:

8 49.688 (3) (a) (intro.) For each 12-month benefit period, a program enrollment
9 fee of ~~\$20.~~ that is based on the percentage that a person’s annual household income,

1 as determined by the department, is of the federal poverty line for a family the size
2 of the person's eligible family, as follows:

3 **SECTION 3.** 49.688 (3) (a) 1. of the statutes is created to read:

4 49.688 (3) (a) 1. Two hundred percent or less, \$25.

5 **SECTION 4.** 49.688 (3) (a) 2. of the statutes is created to read:

6 49.688 (3) (a) 2. More than 200%, \$30.

7 **SECTION 5.** 49.688 (3) (b) 1. of the statutes is renumbered 49.688 (3) (b) 1.
8 (intro.) and amended to read:

9 49.688 (3) (b) 1. (intro.) For each 12-month benefit period, for a person specified
10 in sub. (2) (a), a deductible for prescription drugs of \$500, ~~except that a person whose~~
11 that is based on the percentage that a person's annual household income, as
12 determined by the department, is 160% or less of the federal poverty line for a family
13 the size of the person's eligible family pays no deductible., as follows:

14 **SECTION 6.** 49.688 (3) (b) 1. a. of the statutes is created to read:

15 49.688 (3) (b) 1. a. One hundred sixty percent or less, no deductible.

16 **SECTION 7.** 49.688 (3) (b) 1. b. of the statutes is created to read:

17 49.688 (3) (b) 1. b. More than 160%, but not more than 200%, \$500.

18 **SECTION 8.** 49.688 (3) (b) 1. c. of the statutes is created to read:

19 49.688 (3) (b) 1. c. More than 200%, but not more than 240%, \$750.

20 **SECTION 9.** 49.688 (3) (b) 2. b. of the statutes is amended to read:

21 49.688 (3) (b) 2. b. ~~Five~~ Eight hundred fifty dollars.

22 **SECTION 9324. Initial applicability; health and family services.**

23 (1) PRESCRIPTION DRUG ASSISTANCE; ENROLLMENT FEE AND DEDUCTIBLE. The
24 treatment of section 49.688 (3) (b) 2. b. of the statutes, the renumbering and
25 amendment of section 49.688 (5) (a) and (b) 1. of the statutes, and the creation of

1 section 49.688 (3) (a) 1. and 2. and (b) 1. a., b., and c. of the statutes first apply to a
2 person who is determined to be eligible under section 49.688 (2) of the statutes on the
3 effective date of this subsection.

4 **SECTION 9424. Effective dates; health and family services.**

5 (1) PRESCRIPTION DRUG ASSISTANCE; PROVIDER REIMBURSEMENT. The treatment of
6 section 49.688 (1) (e) of the statutes takes effect on January 1, 2004.

7 (END)

INSERT ANAL

with

Payment is made to pharmacies and pharmacists,
for prescription drugs sold to Senior Care
participants, by the state from the rebate
payments and from general purpose revenues,
at the program payment rate.



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-1485/5
DAK:cjs&wlj:cph

DOA:.....Blaine - BB0343, Senior Care cost sharing and provider reimbursement

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

OTHER HEALTH AND HUMAN SERVICES

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 aged at least 65 years, 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 DHFS, do not exceed 240% of the federal poverty line for families the size of each person's eligible family. Persons who meet these requirements must pay a 12-month program enrollment fee of \$20 and an annual \$500 deductible for prescription drugs, at the "program payment rate" (the MA prescription drug payment rate, plus 5%, plus a dispensing fee), and then need 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 for families the size of the persons' eligible families 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 at reduced amounts under Senior Care if, for each 12-month benefit period, they pay the program enrollment

fee and then first “spend down” their income by paying for prescription drugs, at the program payment rate, a deductible of \$500 plus, at the retail price, the difference between their annual household income and 240% of the federal poverty line. Pharmacies and pharmacists are limited, as a condition of participation in MA, from charging participants in Senior Care more than the program payment rate for the deductible and the applicable copayment charge for each prescription drug purchased. Drug manufacturers that enter into rebate agreements with DHFS make rebate payments to the state treasurer for prescription drugs of the manufacturer that are prescribed for and purchased by Senior Care participants. Payment is made to pharmacies and pharmacists, for prescription drugs sold to Senior Care participants, by the state from the rebate payments and from general purpose revenues, at the program payment rate.

This bill increases the deductible for each 12-month Senior Care benefit period and the program enrollment fee for Senior Care participants, based on the percentage that a person’s annual household income is of the federal poverty line for a family the size of the person’s eligible family. Under the bill, persons with annual household incomes of more than 160% but not more than 200% pay a deductible of \$500; persons with annual household incomes of more than 200% but not more than 240% pay a deductible of \$750; and persons with annual household incomes of more than 240% pay a deductible of \$850. In addition, persons with annual household incomes of 200% or less pay a \$25 program enrollment fee, and persons with annual household incomes of more than 200% pay a \$30 program enrollment fee. Further, the bill reduces the program payment rate for payment to pharmacies and pharmacists, to the MA prescription drug payment rate, plus a dispensing fee.

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.** 49.688 (1) (e) of the statutes is amended to read:

2 49.688 (1) (e) “Program payment rate” means the rate of payment made for the
3 identical drug specified under s. 49.46 (2) (b) 6. h., ~~plus 5%~~, plus a dispensing fee that
4 is equal to the dispensing fee permitted to be charged for prescription drugs for which
5 coverage is provided under s. 49.46 (2) (b) 6. h.

6 **SECTION 2.** 49.688 (3) (a) of the statutes is renumbered 49.688 (3) (a) (intro.)
7 and amended to read:

1 49.688 (3) (a) (intro.) For each 12-month benefit period, a program enrollment
2 fee of \$20. that is based on the percentage that a person's annual household income,
3 as determined by the department, is of the federal poverty line for a family the size
4 of the person's eligible family, as follows:

5 **SECTION 3.** 49.688 (3) (a) 1. of the statutes is created to read:

6 49.688 (3) (a) 1. Two hundred percent or less, \$25.

7 **SECTION 4.** 49.688 (3) (a) 2. of the statutes is created to read:

8 49.688 (3) (a) 2. More than 200%, \$30.

9 **SECTION 5.** 49.688 (3) (b) 1. of the statutes is renumbered 49.688 (3) (b) 1.
10 (intro.) and amended to read:

11 49.688 (3) (b) 1. (intro.) For each 12-month benefit period, for a person specified
12 in sub. (2) (a), a deductible for prescription drugs of \$500, ~~except that a person whose~~
13 that is based on the percentage that a person's annual household income, as
14 determined by the department, is 160% or less of the federal poverty line for a family
15 the size of the person's eligible family pays no deductible., as follows:

16 **SECTION 6.** 49.688 (3) (b) 1. a. of the statutes is created to read:

17 49.688 (3) (b) 1. a. One hundred sixty percent or less, no deductible.

18 **SECTION 7.** 49.688 (3) (b) 1. b. of the statutes is created to read:

19 49.688 (3) (b) 1. b. More than 160%, but not more than 200%, \$500.

20 **SECTION 8.** 49.688 (3) (b) 1. c. of the statutes is created to read:

21 49.688 (3) (b) 1. c. More than 200%, but not more than 240%, \$750.

22 **SECTION 9.** 49.688 (3) (b) 2. b. of the statutes is amended to read:

23 49.688 (3) (b) 2. b. Five Eight hundred fifty dollars.

24 **SECTION 9324. Initial applicability; health and family services.**

1 (1) PRESCRIPTION DRUG ASSISTANCE; ENROLLMENT FEE AND DEDUCTIBLE. The
2 treatment of section 49.688 (3) (b) 2. b. of the statutes, the renumbering and
3 amendment of section 49.688 (5) (a) and (b) 1. of the statutes, and the creation of
4 section 49.688 (3) (a) 1. and 2. and (b) 1. a., b., and c. of the statutes first apply to a
5 person who is determined to be eligible under section 49.688 (2) of the statutes on the
6 effective date of this subsection.

7 **SECTION 9424. Effective dates; health and family services.**

8 (1) PRESCRIPTION DRUG ASSISTANCE; PROVIDER REIMBURSEMENT. The treatment of
9 section 49.688 (1) (e) of the statutes takes effect on January 1, 2004.

10

(END)