

2003 DRAFTING REQUEST

Senate Amendment (SA-SB44)

Received: **06/04/2003**

Received By: **rryan**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **Carabell**

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

Drafter: **rryan**

May Contact:

Addl. Drafters:

Subject: **Health - medical assistance**

Extra Copies: **DAK**

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

LFB:.....Carabell -

Topic:

Increased payments to HMOs from savings resulting from rebates and prior authorization

Instructions:

Motion #638

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	rryan 06/05/2003	jdyer 06/05/2003	chaskett 06/05/2003	_____	sbasford 06/05/2003		
		jdyer 06/05/2003		_____			
/2	rryan	kfollett	jfrantze	_____	lemery		

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	06/06/2003	06/06/2003	06/06/2003	_____	06/06/2003		
/3	rryan 06/09/2003	jdye 06/09/2003	jfrantze 06/09/2003	_____ _____	sbasford 06/09/2003		
/4	rryan 06/16/2003	kgilfoy 06/16/2003	chaugen 06/16/2003	_____ _____	sbasford 06/16/2003		

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		<i>3/9/03</i>	<i>7/6/03</i>	<i>Self</i>			
				<i>2/9</i>			

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jdyer
06/05/2003
12 kjl
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/?	rryan	1 6/4 jld		_____			

FE Sent For:

<END>

Representative Kaufert

HEALTH AND FAMILY SERVICES -- HEALTH CARE FINANCING

Drug Savings and HMO Rate Increases

Motion:

Move to require the Department of Health and Family Services (DHFS) to develop a plan to fund increases in payments to health maintenance organizations (HMOs) that serve MA and BadgerCare enrollees from any savings available from the use of prior authorization and supplemental rebates for drugs purchased under MA, BadgerCare, and SeniorCare that exceed the savings anticipated in the bill, if DHFS determines that such savings exist. Require DHFS to submit this plan to the Department of Administration (DOA) for approval. If DOA approves the plan, require DOA to submit the plan to the Joint Committee on Finance for approval under a 14-day passive review process before the plan can be implemented. Authorize the Joint Committee on Finance to approve any appropriation transfers necessary to implement the plan as approved.

*Debra Kennedy
from Rachel Carabell (LFB)*

Note:

The bill would reduce MA, BadgerCare and SeniorCare expenditures by \$47,469,100 (-\$21,249,100 GPR, -\$25,426,200 FED, and -\$793,800 PR) in 2003-04 and \$68,585,000 (-\$30,518,200 GPR, -\$36,942,400 FED, and -\$1,124,400 PR) in 2004-05 to reflect anticipated savings available from increased use of prior authorization for drugs purchased under these programs, and savings available from securing agreements with pharmaceutical manufacturers that would require these manufacturers to provide rebates for drugs purchased under these programs that exceed the rebates provided under current law.

Under this motion, if additional savings result from increased use of prior authorization and supplemental rebates than assumed in the bill, such savings could be used to fund increases in HMO payments based on a plan developed by DHFS, and approved by DOA and the Joint Committee on Finance under a 14-day passive approval process.

60368

Phone call to Rachel 6/4/03

Want me to specify amount of savings
anticipated in the bill? - no



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBb03687

RWR
jld

LFB:.....Carabel – Increased payments to HMOs from savings resulting from rebates and prior authorization

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO 2003 SENATE BILL 44

RMR

D-Note

1 At the locations indicated, amend the bill as follows:

2 1. Page 107⁶, line ²⁴~~107~~: after that line insert:

3 "~~107~~^{7C} PAYMENT INCREASES FOR HEALTH MAINTENANCE ORGANIZATIONS. If the
4 department of health and family services determines that supplemental rebate
5 agreements entered into, or prior authorization requirements imposed, in
6 accordance with section [✓]49.45 (49m) of the statutes, as created by this act, generate
7 more savings in spending on prescription drugs under the Medical Assistance^{program} or

8 ^{the} Badger Care^{health care} programs or under the program under 49.688[✓] of the statutes, than are

9 allocated for expenditure under ~~2003 Wisconsin Act ... (this act)~~, as determined by
10 the department of health and family services, the department of health and family
11 services[✓] shall submit a plan to the department of administration to use the

the 2003-05 biennial budget act

1 additional savings to fund increases in rates paid to health care maintenance
 2 organizations under the Medical Assistance ^{program} and ^{health care} Badger Care ^e programs. If the
 3 department of administration approves the plan, the department of administration
 4 shall submit the plan to the joint committee on finance. If the cochairpersons of the
 5 committee do not notify the department of administration within 14 working days
 6 after the date of the department of administration's submittal that the committee
 7 has scheduled a meeting for the purpose of reviewing the plan, the plan may be
 8 implemented as proposed by the department of administration. If, within 14
 9 working days after the date of the department of administration's submittal, the
 10 cochairpersons of the committee notify the department of administration that the
 11 committee has scheduled a meeting for the purpose of reviewing the proposed plan,
 12 the plan may be implemented only upon approval of the committee." ✓

△
Space

(END)

d-note
↓

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb0368/1dn

RLR:.....

↑
jld

Rachel:

This is the draft for motion #638.

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

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb0368/1dn
RLR:jld:eph

June 5, 2003

Rachel:

This is the draft for motion #638.

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



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBb036841

RLR:jld:cph

2
i. c.
E. K. J.

LFB:.....Carabell – Increased payments to HMOs from savings resulting from rebates and prior authorization

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO 2003 SENATE BILL 44

RMR

1 At the locations indicated, amend the bill as follows:

2 1. Page 1076, line 24: after that line insert:

3 “(7c) PAYMENT INCREASES FOR HEALTH MAINTENANCE ORGANIZATIONS. If the

4 department of health and family services determines that supplemental rebate

5 agreements entered into, or prior authorization requirements imposed, in

6 accordance with section 49.45 (49m) of the statutes, as created by this act, generate

7 more savings in spending on prescription drugs under the Medical Assistance

8 program or the Badger Care health care program or under the program under ^{section} 49.688

9 of the statutes, than are allocated for expenditure under the 2003-05 biennial budget

10 act, as determined by the department of health and family services, the department

11 of health and family services shall submit a plan to the ~~department~~ ^{secretary} of administration

before July 1, 2005

more rebate earnings or

including any proposed ^{ed} appropriation transfers that are necessary to implement the plan,

1 to use the additional ^{earnings or} savings to fund increases in rates paid to health care
 2 maintenance organizations under the Medical Assistance program and the Badger
 3 Care health care program. If the ~~department of administration~~ ^{secretary} approves the plan,
 4 ~~the department of administration~~ shall submit the plan to the joint committee on
 5 finance. If the cochairpersons of the committee do not notify the ~~department of~~
 6 ~~administration~~ ^{secretary's} within 14 working days after the date of the ~~department of~~
 7 ~~administration's~~ submittal that the committee has scheduled a meeting for the
 8 purpose of reviewing the plan, the ~~plan~~ ^{plan} may ~~be~~ ^{be} implemented ~~as~~ ^{as} proposed by the
 9 ~~department of administration~~. If, within 14 working days after the date of the
 10 ~~department of administration's~~ submittal, the cochairpersons of the committee
 11 notify the ~~department of administration~~ that the committee has scheduled a meeting
 12 for the purpose of reviewing the proposed plan, the ~~plan~~ ^{plan} may ~~be~~ ^{be} implemented ~~only~~
 13 upon approval of the committee.”

(END)

department

the plan



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBb0368/2
RLR:jld&kjf:jf

3

LFB:.....Carabell – Increased payments to HMOs from savings resulting from rebates and prior authorization

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO 2003 SENATE BILL 44

RMR

D-Note

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4 1, 2005, the department of health and family services determines that supplemental
5 rebate agreements entered into, or prior authorization requirements imposed, in
6 accordance with section 49.45 (49m) of the statutes, as created by this act, generate
7 more rebate earnings or more savings in spending on prescription drugs under the
8 Medical Assistance program or the Badger Care health care program or under the
9 program under section 49.688 of the statutes, than are allocated for expenditure
10 under the 2003-05 biennial budget act, as determined by the department of health
11 and family services, the department of health and family services shall submit a

1 plan, including any proposed appropriation transfers that are necessary to
2 implement the plan, to the secretary of administration to use the additional earnings
3 or savings to fund increases in rates paid to health care maintenance organizations
4 under the Medical Assistance program and the Badger Care health care program.
5 If the secretary approves the plan, the secretary shall submit the plan to the joint
6 committee on finance. If the cochairpersons of the committee do not notify the
7 secretary within 14 working days after the date of the secretary's submittal that the
8 committee has scheduled a meeting for the purpose of reviewing the plan, the
9 department may implement the plan as proposed by the secretary. If, within 14
10 working days after the date of the secretary's submittal, the cochairpersons of the
11 committee notify the secretary that the committee has scheduled a meeting for the
12 purpose of reviewing the proposed plan, the department may implement the plan
13 only upon approval of the committee."

14 (END)

of health and family services ✓

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0368/3dn

RLR:.....

Jld

Rachel:

I redrafted this amendment to specify the "department of health and family services" on page 2 instead of just the "department."

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

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0368/3dn
RLR:jld:jf

June 9, 2003

Rachel:

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



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBb0368/8
RLR:jld&kjf:jf
stays
4

LFB:.....Carabell – Increased payments to HMOs from savings resulting from rebates and prior authorization

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO 2003 SENATE BILL 44

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8 Medical Assistance program or the Badger Care health care program or under the
9 program under section 49.688 of the statutes, than are allocated for expenditure
10 under the 2003-05 biennial budget act, as determined by the department of health
11 and family services, the department of health and family services shall submit a

as affected by this act

1 plan, including any proposed appropriation transfers that are necessary to
2 implement the plan, to the secretary of administration to use the additional earnings
3 or savings to fund increases in rates paid to health ~~care~~ maintenance organizations
4 under the Medical Assistance program and the Badger Care health care program.
5 If the secretary approves the plan, the secretary shall submit the plan to the joint
6 committee on finance. If the cochairpersons of the committee do not notify the
7 secretary within 14 working days after the date of the secretary's submittal that the
8 committee has scheduled a meeting for the purpose of reviewing the plan, the
9 department of health and family services may implement the plan as proposed by the
10 secretary. If, within 14 working days after the date of the secretary's submittal, the
11 cochairpersons of the committee notify the secretary that the committee has
12 scheduled a meeting for the purpose of reviewing the proposed plan, the department
13 of health and family services may implement the plan only upon approval of the
14 committee.”.

15 (END)



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBb0368/4
RLR:jld&kjf:ch

LFB:.....Carabell – Increased payments to HMOs from savings resulting
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14 committee.”.

15 (END)