Received: 06/04/2003					Received By: rryan				
Wanted	: As time perm	nits	Identical to LRB:						
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/4	rryan 06/16/2003	kgilfoy 06/16/2003	chaugen 06/16/200	3	sbasford 06/16/2003		

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06/09/2003 10:31:47 AM Page 2

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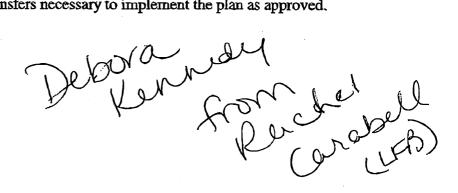
Representative Kaufert

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.



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.

STATE OF WISCONSIN – LEGISLATIVE REFERENCE BUREAU – LEGAL SECTION (608–266–3561)

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State of Misconsin **2003 - 2004 LEGISLATURE**



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



D-Note

At the locations indicated, amend the bill as follows: 1. Page 1073, line W: after that line insert: 2 PAYMENT INCREASES FOR HEALTH MAINTENANCE ORGANIZATIONS. If the 3 4 department of health and family services determines that supplemental rebate 5 agreements entered into, or prior authorization requirements imposed, in accordance with section 49.45 (49m) of the statutes, as created by this act, generate 6 more savings in spending on prescription drugs under the Medical Assistance or Badger Care programs or under the program under 49.688 of the statutes, than are allocated for expenditure under 2003 Wisconsin Act ... Ithis ago, as determined by the department of health and family services, the department of health and family 10 services shall submit a plan to the department of administration to use the 11 the 2003-05 biennal budget act

additional savings to fund increases in rates paid to health care maintenance organizations under the Medical Assistance, and Badger Care programs. If the department of administration approves the plan, the department of administration shall submit the plan to the joint committee on finance. If the cochairpersons of the committee do not notify the department of administration within 4 working days after the date of the department of administration's submittal that the committee has scheduled a meeting for the purpose of reviewing the plan, the plan may be implemented as proposed by the department of administration. If, within 14 working days after the date of the department of administration's submittal, the cochairpersons of the committee notify the department of administration that the committee has scheduled a meeting for the purpose of reviewing the proposed plan, the plan may be implemented only upon approval of the committee."

(END)

d-note

DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRBb0368/1dn RLR:ر....

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:cph

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 Misconsin 2003 - 2004 **LEGISLATURE**

LRBb0368/ RLR:jld:cph

RMY

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

At the locations indicated, amend the bill as follows:

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

"(7c) Payment increases for health maintenance organizations. department of health and family services determines that supplemental rebate agreements entered into, or prior authorization requirements imposed, in accordance with section 49.45 (49m) of the statutes, as created by this act, generate more savings in spending on prescription drugs under the Medical Assistance program or the Badger Care health care program or under the program under 49.688 of the statutes, than are allocated for expenditure under the 2003-05 biennial budget act, as determined by the department of health and family services, the department of health and family services shall submit a plan to the partment of administration

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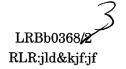
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State of Misconsin 2003 - 2004 LEGISLATURE



Date

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

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

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(END)

for health and family services

DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRBb0368/3dn RLR: \(\frac{1}{\lambda}\)

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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E-mail: robin.ryan@legis.state.wi.us



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State of Misconsin 2003 - 2004 LEGISLATURE



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State of Misconsin 2003 - 2004 LEGISLATURE

LRBb0368/4 RLR:jld&kjf:ch

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