

2003 DRAFTING REQUEST

Senate Amendment (SA-SSA1-SB44)

Received: 06/17/2003

Received By: rryan

Wanted: As time permits

Identical to LRB:

For: Gwendolynne Moore (608) 266-5810

By/Representing: Rachel Roller

This file may be shown to any legislator: NO

Drafter: rryan

May Contact: LFB

Add. Drafters:

Subject: Health - medical assistance

Extra Copies: DAK

Submit via email: YES

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

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

MA supplemental rebates on prescription drugs

Instructions:

Motion 577 (not taken up) seek supplemental rebates, including on generic drugs; any savings above budgeted amount go to MA services

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 06/17/2003	kfollett 06/17/2003	rschluet 06/17/2003	_____	mbarman 06/17/2003	mbarman 06/17/2003	

FE Sent For:

<END>

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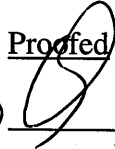
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1?	rryan	11 kgl 6/17/03		 6-7-3	P6		

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<END>

HEALTH AND FAMILY SERVICES - HEALTH CARE FINANCING

Supplemental Rebates for Prescription Drugs

Motion:

Move to direct the Department of Health and Family Services (DHFS) to pursue agreements with the manufacturers of drugs that bear a generic name only, in which the manufacturer would agree to provide rebates for drugs purchased under medical assistance (MA), BadgerCare, and SeniorCare that are in addition to the rebates paid under the current MA rebate formula.

Note:

Under federal law, manufacturers of generic drugs must enter into rebate agreements with the U.S. Department of Health and Human Services, for their drugs to be covered under state MA programs. Under current federal law, the rebate paid by manufacturers of generic drugs is equal to 11 percent of the average manufacturer price. This rebate formula applies for drugs purchased under MA, BadgerCare and SeniorCare. Revenue from payment of the rebate is used to offset GPR and federal funds expenditures for drugs under these programs.

Under this motion, DHFS would be directed to seek agreements with manufacturers of generic drugs in which the manufacturer would agree to provide additional rebates above which is required under federal law. Any supplemental rebate revenue received as a result of such agreements would be used to reduce GPR and federal costs under MA, BadgerCare and SeniorCare.

Motion 2377

not taken up
to chair meeting

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

LRBb0524/1dn

RLR: *KJH*

Date

Rachel:

The substitute amendment, under proposed s. 49.45 (49m) (c) 2., already directs the department of health and family services (DHFS) to seek supplemental rebates on prescription drugs, including generic drugs. The substitute amendment also directs DHFS to submit a plan to the joint committee on finance for spending any earnings from supplemental rebates or savings from new prior authorization requirements, which are not already appropriated for expenditure in the substitute amendment, on rate increases for health maintenance organizations. This amendment deletes the requirement that DHFS submit a plan to spend the additional earnings or savings on rate increases for health maintenance organizations and instead allocates such savings for services under the Medical Assistance Program. *X*

Robin Ryan
Legislative Attorney
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E-mail: robin.ryan@legis.state.wi.us



~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

RMR

**SENATE AMENDMENT ,
TO SENATE SUBSTITUTE AMENDMENT 1,
TO 2003 SENATE BILL 44**

D-Note

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 1067, line 12: delete lines 12 and 13 and substitute:

3 ^f
“(7c) PRESCRIPTION DRUG SUPPLEMENTAL REBATES. If supplemental”.

4 **2.** Page 1067, line 19 delete the material beginning with “as determined by”

5 and ending with “care program.” on page 1067, line 25, and substitute:

6 “the additional earnings or savings shall be allocated for services under the

7 Medical Assistance Program. If moneys must be transferred between appropriations

8 to expend the additional earnings or savings for services under the Medical

9 Assistance Program, the department of health and family services shall submit ^{a plan} to

1 the secretary of administration ~~and plan~~ to make the necessary appropriation
2 transfers.”.

X

3

(END)

D-Note

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FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0524/1dn
RLR:kjf:rs

June 17, 2003

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