

### Fiscal Estimate - 2021 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>21-3338/1</b>	<b>Introduction Number</b> <b>AB-0555</b>
<b>Description</b> licensure of pharmaceutical representatives	
<b>Fiscal Effect</b>	
<b>State:</b>	
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate	
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues  <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
<b>Local:</b>	
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate	
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
<b>5. Types of Local Government Units Affected</b> <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
<b>Fund Sources Affected</b>	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
<b>Affected Ch. 20 Appropriations</b>	
<b>Agency/Prepared By</b> OCI/ Jeff Grothman (608) 264-6239	<b>Authorized Signature</b> Sarah Smith (608) 267-9460
<b>Date</b> 9/20/2021	

## Fiscal Estimate Narratives

OCI 9/20/2021

LRB Number	21-3338/1	Introduction Number	AB-0555	Estimate Type	Original
<b>Description</b> licensure of pharmaceutical representatives					

### Assumptions Used in Arriving at Fiscal Estimate

Assembly Bill 555 directs the Office of the Commissioner of Insurance (OCI) to license individuals who market or promote pharmaceuticals to health care professionals on behalf of a pharmaceutical manufacturer for compensation.

The bill requires the license to be annually renewed. Additionally, for an applicant to obtain licensure, the individual must do the following:

- Provide their contact information
- A description of the type of work in which he or she will engage
- An attestation that the professional education requirements are met
- The license fee (The bill allows the license fee to be set by the Commissioner of Insurance)
- Proof that any penalties and other fees are paid
- Any other information required by OCI

The pharmaceutical representative has four days to report any change to the information they provided on the application or any material to their business operations.

Assembly Bill 555 requires that a pharmaceutical representative complete a professional education course prior to becoming licensed and to annually complete at least five hours of continuing professional education. The coursework must include, at a minimum, training in ethical standards, whistleblower protections, and the laws and rules applicable to pharmaceutical marketing. The bill directs the Commissioner of Insurance to regularly publish a list of courses that fulfill the education requirements. Under the bill, a course provider must disclose any conflict of interest and the courses may not be provided by an employer of a pharmaceutical representative or be funded by the pharmaceutical industry or a third party funded by the industry.

Assembly Bill 555 requires that, no later than June 1 of each year, a pharmaceutical representative report to OCI his or her total number of contacts with health care professionals in Wisconsin, the specialties of those health care professionals, the location and duration of each contact, the pharmaceuticals discussed, and the value of any item provided to a health care professional. The bill directs the Commissioner of Insurance to publish the information on OCI's website, without identifying individual health care professionals.

Assembly Bill 555 requires that a pharmaceutical representative, during each contact with a health care professional, disclose the wholesale acquisition cost of any pharmaceuticals discussed and the names of at least three generic prescription drugs from the same therapeutic class.

Assembly Bill 555 directs the Commissioner of Insurance to promulgate ethical standards for pharmaceutical representatives. Additionally, the bill prohibits a pharmaceutical representative from engaging in deceptive or misleading marketing of a pharmaceutical product; using a title or designation that could reasonably lead a licensed health care professional, or an employee or representative of such a professional, to believe that he or she is licensed to practice in a health occupation unless he or she holds a license to practice; or attending an examination without the patient's consent.

Under the bill, an individual violating any of these provisions is subject to a fine, and his or her license may be suspended or revoked. An individual whose license is revoked must wait at least two years before applying for a new license.

At this time, OCI cannot determine the fiscal effect this legislation will have on staff time and agency resources.

### Long-Range Fiscal Implications

None.