

### Fiscal Estimate - 2021 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>21-4386/1</b>	<b>Introduction Number</b> <b>AB-0557</b>
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**Description**  
 insulin safety net programs and providing a penalty

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Create New Appropriations		

**Local:**

<input type="checkbox"/> No Local Government Costs	<b>5. Types of Local Government</b>	
<input type="checkbox"/> Indeterminate	<b>Units Affected</b>	
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties <input type="checkbox"/> Others
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</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>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
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## Fiscal Estimate Narratives

OCI 9/20/2021

LRB Number	21-4386/1	Introduction Number	AB-0557	Estimate Type	Original
<b>Description</b> insulin safety net programs and providing a penalty					

### Assumptions Used in Arriving at Fiscal Estimate

Assembly Bill 557 requires insulin manufacturers to establish a program under which qualifying Wisconsin residents who are in urgent need of insulin and are uninsured or have limited insurance coverage can be dispensed insulin at a pharmacy. Under the program, if a qualifying individual is in urgent need of insulin, and provides a pharmacy with a form attesting that the individual meets the program's eligibility requirements, specified proof of residency, and a valid insulin prescription, the pharmacy must dispense a 30-day supply of insulin to the individual and may charge the individual a copayment of no more than \$35. The pharmacy may submit an electronic payment claim for the insulin's acquisition cost to the manufacturer or agree to receive a replacement of the same insulin in the amount dispensed.

Additionally, the bill requires insulin manufacturers to establish a patient assistance program to make insulin available to any qualifying Wisconsin resident who is uninsured or has limited insurance coverage and whose income does not exceed 400 percent of the federal poverty guidelines. An individual must apply to participate in a manufacturer's program. If the manufacturer determines that the individual meets the program's eligibility requirements, the manufacturer issues the individual a statement of eligibility, which is valid for 12 months and may be renewed. If an individual with a statement of eligibility and valid insulin prescription requests insulin from a pharmacy, the pharmacy must submit an order to the manufacturer, who must then provide a 90-day supply of insulin at no charge to the individual or pharmacy. The pharmacy may charge the individual a copayment of no more than \$50. Under the bill, a manufacturer is not required to issue a statement of eligibility if the individual has prescription drug coverage through an individual or group health plan and the manufacturer determines that the individual's insulin needs are better addressed through the manufacturer's copayment assistance program. In such case, the manufacturer must provide the individual with the necessary drug coupons, and the individual may not be required to pay more than a \$50 copayment for a 90-day supply of insulin.

If the manufacturer determines that an individual is not eligible for the patient assistance program, the individual may file an appeal with the Office of the Commissioner of Insurance (OCI). The bill directs OCI to establish procedures for deciding appeals. Under the bill, OCI must issue a decision within 10 days, and that decision is final.

Assembly Bill 557 requires that insulin manufacturers annually report to OCI information about the number of patients served and amount of insulin dispensed under the programs and that OCI annually report to the legislature on the programs. Additionally, OCI is directed to conduct public outreach and develop an information sheet about the programs, conduct satisfaction surveys of individuals and pharmacies who participate in the programs and report to the legislature on the surveys by July 1, 2024. Assembly Bill 557 requires OCI to develop a training program for health care navigators to assist individuals in accessing appropriate long-term insulin options and maintain a list of trained navigators.

Assembly Bill 557 provides that a manufacturer that fails to comply with the bill's provisions may be assessed a penalty of up to \$200,000 per month of noncompliance, which increases to \$400,000 if the manufacturer continues to be in noncompliance after six months and to \$600,000 if the manufacturer continues to be in noncompliance after one year. The bill's requirements do not apply to manufacturers with annual insulin sales revenue in Wisconsin of no more than \$2,000,000 or to insulin that costs less than a specified dollar amount.

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

### Long-Range Fiscal Implications

None.