

Fiscal Estimate Narratives

DHS 9/17/2021

LRB Number	21-4388/1	Introduction Number	AB-0559	Estimate Type	Original
Description eliminating cost sharing for prescription drugs under the Medical Assistance program					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, certain Wisconsin Medicaid participants are charged copayments for some services, including prescription drugs. Federal law requires Medicaid copayments to be "nominal." Certain Medicaid participants, such as children and nursing home residents, are not charged copayments. For prescription drugs, the current copayment for non-exempt Medicaid participants is \$1 for generic drugs and \$3 for brand-name drugs. These copayments are capped at \$12 per month. Prescription drugs are reimbursed on a fee-for-service basis, including for individuals enrolled in a Medicaid managed care program.

Copayments for prescription drugs are collected by providers. Providers may not deny care to a Medicaid participant due to a recipient's inability to pay a copay. The copayment amount is subtracted from the provider's reimbursement even when the provider does not collect the copayment.

This bill eliminates prescription drug copayments for Wisconsin Medicaid participants, increasing costs for the Medicaid program. It is projected that eliminating Medicaid copayments for prescription drugs would cost \$6.0 million all funds (\$2.4 million GPR) annually.

Long-Range Fiscal Implications