

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-4384/1	Introduction Number SB-552
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Description
 eliminating cost sharing for prescription drugs under the Medical Assistance program

Fiscal Effect

State:

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

Local:

<input type="checkbox"/> No Local Government Costs	5. Types of Local Government Units Affected	
<input type="checkbox"/> Indeterminate	<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	
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	s. 20.435 4(b) and 4(o)

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DHS 9/17/2021

LRB Number	21-4384/1	Introduction Number	SB-552	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