

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-4377/1	Introduction Number SB-553	
Description insulin safety net programs and providing a penalty		
Fiscal Effect		
State:		
<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	
Local:		
<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	
5. Types of Local Government Units Affected <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		
Fund Sources Affected		
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
Affected Ch. 20 Appropriations		
Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

OCI 9/20/2021

LRB Number	21-4377/1	Introduction Number	SB-553	Estimate Type	Original
Description insulin safety net programs and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

Senate Bill 553 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.

Senate Bill 553 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. Senate Bill 553 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.

Senate Bill 553 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.