



## Fiscal Estimate Narratives

OCI 12/6/2023

LRB Number	<b>23-1683/1</b>	Introduction Number	<b>SB-0737</b>	Estimate Type	<b>Original</b>
<b>Description</b> regulation of pharmacy benefit managers, fiduciary and disclosure requirements on pharmacy benefit managers, and application of prescription drug payments to health insurance cost-sharing requirements					

### Assumptions Used in Arriving at Fiscal Estimate

2021 WI Act 9 established the regulation of Pharmacy Benefit Managers (PBMs) by requiring licensing and reporting through the Office of the Commissioner of Insurance (OCI), minimal disclosures of changes in formularies, and elementary parameters for audits and related recoupments.

This bill provides several accountability measures intended to protect patients' access to pharmacies and medications:

- Protects pharmacies from dispensing fees.
- Ensures pharmacies may join preferred or non-preferred networks.
- Requires PBMs to reimburse pharmacies for at least the prescription cost.
- Prohibits retaliation against pharmacies who report PBM violations.
- Provides regulation for fair audit practices limited to waste, fraud, and abuse.
- Establishes fiduciary responsibility to the insurance company that hires the PBM.
- Prohibits copay accumulator programs for drugs that do not have a generic alternative.
- Guarantees formulary stability so patients do not see unnecessary drug changes.
- Protects 340B providers from discriminatory practices.

The fiscal effect of this proposed legislation on agency resources or staff time is indeterminate. However, OCI anticipates that due to the provisions of the bill, more staff time and resources may be needed to investigate potential violations.

### Long-Range Fiscal Implications