



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-0686/P1
TJD:amn

DOA:.....Lessner, BB0210 - 340b Program reporting

FOR 2021-2023 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; **relating to:** the budget.

Analysis by the Legislative Reference Bureau

INSURANCE

Drug margin data reporting by hospitals in the 340B program

The bill requires each hospital participating in the federal drug pricing program, known as the 340B program, to report to OCI the per unit margin for each drug covered under the 340B program dispensed in the previous year, the total margin, and how the margin revenue was used. OCI is required under the bill to publicly post the information submitted and publish a report analyzing the data. The 340B program limits the pricing of prescription drugs paid by entities that are covered by the program due to agreements between prescription drug manufacturers and the federal government.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 632.8655 of the statutes is created to read:

632.8655 Prescription drug cost reporting. (1) **DEFINITIONS.** In this section:

(a) “Brand-name drug” means a prescription drug approved under [21 USC 355](#) (b) or [42 USC 262](#).

(b) “Covered hospital” means an entity described in [42 USC 256b](#) (a) (4) (L) to (N) that participates in the federal drug pricing program under [42 USC 256b](#).

(c) “Generic drug” means a prescription drug approved under [21 USC 355](#) (j).

(d) “Margin” means, for a covered hospital, the difference between the net cost of a brand-name drug or generic drug covered under the federal drug pricing program under [42 USC 256b](#) and the net payment by the covered hospital for that brand-name drug or generic drug.

(e) “Net payment” means the amount paid for a brand-name drug or generic drug after all discounts and rebates have been applied.

(2) HOSPITAL MARGIN SPENDING. By March 1 annually, each covered hospital operating in this state shall report to the commissioner the per unit margin for each drug covered under the federal drug pricing program under [42 USC 256b](#) dispensed in the previous year multiplied by the number of units dispensed at that margin and how the margin revenue was used.

(3) PUBLIC REPORTING. The commissioner shall publicly post covered hospital documentation of how each hospital spends the margin revenue. The commissioner shall analyze data collected under this section and publish annually a report including an analysis on hospital-specific margins and how that revenue is spent or allocated on a hospital-specific basis. The commissioner shall keep any trade secret or proprietary information confidential.

(END)