



State of Wisconsin
2019 - 2020 LEGISLATURE

LRBa1291/1
TJD:amn&kjf

**SENATE AMENDMENT 1,
TO ASSEMBLY BILL 26**

February 19, 2020 - Offered by Senators HANSEN, SHILLING, BEWLEY, MILLER,
RISSER, ERPENBACH, CARPENTER, LARSON and RINGHAND.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 5, line 5: after that line insert:

3 “**SECTION 3m.** 609.83 of the statutes is amended to read:

4 **609.83 Coverage of drugs and devices.** Limited service health
5 organizations, preferred provider plans, and defined network plans are subject to ss.
6 632.853 and 632.895 (6) (b) and (16t).

7 **SECTION 4m.** 632.895 (6) (title) of the statutes is amended to read:

8 632.895 **(6)** (title) EQUIPMENT AND SUPPLIES FOR TREATMENT OF DIABETES; INSULIN.

9 **SECTION 5m.** 632.895 (6) of the statutes is renumbered 632.895 (6) (a) and
10 amended to read:

11 632.895 **(6)** (a) Every disability insurance policy which provides coverage of
12 expenses incurred for treatment of diabetes shall provide coverage for expenses
13 incurred by the installation and use of an insulin infusion pump, coverage for all

1 other equipment and supplies, including insulin or any other prescription
2 medication, used in the treatment of diabetes, and coverage of diabetic
3 self-management education programs. Coverage Except as provided in par. (b),
4 coverage required under this subsection shall be subject to the same exclusions,
5 limitations, deductibles, and coinsurance provisions of the policy as other covered
6 expenses, except that insulin infusion pump coverage may be limited to the purchase
7 of one pump per year and the insurer may require the insured to use a pump for 30
8 days before purchase.

9 **SECTION 6m.** 632.895 (6) (b) of the statutes is created to read:

10 632.895 (6) (b) 1. In this paragraph:

11 a. "Cost sharing" means the total of any deductible, copayment, or coinsurance
12 amounts imposed on a person covered under a policy or plan.

13 b. "Rebate" means a price concession that accrues directly or indirectly in the
14 event of an increase in the wholesale acquisition cost of a prescription drug above a
15 specified threshold; a negotiated price concession that may accrue directly or
16 indirectly from a drug manufacturer, pharmacy, or another party in the prescription
17 drug sale transaction; or a price concession given to an insurer or plan sponsor of a
18 self-insured plan to reduce the liability of the insurer or sponsor for the prescription
19 drug.

20 c. "Self-insured health plan" has the meaning given in s. 632.85 (1) (c).

21 2. Every disability insurance policy and self-insured health plan that covers
22 insulin and that imposes cost sharing on prescription drugs may not impose cost
23 sharing on insulin in an amount that exceeds the lesser of the following:

24 a. One hundred dollars for a one-month supply of insulin.

1 b. The greater of the amount that is 125 percent of the cost to the policy or plan
2 of insulin or the amount generated by subtracting 51 percent of the total rebates
3 received by the policy or plan from the cost-sharing amount that would be charged
4 to a covered person for insulin if it is treated as any other prescription drug under
5 the policy or plan.

6 3. Nothing in this paragraph prohibits a disability insurance policy or
7 self-insured health plan from imposing cost sharing on insulin in an amount less
8 than the amount specified under subd. 2. Nothing in this paragraph requires a
9 disability insurance policy or self-insured health plan to impose any cost sharing on
10 insulin.

11 4. Nothing in this paragraph requires a disability insurance policy or a
12 self-insured health plan to reveal the amount of rebates received or any information
13 that is protected as a trade secret.

14 **SECTION 7m. Nonstatutory provisions.**

15 (1) INVESTIGATION ON INSULIN PRICING. The commissioner of insurance shall
16 investigate the pricing of prescription insulin that is made available to residents of
17 this state to ensure adequate consumer protection and determine whether
18 additional consumer protection is needed. The commissioner of insurance as part of
19 the investigation shall compile and analyze information concerning the
20 organization, business practices, pricing information, data, reports, and other
21 information from companies engaged in the manufacture or sale of prescription
22 insulin, including any publicly available information related to prescription drug
23 pricing, that the commissioner finds necessary to conduct the investigation under
24 this subsection. The commissioner of insurance may not compel any person or

1 business to provide proprietary information or trade secrets for purposes of this
2 subsection.

3 (2) REPORT ON INSULIN PRICING. By January 1, 2021, the commissioner of
4 insurance shall prepare and submit to the governor and, under s. 13.172, to the
5 legislature a report that contains all of the following based on the investigation
6 conducted under sub. (1):

7 (a) A summary of insulin pricing practices and variables that contribute to the
8 pricing of disability insurance policies.

9 (b) Policy recommendations to control and prevent overpricing of prescription
10 insulin made available to residents of this state.

11 (c) Any recommendations for changes to the laws of this state to prevent
12 deceptive practices related to the sale or pricing of prescription insulin.

13 (d) Any other information that the commissioner of insurance determines is
14 helpful to understanding the pricing or sale of insulin or other prescription drugs.

15 **SECTION 8m. Initial applicability.**

16 (1) For policies and plans containing provisions inconsistent with s. 632.895 (6)
17 (b), the treatment of ss. 609.83 and 632.895 (6) (title), the renumbering and
18 amendment of s. 632.895 (6), and the creation of s. 632.895 (6) (b) first apply to policy
19 or plan years beginning on January 1 of the year following the year in which this
20 subsection takes effect, except as provided in sub. (2).

21 (2) For policies and plans that are affected by a collective bargaining agreement
22 containing provisions inconsistent with s. 632.895 (6) (b), the treatment of ss. 609.83
23 and 632.895 (6) (title), the renumbering and amendment of s. 632.895 (6), and the
24 creation of s. 632.895 (6) (b) first apply to policy or plan years beginning on the

1 effective date of this subsection or on the day on which the collective bargaining
2 agreement is newly established, extended, modified, or renewed, whichever is later.

3 **SECTION 9m. Effective dates.** This act takes effect on the day after
4 publication, except as follows:

5 (1) The treatment of ss. 609.83 and 632.895 (6) (title), the renumbering and
6 amendment of s. 632.895 (6), the creation of s. 632.895 (6) (b), and SECTIONS 7m (1)
7 and (2) and 8m (1) and (2) of this act take effect on the first day of the 4th month
8 beginning after publication.”.

9 (END)