

Fiscal Estimate — 2001 Session

- Original Updated
 Corrected Supplemental

LRB Number LRB-0185/6 (Section 13)	Amendment Number if Applicable
Bill Number AB-132	Administrative Rule Number

Subject

DATCP required to provide an annual report on the sale and pricing of certain drugs and programs that offer discounts on drugs to consumers.

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

- Increase Costs — May be possible to absorb within agency's budget.
 Yes No
 Decrease Costs

Local: No Local Government Costs

1. Increase Costs
 Permissive Mandatory
2. Decrease Costs
 Permissive Mandatory
3. Increase Revenues
 Permissive Mandatory
4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others
 School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Chapter 20 Appropriations

20.115(1)(a)

Assumptions Used in Arriving at Fiscal Estimate

This bill specifies that, as a condition of participation by a pharmacy or pharmacist in the Medical Assistance program, the pharmacy or pharmacist must limit their prices to within a certain percentage of the average wholesale price.

In addition, the bill requires that DATCP prepare an annual report to be submitted to the governor and legislature on how sellers have complied with s. 100.31(2), stats and on whether state retailers have passed on to consumers any savings resulting from these pricing requirements. This subsection requires drug manufacturers and wholesalers to offer prescription drugs to every "purchaser" all the rights and privileges offered or accorded by the seller to the most favored purchaser, including prices for similar volume purchases, rebates, free merchandise, samples and similar trade concessions.

The report must also describe programs that offer discounts on drugs to consumers and DATCP must publicize these programs to consumers.

The fiscal effects of this bill would be minimal. The department would simply need to prepare an annual report on its wholesale drug pricing enforcement program.

Long-Range Fiscal Implications

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