



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2015 Wisconsin Act 152
[2015 Senate Bill 238]

**340B Drug Reimbursement
for Certain Covered Entities**

2015 Wisconsin Act 152 (the Act) relates to billing the Medical Assistance (MA) program for certain drugs purchased through the federal 340B drug pricing program (340B program). The 340B program provides support to certain types of health care entities, which are identified under federal law. These entities are referred to as “covered entities,” and include the following:

- Federally qualified health centers.
- Entities receiving a patient navigator grant.
- Family planning projects receiving a grant under Title X.
- Entities receiving an HIV outpatient intervention services grants.
- State-operated AIDS drug purchasing assistance programs.
- Certain black lung clinics.
- Certain hemophilia diagnostic treatment centers.
- Native Hawaiian health centers.
- Certain urban Indian organizations.
- HIV health care services programs.
- Entities that receive funds for the treatment of sexually transmitted diseases.
- Entities that receive funds for the treatment of tuberculosis.
- Certain hospitals and children’s hospitals.

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature’s Web site at: <http://www.legis.wisconsin.gov>.

The Act creates a new standard that will apply to certain covered entities in cases where they seek reimbursement from Medicaid for dispensing a drug obtained at discount under the 340B program. Under the Act, the new standard for reimbursement from Medicaid, for 340B drugs obtained by applicable covered entities, is based on the actual acquisition cost (AAC) of the drug. It applies to covered entities that meet each of two requirements:

- First, the covered entity is a family planning project receiving a grant under Title X, an entity that receives funds for the treatment of sexually transmitted diseases, or an entity that receives funds for the treatment of tuberculosis.
- Second, the covered entity is an “abortion provider,” defined as a person that provides abortion services or is an affiliate of a person that provides abortion services.

The Act requires covered entities to which the new standard applies to use the AAC of obtaining a 340B program drug, together with the standard dispensing fee, as the basis for any MA reimbursement sought in connection with the purchase of the drug.

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