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## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

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<b>2015 Senate Bill 238</b>	<b>Senate Amendment 1</b>
<i>Memo published:</i> February 15, 2016	<i>Contact:</i> Brian Larson, Staff Attorney (266-0680)

### **2015 SENATE BILL 238**

2015 Senate Bill 238 relates to billing the Medical Assistance (“MA”) program for certain drugs purchased through the federal 340B drug pricing program (“340B program”). The 340B program requires drug manufacturers to provide outpatient drugs at reduced prices to eligible health care organizations, referred to as “covered entities.”<sup>1</sup> The bill would require certain covered entities seeking MA reimbursement of a 340B program drug to use the actual acquisition cost (“AAC”) of obtaining the drug, together with the dispensing fee, as the basis for reimbursement. The AAC requirement would apply to all covered entities that are family planning projects receiving a grant under Title X, entities that receive funds for the treatment of sexually transmitted diseases, and entities that receive funds for the treatment of tuberculosis.

### **SENATE AMENDMENT 1**

Senate Amendment 1 retains the requirement that certain covered entities seeking MA reimbursement for 340B drugs must use the AAC and the dispensing fee as the basis for reimbursement. However, under the amendment, the AAC requirement would apply only to a covered entity that meets the requirements initially specified in the bill **and that is an abortion**

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<sup>1</sup> Covered entities eligible for the 340B program under federal law include: 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, certain children’s hospitals, certain critical access hospitals, rural referral centers, and sole community hospitals. [42 U.S.C. s. 256b (a) (4) (A)-(O).]

**provider.** The amendment defines an “abortion provider” as a person that provides abortion services or is an affiliate of a person that provides abortion services.

### **BILL HISTORY**

Senator Kapenga offered the amendment on October 30, 2015. On January 20, 2016, the Senate adopted the amendment and passed the bill, as amended, on successive votes of Ayes, 19; Noes, 14.

BL:jal