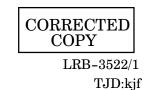


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State of Misconsin 2019 - 2020 LEGISLATURE



2019 SENATE BILL 340

August 8, 2019 - Introduced by Senators Hansen, Ringhand, Carpenter, Erpenbach, Larson, Miller, Risser and L. Taylor, cosponsored by Representatives Anderson, Billings, Shankland, Bowen, Brostoff, Crowley, Emerson, Fields, Gruszynski, Milroy, Ohnstad, Sargent, Sinicki, Spreitzer, Stuck, Subeck, Vining, Zamarripa, Riemer and B. Meyers. Referred to Committee on Insurance, Financial Services, Government Oversight and Courts.

AN ACT to renumber and amend 632.895 (6); to amend 609.83 and 632.895 (6)

(title); and *to create* 632.895 (6) (b) of the statutes; **relating to:** cost sharing for insulin under health insurance policies and plans.

Analysis by the Legislative Reference Bureau

This bill prohibits every health insurance policy and governmental self-insured health plan that covers insulin and that imposes cost sharing on prescription drugs from imposing cost sharing on insulin in an amount that exceeds the lesser of the following: \$100 for a one-month supply of insulin or the greater of the amount that is 125 percent of the cost of insulin or the amount generated by subtracting 51 percent of the total rebates received by the policy or plan from the cost-sharing amount that would be charged to a covered person for insulin if it is treated as any other prescription drug under the policy or plan. The bill also requires the commissioner of insurance to investigate and report on the pricing of insulin. Health insurance policies are known in the bill as disability insurance policies. Current law requires every health insurance policy that provides coverage of expenses incurred for treatment of diabetes to provide coverage for expenses incurred by the installation and use of an insulin infusion pump; coverage for all other equipment and supplies, including insulin or any other prescription medication, used in the treatment of diabetes; and coverage of diabetic self-management education programs. Except for allowing an exception for insulin infusion pump coverage, the required coverage under current law for certain diabetes treatments is subject to the same exclusions, limitations, deductibles, and

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coinsurance provisions of the policy as other covered expenses. The bill's cost-sharing limitations on insulin supersede the specification that the exclusions, limitations, deductibles, and coinsurance are the same as for other coverage.

This proposal may contain a health insurance mandate requiring a social and financial impact report under s. 601.423, stats.

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

Section 1. 609.83 of the statutes is amended to read:

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

SECTION 2. 632.895 (6) (title) of the statutes is amended to read:

632.895 (6) (title) Equipment and supplies for treatment of diabetes; insulin.

SECTION 3. 632.895 (6) of the statutes is renumbered 632.895 (6) (a) and amended to read:

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

1	Section 4. 632.895 (6) (b) of the statutes is created to read:
2	632.895 (6) (b) 1. In this paragraph:

- a. "Cost sharing" means the total of any deductible, copayment, or coinsurance amounts imposed on a person covered under a policy or plan.
- b. "Rebate" means a price concession that accrues directly or indirectly in the event of an increase in the wholesale acquisition cost of a prescription drug above a specified threshold; a negotiated price concession that may accrue directly or indirectly from a drug manufacturer, pharmacy, or another party in the prescription drug sale transaction; or a price concession given to an insurer or plan sponsor of a self-insured plan to reduce the liability of the insurer or sponsor for the prescription drug.
 - c. "Self-insured health plan" has the meaning given in s. 632.85 (1) (c).
- 2. Every disability insurance policy and self-insured health plan that covers insulin and that imposes cost sharing on prescription drugs may not impose cost sharing on insulin in an amount that exceeds the lesser of the following:
 - a. One hundred dollars for a one-month supply of insulin.
- b. The greater of the amount that is 125 percent of the cost to the policy or plan of insulin or the amount generated by subtracting 51 percent of the total rebates received by the policy or plan from the cost-sharing amount that would be charged to a covered person for insulin if it is treated as any other prescription drug under the policy or plan.
- 3. Nothing in this paragraph prohibits a disability insurance policy or self-insured health plan from imposing cost sharing on insulin in an amount less than the amount specified under subd. 2. Nothing in this paragraph requires a

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disability insurance policy or self-insured health plan to impose any cost sharing on insulin.

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

SECTION 5. Nonstatutory provisions.

- (1) Investigation on insulin pricing. The commissioner of insurance shall investigate the pricing of prescription insulin that is made available to residents of this state to ensure adequate consumer protection and determine whether additional consumer protection is needed. The commissioner of insurance as part of the investigation shall compile and analyze information concerning the organization, business practices, pricing information, data, reports, and other information from companies engaged in the manufacture or sale of prescription insulin, including any publicly available information related to prescription drug pricing, that the commissioner finds necessary to conduct the investigation under this subsection. The commissioner of insurance may not compel any person or business to provide proprietary information or trade secrets for purposes of this subsection.
- (2) Report on insulin pricing. By January 1, 2021, the commissioner of insurance shall prepare and submit to the governor and, under s. 13.172, to the legislature a report that contains all of the following based on the investigation conducted under sub. (1):
- (a) A summary of insulin pricing practices and variables that contribute to the pricing of disability insurance policies.

publication.

(b) Policy recommendations to control and prevent overpricing of prescription
insulin made available to residents of this state.
(c) Any recommendations for changes to the laws of this state to prevent
deceptive practices related to the sale or pricing of prescription insulin.
(d) Any other information that the commissioner of insurance determines is
helpful to understanding the pricing or sale of insulin or other prescription drugs.
Section 6. Initial applicability.
(1) For policies and plans containing provisions inconsistent with this act, the
act first applies to policy or plan years beginning on January 1 of the year following
the year in which this subsection takes effect, except as provided in sub. (2).
(2) For policies and plans that are affected by a collective bargaining agreement
containing provisions inconsistent with this act, this act first applies to policy or plan
years beginning on the effective date of this subsection or on the day on which the
collective bargaining agreement is newly established, extended, modified, or
renewed, whichever is later.
Section 7. Effective date.
(1) This act takes effect on the first day of the 4th month beginning after

(END)