



State of Wisconsin
2019 - 2020 LEGISLATURE

LRBa1222/1
TJD:kjf

**ASSEMBLY AMENDMENT 2,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO ASSEMBLY BILL 114**

February 18, 2020 - Offered by Representatives ANDERSON, KOLSTE, RIEMER, SUBECK, VINING, BILLINGS, HINTZ, HESSELBEIN, SPREITZER, DOYLE, SHANKLAND, B. MEYERS, L. MYERS, POPE, HEBL, STUBBS, ZAMARRIPA, EMERSON, BROSTOFF, CABRERA, VRUWINK, HAYWOOD, OHNSTAD, GOYKE, C. TAYLOR, SARGENT, CONSIDINE, NEUBAUER and FIELDS.

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 7, line 19: after that line insert:

3 “SECTION 11t. 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 **2.** Page 7, line 20: after “statutes” insert “, as affected by 2019 Wisconsin Act
8 (this act)”,.

9 **3.** Page 7, line 23: after “632.895” insert “(6) (b) and”.

10 **4.** Page 17, line 15: after that line insert:

11 “SECTION 21f. 632.895 (6) (title) of the statutes is amended to read:

1 632.895 (6) (title) EQUIPMENT AND SUPPLIES FOR TREATMENT OF DIABETES; INSULIN.

2 **SECTION 21g.** 632.895 (6) of the statutes is renumbered 632.895 (6) (a) and
3 amended to read:

4 632.895 (6) (a) Every disability insurance policy which provides coverage of
5 expenses incurred for treatment of diabetes shall provide coverage for expenses
6 incurred by the installation and use of an insulin infusion pump, coverage for all
7 other equipment and supplies, including insulin or any other prescription
8 medication, used in the treatment of diabetes, and coverage of diabetic
9 self-management education programs. Coverage Except as provided in par. (b),
10 coverage required under this subsection shall be subject to the same exclusions,
11 limitations, deductibles, and coinsurance provisions of the policy as other covered
12 expenses, except that insulin infusion pump coverage may be limited to the purchase
13 of one pump per year and the insurer may require the insured to use a pump for 30
14 days before purchase.

15 **SECTION 21h.** 632.895 (6) (b) of the statutes is created to read:

16 632.895 (6) (b) 1. In this paragraph:

17 a. “Cost sharing” means the total of any deductible, copayment, or coinsurance
18 amounts imposed on a person covered under a policy or plan.

19 b. “Rebate” means a price concession that accrues directly or indirectly in the
20 event of an increase in the wholesale acquisition cost of a prescription drug above a
21 specified threshold; a negotiated price concession that may accrue directly or
22 indirectly from a drug manufacturer, pharmacy, or another party in the prescription
23 drug sale transaction; or a price concession given to an insurer or plan sponsor of a
24 self-insured plan to reduce the liability of the insurer or sponsor for the prescription
25 drug.

- 1 c. “Self-insured health plan” has the meaning given in s. 632.85 (1) (c).
- 2 2. Every disability insurance policy and self-insured health plan that covers
3 insulin and that imposes cost sharing on prescription drugs may not impose cost
4 sharing on insulin in an amount that exceeds the lesser of the following:
- 5 a. One hundred dollars for a one-month supply of insulin.
- 6 b. The greater of the amount that is 125 percent of the cost to the policy or plan
7 of insulin or the amount generated by subtracting 51 percent of the total rebates
8 received by the policy or plan from the cost-sharing amount that would be charged
9 to a covered person for insulin if it is treated as any other prescription drug under
10 the policy or plan.
- 11 3. Nothing in this paragraph prohibits a disability insurance policy or
12 self-insured health plan from imposing cost sharing on insulin in an amount less
13 than the amount specified under subd. 2. Nothing in this paragraph requires a
14 disability insurance policy or self-insured health plan to impose any cost sharing on
15 insulin.
- 16 4. Nothing in this paragraph requires a disability insurance policy or a
17 self-insured health plan to reveal the amount of rebates received or any information
18 that is protected as a trade secret.”.
- 19 **5.** Page 25, line 6: after that line insert:
- 20 “(2) INVESTIGATION ON INSULIN PRICING. The commissioner of insurance shall
21 investigate the pricing of prescription insulin that is made available to residents of
22 this state to ensure adequate consumer protection and determine whether
23 additional consumer protection is needed. The commissioner of insurance as part of
24 the investigation shall compile and analyze information concerning the

1 organization, business practices, pricing information, data, reports, and other
2 information from companies engaged in the manufacture or sale of prescription
3 insulin, including any publicly available information related to prescription drug
4 pricing, that the commissioner finds necessary to conduct the investigation under
5 this subsection. The commissioner of insurance may not compel any person or
6 business to provide proprietary information or trade secrets for purposes of this
7 subsection.

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

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

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

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

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

20 **6.** Page 25, line 10: delete “subsection.” and substitute “subsection, except as
21 follows:

22 “(a) For policies and plans containing provisions inconsistent with s. 632.895
23 (6) (b), the treatment of ss. 609.83 (by SECTION 11t) and 632.895 (6) (title) and (b) and
24 the renumbering and amendment of s. 632.895 (6) first apply to policy or plan years

1 beginning on January 1 of the year following the year in which this paragraph takes
2 effect, except as provided in par. (b).

3 (b) For policies and plans that are affected by a collective bargaining agreement
4 containing provisions inconsistent with s. 632.895 (6) (b), the treatment of ss. 609.83
5 (by SECTION 11t) and 632.895 (6) (title) and (b) and the renumbering and amendment
6 of s. 632.895 (6) first apply to policy or plan years beginning on the effective date of
7 this paragraph or on the day on which the collective bargaining agreement is newly
8 established, extended, modified, or renewed, whichever is later.”.

9 **7.** Page 25, line 13: delete “enactment.” and substitute “enactment, except as
10 follows:

11 “(a) The treatment of ss. 609.83 (by SECTION 11t) and 632.895 (6) (title) and (b),
12 the renumbering and amendment of s. 632.895 (6), and SECTIONS 45 (2) and (3) and
13 46 (1) (a) and (b) of this act take effect on the first day of the 4th month beginning
14 after publication.”.

15 (END)

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