State of Wisconsin
2025 - 2026 LEGISLATURE

DOA:......Lessner, BB0048 - Application of Drug Manufacturer Discounts

FOR 2025-2027 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; **relating to:** the budget.

Analysis by the Legislative Reference Bureau
INSURANCE

Application of manufacturer discounts

Health insurance policies and plans often apply deductibles and out-of-pocket maximum amounts to the benefits covered by the policy or plan. A deductible is an amount that an enrollee in a policy or plan must pay out of pocket before attaining the full benefits of the policy or plan. An out-of-pocket maximum amount is a limit specified by a policy or plan on the amount that an enrollee pays, and, once that limit is reached, the policy or plan covers the benefit entirely. This bill requires health insurance policies that offer prescription drug benefits and self-insured health plans to apply the amount of any discounts that a manufacturer of a brand name drug provides to reduce the amount of cost sharing that is charged to an enrollee for those brand name drugs to the enrollee's deductible and out-of-pocket maximum amount. That requirement applies for brand name drugs that have no generic equivalent and for brand name drugs that have a generic equivalent but that the enrollee has prior authorization or physician approval to obtain. Health insurance policies are referred to in the bill as disability insurance policies.

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. 632.862 of the statutes is created to read:

632.862 Application of prescription drug payments. (1) DEFINITIONS.

In this section:

(a) "Brand name" has the meaning given in s. 450.12 (1) (a).

(b) "Brand name drug" means any of the following:

1. A prescription drug that contains a brand name and that has no generic equivalent.

2. A prescription drug that contains a brand name and has a generic equivalent but for which the enrollee has received prior authorization from the insurer offering the disability insurance policy or self-insured health plan or authorization from a physician to obtain the prescription drug under the disability insurance policy or self-insured health plan.

(c) "Disability insurance policy" has the meaning given in s. 632.895 (1) (a).

(d) "Prescription drug" has the meaning given in s. 450.01 (20).

(e) "Self-insured health plan" means a self-insured health plan of the state or a county, city, village, town, or school district.

(2) APPLICATION OF DISCOUNTS. A disability insurance policy that offers a prescription drug benefit or a self-insured health plan shall apply to any calculation of an out-of-pocket maximum amount and to any deductible of the disability insurance policy or self-insured health plan for an enrollee the amount that any discount provided by the manufacturer of a brand name drug reduces the cost sharing amount charged to the enrollee for that brand name drug.

SECTION 9323. Initial applicability; Insurance.

(1) APPLICATION OF MANUFACTURER DISCOUNTS.

(a) For policies and plans containing provisions inconsistent with the treatment of s. 632.862, the treatment of s. 632.862 first applies to policy or plan years beginning on January 1 of the year following the year in which this paragraph takes effect, except as provided in par. (b).

(b) For policies or plans that are affected by a collective bargaining agreement containing provisions inconsistent with the treatment of s. 632.862, the treatment of s. 632.862 first applies to policy or plan years beginning on the effective date of this paragraph or on the day on which the collective bargaining agreement is newly established, extended, modified, or renewed, whichever is later.

SECTION 9423. Effective dates; Insurance.

(1) APPLICATION OF MANUFACTURER DISCOUNTS. The treatment of s. 632.862 and SECTION 9323 (1) take effect on the first day of the 4th month beginning after publication.

(END)