



State of Wisconsin
2023 - 2024 LEGISLATURE

LRB-4170/1
JPC:cdc

2023 SENATE BILL 672

November 9, 2023 - Introduced by Senators FELZKOWSKI and BALLWEG, cosponsored by Representatives SCHUTT, DITTRICH, BARE, DONOVAN, MURSAU, RETTINGER, ROZAR and SUBECK. Referred to Committee on Health.

AN ACT *to create* 49.45 (49r) of the statutes; **relating to:** value-based purchasing arrangements under the Medical Assistance program.

Analysis by the Legislative Reference Bureau

This bill allows the Department of Health Services to enter into a value-based purchasing arrangement with a drug manufacturer for purposes of the Medical Assistance program. Under the bill, a value-based purchasing arrangement must have agreed upon metrics and may include rebates, discounts, price reductions, risk sharing, reimbursements, payment deferrals or installment payments, guarantees, shared savings payments, withholds, bonuses, or any other thing of value. The bill specifies that nothing in the bill may be construed to alter or modify coverage requirements under the Medical Assistance program. The Medical Assistance program is a joint federal and state program that provides health services to individuals who have limited financial resources.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

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

SECTION 1. 49.45 (49r) of the statutes is created to read:

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49.45 **(49r)** VALUE-BASED PURCHASING. (a) In this subsection, “manufacturer” has the meaning given in s. 450.01 (12).

(b) Subject to par. (e), the department may enter into a value-based purchasing arrangement for the Medical Assistance program by written agreement with a manufacturer based on agreed upon metrics to which the department and the manufacturer agree in writing. A value-based purchasing arrangement under this paragraph may include any of the following:

1. Rebates.
2. Discounts.
3. Price reductions.
4. Risk sharing.
5. Reimbursements.
6. Payment deferrals or installment payments.
7. Guarantees.
8. Shared savings payments.
9. Withholds.
10. Bonuses.
11. Any other thing of value.

(c) Nothing in this subsection may be interpreted to require a manufacturer or the department to enter into an arrangement described under par. (a).

(d) Nothing in this subsection may be construed to alter or modify coverage requirements under the Medical Assistance program.

(e) If the department determines it is unable to implement this subsection

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without a waiver of federal law, state plan amendment, or other federal approval, the department shall request from the secretary of the federal department of health and human services any waiver of federal law, state plan amendment, or other federal approval necessary to implement this subsection. If the federal department of health and human services does not approve a waiver of federal law, state plan amendment, or other federal approval under this paragraph, the department is not required to implement this subsection.

(END)