KAREN HURD
STATE REPRESENTATIVE • 68TH ASSEMBLY DISTRICT

Assembly Bill 259
Public Testimony
Assembly Committee on Health, Aging and Long-Term Care
October 10, 2023

Thank you, Chair Moses, Vice Chair Rozar and members of the committee for holding this hearing on Assembly Bill 259.

As a part of the response to COVID-19, SeniorCare participants were allowed to purchase 100-day supplies for certain prescription drugs instead of the 34-day supply that was previously allowed. These changes were only temporary and expired in December 2022. If enacted this bill will greatly benefit seniors by reducing the number of trips to the pharmacy, especially those in rural Wisconsin who often have to travel great distances to reach a pharmacy. Additionally, this bill provides significant savings for all SeniorCare participants at the same time as reducing the overall cost to the state.

The SeniorCare program was created over 20 years ago by the 2001-03 biennial budget to provide prescription drug assistance to Wisconsin residents age 65 and older with incomes at or below 200 percent of the federal poverty level. The program operates with approval from the U.S. Centers for Medicare and Medicaid Services (CMS) and is available in Wisconsin through a section 1115 research and demonstration program waiver. The program was first approved by CMS as a five-year demonstration project in July 2002, and it most recently received approval from CMS in April 2019 to operate for another 10 years, through December 31, 2028.

SeniorCare captures our elderly population that have too high of an income to qualify for the normal Medicaid program, yet too low of an income to adequately afford purchasing their medications.

As of April 2023, there were 117,709 people enrolled in SeniorCare. SeniorCare enrollment is up from 110,368 in April 2022; 103,912 in April 2021; 96,124 in April 2020; and 93,707 in April 2019.

Under current law, after paying an annual $30 enrollment fee, SeniorCare members incur co-pays of $5 for generic drugs and $15 for brand-name drugs. Enrollees with incomes at or below 160 percent of the federal poverty level pay no other out-of-pocket costs, while those who fall into one of three higher income range categories must meet certain spenddown or deductible requirements.

Individuals enrolled in SeniorCare currently pay a $15 co-pay for three 34-day supply for generic drugs. Under this bill they would only pay one co-pay of $5 for a 100-day supply. Brand-name drugs currently require a co-pay of $45 for three 34-day supply; under this bill they would only pay one co-pay of $15 for a 100-day supply of a brand-name drug.

Co-pays are a revenue to the Medicaid program. Under current law, there are 390 drug products that are on the 100-day supply list. These drugs are detailed in DHS 107.10(3)(e). This listing represents 22% of current claim volume for Medicaid and SeniorCare combined. SeniorCare copayment revenues for these drugs total an estimated of $1.0 million all funds (AF) ($0.4 million GPR). With this bill the DHS projects that the current 100-

P.O. Box 8952 • Madison, WI 53708-8952 • (608) 237-9168 • Toll-Free: (888) 534-0068 • Fax: (608) 282-3668
Rep.Hurd@legis.wisconsin.gov

day supply list would double to 780 products or 44% of claims, with copayment revenues of $2.1 million AF ($0.8 million GPR). However, as the prescriptions would be filled only once every 100 days versus 34 days the loss of those co-pay revenues must be factored in. With the anticipated doubling effect of the 100-day supply list, the Medicaid program would lose a projected $2.1 million AF ($0.8 million GPR) in Medicaid copayment revenue.

However, the savings to the Medicaid program will outweigh the lost revenue. Prescription drug costs charged to Medicaid include professional dispensing fees and ingredient costs. The dispensing fee is $10.11 per prescription for prescription drugs with an annual volume over 35,000 and $15.69 for drugs with a volume under 35,000. A dispensing fee is usually paid once per member, per service, per month, per provider, depending on the prescriber's prescription.

In calendar year 2019 for which the most recent data is available, professional dispensing fees for SeniorCare members totaled $13.6 million all funds (AF) while total drug copays totaled $7.1 million AF for the same time period. In other words, the cost of dispensing fees exceeded revenues from copayments by $6.5 million AF. Using this data and projecting the same proportions forward, the projected savings for the total SeniorCare program would be $1.9 million if this bill is enacted and the waiver is approved by CMS.

Another potential cost savings of this bill is in direct health care costs. Patient non-adherence to prescribed medications is associated with poor therapeutic outcomes and progression of disease which increases direct health care costs. If a patient has a 100-day supply of medication, they are more likely to take it until the prescription runs out. At a 34-day supply, a patient may decide to not refill the prescription for a variety of reasons. Having a 100-day supply lends more assurance that the patient will take all of the prescribed medication.

A meta-analysis that combined the results of seventy-nine individual studies conducted in the US and other countries assessed the cost of medication non-adherence across 14 disease groups. It was found that the annual adjusted disease-specific economic cost of non-adherence per person ranged from $949 to $44,190 (2015 data).[1]

This bill would require the Department of Health Services (DHS) to seek a waiver from the federal government to once again allow SeniorCare participants to purchase 100 day supplies for certain prescription drugs. If this waiver is approved, the existing DHS administrative rule would be amended to allow this change to be implemented. Some medications would still require a monthly renewal based on clinical considerations, safety, and costs.

Thank you for your time. I am happy to answer any questions the committee may have.

[1]Cutler RL, Fernandez-Llimos F, Frommer M, Benrimoj C, Garcia-Cardenas V. Economic impact of medication non-adherence by disease groups: a systematic review. *BMJ Open*. 2018;8(1):e016982. Published 2018 Jan 21. doi:10.1136/bmjopen-2017-016982

State of Wisconsin
Department of Health Services
Tony Evers, Governor
Kirsten L. Johnson, Secretary

TO: Members of the Assembly Committee on Health, Aging, and Long-Term Care

FROM: HJ Waukau, Legislative Director

DATE: October 10, 2023

RE: AB 259 relating to: 100-day prescription drug supplies under SeniorCare and amending an administrative rule related to 100-day prescription drug supplies permitted under Medicaid and SeniorCare.

The Department of Health Services (DHS) would like to submit testimony for information only on Assembly Bill 259 (AB 259) regarding extending the amount of days' supply that SeniorCare members can fill their prescriptions up to 100-days. DHS holds that while extending the timeframe to 100 days is an appropriate policy, AB 259 could be improved by applying the same policy to Medicaid members as well. Doing so would result in an estimated cost savings of an estimated $13.8 million GPR ($34.4 million AF) and be a more efficient means of administering both programs.

The SeniorCare program provides Wisconsin residents ages 65 and older with the ability to help pay for prescription drugs and vaccines they may not otherwise be able to afford. Approximately 114,000 people receive services under SeniorCare each month. SeniorCare was initially created through a five-year 1115 Medicaid demonstration waiver in 2002 and was recently renewed for a 10-year year period in 2019. However, the Centers for Medicare and Medicaid Services (CMS) has denied extensions of SeniorCare in the past. In 2007, CMS denied the 1115 extension request, and SeniorCare had to be reauthorized through a federal supplemental appropriations bill in 2009.

Prior to the declaration of the COVID-19 public health emergency SeniorCare was only able to allow a 100-day supply for specified drugs as stipulated under DHS 107.10(3)(e). In response to the COVID-19 pandemic and in accordance with Governor Evers' Executive Order 72 and, Emergency Order 35, co-issued by Governor Evers and DHS, DHS suspended a number of administrative rules that would prevent, hinder, or delay necessary actions to respond to the pandemic. One such rule that was suspended related to the 100-day supply of drugs for both the Medicaid and SeniorCare programs. The expanded 100-day prescription drug supply allowance was in effect from March 2020 through December of 2022.

AB 259 as drafted would reinstate the 100-day prescription drug supply for the SeniorCare program only. Extending the prescription drug supply to 100 days may benefit members by

aiding compliance in taking prescribed medications,[1, 2, 3, 4, 5] requiring fewer trips to the pharmacy, and allowing members to obtain a more convenient and larger quantity of prescribed medications for chronic conditions. While DHS appreciates the intent of AB 259, the bill as drafted creates several problems. AB 259 would increase the costs of administering the SeniorCare program and create inequities between the SeniorCare and Medicaid programs. Further, AB 259 may require DHS to seek changes to the SeniorCare waiver from CMS, which may not be approved and could take an indeterminant amount of time to obtain. Recent experience underlines this concern. Under 2019 Act 185, DHS was ordered to seek approval from CMS for coverage of specified vaccines administered at a pharmacy. It took 18 months for DHS to receive CMS approval.

When SeniorCare was created it was designed as a waiver to the state's Medicaid program. As such, both the regulatory and systems operations of SeniorCare are built on the infrastructure of the Medicaid program. This infrastructure includes eligibility determinations, covered services, and claims processing. SeniorCare uses Medicaid as the foundation for its operations for several reasons. First, is to utilize finite Medicaid resources efficiently. Second, it saves operating costs for DHS. Third, it is easier for members and providers to utilize and navigate while reducing administrative burden. And fourth, it helps maintain continuity of care for members whose eligibility may change over time and who may need to move from SeniorCare to Medicaid and vice versa. Having one system makes program operations easier, which benefits the members who have come to rely on these services. Were AB 259 to be implemented as currently drafted DHS would have to create new system functionality to implement the 100-day supply provision for only the SeniorCare program. Such an action would cost approximately $300,000 on an all funds basis and require a significant amount of time to create, test, and implement. Additionally, any such systems updates would not be able to be implemented until after DHS receives CMS approval.

As SeniorCare is a waiver to the Medicaid program, creating a separate system would create inequities and inefficiencies with the Medicaid program and may likely be outside of its currently approved standard terms and conditions. One of SeniorCare's standard terms and conditions is that SeniorCare members will receive a benefit of prescription drugs in the same manner as authorized under Medicaid. To date, DHS has not sought to waive SeniorCare's standard terms and conditions, and DHS would need to seek CMS approval to do so. Waiving such conditions would come with risks. DHS is concerned that the specific provision to administer the SeniorCare prescription drug benefit in the same manner as authorized under

---

[1] Ameli, N. (2022). Evaluating Medication Day-Supply for Improving Adherence and Clinical Biomarkers of Hemoglobin A1c, Blood Pressure, and Low-Density Lipoprotein. Journal of Pharmacy Practice. doi: 10.1177/08971900221129424.

[2] Amin, K. (2017). Effect of Medicaid Policy Changes on Medication Adherence: Differences by Baseline Adherence. Journal of Managed Care & Specialty Pharmacy. 23(3). doi: 10.18553/jmcp.2017.23.3.337

[3] Liu, L. (2022). Medication Adherence in Medicare-Enrolled Older Adults with Chronic Obstructive Pulmonary Disease before and during the COVID-19 Pandemic. Journal of Clinical Medicine. 11(23). doi: 10.3390/jcm11236985

[4] Rymer, JA. (2021). Difference in Medication Adherence Between Patients Prescribed a 30-Day Versus 90-Day Supply After Acute Myocardial Infarction. Journal of the American Heart Association. 10(1). doi: 10.1161/JAHA.119.016215.

[5] Taitel, M. (2012). Medication days' supply, adherence, wastage, and cost among chronic patients in Medicaid. Medicaire & Medicaid Research Review. 2(3). doi: 10.5600/mmrr.002.03.a04

Medicaid is not waivable and there is a risk that CMS could deny the request. Even if CMS were to approve the request it could take a significant amount of time to receive CMS's approval.

To help remedy the cost, efficiency, and approval concerns laid out above DHS recommends that AB 259 be amended include the 100-day extension for the Medicaid program along with the SeniorCare program. Such an amendment would allow DHS to quickly and efficiently implement the changes without significant cost to DHS, would not require the creation of a new system and programmatic infrastructure, and would not require a potentially lengthy approval process from CMS. Rather DHS would be able to use the existing infrastructure to implement the changes quickly, within 1-2 months, and would not need to seek approval from CMS for any changes to the SeniorCare waiver. Additionally, Wisconsin could potentially see cost savings resulting from fewer dispensing fees being paid to pharmacies as a result of a new 100-day prescription drug policy for both Medicaid and SeniorCare. It is estimated that a SeniorCare-only bill would result in cost savings of $0.8 million GPR ($1.9 million AF), while a combined Medicaid-SeniorCare 100-day supply bill would result in an estimate cost savings of $13.8 million GPR ($34.4 million AF). This represents an additional $13 million GPR in estimated savings by including Medicaid under AB 259. Lastly, extending the 100-day prescription drug provision to Medicaid does not constitute an expansion of Medicaid benefits as Medicaid members already receive the same prescription drug benefit now as they would under any potential 100-day provision. The benefit would remain unchanged.

DHS has shared these concerns and suggestions with the bill authors and appreciates the ongoing dialogue to find a solution that will work for the people of Wisconsin. DHS looks forward to continued collaboration with the authors on AB 259. On this and any other matters, DHS offers itself as a resource for the Committee and thanks the Committee for the opportunity to provide written testimony for information only.

CHIPPEWA COUNTY
Human Services
715-726-7788

711 North Bridge Street
Chippewa Falls, WI 54729
Tim Easker, Director

ADRC
Aging & Disability Resource Center of Chippewa County
715-726-7777

October 10, 2023

Dear Chairperson Moses and Vice-Chairperson Rozar and members of the Committee on Health, Aging and Long-Term Care :

My name is Leslie Fijalkiewicz and I am the manager of the Aging & Disability Resource Center of Chippewa County. I've been working in Aging Services since 1996. Thank you for the opportunity to share my thoughts regarding the proposed bill (AB 259) allowing SeniorCare participants to purchase 100-day supplies of prescription drugs.

Every day our ADRC receives at least one call from someone new needing transportation for medical purposes. Considering the fact that men outlive their driving ability by seven years and women by ten years, this is not a shock. Older people do not want their adult kids/grandkids to miss work in order to get them to medical appointments or pick up their prescriptions. And quite frankly, many employers struggle to allow it.

Prior to his passing in June, my dad lived in Holcombe, a small unincorporated town in northern Chippewa County. It is not unlike many small towns/villages in rural northern Wisconsin. The closest pharmacy, 10 miles away, is open 8:30 am - 5:30 pm Monday through Friday and no longer has Saturday hours. I'm fortunate because my job afforded me the privilege of taking care of these things. However, if he had lived in the Chippewa County town of Stanley the local pharmacy is only open 10 a.m. - 4:30 p.m. Monday through Friday. The next closest pharmacy is about 30 miles from Stanley. If I worked in law enforcement, healthcare, restaurant, a factory or retail he would have been unable to support his local pharmacy because I wouldn't have been able to get his medications.

Many of our small-town pharmacies have reduced their hours due to staffing difficulties. A recent survey by the National Community Pharmacists Association indicated that 67 percent of their 332 respondents are having difficulty filling open positions. Also, 81 percent struggle to hire pharmacy technicians, 43 percent have trouble hiring clerks or front-end staff, and 17 percent can't find delivery drivers. Allowing SeniorCare participants to purchase a 100-day supply would reduce the workload on the pharmacy staff.

According to an article dated 2/26/2023, in the National Library of Medicine, the most common causes of pharmacist related medication errors involve workload, similar drug names, interruptions, lack of support staff, insufficient time to counsel patients, and illegible handwriting. Pharmacy staff are just as susceptible to human error and like the rest of us, rushing to serve everyone in a timely manner can contribute to errors. The opportunity to "lighten" the load by reducing the frequency of refills can only have a positive impact on their workflow and accuracy.

In addition, the more often a medication needs to be refilled, the more likely a SeniorCare participant is to run out of a medication, leading to medication errors on the patient end. According to a publication of the Centers for Medicare & Medicaid Services, patients with a 90-day supply of

medication had greater medication adherence, less waste and greater savings to the programs. This savings was based on reductions in pharmacy costs and did not account for the expected savings in Medicaid and Medicare spending associated with improved adherence to medication regimen.

Like many of the small-town medical clinics, small town pharmacies are also shutting their doors leaving people without a local option for getting their medications. Just two months ago, this happened in Cadott, another small town in Chippewa County. Those rural residents will now be traveling about 20 miles to get their medications.

Keep in mind, that individuals who qualify for SeniorCare are low- to moderately-low income. For those participants who drive, the ability to purchase a 100-day supply would have a positive impact on their household budget and allow them to spend that on groceries or some other needed household expense.

Yes, many of these logistical issues can be avoided with mail order drugs. However, please remember the communication between a pharmacist and the patient is vital to reducing error, especially for older people who are very likely to be taking several different medications. About 36 percent of older adults regularly take at least five different prescription drugs. I take three different prescriptions and every time I get a refill, at least one will look different depending on what generic version the pharmacy is now using. In addition, with mail order requests, any questions or concerns would require communication over the phone. This is not a good option for SeniorCare participants who struggle with hearing loss or automated phone systems. I think we all have experience with the frustrations of these or with being transferred several times. There is also the issue of mail delays which definitely happen during snowstorms or around the holiday season. Not to mention that there are a lot of older people with mobility issues who limit their trips to the mailbox in the winter.

I've heard some folks say that older people living in those rural areas should move to communities that have better services. Given the volume of calls our ADRC receives regarding the lack of available affordable housing, this is not a viable solution especially because the communities with more services are the very communities that have long waiting lists for affordable housing.

My many years of experience serving older people in our communities, as well as my experience as a caregiver for my dad, gives me a level of expertise on this issue. Allowing SeniorCare participants the opportunity to purchase a 100-day supply of medications would alleviate many concerns that our older adults and family caregivers face when it comes to getting medications and taking them safely.

Respectfully,

Leslie Fijalkiewicz, Manager ADRC of Chippewa County

GWaar
Greater Wisconsin
Agency on Aging Resources, Inc.

WAN Advocacy
Wisconsin Aging
| Advocacy | Network

October 10, 2023

Thank you, members of the Health, Aging and Long-Term Care Committee for this opportunity to testify in support of AB 259. My name is John Schnabl, and I am the Executive Director for the Greater Wisconsin Agency on Aging Resources, Inc. (GWAAR). I am also part of the leadership committee of the Wisconsin Aging Advocacy Network (WAAN). I have had the privilege of serving and working with older adults for over 20 years. My professional experience, as well as my personal experience as a family caregiver has deepened my understanding of the valuable resource older adults are to our families and communities, as well as the challenges many older adults face as they try to stay in their own home as they age.

For over two decades, SeniorCare has offered Wisconsin residents aged 65 and older a comprehensive prescription drug benefit utilizing a simple application, enrollment, and renewal process. Over the years, GWAAR and WAAN have offered and supported recommendations to further strengthen the program's ability to achieve its goal of keeping Wisconsin seniors healthy. Today, we are pleased to offer our support for AB 259 which will further strengthen the program.

Getting around the community can be a significant challenge for older adults who are self-restricting their driving, who no longer drive or never drove. Finding rides to pick up prescriptions (as well as to the other places they want/need to go) can be burdensome and expensive. Older adults do not want to be a burden on their families, nor do they want to spend an excessive amount of their budget on transportation costs (provided transportation is even available). For many older adults, pharmacies are 10, 20 or even 30 miles away. During the COVID-19 public health emergency, SeniorCare and other Medicaid program participants were able to receive up to a three-month supply of some of their prescription medications. Allowing pharmacies to dispense a three-month supply limited individual's exposure by reducing their trips to the pharmacy. It also reduced the number of times transportation was needed, which was especially helpful given the difficulties associated with social distancing in a car. Program participants realized fewer trips and co-pays saved both time and money. Unsurprisingly, many older adults (and likely younger adults too) would like to see this option continued.

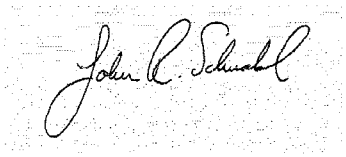
A study published in 2012 in the Medicare & Medicaid Research Review used Medicaid claims from nearly 53,000 patients with chronic conditions to determine whether 90-day refills at community pharmacies could improve adherence, minimize waste, and control costs. While no comparable difference in wastage was noted, the study results showed adherence to maintenance medications was higher among patients with 90-day prescriptions supplied compared to 30-day prescriptions. In addition, estimated savings resulting from the use of 90-day rather than 30-day prescriptions ranged from $7.70 per patient per year (PPPY) to $28.86 PPPY (even after removing the cost of any waste). These saving came from reductions in pharmacy costs and did

not include any additional expected savings in medical spending associated with improved adherence. 1

Changing from a 34-day supply of prescription medications to up to a 100-day supply will result in a loss of funding from co-pays; however, any loss of funds will more than be made up for by the reduction in dispensing fees to pharmacies. In addition, most Medicare Part D plans already provide beneficiaries the option to receive a 90-day supply of medications.

Thank you for consideration of my testimony on behalf of GWAAR and WAAN on this cost-saving proposal to make Wisconsin's SeniorCare program even better!

Sincerely,



John Schnabl
Greater Wisconsin Agency on Aging Resources (GWAAR)
Executive Director
john.schnabl@gwaar.org
(608) 228-8094

1 Taitel, M., Fensterheim, L., Kirkham, H., Sekula, R., & Duncan, I. (2012). Medication days' supply, adherence, wastage, and cost among chronic patients in Medicaid. Medicare & Medicaid Research

AARP Wisconsin

222 W. Washington Avenue, #600 | Madison, WI 53703
1-866-448-3611 \ Fax: 608-251-7612 \ TTY: 1-877-434-7598
aarp.org/wi \ aarpwi@aarp.org \ twitter: @aarpwi
facebook.com/AARPWisconsin

Assembly Health, Aging and Long-Term Care Committee
Assembly Bill 259
Testimony of AARP Wisconsin for Information Only

October 10th, 2023

Good afternoon, Chair Moses and members of the Committee. Thank you for the opportunity to share testimony for information only on Assembly Bill 259, which requires the Department of Health Services (DHS) to seek a waiver from the federal government to allow SeniorCare participants to receive 100-day supplies of their prescriptions instead of the usual 34-day supply. Once an individual meets any required-deductible, they could access a 100-day supply of their medication for the same cost as a 30-day supply.

AARP Wisconsin has been a strong supporter of the SeniorCare program since its inception, which provides affordable prescription drug coverage to more than 108,000 Wisconsin residents over the age of 65.

During the COVID pandemic, DHS utilized administrative flexibilities that allowed all individuals enrolled in Medicaid and SeniorCare to receive 100-day supplies of most prescription medications. This policy was incredibly popular and improved access to needed prescription medications for all low-income Wisconsinites. Unfortunately, the COVID-related pharmacy policy flexibilities ended on December 1, 2022.

As currently drafted, AB 259 would only re-instate the 100-day refill policy for individuals over the age of 65 who are enrolled in SeniorCare. This is a step in the right direction. However, AARP believes that any legislation seeking to re-instate COVID- related pharmacy policies should apply to all individuals who benefitted from the original policy, not just a subset of individuals.

Moreover, thousands of Wisconsin seniors struggle every month to afford just the basics they need to live, such as housing, food, transportation, and in some cases life- saving medication. This is an issue that impacts all older adults, not just those 65 and older.
At AARP we hear horror stories from folks in all parts of Wisconsin who are desperate for any help they can get to make their prescription drugs more affordable and accessible. Some have told us they often have to choose between buying groceries, paying rent or obtaining the medications they need. Many say they even split their pills in half just to make ends meet.

We know that the average Medicare Part D enrollee takes 4.6 prescription medications on a regular basis. Appropriate use of prescription drugs can prolong life, improve quality of life, and postpone or replace the need for intensive, often expensive medical treatments. Given older adults' extensive use of prescription drugs, it is vital to ensure that they are safe, effective, and accessible.

Allowing a 100-day supply versus the typical 30-day supply is a big help to those who have difficulty going to the pharmacy because of health issues, transportation barriers, or both. It would also help older adults who take medicines for chronic conditions. Once they are on a particular medication, they often

need to take it for the rest of their lives. So having a 100-day supply will make it easier for them to stay on the regimen they need to stay healthy.

However, to truly address the issue of prescription drug access and affordability for all low-income older adults, AB 259 would need to be amended to apply to all Wisconsin Medicaid programs as well as SeniorCare. This would be identical to the pharmacy policy that was in place during COVID-19.

It is also our understanding that this would eliminate the need for DHS to seek a waiver from the federal government related to SeniorCare, allowing them to institute this policy more quickly and efficiently. Finally, this could reduce costs for the Medicaid program as it would cut down on dispensing fees by allowing Medicaid recipients to refill prescriptions 3-4 times per year instead of every month.

We thank the bill's authors, Senator Quinn and Representative Hurd and look forward to working with them to ensure that all Wisconsinites can have more convenient access to medications they so desperately need.

Thank you for the opportunity to provide input on this legislation.

David Bowen
Assoc. State Director of Advocacy
222 West Washington Ave, Suite 600
Madison, WI 53703