



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-2198/1
TJD:klm

2021 ASSEMBLY BILL 184

March 23, 2021 - Introduced by Representatives TITTL, MOSES, SUBECK, ARMSTRONG, CABRAL-GUEVARA, DITTRICH, KRUG, ROZAR and WICHGERS, cosponsored by Senators JACQUE and CARPENTER. Referred to Committee on Health.

AUTHORS SUBJECT TO CHANGE

1 **AN ACT** *to amend* 40.51 (8), 40.51 (8m), 66.0137 (4), 120.13 (2) (g), 185.983 (1)
2 (intro.) and 609.83; and *to create* 632.862 of the statutes; **relating to:**
3 application of prescription drug payments to health insurance cost-sharing
4 requirements.

Analysis by the Legislative Reference Bureau

This bill requires health insurance policies that offer prescription drug benefits, self-insured health plans, and pharmacy benefit managers acting on behalf of policies or plans to apply amounts paid by or on behalf of a person covered under the policy or plan for prescription drugs to any calculation of an out-of-pocket maximum amount or to any cost-sharing requirement of the policy or plan. This requirement applies regardless of whether a claim is submitted to the policy or plan to pay for the prescription drug. Health insurance policies are referred to in the bill as disability insurance policies.

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

5 **SECTION 1.** 40.51 (8) of the statutes is amended to read:
6 40.51 (8) Every health care coverage plan offered by the state under sub. (6)
7 shall comply with ss. 631.89, 631.90, 631.93 (2), 631.95, 632.72 (2), 632.729, 632.746

ASSEMBLY BILL 184**SECTION 1**

1 (1) to (8) and (10), 632.747, 632.748, 632.798, 632.83, 632.835, 632.85, 632.853,
2 632.855, 632.862, 632.867, 632.87 (3) to (6), 632.885, 632.89, 632.895 (5m) and (8) to
3 (17), and 632.896.

4 **SECTION 2.** 40.51 (8m) of the statutes is amended to read:

5 40.51 **(8m)** Every health care coverage plan offered by the group insurance
6 board under sub. (7) shall comply with ss. 631.95, 632.729, 632.746 (1) to (8) and (10),
7 632.747, 632.748, 632.798, 632.83, 632.835, 632.85, 632.853, 632.855, 632.862,
8 632.867, 632.885, 632.89, and 632.895 (11) to (17).

9 **SECTION 3.** 66.0137 (4) of the statutes is amended to read:

10 66.0137 **(4)** SELF-INSURED HEALTH PLANS. If a city, including a 1st class city, or
11 a village provides health care benefits under its home rule power, or if a town
12 provides health care benefits, to its officers and employees on a self-insured basis,
13 the self-insured plan shall comply with ss. 49.493 (3) (d), 631.89, 631.90, 631.93 (2),
14 632.729, 632.746 (10) (a) 2. and (b) 2., 632.747 (3), 632.798, 632.85, 632.853, 632.855,
15 632.862, 632.867, 632.87 (4) to (6), 632.885, 632.89, 632.895 (9) to (17), 632.896, and
16 767.513 (4).

17 **SECTION 4.** 120.13 (2) (g) of the statutes is amended to read:

18 120.13 **(2)** (g) Every self-insured plan under par. (b) shall comply with ss.
19 49.493 (3) (d), 631.89, 631.90, 631.93 (2), 632.729, 632.746 (10) (a) 2. and (b) 2.,
20 632.747 (3), 632.798, 632.85, 632.853, 632.855, 632.862, 632.867, 632.87 (4) to (6),
21 632.885, 632.89, 632.895 (9) to (17), 632.896, and 767.513 (4).

22 **SECTION 5.** 185.983 (1) (intro.) of the statutes is amended to read:

23 185.983 **(1)** (intro.) Every voluntary nonprofit health care plan operated by a
24 cooperative association organized under s. 185.981 shall be exempt from chs. 600 to
25 646, with the exception of ss. 601.04, 601.13, 601.31, 601.41, 601.42, 601.43, 601.44,

ASSEMBLY BILL 184**SECTION 5**

1 601.45, 611.26, 611.67, 619.04, 623.11, 623.12, 628.34 (10), 631.17, 631.89, 631.93,
2 631.95, 632.72 (2), 632.729, 632.745 to 632.749, 632.775, 632.79, 632.795, 632.798,
3 632.85, 632.853, 632.855, 632.862, 632.867, 632.87 (2) to (6), 632.885, 632.89,
4 632.895 (5) and (8) to (17), 632.896, and 632.897 (10) and chs. 609, 620, 630, 635, 645,
5 and 646, but the sponsoring association shall:

6 **SECTION 6.** 609.83 of the statutes is amended to read:

7 **609.83 Coverage of drugs and devices; application of payments.**

8 Limited service health organizations, preferred provider plans, and defined network
9 plans are subject to ss. 632.853, 632.862, and 632.895 (16t) and (16v).

10 **SECTION 7.** 632.862 of the statutes is created to read:

11 **632.862 Application of prescription drug payments. (1) DEFINITIONS.** In
12 this section:

13 (a) "Cost-sharing requirement" means a deductible, copayment, or
14 coinsurance.

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

16 (b) "Pharmacy benefit manager" has the meaning given in s. 632.865 (1) (c).

17 (c) "Self-insured health plan" has the meaning given in s. 632.85 (1) (c).

18 **(2) APPLICATION OF PAYMENTS.** A disability insurance policy that offers a
19 prescription drug benefit, a self-insured health plan, or a pharmacy benefit manager
20 acting on behalf of a disability insurance policy or self-insured health plan shall
21 apply to any calculation of an out-of-pocket maximum amount or to any
22 cost-sharing requirement of the policy or plan any amounts paid by an enrollee or
23 on behalf of any person covered under the policy or plan for prescription drugs that
24 are covered under the policy or plan regardless of whether a claim is submitted to the
25 policy or plan for the prescription drug.

ASSEMBLY BILL 184**SECTION 8****1 SECTION 8. Initial applicability.**

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

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

10 SECTION 9. Effective date.

11 (1) This act takes effect on the first day of the 4th month beginning after
12 publication.

13 (END)