



2021 ASSEMBLY BILL 553

September 10, 2021 - Introduced by Representatives SUBECK, CABRERA, ANDERSON, BALDEH, CABRAL-GUEVARA, CONLEY, CONSIDINE, DOYLE, EMERSON, HESSELBEIN, HONG, MILROY, L. MYERS, NEUBAUER, POPE, S. RODRIGUEZ, SHANKLAND, SHELTON, SINICKI, SNODGRASS, SPREITZER, STUBBS, VINING and VRUWINK, cosponsored by Senators ERPENBACH, JOHNSON, AGARD, BEWLEY, CARPENTER, LARSON, PFAFF, RINGHAND and ROYS. Referred to Committee on Health.

AUTHORS SUBJECT TO CHANGE

- 1 **AN ACT** *to create* 632.865 (2m) of the statutes; **relating to:** fiduciary and
2 disclosure requirements on pharmacy benefit managers.

Analysis by the Legislative Reference Bureau

This bill imposes fiduciary and disclosure requirements on pharmacy benefit managers. Pharmacy benefit managers contract with plans that provide prescription drug benefits to administer that benefit for the plans. They also have contracts with pharmacies and pay the pharmacies for providing the drugs to the plan beneficiaries.

The bill provides that a pharmacy benefit manager owes a fiduciary duty to a plan sponsor. The bill also requires that a pharmacy benefit manager annually disclose all of the following information to the plan sponsor:

1. The indirect profit received by the pharmacy benefit manager from owning a pharmacy or service provider.
 2. Any payments made to a consultant or broker who works on behalf of the plan sponsor.
 3. From the amounts received from drug manufacturers, the amounts retained by the pharmacy benefit manager that are related to the plan sponsor's claims or bona fide service fees.
 4. The amounts received from network pharmacies and the amount retained by the pharmacy benefit manager.
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The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

