

Assembly unanimously passes pharmacy benefit manager bill

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— The Assembly today unanimously backed a bill that would create new regulations for middlemen between drug manufacturers and pharmacies that negotiate prices with both.

Pharmacy benefit managers are currently regulated by federal law, but the Office of Commissioner of Insurance has no authority over them.

AB 114 would put a series of regulations in place, such as requiring PBMs to be licensed, with the goal of holding down prescription drug prices.

Bill author Rep. Michael Schraa praised bipartisan cooperation in crafting the measure, which has garnered over 100 cosponsors. The Oshkosh Republican said lawmakers “put together what we really thought would be the best bill for the taxpayers of our state.”

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“Nobody should be deciding between putting food on the table and what drugs to take,” he said.

Co-author Rep. Deb Kolste, D-Janesville, praised Schraa for his work, saying “there could not be a better advocate in this building” for the issue.

But she lamented a number of changes made to the original bill that she said led to “less consumer protection and less aid to our local pharmacies.”

The original version sought to prohibit PBMs from requiring a patient to use a specific pharmacy as long as there were other options available in the plan network. That provision was removed, which means PBMs can direct patients to use mail-

order or specialty pharmacies, which are sometimes owned by the PBMs.

The original bill also prohibited PBMs from making mid-year changes on drug plans, which cover prices and availability, but it was amended to allow changes.

But PBMs would have to give notice to patients of the change unless there is a generic equivalent available. Otherwise, the patient would be able to appeal the decision and a pharmacy would be allowed to cover the prescription for 30 days if the enrollee has an adverse reaction to the substitute drug.

Schraa equated the amendment process to a “12-round kickboxing match.”

But Kolste questioned why some of those changes were made.

“During the process, it was said that sometimes you just have to have a give and take, you have to have this compromise so that the bill can get passed,” she said. “With a supermajority in both houses, I’m not sure who we are compromising with.”

Despite the changes, Kolste said it was “still a bill we need to vote for.”

“This time we put some transparency back into healthcare and this is just the beginning,” she said. “There will be more things to come.”