



# **Health Policy Issues to Watch in WI and IL... Plus What To Do About Them**

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## Overview

1. Highlights of the early weeks of the WI and IL legislative sessions
2. Why is important to do **more than monitor** health policy?
3. What are some **effective** ways to take action and make your perspectives known?

## Your Alliance Health Policy Team



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## Health Policy Highlights - WI

- Governor Tony Evers (D) defeated incumbent Governor Scott Walker (R)
  - **Divided government**, with a Democratic Governor and solid Republican majorities in the state Assembly and Senate
- Odd numbered years always focus on the **state budget** process
- **Major debate: Medicaid expansion** to cover an additional 82,000 adults
- Additional federal matching dollars (90/10) used to fund:
  - Rate increases for hospitals and dentists
  - Women's health initiatives
  - Mental health service rate increases
  - Long term care provider/direct care worker rate increases

## Health Policy Highlights - WI

- **Pre-Existing Condition Coverage**

- AB1 would offer some protections for insurance coverage for people with medical problems in the event the ACA is overturned
- Opponents say the bill doesn't go far enough and have called for the state to withdraw from a federal lawsuit seeking to strike down the ACA

- **Step Therapy Exemptions**

- AB 24 would let patients bypass insurance requirements that they try cheaper drugs before taking more expensive ones
- Applies to insurers, pharmacy benefit managers, and utilization review organizations
- Creates five exemptions from step therapy, including already trying the cheaper drug or deeming it “not in the best interest of the patient, based on medical necessity”

## Health Policy Highlights - WI

- **Defining Direct Primary Care (DPC)**
  - AB 26/SB 28 would define DPC in state law
  - Establishes 9 requirements for “valid” DPC arrangements
- **Regulating Pharmacy Benefit Managers (PBMs)**
  - Establishes new regulation and pharmacy network requirements
  - Requires additional transparency of costs and rebates
  - Prohibits PBMs from limiting pharmacists’ ability to inform patients of lower cost options (similar to federal “gag clause” proposals)
  - Similar to a bill introduced last session and to laws passed in other states
  - Bipartisan support and is being promoted as a way to control prescription drug costs



## Health Policy Highlights - IL

- Governor J.B. Pritzker (D) defeated incumbent Bruce Rauner (R)
- Democratic majorities in both houses
- Annual budget
- Scheduled to adjourn May 31

## Governor Pritzker's Budget Overview

- The Governor has proposed several changes to the state's revenue structure to provide roughly \$2.2 billion in additional revenues to help close the \$3.2 billion structural deficit.
  - Legalizing recreational marijuana - \$170 million
  - Sports Wagering - \$200 million
  - Decoupling from the federal tax credit for repatriated corporate income - \$94 million
  - Implementing a delinquent tax payment incentive program - \$175 million
  - A new tax on plastic bags of \$0.05 per bag - \$23 million
- Two revenue generators with particular relevance for health care
  - **Tax e-cigarettes** at the same rate of traditional cigarettes (\$10 million) and **increasing the tax on a pack of cigarettes** by \$0.32 (\$55 million) to help fund the Medicaid program
  - A new **Managed Care Organization assessment** that would tax both Medicaid MCOs and commercial insurers



## Medicaid and MCO Reform

- Last year, the Illinois Medicaid Managed Care Program was expanded rapidly
  - Led instability in the market
  - Provider complaints about payment
- Legislation has been introduced focusing on hospitals' concerns
  - Treat hospitals as expedited providers who regularly need quicker payments, similar to the state's fee-for-service system.
  - Discharge patients more quickly upon a doctor's release, or pay for keeping the patient hospitalized.
  - Reimburse providers who have contracts with MCOs for medically-necessary services regardless if the provider is on the updated MCO roster.
- A bi-partisan, bicameral working group has been assembled to negotiate the bills among the various stakeholders

## Health Policy Highlights - IL

- **House Prescription Drug Affordability Committee**
  - For the first time, the Illinois House of Representatives has a committee solely focused on prescription drug prices.
- **HB 465 HA #1 was filed on March 11, 2019 by House Leader Greg Harris**
  - Defines and regulates pharmacy benefit manager (“PBMs”) practices within the State of Illinois;
  - Requires pharmacists to inform customers of a less expensive drug product for their prescription;
  - Protects consumers entering the emergency room from having coverage of treatment rejected; and
  - Prohibits insurers from adopting “copay accumulator programs,” that prevent manufacturer copay cards from applying to a patient’s health insurance deductible.

# So How Can The Alliance and Its Members Make A Difference?

## How Does Action By The Alliance and its Members Influence Government?

- ✓ Make policy makers **aware** of an issue
- ✓ Provide policy makers with **ideas and solutions**
- ✓ **Influence** policy maker's position or vote if neutral, persuadable
- ✓ Identifies industry as **solutions-driven, knowledgeable** resource

## **Examples of Action by The Alliance and its Members**

- Request for members to contact legislators on Cadillac Tax
- Sign on to industry sponsored open letters to Congress
- Comment on pending regulation
- Participate in “Lobby Days”
- Testify to Congressional Committee

## How Member Companies Can Help

- Encourage employees to participate in a call to action
- Have C-Suite level management personally reach out to lawmakers
- Encourage management and employees to attend events with Congressional members in the district
- Donate money or volunteer time to candidates that support responsible health care policy



# Thank You!

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