



Students for Patient Advocacy Nationwide

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The Honorable Clint P. Moses, Chair
Wisconsin State Assembly Committee on Health, Aging and Long-Term Care
100 N Hamilton St, Madison, WI 53703
October 14, 2025

Position Letter: AB 54 Utilization Management Controls for Antipsychotic Prescription Drugs Under the Medical Assistance Program – Support if Amended

Dear Chairman Moses and members of the Wisconsin State Assembly Committee on Health, Aging and Long-Term Care,

We at Students for Patient Advocacy Nationwide (SPAN) are writing to display our conditional support for AB 54, which aims to prohibit DHS from imposing step therapy, prior authorization, or any other utilization methods on prescription antipsychotic drugs that are approved by the FDA. Our organization recognizes and commends the bill's intention to expand access for individuals suffering from mental health conditions, ensuring timely treatment and continuity of care.

While we support the principles behind AB 54, we respectfully raise the following concerns regarding its implementation:

- **Loss of Cost-Control via Rebates:** As it stands, the bill will create an estimated \$16.7 million annual revenue loss by removing DHS's leverage to negotiate savings via the supplemental pharmacy rebates program. Eliminating preferred drug list (PDL) enforcement may unintentionally provide financial benefits to drug manufacturers, as they would no longer need to offer rebates to compete for "preferred" status, shifting costs from manufacturers to state and federal Medicaid budgets.
- **Risk of Inappropriate or Unsafe Prescription:** Utilization management protocols ensure that prescriptions are appropriate for a patient's diagnosis by considering medical history, and any potential drug interactions. Removing these safeguards could unintentionally increase risks for adverse side effects and unnecessary use of higher-cost drugs without improving clinical outcomes.
- **Sudden, Large Fiscal Impact on State and Federal Budget:** The implementation of AB 54 has the potential for the sudden increase of Medicaid costs and may strain the GPR and FMAP funding. Without planning for phased rollout or any mechanism to help



offset costs, the state and federal governments would be required to cover higher drug costs, potentially limiting available funding for other essential health services.

To address these concerns while preserving the bill's patient centered goals, we respectfully recommend the following amendments:

- **Post-Utilization Review:** Replace prior authorization and other utilization management processes with retrospective review to identify potential overuse and overprescription. This approach maintains patient safety and clinical oversight without delaying access to necessary medications, balancing quality assurance with patient-centered care.
- **Phased Implementation:** Begin with patients that are already stabilized on antipsychotic medications, followed by broader patient groups. Through phased implementation, DHS will be allowed to monitor utilization patterns and outcomes. This will also minimize sudden budget impacts, allowing both state and federal resources to adjust while highest-need patients receive uninterrupted access first.
- **Maintain Rebate Negotiation Authority:** Allow DHS to continue negotiation with drug manufacturers regarding supplemental rebates to help offset state and federal expenditures. This will reduce fiscal burden while maintaining patient access. It also prevents manufacturers from gaining unintended financial benefits because utilization controls have been lifted.

With these amendments, AB 54 would be much more effective at its intended goal of expanding access to antipsychotic medications, while ensuring that patients across Wisconsin can obtain necessary treatment safely and efficiently.

For these reasons, we urge the committee to support AB 54 if amended to incorporate safeguards that maintain patient safety, fiscal responsibility, and oversight.

Thank you for your attention and continued leadership on behalf of Wisconsin patients.

Sincerely,

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