



**WISCONSIN FAMILY ACTION**  
Marriage|Family|Life|Liberty

PO Box 1327 • Madison WI 53701-1327  
608-268-5074 (Madison) • 866-849-2536 (toll-free) • 608-256-3370 (fax)  
Email: [info@wifamilyaction.org](mailto:info@wifamilyaction.org) • Web site: [www.wifamilyaction.org](http://www.wifamilyaction.org)

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**Testimony in favor of Senate Bill 238**  
**Senate Committee on Health and Human Services**  
**Public Hearing, September 22, 2015**  
**Julaine Appling**  
*President of Wisconsin Family Action*

Thank you, again, Chairwoman Vukmir, and members of the committee, for the opportunity to speak in favor of Senate Bill 238.

Senate Bill 238 requires family planning clinics to bill the state Medicaid program for only the actual acquisition cost of drugs in addition to a standard dispensing fee, saving taxpayers millions of dollars previously plundered by family planning clinics' overbilling practices in Wisconsin. Late last year, through an audit conducted by the DHS Inspector General, we learned that family planning clinics have been overbilling the state Medicaid program to the tune of millions of dollars annually through the 340B Drug Discount program, largely for birth control and contraceptive devices.<sup>1</sup> These overbillings are an established practice for family planning clinics, according to their own accounts, whereby they routinely bill the state Medicaid program for more than they paid to acquire the drugs.

While family planning clinics may not have been trying to purposely defraud state taxpayers, their questionable billing practices are in fact a misuse of Medicaid funds in Wisconsin. The 340B Drug Discount program was not intended to pad the pockets of family planning clinics, but to cover the actual cost and dispensing fee of discounted drugs for low-income individuals. This bill would reinstate that program intention in the state for the family planning clinics that utilize the discount program to dispense contraception drugs and devices.

Really, what this comes down to is, why are we treating family planning clinics any different than we would any other recipients dispensing discounted drugs? I am sure that hospitals and clinics providing other Medicaid and Medicare services to low-income patients would love to be able to bill actual costs for their services to the state, let alone overbill for actual costs. In news articles, the proponents of this overbilling practices claim that prescribing contraceptives is more than just handing over pills.<sup>2</sup> Welcome to the world of health care! Prescribing medications and medical devices is always much more than handing over pills or devices—at least health care providers would say that it should be. That is what the dispensing fee is for—and as I understand it, Wisconsin's reimbursement practices allow for the actual costs of dispensing to be reimbursed.

The state audit uncovered disagreement between the state and the 340B Drug Discount program recipients as to the billing practices allowed by law. Senate Bill 238 makes the law crystal clear so that there can be no misunderstanding of the law. I encourage you to support Senate Bill 238 in committee and on the floor. Thank you for your time and consideration.

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<sup>1</sup> *Family planning clinics say state audits could force many to close*, Golden, Kate, Wisconsin Watch, November 2, 2014, available at: <http://wisconsinwatch.org/2014/11/family-planning-clinics-say-state-audits-could-force-many-to-close/>, accessed on July 29, 2015.

<sup>2</sup> *Ibid.*