



Correspondence Memorandum



Date: Tuesday, January 04, 2022



To: Wisconsin State Legislators



From: Coalition of Wisconsin Employer Groups Concerned about Health Care Costs



Re: Assembly Bill 718/Senate Bill 753 Concerns



Wisconsin businesses of all shapes and sizes are regularly facing a multitude of barriers. The past two years have been extremely difficult to navigate. Yet with all the pandemic related problems, the cost to provide affordable health care to employees continuously ranks as a top-tier challenge identified by employers in Wisconsin. With this in mind, the Coalition of Wisconsin Employer Groups Concerned about Health Care Costs, comprised of the organizations identified above, request state legislators understand the position of employers when contemplating AB 718/SB 753.

The payor organizations that have signed on to this memo urge your consideration of Wisconsin's employer and business community's perspective on AB 718/SB 753. The **passage of AB 718/SB 753 would remove an important tool that slows and even sometimes reduces health care costs for employers while maintaining quality health care for their employees and employee families.** AB 718/SB 753 would eliminate "white-bagging," a process health insurers have implemented to deliver clinically administered drugs directly to the clinic/patient when it is safe to do so. This practice is a necessary tool to address significant hospital mark-ups and keep medications reasonably affordable.

A recent [study prepared for PhRMA](#) found that, on average, hospitals charge 479% of their cost for drugs nationwide. Eighty-three percent of hospitals charge patients and insurers more than double their acquisition cost for medicine, marking-up the medicines 200% or more. Most hospitals (53%) markup medicines between 200-400%, on average. From our perspective, this trend is unsustainable. Specifically, health care prices in Wisconsin are some of the highest in the nation (see enclosed graph).





Given the significant prices, employers and their employees are bearing the brunt of this on-going burden. For employers and Wisconsin economic development, this translates into lower wages, fewer jobs and businesses looking elsewhere to grow their companies. Lawmakers who say they are concerned about jobs and the economy should be working with Wisconsin-based employers on health costs to ensure all options are available that result in a balanced health care marketplace for payors, providers, and patients equally and fairly.

Employers are committed to providing quality healthcare, but rising health care costs could jeopardize the affordability of employer-provided health care coverage for employees and their families. Ninety percent of plan sponsors said high drug prices are a threat.

As employer-based associations, we realize that perhaps some legislators that initially signed onto the legislation did not understand the relationship that exists between employer payors and health insurers and the fair and reasonable concerns we share. Given that, please afford Wisconsin businesses one less obstacle at a time when we are already overwhelmed with government mandated rules and regulations.

We sincerely appreciate your time and consideration with our concerns related to AB 718/SB 753.

- Transmotion LLC
- Bent Tubes LLC
- Value Added Distributors
- Gamber Johnson
- Ameriquip
- Marion Body Works
- Great Lakes Veneer
- K&S Manufacturing
- Volm Companies
- QPS Employment Group
- Bassett Mechanical
- Menasha Joint School District
- MetalTek International
- Trace-A-Matic
- Kolbe Windows & Doors
- Kwik Trip
- OEM Fabricators Inc
- Sandstone Group Inc
- Lakeside Manufacturing Inc
- Fond du Lac Area Businesses on Health
- WI Counties Association Group Health Trust
- Zero Zone, Inc.
- Rice Lake School District
- The Fall River Group
- Altra Federal Credit Union
- Seek Careers
- Rice Lake Weighing Systems

- hoffmaster Group, Inc.
- Team Schierl Companies
- Schierl Tire Service
- Wypocki Family Companies
- Enerquip
- Midwest Carriers
- P Prent Thermoforming
- Create A Pack Foods
- Colby Metal
- Rite Hite Holding Corporation
- E.C. Styberg Engineering
- Putzmeister America, Inc.
- The Boelter Companies
- vjs Construction Services
- Badger Mining
- Walker Forge Inc.
- Steinhafels Inc.
- Plumbing Heating & Cooling Contractors of WI
- WI Roofing Contractors Association
- WI Paper Council
- Wisconsin Independent Business Inc.
- Midwest Food Products Assn.
- The Alliance
- WPMCA
- WI Restaurant Association
- WMC



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