**Section 126.50 Other Administrative Responsibilities of the Department**

a) In discharging its administrative responsibilities pursuant to the Act, the Department will either act as the Program Administrator or enter into a contract with an outside vendor, pursuant to Section 25 of the Act, and/or agreements with State agencies under which those entities will serve as the Program Administrator and/or exercise various recordkeeping and other administrative functions. Any contract or agreement must provide for inspection of appropriate records and audits of participating pharmacies or other appropriate measures deemed sufficient by the Director, in his or her discretion, to ensure contract compliance and to determine any fraudulent transactions or practices under the Act. Any contract entered into with outside vendors must be in compliance with the procedures and requirements set forth in the Illinois Procurement Code.

b) The Department will reimburse the Program Administrator for the cost of cardholder enrollment, pursuant to the contract entered into by the Department and the Program Administrator. The amount of reimbursement will be at a rate to be agreed upon by the Department and the Program Administrator and will be set forth in specificity in the contract. Funds to pay the reimbursement shall come from the enrollment fee and can either be taken from the enrollment fee prior to deposit or deposited into the Fund and reimbursed back to the Program Administrator, at the discretion of the Director.

c) The Department will, in cooperation with the Program Administrator, establish procedures for properly contracting for pharmacy services and validating compliance of authorized pharmacies with the Act and this Part 126.

d) The Department shall report to the Governor and the General Assembly by March 1 of each year on the administration of the program.