

1 AN ACT concerning public aid.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Public Aid Code is amended by  
5 changing Section 5-16.11 as follows:

6 (305 ILCS 5/5-16.11)

7 Sec. 5-16.11. Uniform standards applied to managed care  
8 organizations ~~entities~~.

9 (a) As used in this Section:

10 "Drug class" means a set of medications that have similar  
11 chemical structures, the same mechanism of action (such as  
12 binding to the same biological target), a related mode of  
13 action, the same method of delivery (such as one pill per day),  
14 or that are used to treat the same disease.

15 "Clinician" means an individual licensed by the State of  
16 Illinois to prescribe or dispense drugs.

17 (b) Any Medicaid managed care organization entity  
18 providing services under this Code shall use a pharmacy  
19 formulary that is no more restrictive by drug class than the  
20 Illinois Department's preferred drug list. Beginning January  
21 1, 2019 and continuing through January 1, 2022, the Illinois  
22 Department shall require each Medicaid managed care  
23 organization to list as preferred on the Medicaid managed care

1 organization's preferred drug list at least the same number,  
2 and no fewer, of drugs per drug class as are listed on the  
3 Illinois Department's preferred drug list. pharmaceutical  
4 program.

5 (c) The Illinois Department shall not prohibit, or adopt  
6 any rules or policies that prohibit, a Medicaid managed care  
7 organization from: (i) covering additional drugs that are not  
8 listed on the Illinois Department's preferred drug list; (ii)  
9 submitting all covered drugs listed on the Illinois  
10 Department's preferred drug list and additional drugs covered  
11 by the Medicaid managed care organization as qualified  
12 encounters to be used for appropriate purposes, including, but  
13 not limited to, quality scores, risk adjustments, and rate  
14 development, as long as the encounter data is submitted with  
15 proper formatting criteria; or (iii) removing from the Medicaid  
16 managed care organization's preferred drug list any prior  
17 approval requirements, step therapy, or other utilization  
18 controls applicable under the Illinois Department's preferred  
19 drug list.

20 (d) The Illinois Department shall not require a Medicaid  
21 managed care organization to utilize a single, statewide  
22 preferred drug list and shall not prohibit a plan from  
23 negotiating drug pricing concessions or rebates on any drug  
24 with pharmaceutical companies, unless otherwise required by  
25 federal law.

26 (e) No later than January 1, 2019, the Illinois Department

1 shall develop a standardized format for all Medicaid managed  
2 care organization preferred drug lists in collaboration with  
3 Medicaid managed care organizations and other stakeholders,  
4 including, but not limited to, organizations that serve  
5 individuals impacted by HIV/AIDS or epilepsy, and  
6 community-based organizations, providers, and entities with  
7 expertise in drug formulary development.

8 (f) Following development of the standardized Preferred  
9 Drug List format, the Illinois Department shall allow Medicaid  
10 managed care organizations 6 months from the date of completion  
11 to comply with the new Preferred Drug List format. Each  
12 Medicaid managed care organization must post its preferred drug  
13 list on its website without restricting access and must update  
14 the preferred drug list posted on its website. Medicaid managed  
15 care organizations shall publish updates to their preferred  
16 drug lists no less than 30 days prior to the date upon which  
17 any update or change takes effect, including, but not limited  
18 to, any and all changes to requirements for prior approval  
19 requirements, step therapy, or other utilization controls.

20 (g) (1) No later than January 1, 2019, the Illinois  
21 Department shall establish and maintain the Illinois Pharmacy  
22 and Therapeutics Advisory Board. The Board shall have the  
23 authority and responsibility to provide recommendations to the  
24 Illinois Department regarding which drug products to list on  
25 the Illinois Department's preferred drug list. The Illinois  
26 Department shall provide administrative support to the Board

1 and the Board shall:

2 (A) convene and meet no less than once per calendar  
3 quarter;

4 (B) provide regular opportunities for public comment;  
5 and

6 (C) comply with the provisions of the Open Meetings  
7 Act.

8 All correspondence related to the Board, including  
9 correspondence to and from Board members, shall be subject to  
10 the Freedom of Information Act.

11 (2) The Board shall consist of the following voting  
12 members, all of whom shall be appointed by the Governor and  
13 shall serve terms of 3 years without compensation:

14 (A) one pharmacist licensed to practice pharmacy in  
15 Illinois who is recommended by a statewide organization  
16 representing pharmacists;

17 (B) 4 physicians, recommended by a statewide  
18 organization representing physicians, who are licensed to  
19 practice medicine in all its branches in Illinois, have  
20 knowledge of and adhere to best practice standards, and  
21 have experience treating Illinois Medicaid beneficiaries;

22 (C) 2 clinicians representing health care advocacy  
23 organizations that serve individuals who are affected by  
24 chronic diseases that require significant pharmaceutical  
25 treatments;

26 (D) one clinician representing the Illinois

1 Department; and

2 (E) one licensed psychiatrist, recommended by a  
3 statewide organization representing psychiatrists, who has  
4 experience treating Illinois Medicaid beneficiaries.

5 One non-voting clinician representing each Medicaid health  
6 plan operating within the State shall be invited to participate  
7 and advise the Board on its recommendations to the Illinois  
8 Department.

9 Organizations interested in nominating non-voting  
10 clinicians to advise the Board may submit requests to  
11 participate to the Illinois Department.

12 (h) The Illinois Department shall adopt rules, to be in  
13 place no later than January 1, 2019, for the purpose of  
14 establishing and maintaining the Board.

15 (Source: P.A. 92-370, eff. 8-15-01.)

16 Section 99. Effective date. This Act takes effect upon  
17 becoming law.