



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB3614

Introduced 5/22/2018, by Sen. James F. Clayborne, Jr.

SYNOPSIS AS INTRODUCED:

110 ILCS 330/8b new

Amends the University of Illinois Hospital Act. Provides that the Board of Trustees of the University of Illinois shall require all pharmaceutical manufacturers that have contracts with the University of Illinois Hospital to submit an annual report to the Board of Trustees of the University of Illinois and the Illinois Health Facilities and Services Review Board, by April 15, 2019 and every April 15 thereafter, in a searchable Adobe PDF format, on all procurement goals and actual spending for women-owned, minority-owned, veteran-owned, and small business enterprises in the previous calendar year. Provides that the goals shall be expressed as a percentage of the total work performed by the entity submitting the report, and the actual spending for all women-owned, minority-owned, veteran-owned, and small business enterprises shall also be expressed as a percentage of the total work performed by the entity submitting the report. Provides that the annual report must contain specified information. Provides that beginning April 15, 2019, no contract, oral or written, shall be awarded by the Board of Trustees of the University of Illinois to a pharmaceutical manufacturer without first requiring the pharmaceutical manufacturer to make specified disclosures. Defines "pharmaceutical manufacturer" and "prescription drug". Provides that the Illinois Health Facilities and Services Review Board shall publish each annual report on its website and shall maintain each annual report for at least 5 years. Effective January 1, 2019.

LRB100 22100 RPS 40392 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning regulation.

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

4 Section 5. The University of Illinois Hospital Act is
5 amended by adding Section 8b as follows:

6 (110 ILCS 330/8b new)

7 Sec. 8b. Pharmaceutical manufacturer diversity goals.

8 (a) The public policy of this State is to collaboratively
9 work with companies that serve Illinois residents to improve
10 their supplier diversity in a non-antagonistic manner.

11 (b) As used in this Section:

12 "Pharmaceutical manufacturer" includes:

13 (1) An entity that is engaged in (a) the production,
14 preparation, propagation, compounding, conversion, or
15 processing of prescription drug products (i) directly or
16 indirectly by extraction from substances of natural
17 origin, (ii) independently by means of chemical synthesis,
18 or (iii) by combination of extraction and chemical
19 synthesis; or (b) the packaging, repackaging, labeling or
20 re-labeling, or distribution of prescription drug
21 products.

22 (2) The entity holding legal title to or possession of
23 the national drug code number for the covered prescription

1 drug.

2 "Pharmaceutical manufacturer" does not include a wholesale
3 distributor of drugs, drugstore chain organization, or retail
4 pharmacy licensed by the State.

5 "Prescription drug" means a drug that may be dispensed only
6 upon prescription by an authorized prescriber and that is
7 approved for safety and effectiveness as a prescription drug
8 under Section 505 or 507 of the Federal Food, Drug, and
9 Cosmetic Act.

10 (c) The Board of Trustees of the University of Illinois
11 shall require all pharmaceutical manufacturers that have
12 contracts with the University of Illinois Hospital to submit an
13 annual report to the Board of Trustees of the University of
14 Illinois and the Illinois Health Facilities and Services Review
15 Board, by April 15, 2019 and every April 15 thereafter, in a
16 searchable Adobe PDF format, on all procurement goals and
17 actual spending for women-owned, minority-owned,
18 veteran-owned, and small business enterprises in the previous
19 calendar year. These goals shall be expressed as a percentage
20 of the total work performed by the entity submitting the
21 report, and the actual spending for all women-owned,
22 minority-owned, veteran-owned, and small business enterprises
23 shall also be expressed as a percentage of the total work
24 performed by the entity submitting the report.

25 (d) Each pharmaceutical manufacturer in its annual report
26 shall include the following information:

1 (1) an explanation of the plan for the next year to
2 increase participation;

3 (2) an explanation of the plan to increase the goals;

4 (3) the areas of procurement each pharmaceutical
5 manufacturer will be actively seeking more participation
6 in in the next year;

7 (4) an outline of the plan to alert and encourage
8 potential vendors in that area to seek business from the
9 pharmaceutical manufacturer;

10 (5) an explanation of the challenges faced in finding
11 quality vendors and offer any suggestions for what the
12 Board of Trustees of the University of Illinois could do to
13 be helpful to identify those vendors;

14 (6) a list of the certifications the pharmaceutical
15 manufacturer recognizes;

16 (7) the point of contact for any potential vendor who
17 wishes to do business with the pharmaceutical manufacturer
18 and an explanation of the process for a vendor to enroll
19 with the company as a minority-owned, women-owned, or
20 veteran-owned company; and

21 (8) any particular success stories to encourage other
22 pharmaceutical manufacturers to emulate best practices.

23 (e) Each annual report shall include as much State-specific
24 data as possible. If the pharmaceutical manufacturer does not
25 submit State-specific data, then the pharmaceutical
26 manufacturer shall include any national data it does have and

1 explain why it could not submit State-specific data and how it
2 intends to do so in future reports, if possible.

3 (f) Each annual report shall include the rules,
4 regulations, and definitions used for the procurement goals in
5 the pharmaceutical manufacturer's annual report.

6 (g) The Illinois Health Facilities and Services Review
7 Board shall publish each annual report on its website and shall
8 maintain each annual report for at least 5 years.

9 (h) Beginning April 15, 2019, no contract, oral or written,
10 shall be awarded by the Board of Trustees of the University of
11 Illinois to a pharmaceutical manufacturer without first
12 requiring the pharmaceutical manufacturer to make the
13 disclosures required in subsection (c).

14 Section 99. Effective date. This Act takes effect January
15 1, 2019.