



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

HB0156

by Rep. Mary E. Flowers

#### SYNOPSIS AS INTRODUCED:

See Index

Creates the Prescription Drug Pricing Transparency Act. Requires health insurers to disclose certain rate and spending information concerning prescription drugs and certain prescription drug pricing information to the Department of Public Health. Requires the Department and health insurers to create annual lists of prescription drugs on which the State spends significant health care dollars and for which costs have increased at a certain rate over time. Requires the Department and health insurers to provide their lists to the Attorney General. Requires prescription drug manufacturers to notify the Attorney General if they are introducing a new prescription drug at a wholesale acquisition cost that exceeds the threshold set for a specialty drug under the Medicare Part D program. Amends the Illinois Insurance Code. Requires a group or individual policy of accident and health insurance that provides coverage for prescription drugs to apply the same cost-sharing requirements to interchangeable biological products as apply to generic drugs under the policy. Amends the Pharmacy Practice Act. Provides that when a pharmacist receives a prescription for a biological product, the pharmacist shall select the lowest priced interchangeable biological product (rather than allowing a pharmacist to substitute an interchangeable biological product only if certain requirements are met). Requires that when a pharmacist receives a prescription from a Medicaid recipient, the pharmacist shall select the preferred drug or biological product from the State's preferred drug list. Makes other changes. Makes conforming changes in the Freedom of Information Act. Effective immediately.

LRB101 03973 SMS 48981 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 1. Short title. This Act may be cited as the  
5 Prescription Drug Pricing Transparency Act.

6 Section 5. Definitions. In this Act:

7 "Department" means the Department of Public Health.

8 "Manufacturer" means any entity that is engaged in the  
9 production, preparation, propagation, compounding, conversion,  
10 or processing of prescription drugs, whether directly or  
11 indirectly by extraction from substances of natural origin,  
12 independently by means of chemical synthesis, or by a  
13 combination of extraction and chemical synthesis, or any entity  
14 engaged in the packaging, repackaging, labeling, relabeling,  
15 or distribution of prescription drugs. "Manufacturer" does not  
16 include a wholesale distributor of prescription drugs, a  
17 retailer, or a pharmacist licensed under the Pharmacy Practice  
18 Act.

19 "Prescription drug" means a drug as defined in 21 U.S.C.  
20 321.

21 Section 10. Disclosures to the Department.

22 (a) A health insurer shall disclose to the Department:

1           (1) for all covered prescription drugs, including  
2 generic drugs, brand-name drugs excluding specialty drugs,  
3 and specialty drugs dispensed at a pharmacy, network  
4 pharmacy, or mail-order pharmacy for outpatient use:

5           (A) the percentage of the premium rate  
6 attributable to prescription drug costs for the prior  
7 year for each category of prescription drugs;

8           (B) the year-over-year increase or decrease,  
9 expressed as a percentage, in per-member, per-month  
10 total health plan spending on each category of  
11 prescription drugs; and

12           (C) the year-over-year increase or decrease in  
13 per-member, per-month costs for prescription drugs  
14 compared to other components of the premium rate; and

15           (2) the specialty tier formulary list.

16           (b) The health insurer shall provide, if available, the  
17 percentage of the premium rate attributable to prescription  
18 drugs administered by a health care provider in an outpatient  
19 setting that are part of the medical benefit as separate from  
20 the pharmacy benefit.

21           (c) The health insurer shall include information on its use  
22 of a pharmacy benefit manager, if any, including which  
23 components of the prescription drug coverage described in  
24 subsections (a) and (b) are managed by the pharmacy benefit  
25 manager, as well as the name of the pharmacy benefit manager or  
26 pharmacy benefit managers used.

1           Section 15. Impact of prescription drug costs on health  
2 insurance premiums; report.

3           (a) Each health insurer with more than 1,000 covered lives  
4 in this State for major medical health insurance shall report  
5 to the Department for all covered prescription drugs, including  
6 generic drugs, brand-name drugs, and specialty drugs, provided  
7 in an outpatient setting or sold in a retail setting:

8           (1) the 25 most frequently prescribed drugs and the  
9 average wholesale price for each drug;

10           (2) the 25 most costly drugs by total plan spending and  
11 the average wholesale price for each drug; and

12           (3) the 25 drugs with the highest year-over-year price  
13 increases and the average wholesale price for each drug.

14           (b) A health insurer shall not be required to provide to  
15 the Department the actual price paid, net of rebates, for any  
16 prescription drug.

17           (c) The Department shall compile the information reported  
18 pursuant to subsection (a) into a consumer-friendly report that  
19 demonstrates the overall impact of drug costs on health  
20 insurance premiums. The data in the report shall be aggregated  
21 and shall not reveal information specific to a particular  
22 health benefit plan.

23           (d) The Department shall publish the report required  
24 pursuant to subsection (a) on its website on or before January  
25 1 of each year.

1 Section 20. Prescription drug cost transparency.

2 (a) The Department shall create annually a list of 10  
3 prescription drugs on which the State spends significant health  
4 care dollars and for which the wholesale acquisition cost has  
5 increased by 50% or more over the past 5 years or by 15% or more  
6 during the previous calendar year, creating a substantial  
7 public interest in understanding the development of the drugs'  
8 pricing. The list shall include at least one generic drug and  
9 one brand-name drug and shall indicate each of the drugs on the  
10 list that the Department considers to be specialty drugs. The  
11 Department shall include the percentage of the wholesale  
12 acquisition cost increase for each drug on the list; rank the  
13 drugs on the list from those with the largest increase in  
14 wholesale acquisition cost to those with the smallest increase;  
15 indicate whether each drug was included on the list based on  
16 its cost increase over the past 5 years or during the previous  
17 calendar year, or both; and provide the State's total  
18 expenditure for each drug on the list during the most recent  
19 calendar year.

20 (b) The Department shall create annually a list of 10  
21 prescription drugs on which the State spends significant health  
22 care dollars and for which the cost to the State, net of  
23 rebates and other price concessions, has increased by 50% or  
24 more over the past 5 years or by 15% or more during the  
25 previous calendar year, creating a substantial public interest

1 in understanding the development of the drugs' pricing. The  
2 list shall include at least one generic drug and one brand-name  
3 drug and shall indicate each of the drugs on the list that the  
4 Department considers to be specialty drugs. The Department  
5 shall rank the drugs on the list from those with the greatest  
6 increase in net cost to those with the smallest increase and  
7 indicate whether each drug was included on the list based on  
8 its cost increase over the past 5 years or during the previous  
9 calendar year, or both.

10 (c) Each health insurer with more than 5,000 covered lives  
11 in this State for major medical health insurance shall create  
12 annually a list of 10 prescription drugs on which its health  
13 insurance plans spend significant amounts of their premium  
14 dollars and for which the cost to the plans, net of rebates and  
15 other price concessions, has increased by 50% or more over the  
16 past 5 years or by 15% or more during the previous calendar  
17 year, or both, creating a substantial public interest in  
18 understanding the development of the drugs' pricing. The list  
19 shall include at least one generic drug and one brand-name drug  
20 and shall indicate each of the drugs on the list that the  
21 health insurer considers to be specialty drugs. The health  
22 insurer shall rank the drugs on the list from those with the  
23 greatest increase in net cost to those with the smallest  
24 increase and indicate whether each drug was included on the  
25 list based on its cost increase over the past 5 years or during  
26 the previous calendar year, or both.

1 (d) Each health insurer creating a list pursuant to  
2 subsection (c) shall provide to the Office of the Attorney  
3 General the percentage by which the net cost to its plans  
4 increased over the applicable period or periods for each drug  
5 on the list, as well as the health insurer's total expenditure,  
6 net of rebates and other price concessions, for each drug on  
7 the list during the most recent calendar year. Information  
8 provided to the Office of the Attorney General pursuant to this  
9 subsection is exempt from public inspection and copying under  
10 the Freedom of Information Act and shall not be released.

11 (e) The Department and the health insurers shall provide to  
12 the Office of the Attorney General the lists of prescription  
13 drugs developed pursuant to subsections (a), (b), and (c)  
14 annually on or before June 1. The Office of the Attorney  
15 General shall make all of the information available to the  
16 public on its website.

17 (f) Of the prescription drugs listed by the Department and  
18 the health insurers pursuant to subsections (a), (b), and (c),  
19 the Office of the Attorney General shall:

20 (1) of the drugs appearing on more than one payer's  
21 list, identify the top 15 drugs on which the greatest  
22 amount of money was spent across all payers during the  
23 previous calendar year, to the extent information is  
24 available; and

25 (2) if fewer than 15 drugs appear on more than one  
26 payer's list, rank the remaining drugs based on the amount

1 of money spent by any one payer during the previous  
2 calendar year, in descending order, and select as many of  
3 the drugs at the top of the list as necessary to reach a  
4 total of 15 drugs.

5 (g) For the 15 drugs identified by the Office of the  
6 Attorney General pursuant to subsection (f), the Office of the  
7 Attorney General shall require the manufacturer of each such  
8 drug to provide all of the following:

9 (1) justification for the increase in the net cost of  
10 the drug to the Department, to one or more health insurers,  
11 or both, which shall be provided to the Office of the  
12 Attorney General in a format that the Office of the  
13 Attorney General determines to be understandable and  
14 appropriate and shall be provided in accordance with a  
15 timeline specified by the Office of the Attorney General;  
16 the manufacturer shall submit to the Office of the Attorney  
17 General all relevant information and supporting  
18 documentation necessary to justify the manufacturer's net  
19 cost increase to the Department, to one or more health  
20 insurers, or both during the identified period of time,  
21 including:

22 (A) each factor that specifically caused the net  
23 cost increase to the Department, to one or more health  
24 insurers, or both during the specified period of time;

25 (B) the percentage of the total cost increase  
26 attributable to each factor; and



1 (C) an explanation of the role of each factor in  
2 contributing to the cost increase; and

3 (2) a separate version of the information submitted  
4 pursuant to subparagraph (A) of paragraph (1), which shall  
5 be made available to the public by the Office of the  
6 Attorney General pursuant to subsection (i); if the  
7 manufacturer believes it necessary to redact certain  
8 information in the public version as proprietary or  
9 confidential, the manufacturer shall provide an  
10 explanation for each such redaction to the Office of the  
11 Attorney General; the information, format, and any  
12 redactions shall be subject to approval by the Office of  
13 the Attorney General; and

14 (3) additional information in response to all requests  
15 for such information by the Office of the Attorney General.

16 (h) Nothing in this Section shall be construed to restrict  
17 the legal ability of a prescription drug manufacturer to change  
18 prices to the extent permitted under federal law.

19 (i) The Attorney General shall provide a report to the  
20 General Assembly on or before December 1 of each year based on  
21 the information received from manufacturers pursuant to this  
22 Section. The report to the General Assembly shall be filed with  
23 the Clerk of the House of Representatives and the Secretary of  
24 the Senate in electronic form only, in the manner that the  
25 Clerk and the Secretary shall direct. The Attorney General  
26 shall post the report and the public version of each

1 manufacturer's information submitted pursuant to paragraph (2)  
2 of subsection (g) on the Office of the Attorney General's  
3 website.

4 (j) The Department shall post on its website the report  
5 prepared by the Attorney General pursuant to subsection (i) and  
6 the public version of each manufacturer's information  
7 submitted pursuant to paragraph (2) of subsection (g) and may  
8 inform the public of the availability of the report and the  
9 manufacturers' justification information.

10 (k) Information provided to the Office of the Attorney  
11 General pursuant to subsection (g) is exempt from public  
12 inspection and copying under the Freedom of Information Act and  
13 shall not be released in a manner that allows for the  
14 identification of an individual drug or manufacturer or that is  
15 likely to compromise the financial, competitive, or  
16 proprietary nature of the information, except for the  
17 information prepared for release to the public pursuant to  
18 paragraph (2) of subsection (g).

19 (l) The Attorney General may bring an action in the circuit  
20 court of Sangamon County for injunctive relief, costs, and  
21 attorney's fees and to impose on a manufacturer that fails to  
22 provide any of the information required by subsections (f) and  
23 (g), in the format requested by the Office of the Attorney  
24 General and in accordance with the timeline specified by the  
25 Office of the Attorney General, a civil penalty of not more  
26 than \$10,000 per violation. Each unlawful failure to provide

1 information shall constitute a separate violation.

2 Section 25. Notice of introduction of new high-cost  
3 prescription drugs.

4 (a) A manufacturer shall notify the Office of the Attorney  
5 General in writing if it is introducing a new prescription drug  
6 to market at a wholesale acquisition cost that exceeds the  
7 threshold set for a specialty drug under the Medicare Part D  
8 program. The manufacturer shall provide the written notice  
9 within 3 calendar days following the release of the drug in the  
10 commercial market. A manufacturer may make the notification  
11 pending approval by the United States Food and Drug  
12 Administration if commercial availability is expected within 3  
13 calendar days following the approval.

14 (b) Not later than 30 calendar days following notification  
15 pursuant to subsection (a), the manufacturer shall provide all  
16 of the following information to the Office of the Attorney  
17 General in a format that the Office of the Attorney General  
18 prescribes:

19 (1) a description of the marketing and pricing plans  
20 used in the launch of the new drug in the United States and  
21 internationally;

22 (2) the estimated volume of patients who may be  
23 prescribed the drug;

24 (3) whether the drug was granted breakthrough therapy  
25 designation or priority review by the United States Food

1 and Drug Administration prior to final approval; and

2 (4) the date and price of acquisition if the drug was  
3 not developed by the manufacturer.

4 (c) The manufacturer may limit the information reported  
5 pursuant to subsection (b) to that which is otherwise in the  
6 public domain or publicly available.

7 (d) The Office of the Attorney General shall publish on its  
8 website at least quarterly the information reported to it  
9 pursuant to this Section. The information shall be published in  
10 a manner that identifies the information that is disclosed on a  
11 per-drug basis and shall not be aggregated in a manner that  
12 would not allow identification of the drug.

13 (e) The Attorney General may bring an action in the circuit  
14 court of Sangamon County for injunctive relief, costs, and  
15 attorney's fees and to impose on a manufacturer that fails to  
16 provide the information required by subsection (b) a civil  
17 penalty of not more than \$1,000 per day for every day after the  
18 notification period described in subsection (a) that the  
19 required information is not reported.

20 Section 900. The Freedom of Information Act is amended by  
21 changing Section 7.5 as follows:

22 (5 ILCS 140/7.5)

23 Sec. 7.5. Statutory exemptions. To the extent provided for  
24 by the statutes referenced below, the following shall be exempt

1 from inspection and copying:

2 (a) All information determined to be confidential  
3 under Section 4002 of the Technology Advancement and  
4 Development Act.

5 (b) Library circulation and order records identifying  
6 library users with specific materials under the Library  
7 Records Confidentiality Act.

8 (c) Applications, related documents, and medical  
9 records received by the Experimental Organ Transplantation  
10 Procedures Board and any and all documents or other records  
11 prepared by the Experimental Organ Transplantation  
12 Procedures Board or its staff relating to applications it  
13 has received.

14 (d) Information and records held by the Department of  
15 Public Health and its authorized representatives relating  
16 to known or suspected cases of sexually transmissible  
17 disease or any information the disclosure of which is  
18 restricted under the Illinois Sexually Transmissible  
19 Disease Control Act.

20 (e) Information the disclosure of which is exempted  
21 under Section 30 of the Radon Industry Licensing Act.

22 (f) Firm performance evaluations under Section 55 of  
23 the Architectural, Engineering, and Land Surveying  
24 Qualifications Based Selection Act.

25 (g) Information the disclosure of which is restricted  
26 and exempted under Section 50 of the Illinois Prepaid

1 Tuition Act.

2 (h) Information the disclosure of which is exempted  
3 under the State Officials and Employees Ethics Act, and  
4 records of any lawfully created State or local inspector  
5 general's office that would be exempt if created or  
6 obtained by an Executive Inspector General's office under  
7 that Act.

8 (i) Information contained in a local emergency energy  
9 plan submitted to a municipality in accordance with a local  
10 emergency energy plan ordinance that is adopted under  
11 Section 11-21.5-5 of the Illinois Municipal Code.

12 (j) Information and data concerning the distribution  
13 of surcharge moneys collected and remitted by carriers  
14 under the Emergency Telephone System Act.

15 (k) Law enforcement officer identification information  
16 or driver identification information compiled by a law  
17 enforcement agency or the Department of Transportation  
18 under Section 11-212 of the Illinois Vehicle Code.

19 (l) Records and information provided to a residential  
20 health care facility resident sexual assault and death  
21 review team or the Executive Council under the Abuse  
22 Prevention Review Team Act.

23 (m) Information provided to the predatory lending  
24 database created pursuant to Article 3 of the Residential  
25 Real Property Disclosure Act, except to the extent  
26 authorized under that Article.

1           (n) Defense budgets and petitions for certification of  
2           compensation and expenses for court appointed trial  
3           counsel as provided under Sections 10 and 15 of the Capital  
4           Crimes Litigation Act. This subsection (n) shall apply  
5           until the conclusion of the trial of the case, even if the  
6           prosecution chooses not to pursue the death penalty prior  
7           to trial or sentencing.

8           (o) Information that is prohibited from being  
9           disclosed under Section 4 of the Illinois Health and  
10          Hazardous Substances Registry Act.

11          (p) Security portions of system safety program plans,  
12          investigation reports, surveys, schedules, lists, data, or  
13          information compiled, collected, or prepared by or for the  
14          Regional Transportation Authority under Section 2.11 of  
15          the Regional Transportation Authority Act or the St. Clair  
16          County Transit District under the Bi-State Transit Safety  
17          Act.

18          (q) Information prohibited from being disclosed by the  
19          Personnel ~~Record~~ ~~Records~~ Review Act.

20          (r) Information prohibited from being disclosed by the  
21          Illinois School Student Records Act.

22          (s) Information the disclosure of which is restricted  
23          under Section 5-108 of the Public Utilities Act.

24          (t) All identified or deidentified health information  
25          in the form of health data or medical records contained in,  
26          stored in, submitted to, transferred by, or released from

1 the Illinois Health Information Exchange, and identified  
2 or deidentified health information in the form of health  
3 data and medical records of the Illinois Health Information  
4 Exchange in the possession of the Illinois Health  
5 Information Exchange Authority due to its administration  
6 of the Illinois Health Information Exchange. The terms  
7 "identified" and "deidentified" shall be given the same  
8 meaning as in the Health Insurance Portability and  
9 Accountability Act of 1996, Public Law 104-191, or any  
10 subsequent amendments thereto, and any regulations  
11 promulgated thereunder.

12 (u) Records and information provided to an independent  
13 team of experts under the Developmental Disability and  
14 Mental Health Safety Act (also known as Brian's Law).

15 (v) Names and information of people who have applied  
16 for or received Firearm Owner's Identification Cards under  
17 the Firearm Owners Identification Card Act or applied for  
18 or received a concealed carry license under the Firearm  
19 Concealed Carry Act, unless otherwise authorized by the  
20 Firearm Concealed Carry Act; and databases under the  
21 Firearm Concealed Carry Act, records of the Concealed Carry  
22 Licensing Review Board under the Firearm Concealed Carry  
23 Act, and law enforcement agency objections under the  
24 Firearm Concealed Carry Act.

25 (w) Personally identifiable information which is  
26 exempted from disclosure under subsection (g) of Section



1 19.1 of the Toll Highway Act.

2 (x) Information which is exempted from disclosure  
3 under Section 5-1014.3 of the Counties Code or Section  
4 8-11-21 of the Illinois Municipal Code.

5 (y) Confidential information under the Adult  
6 Protective Services Act and its predecessor enabling  
7 statute, the Elder Abuse and Neglect Act, including  
8 information about the identity and administrative finding  
9 against any caregiver of a verified and substantiated  
10 decision of abuse, neglect, or financial exploitation of an  
11 eligible adult maintained in the Registry established  
12 under Section 7.5 of the Adult Protective Services Act.

13 (z) Records and information provided to a fatality  
14 review team or the Illinois Fatality Review Team Advisory  
15 Council under Section 15 of the Adult Protective Services  
16 Act.

17 (aa) Information which is exempted from disclosure  
18 under Section 2.37 of the Wildlife Code.

19 (bb) Information which is or was prohibited from  
20 disclosure by the Juvenile Court Act of 1987.

21 (cc) Recordings made under the Law Enforcement  
22 Officer-Worn Body Camera Act, except to the extent  
23 authorized under that Act.

24 (dd) Information that is prohibited from being  
25 disclosed under Section 45 of the Condominium and Common  
26 Interest Community Ombudsperson Act.

1 (ee) Information that is exempted from disclosure  
2 under Section 30.1 of the Pharmacy Practice Act.

3 (ff) Information that is exempted from disclosure  
4 under the Revised Uniform Unclaimed Property Act.

5 (gg) Information that is prohibited from being  
6 disclosed under Section 7-603.5 of the Illinois Vehicle  
7 Code.

8 (hh) Records that are exempt from disclosure under  
9 Section 1A-16.7 of the Election Code.

10 (ii) Information which is exempted from disclosure  
11 under Section 2505-800 of the Department of Revenue Law of  
12 the Civil Administrative Code of Illinois.

13 (jj) Information and reports that are required to be  
14 submitted to the Department of Labor by registering day and  
15 temporary labor service agencies but are exempt from  
16 disclosure under subsection (a-1) of Section 45 of the Day  
17 and Temporary Labor Services Act.

18 (kk) Information prohibited from disclosure under the  
19 Seizure and Forfeiture Reporting Act.

20 (ll) Information the disclosure of which is restricted  
21 and exempted under Section 5-30.8 of the Illinois Public  
22 Aid Code.

23 (mm) ~~(ll)~~ Records that are exempt from disclosure under  
24 Section 4.2 of the Crime Victims Compensation Act.

25 (nn) ~~(ll)~~ Information that is exempt from disclosure  
26 under Section 70 of the Higher Education Student Assistance

1 Act.

2 (oo) Information provided to the Office of the Attorney  
3 General under subsections (d) and (g) of Section 20 of the  
4 Prescription Drug Pricing Transparency Act, except for the  
5 information prepared for release to the public pursuant to  
6 paragraph (2) of subsection (g) of Section 20 of the  
7 Prescription Drug Pricing Transparency Act.

8 (Source: P.A. 99-78, eff. 7-20-15; 99-298, eff. 8-6-15; 99-352,  
9 eff. 1-1-16; 99-642, eff. 7-28-16; 99-776, eff. 8-12-16;  
10 99-863, eff. 8-19-16; 100-20, eff. 7-1-17; 100-22, eff. 1-1-18;  
11 100-201, eff. 8-18-17; 100-373, eff. 1-1-18; 100-464, eff.  
12 8-28-17; 100-465, eff. 8-31-17; 100-512, eff. 7-1-18; 100-517,  
13 eff. 6-1-18; 100-646, eff. 7-27-18; 100-690, eff. 1-1-19;  
14 100-863, eff. 8-14-18; 100-887, eff. 8-14-18; revised  
15 10-12-18.)

16 Section 905. The Illinois Insurance Code is amended by  
17 adding Section 356z.33 as follows:

18 (215 ILCS 5/356z.33 new)

19 Sec. 356z.33. Interchangeable biological products.

20 (a) As used in this Section, "interchangeable biological  
21 product" has the same meaning given to the term in Section 19.5  
22 of the Pharmacy Practice Act.

23 (b) A group or individual policy of accident and health  
24 insurance provided by a health insurer or by a pharmacy benefit

1 manager on behalf of a health insurer amended, delivered,  
2 issued, or renewed after the effective date of this amendatory  
3 Act of the 101st General Assembly that provides coverage for  
4 prescription drugs shall apply the same cost-sharing  
5 requirements to interchangeable biological products as apply  
6 to generic drugs under the policy.

7 Section 910. The Pharmacy Practice Act is amended by  
8 changing Sections 19.5, 25, and 41 and by adding Sections 16d  
9 and 19.7 as follows:

10 (225 ILCS 85/16d new)

11 Sec. 16d. Information; labeling.

12 (a) Every pharmacy in the State shall have posted a sign in  
13 a prominent place that is in clear unobstructed view which  
14 shall read: "Illinois law requires pharmacists in some cases to  
15 select a less expensive generic equivalent drug or  
16 interchangeable biological product for the drug or biological  
17 product prescribed unless you or your physician direct  
18 otherwise. Ask your pharmacist."

19 (b) The label of the container of all drugs and biological  
20 products dispensed by a pharmacist under this Act shall  
21 indicate the generic or proper name using an abbreviation, if  
22 necessary, the strength of the drug or biological product, if  
23 applicable, and the name or number of the manufacturer or  
24 distributor.

1 (225 ILCS 85/19.5)

2 (Section scheduled to be repealed on January 1, 2020)

3 Sec. 19.5. Biological products.

4 (a) For the purposes of this Section:

5 "Biological product" has the meaning given to that term in  
6 42 U.S.C. 262.

7 "Interchangeable biological product" means a biological  
8 product that the United States Food and Drug Administration:

9 (1) has (A) licensed and (B) determined it to meet the  
10 standards for interchangeability pursuant to 42 U.S.C.  
11 262(k)(4); or

12 (2) has determined is therapeutically equivalent as  
13 set forth in the latest edition of or supplement to the  
14 United States Food and Drug Administration's Approved Drug  
15 Products with Therapeutic Equivalence Evaluations (Orange  
16 Book).

17 (b) When a pharmacist receives a prescription for a  
18 biological product, the pharmacist shall select the lowest  
19 priced interchangeable biological product unless otherwise  
20 instructed by the prescriber, or by the purchaser if the  
21 purchaser agrees to pay any additional cost in excess of the  
22 benefits provided by the purchaser's health benefit plan if  
23 allowed under the legal requirements applicable to the plan, or  
24 otherwise to pay the full cost for the higher priced biological  
25 product. ~~A pharmacist may substitute an interchangeable~~

1 ~~biological product for a prescribed biological product only if~~  
2 ~~all of the following conditions in this subsection (b) are met:~~

3 ~~(1) the substituted product has been determined by the~~  
4 ~~United States Food and Drug Administration to be~~  
5 ~~interchangeable, as defined in subsection (a) of this~~  
6 ~~Section, with the prescribed biological product;~~

7 ~~(2) the prescribing physician does not designate~~  
8 ~~orally, in writing, or electronically that substitution is~~  
9 ~~prohibited in a manner consistent with Section 25 of this~~  
10 ~~Act; and~~

11 ~~(3) the pharmacy informs the patient of the~~  
12 ~~substitution.~~

13 (c) Within 5 business days following the dispensing of a  
14 biological product, the dispensing pharmacist or the  
15 pharmacist's designee shall make an entry of the specific  
16 product provided to the patient, including the name of the  
17 product and the manufacturer. The communication shall be  
18 conveyed by making an entry that can be electronically accessed  
19 by the prescriber through:

20 (1) an interoperable electronic medical records  
21 system;

22 (2) an electronic prescribing technology;

23 (3) a pharmacy benefit management system; or

24 (4) a pharmacy record.

25 Entry into an electronic records system as described in  
26 this subsection (c) is presumed to provide notice in accordance

1 with this subsection (c). Otherwise, the pharmacist shall  
2 communicate the biological product dispensed to the prescriber  
3 using facsimile, telephone, electronic transmission, or other  
4 prevailing means, except that communication shall not be  
5 required where:

6 (A) there is no United States Food and Drug  
7 Administration-approved interchangeable biological product  
8 for the product prescribed; or

9 (B) a refill prescription is not changed from the  
10 product dispensed on the prior filling of the prescription.

11 (d) The pharmacy shall retain a record of the biological  
12 product dispensed for a period of 5 years.

13 (e) The Department shall maintain a link on its Internet  
14 website to the current list of all biological products  
15 determined by the United States Food and Drug Administration to  
16 be interchangeable with a specific biological product.

17 (f) The Department may adopt rules for compliance with this  
18 Section.

19 (Source: P.A. 99-200, eff. 1-1-16.)

20 (225 ILCS 85/19.7 new)

21 Sec. 19.7. State's preferred drug list. Notwithstanding  
22 Section 19.5, when a pharmacist receives a prescription from a  
23 recipient of medical assistance under Article V of the Illinois  
24 Public Aid Code, the pharmacist shall select the preferred  
25 brand-name or generic drug or biological product from the

1 State's preferred drug list.

2 (225 ILCS 85/25) (from Ch. 111, par. 4145)

3 (Section scheduled to be repealed on January 1, 2020)

4 Sec. 25. No person shall compound, or sell or offer for  
5 sale, or cause to be compounded, sold or offered for sale any  
6 medicine or preparation under or by a name recognized in the  
7 United States Pharmacopoeia National Formulary, for internal  
8 or external use, which differs from the standard of strength,  
9 quality or purity as determined by the test laid down in the  
10 United States Pharmacopoeia National Formulary official at the  
11 time of such compounding, sale or offering for sale. Nor shall  
12 any person compound, sell or offer for sale, or cause to be  
13 compounded, sold, or offered for sale, any drug, medicine,  
14 poison, chemical or pharmaceutical preparation, the strength  
15 or purity of which shall fall below the professed standard of  
16 strength or purity under which it is sold. Except as set forth  
17 in Section 26 of this Act, if the physician or other authorized  
18 prescriber, when transmitting an oral or written prescription,  
19 does not prohibit drug product selection, a different brand  
20 name or nonbrand name drug product of the same generic name or  
21 interchangeable biological product may be dispensed by the  
22 pharmacist, provided that the selected drug or interchangeable  
23 biological product has a unit price less than the drug product  
24 or interchangeable biological product specified in the  
25 prescription. A generic drug or interchangeable biological



1 product determined to be therapeutically equivalent by the  
2 United States Food and Drug Administration (FDA) shall be  
3 available for substitution in Illinois in accordance with this  
4 Act and the Illinois Food, Drug and Cosmetic Act, provided that  
5 each manufacturer submits to the Director of the Department of  
6 Public Health a notification containing product technical  
7 bioequivalence information as a prerequisite to product  
8 substitution when they have completed all required testing to  
9 support FDA product approval and, in any event, the information  
10 shall be submitted no later than 60 days prior to product  
11 substitution in the State. On the prescription forms of  
12 prescribers, shall be placed a signature line and the words  
13 "may not substitute". The prescriber, in his or her own  
14 handwriting, shall place a mark beside "may not substitute" to  
15 direct the pharmacist in the dispensing of the prescription.  
16 Preprinted or rubber stamped marks, or other deviations from  
17 the above prescription format shall not be permitted. The  
18 prescriber shall sign the form in his or her own handwriting to  
19 authorize the issuance of the prescription.

20 In every case in which a selection is made as permitted by  
21 the Illinois Food, Drug and Cosmetic Act, the pharmacist shall  
22 indicate on the pharmacy record of the filled prescription the  
23 name or other identification of the manufacturer of the drug or  
24 interchangeable biological product which has been dispensed.

25 The selection of any drug product or interchangeable  
26 biological product by a pharmacist shall not constitute

1 evidence of negligence if the selected nonlegend drug product  
2 or interchangeable biological product was of the same dosage  
3 form and each of its active ingredients did not vary by more  
4 than 1 percent from the active ingredients of the prescribed,  
5 brand name, nonlegend drug product or interchangeable  
6 biological product. Failure of a prescribing physician to  
7 specify that drug product or interchangeable biological  
8 product selection is prohibited does not constitute evidence of  
9 negligence unless that practitioner has reasonable cause to  
10 believe that the health condition of the patient for whom the  
11 physician is prescribing warrants the use of the brand name  
12 drug product or interchangeable biological product and not  
13 another.

14 The Department is authorized to employ an analyst or  
15 chemist of recognized or approved standing whose duty it shall  
16 be to examine into any claimed adulteration, illegal  
17 substitution, improper selection, alteration, or other  
18 violation hereof, and report the result of his investigation,  
19 and if such report justify such action the Department shall  
20 cause the offender to be prosecuted.

21 (Source: P.A. 94-936, eff. 6-26-06; 95-689, eff. 10-29-07.)

22 (225 ILCS 85/41)

23 (Section scheduled to be repealed on January 1, 2020)

24 Sec. 41. Current usual and customary retail price  
25 disclosure. Upon request, a pharmacy must disclose the current

1 usual and customary retail price of any brand or generic  
2 prescription drug, interchangeable biological product, or  
3 medical device that the pharmacy offers for sale to the public.  
4 This disclosure requirement applies only to requests made in  
5 person or by telephone for the prices of no more than 10  
6 prescription drugs, interchangeable biological products, or  
7 medical devices for which the person making the request has a  
8 prescription. Prices quoted are for informational purposes  
9 only and are valid only on the day of inquiry. The requests  
10 must specify the name, strength and quantity of the  
11 prescription drug or interchangeable biological product.

12 (Source: P.A. 94-459, eff. 1-1-06.)

13 Section 999. Effective date. This Act takes effect upon  
14 becoming law.

1 INDEX

2 Statutes amended in order of appearance

3 New Act

4 5 ILCS 140/7.5

5 215 ILCS 5/356z.33 new

6 225 ILCS 85/16d new

7 225 ILCS 85/19.5

8 225 ILCS 85/19.7 new

9 225 ILCS 85/25 from Ch. 111, par. 4145

10 225 ILCS 85/41