



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB4955

Introduced 1/27/2022, by Rep. William Davis

SYNOPSIS AS INTRODUCED:

305 ILCS 5/5-5.12

from Ch. 23, par. 5-5.12

Amends the Medical Assistance Article of the Illinois Public Aid Code. Provides the no appropriation may be expended to a managed care organization under contract with the Department of Healthcare and Family Services unless the managed care organization, and its pharmacy benefits manager, allows prescription drug benefits to be provided by specialty pharmacies that are certified in the Business Enterprise Program and accredited by at least 2 different accreditation entities for specialty pharmacy services on the same terms and conditions by any willing provider that is qualified for network participation and authorized to dispense prescription drugs. Prescription drug benefits include those that are managed both as a part of the overall healthcare benefits package, medical and pharmacy benefits that are integrated into one package through a managed care organization, and pharmacy benefits that are separately administered or subcontracted through a pharmacy benefits manager. Defines "specialty pharmacy". Effective July 1, 2022.

LRB102 22334 KTG 31471 b

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 5-5.12 as follows:

6 (305 ILCS 5/5-5.12) (from Ch. 23, par. 5-5.12)

7 Sec. 5-5.12. Pharmacy payments.

8 (a) Every request submitted by a pharmacy for
9 reimbursement under this Article for prescription drugs
10 provided to a recipient of aid under this Article shall
11 include the name of the prescriber or an acceptable
12 identification number as established by the Department.

13 (b) Pharmacies providing prescription drugs under this
14 Article shall be reimbursed at a rate which shall include a
15 professional dispensing fee as determined by the Illinois
16 Department, plus the current acquisition cost of the
17 prescription drug dispensed. The Illinois Department shall
18 update its information on the acquisition costs of all
19 prescription drugs no less frequently than every 30 days.
20 However, the Illinois Department may set the rate of
21 reimbursement for the acquisition cost, by rule, at a
22 percentage of the current average wholesale acquisition cost.

23 (c) (Blank).

1 (d) The Department shall review utilization of narcotic
2 medications in the medical assistance program and impose
3 utilization controls that protect against abuse.

4 (e) When making determinations as to which drugs shall be
5 on a prior approval list, the Department shall include as part
6 of the analysis for this determination, the degree to which a
7 drug may affect individuals in different ways based on factors
8 including the gender of the person taking the medication.

9 (f) The Department shall cooperate with the Department of
10 Public Health and the Department of Human Services Division of
11 Mental Health in identifying psychotropic medications that,
12 when given in a particular form, manner, duration, or
13 frequency (including "as needed") in a dosage, or in
14 conjunction with other psychotropic medications to a nursing
15 home resident or to a resident of a facility licensed under the
16 ID/DD Community Care Act or the MC/DD Act, may constitute a
17 chemical restraint or an "unnecessary drug" as defined by the
18 Nursing Home Care Act or Titles XVIII and XIX of the Social
19 Security Act and the implementing rules and regulations. The
20 Department shall require prior approval for any such
21 medication prescribed for a nursing home resident or to a
22 resident of a facility licensed under the ID/DD Community Care
23 Act or the MC/DD Act, that appears to be a chemical restraint
24 or an unnecessary drug. The Department shall consult with the
25 Department of Human Services Division of Mental Health in
26 developing a protocol and criteria for deciding whether to

1 grant such prior approval.

2 (g) The Department may by rule provide for reimbursement
3 of the dispensing of a 90-day supply of a generic or brand
4 name, non-narcotic maintenance medication in circumstances
5 where it is cost effective.

6 (g-5) On and after July 1, 2012, the Department may
7 require the dispensing of drugs to nursing home residents be
8 in a 7-day supply or other amount less than a 31-day supply.
9 The Department shall pay only one dispensing fee per 31-day
10 supply.

11 (h) Effective July 1, 2011, the Department shall
12 discontinue coverage of select over-the-counter drugs,
13 including analgesics and cough and cold and allergy
14 medications.

15 (h-5) On and after July 1, 2012, the Department shall
16 impose utilization controls, including, but not limited to,
17 prior approval on specialty drugs, oncolytic drugs, drugs for
18 the treatment of HIV or AIDS, immunosuppressant drugs, and
19 biological products in order to maximize savings on these
20 drugs. The Department may adjust payment methodologies for
21 non-pharmacy billed drugs in order to incentivize the
22 selection of lower-cost drugs. For drugs for the treatment of
23 AIDS, the Department shall take into consideration the
24 potential for non-adherence by certain populations, and shall
25 develop protocols with organizations or providers primarily
26 serving those with HIV/AIDS, as long as such measures intend

1 to maintain cost neutrality with other utilization management
2 controls such as prior approval. For hemophilia, the
3 Department shall develop a program of utilization review and
4 control which may include, in the discretion of the
5 Department, prior approvals. The Department may impose special
6 standards on providers that dispense blood factors which shall
7 include, in the discretion of the Department, staff training
8 and education; patient outreach and education; case
9 management; in-home patient assessments; assay management;
10 maintenance of stock; emergency dispensing timeframes; data
11 collection and reporting; dispensing of supplies related to
12 blood factor infusions; cold chain management and packaging
13 practices; care coordination; product recalls; and emergency
14 clinical consultation. The Department may require patients to
15 receive a comprehensive examination annually at an appropriate
16 provider in order to be eligible to continue to receive blood
17 factor.

18 (i) On and after July 1, 2012, the Department shall reduce
19 any rate of reimbursement for services or other payments or
20 alter any methodologies authorized by this Code to reduce any
21 rate of reimbursement for services or other payments in
22 accordance with Section 5-5e.

23 (j) On and after July 1, 2012, the Department shall impose
24 limitations on prescription drugs such that the Department
25 shall not provide reimbursement for more than 4 prescriptions,
26 including 3 brand name prescriptions, for distinct drugs in a

1 30-day period, unless prior approval is received for all
2 prescriptions in excess of the 4-prescription limit. Drugs in
3 the following therapeutic classes shall not be subject to
4 prior approval as a result of the 4-prescription limit:
5 immunosuppressant drugs, oncolytic drugs, anti-retroviral
6 drugs, and, on or after July 1, 2014, antipsychotic drugs. On
7 or after July 1, 2014, the Department may exempt children with
8 complex medical needs enrolled in a care coordination entity
9 contracted with the Department to solely coordinate care for
10 such children, if the Department determines that the entity
11 has a comprehensive drug reconciliation program.

12 (k) No medication therapy management program implemented
13 by the Department shall be contrary to the provisions of the
14 Pharmacy Practice Act.

15 (l) Any provider enrolled with the Department that bills
16 the Department for outpatient drugs and is eligible to enroll
17 in the federal Drug Pricing Program under Section 340B of the
18 federal Public Health Service Act shall enroll in that
19 program. No entity participating in the federal Drug Pricing
20 Program under Section 340B of the federal Public Health
21 Service Act may exclude Medicaid from their participation in
22 that program, although the Department may exclude entities
23 defined in Section 1905(1)(2)(B) of the Social Security Act
24 from this requirement.

25 (m) No appropriation may be expended to a managed care
26 organization under contract with the Department unless the

1 managed care organization, and its pharmacy benefits manager,
2 allows prescription drug benefits to be provided by specialty
3 pharmacies that are:

4 (1) certified in the Business Enterprise Program as
5 defined in the Business Enterprise for Minorities, Women,
6 and Persons with Disabilities Act; and

7 (2) accredited by at least 2 different accreditation
8 entities for specialty pharmacy services,
9 on the same terms and conditions by any willing provider
10 that is qualified for network participation and authorized to
11 dispense prescription drugs. Prescription drug benefits
12 include those that are managed both as a part of the overall
13 healthcare benefits package, medical and pharmacy benefits
14 that are integrated into one package through a managed care
15 organization, and pharmacy benefits that are separately
16 administered or subcontracted through a pharmacy benefits
17 manager. As used in this subsection, "specialty pharmacy"
18 means a licensed pharmacy in Illinois that solely or largely
19 provides only medications that are oral, infusion, or
20 injectable for individuals with serious health conditions
21 requiring complex therapies that include, but are not limited
22 to, the following: cancer, hepatitis C, rheumatoid arthritis,
23 HIV/Aids, multiple sclerosis, cystic fibrosis, organ
24 transplantation, human growth hormone deficiencies, and
25 bleeding disorders.

26 (Source: P.A. 102-558, eff. 8-20-21.)

1 Section 99. Effective date. This Act takes effect July 1,
2 2022.