

August 27, 2004

To the Honorable Members of the
Illinois Senate
93rd General Assembly

Pursuant to Article IV, Section 9(b) of the Illinois Constitution of 1970, I hereby veto - Senate Bill 2847, entitled "AN ACT in relation to public aid." Senate Bill 2847 prohibits the Department of Public Aid from establishing any formulary limits or prior authorization requirements on any insulin prescription drugs necessary for the treatment of diabetes. However, one goal of the prior approval requirement is to allow all Medicaid patients access to medically necessary medications while, at the same time, being fiscally responsible with taxpayer funds by requiring patients to take lower cost medications when possible.

Another important function of formulary limitations is to prevent fraud and abuse in the Medicaid program. This bill would exempt insulin from these formulary restrictions. Unlike several other states, Illinois does not limit the number of prescriptions a beneficiary may have in a given month. Instead, the state attempts to get the most competitive price from drug manufacturers for our program. Prior approval is the only available mechanism to enforce a preferred drug list in the Medicaid program. Decisions on the preferred drug list weigh both clinical and financial information in order to ensure that patients have access to the highest quality of medicines at the lowest possible price. Clinical input is received from both the University of Illinois College of Pharmacy and the Illinois State Medical Society Drugs and Therapeutics Committee. The preferred drug list and related prior approval requirements generate substantial supplemental rebates from pharmaceutical manufacturers, which save the state close to \$100 million dollars annually. Constraining costs allows the state to, among other things, maintain and expand coverage in Family Care and KidCare during times of severe fiscal constraints.

For these reasons, I hereby veto and return Senate Bill 2847.

Sincerely,

ROD R. BLAGOJEVICH
Governor