



Sen. Debbie DeFrancesco Halvorson

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09300SB3155sam001

LRB093 19814 AMC 47896 a

1 AMENDMENT TO SENATE BILL 3155

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 3155 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Senior Citizens and Disabled Persons  
5 Prescription Drug Discount Program Act is amended by changing  
6 Section 25 as follows:

7 (320 ILCS 55/25)

8 Sec. 25. Program administration.

9 (a) The Department is authorized under this Act to be the  
10 program administrator. If the Department is not the program  
11 administrator, 90 days after the effective date of this Act,  
12 the Department must issue a request for proposals for bidders  
13 interested in administering the program. Bidders must compete  
14 on the basis of the following minimum criteria:

15 (1) The Director shall solicit and accept proposals  
16 from entities to provide for administration of a program or  
17 programs in accordance with rules adopted under Section 45.  
18 Proposals must be submitted not later than a date  
19 established by the Director. The Director shall accept only  
20 those proposals that specify the following:

21 (A) The estimated amount of the discount based on  
22 the entity's previous experience and how the discount  
23 is to be achieved.

24 (B) The extent that discounts on prescription

1 drugs are to be achieved through rebates,  
2 administrative fees, or other fees or discounts in  
3 prices that the entity negotiates with drug  
4 manufacturers. The proposals shall assure that rebates  
5 or discounts will be used to do the following:

6 (i) reduce costs to cardholders;

7 (ii) achieve discounts for cardholders; and

8 (iii) cover costs for administering the  
9 program.

10 (C) Any other benefits offered to cardholders.

11 (D) The estimated number and geographic  
12 distribution of participating pharmacies in the  
13 administrator's pharmacy network.

14 (E) The plan for pharmacy compensation, pursuant  
15 to subsection (e) of this Section.

16 (F) The method used for determining the  
17 prescription drugs to be covered by the program,  
18 including the criteria and process for establishing a  
19 preferred drug list, if applicable.

20 (G) How the entity proposes to improve medication  
21 management for cardholders, including any program of  
22 disease management.

23 (H) How cardholders and participating pharmacies  
24 will be informed of the discounted price negotiated by  
25 the entity.

26 (I) How the entity will handle complaints about the  
27 program's operation.

28 (J) The entity's previous experience in managing  
29 similar programs.

30 (K) Any additional information requested by the  
31 Director.

32 (2) The Director shall contract with one or more  
33 entities to administer a program or programs on the basis  
34 of the proposals submitted, but may require an

1 administrator to modify its conduct of a program in  
2 accordance with rules adopted under Section 45.

3 The Director shall adopt rules specifying the period  
4 for which a contract will be in effect and may terminate a  
5 contract if an administrator fails to conduct a program in  
6 accordance with its proposal or with any modifications  
7 required by rule. When a contract period ends or a contract  
8 is terminated, the Director shall enter into a new contract  
9 in the manner specified in this Section for an original  
10 contract. Prior to making a new contract, the Director may  
11 modify the rules for administration of the program or  
12 programs.

13 (b) As used in this Section, "administrator" includes the  
14 administrator's parent company and any subsidiary of the parent  
15 company.

16 (1) No administrator shall sell any information  
17 concerning a person who holds a prescription drug discount  
18 card, other than aggregate information that does not  
19 identify the cardholder, without the cardholder's written  
20 consent.

21 (2) Unless an administrator has the cardholder's  
22 written consent, no administrator shall use any personally  
23 identifiable information that it obtains concerning a  
24 cardholder through the program to promote or sell a program  
25 or product offered by the administrator that is not related  
26 to the administration of the program. This subsection (b)  
27 does not prohibit an administrator from contacting  
28 cardholders concerning participation in or administration  
29 of the program, including, but not limited to, mailing a  
30 list of pharmacies participating in the program's network  
31 or participating in disease management programs.

32 (3) To the extent that a discount is achieved through  
33 rebates, administrative fees, or any other fees or  
34 discounts in prices that an administrator negotiates with

1 drug manufacturers, an administrator shall use the rebates  
2 or discounts to do the following:

3 (A) reduce costs to cardholders;

4 (B) achieve discounts for cardholders; and

5 (C) cover any administrative costs of the program.

6 (4) The administrator shall not use any funds generated  
7 from rebates, discounts, administrative fees, or other  
8 fees to promote its mail order pharmacy operation or the  
9 mail order pharmacy operation of an affiliate. This  
10 subdivision (b)(4) does not, however, limit the  
11 participation of an Illinois-licensed pharmacy under this  
12 Act if that pharmacy provides prescription drugs by mail  
13 order.

14 (c) Beginning on January 1, 2004 and until the effective  
15 date of this amendatory Act of the 93rd General Assembly, the  
16 amount paid by eligible seniors and disabled persons enrolled  
17 in the program to authorized pharmacies for prescription drugs  
18 may not exceed prices established as a result of the rebate  
19 agreements under Section 30. The eligible seniors and disabled  
20 persons shall pay the price determined under Section 30 plus a  
21 dispensing fee of \$3.50 per prescription for brand name drug  
22 products, single-source drug products, and, for a period of 6  
23 months, newly released generic drug products and \$4.25 per  
24 prescription for all other generic drug products, except that  
25 the total amount paid by the eligible senior or disabled person  
26 for each prescription drug under this program shall not exceed  
27 the usual and customary charge for such prescription.

28 (c-5) Beginning on the effective date of this amendatory  
29 Act of the 93rd General Assembly, the amount paid by eligible  
30 seniors and disabled persons enrolled in the program to  
31 authorized pharmacies for prescription drugs may not exceed  
32 amounts agreed upon between the Department or the program  
33 administrator and the participating pharmacy. The eligible  
34 seniors and disabled persons shall pay the lesser of the amount

1 agreed upon or the usual and customary charge for such  
2 prescription.

3 (d) The contract between the Department and a pharmacy  
4 benefits manager must, at a minimum, meet the criteria of  
5 subsection (a). The contract must also require notification by  
6 the pharmacy benefits manager of any proposed or ongoing  
7 activity that involves, directly or indirectly, any conflict of  
8 interest on the part of the pharmacy benefits manager. The  
9 Department shall ensure that the pharmacy benefits manager  
10 complies with the contract and shall adopt all procedures  
11 necessary to enforce the contract.

12 (e) (Blank). ~~The Department or program administrator~~  
13 ~~shall, subject to the funds available under Section 30 of this~~  
14 ~~Act, compensate authorized pharmacies for prescription drugs~~  
15 ~~dispensed under the program for the difference between the~~  
16 ~~amount paid by the eligible senior or disabled person for~~  
17 ~~prescription drugs dispensed under the program and (i) the AWP~~  
18 ~~minus 12% for brand name drug products, single source generic~~  
19 ~~drug products, and, for a period of 6 months, newly released~~  
20 ~~generic drug products and (ii) the AWP minus 35% for all other~~  
21 ~~generic drug products. The Department shall compensate a~~  
22 ~~pharmacy under this subsection (e) only if the amount paid by~~  
23 ~~the eligible senior or disabled person has been discounted to a~~  
24 ~~price, including the dispensing fees stated in subsection (e)~~  
25 ~~of this Section, that is less than (i) the AWP minus 12% for~~  
26 ~~brand name drug products, single source generic drug products,~~  
27 ~~and, for a period of 6 months, newly released generic drug~~  
28 ~~products and (ii) the AWP minus 35% for all other generic drug~~  
29 ~~products.~~

30 (f) Beginning on January 1, 2004, the Department or program  
31 administrator shall reimburse pharmacies under this Section  
32 within 30 days after adjudication of the claim for claims made  
33 based on prescription drugs dispensed under the program before  
34 the effective date of this amendatory Act of the 93rd General

1 Assembly..

2 (Source: P.A. 93-18, eff. 7-1-03.)

3 Section 99. Effective date. This Act takes effect upon  
4 becoming law.".