



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
SB1828

Introduced 2/25/2005, by Sen. Dale A. Righter

SYNOPSIS AS INTRODUCED:

New Act
30 ILCS 105/5.640 new
30 ILCS 105/8g

Creates the Pharmacy Benefit Manager Licensure and Solvency Protection Act to establish standards and criteria for the regulation, solvency, and licensing of pharmacy benefit managers. Requires pharmacy benefits managers to obtain a certificate of authority from the Department of Financial and Professional Regulation and a certificate of compliance from the State Board of Pharmacy. Sets forth provisions concerning disclosures, records, financial examination, an annual statement and filing fee, contracts and agreements, prohibited acts and practices, medication reimbursement costs, timely payments and audits, authorization for substitutions, and complaint and claim processes. Grants rulemaking authority to the Department and the Board. Amends the State Finance Act to create the Pharmacy Benefits Management Fund and to provide that no transfers may be made to the General Revenue Fund from the Pharmacy Benefits Management Fund. Effective immediately.

LRB094 11306 RAS 42120 b

FISCAL NOTE ACT
MAY APPLY

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 Pharmacy Benefit Manager Licensure and Solvency Protection
6 Act.

7 Section 5. Purpose; intent. The purpose of this Act is to
8 establish standards and criteria for the regulation, solvency,
9 and licensing of pharmacy benefit managers. This Act is
10 designed to promote, preserve, and protect the public health,
11 safety, and welfare by and through effective regulation,
12 solvency requirements, and licensing of pharmacy benefit
13 managers.

14 Section 10. Definitions. In this Act:

15 "Board" means the State Board of Pharmacy of the Department
16 of Financial and Professional Regulation.

17 "Covered entity" means a non-profit hospital or medical
18 service corporation, health insurer, health benefit plan, or
19 health maintenance organization; a health program administered
20 by a department or the State in the capacity of provider of
21 health coverage; or an employer, labor union, or other group of
22 persons organized in the State that provides health coverage to
23 covered individuals who are employed or reside in the State.

24 "Covered entity" does not include a self-funded plan that is
25 exempt from State regulation pursuant to the federal Employee
26 Retirement Income Security Act (ERISA), a plan issued for
27 coverage for federal employees, or a health plan that provides
28 coverage only for accidental injury, specified disease,
29 hospital indemnity, medicare supplement, disability income,
30 long-term care, or other limited benefit health insurance
31 policies and contracts.

1 "Covered person" means a member, policyholder, subscriber,
2 enrollee, beneficiary, dependent, or other individual
3 participating in a health benefit plan.

4 "Department" means the Department of Financial and
5 Professional Regulation.

6 "Health benefit plan" means a policy, contract,
7 certificate, or agreement offered or issued by a health carrier
8 to provide, deliver, arrange for, pay for, or reimburse any of
9 the costs of health care services including prescription drug
10 benefits.

11 "Maintenance drug" means a drug prescribed by a
12 practitioner who is authorized to prescribe drugs and used to
13 treat a medical condition for a period greater than 30 days.

14 "Multi-source drug" means a drug that is stocked and is
15 available from 3 or more suppliers.

16 "Pharmacist" means any individual properly licensed as a
17 pharmacist by the Board.

18 "Pharmacist services" includes drug therapy and other
19 patient care services provided by a licensed pharmacist
20 intended to achieve outcomes related to the cure or prevention
21 of a disease, elimination or reduction of a patient's symptoms,
22 or arresting or slowing of a disease process as defined in
23 rules adopted by the Board.

24 "Pharmacy" has the meaning given to that term in the
25 Pharmacy Practice Act of 1987.

26 "Pharmacy benefits management" means (i) the procurement
27 of prescription drugs at a negotiated rate for dispensation
28 within this State to covered persons, (ii) the administration
29 or management of prescription drug benefits provided by a
30 covered entity for the benefit of covered persons, or (iii) any
31 of the following services provided with regard to the
32 administration of pharmacy benefits:

33 (1) Mail service pharmacy.

34 (2) Claims processing, retail network management, and
35 payment of claims to pharmacies for prescription drugs
36 dispensed to covered persons.

1 (3) Clinical formulary development and management
2 services.

3 (4) Rebate contracting and administration.

4 (5) Certain patient compliance, therapeutic
5 intervention, and generic substitution programs.

6 (6) Disease management programs involving prescription
7 drug utilization.

8 "Pharmacy benefits manager" or "PBM" means a person,
9 business, or other entity that performs pharmacy benefits
10 management. "Pharmacy benefits manager" or "PBM" includes a
11 person or entity acting for a PBM in a contractual or
12 employment relationship in the performance of pharmacy
13 benefits management for a covered entity and includes mail
14 service pharmacies.

15 "Practice of pharmacy" has the meaning given to the term in
16 the Pharmacy Practice Act of 1987.

17 "Secretary" means the Secretary of Financial and
18 Professional Regulation.

19 "Usual and customary price" means the price the pharmacist
20 would have charged a cash paying patient, not a patient where
21 reimbursement rates are set by a contract, for the same
22 services on the same date inclusive of any discounts
23 applicable.

24 Section 15. Applicability and scope. This Act shall apply
25 to a PBM that provides claims processing services, other
26 prescription drug or device services, or both, to covered
27 persons who are residents of this State.

28 Section 20. Certificate of authority to act as a PBM.

29 (a) No person or organization shall act or operate as a PBM
30 in this State without a valid certificate of authority issued
31 by the Department. The failure of any person to hold a
32 certificate while acting as a PBM shall subject that person to
33 a fine of not less than \$5,000 and not more than \$10,000 for
34 each violation.

1 (b) Each person seeking a certificate of authority to act
2 as a PBM shall file with the Department an application for a
3 certificate of authority upon a form to be furnished by the
4 Department. This application shall include or be accompanied by
5 all of the following:

6 (1) All basic organizational documents of the PBM, such
7 as the articles of incorporation, articles of association,
8 bylaws, partnership agreement, trade name certificate,
9 trust agreement, shareholder agreement, and other
10 applicable documents and all amendments to these
11 documents.

12 (2) The names, addresses, official positions, and
13 professional qualifications of the individuals who are
14 responsible for the conduct of the affairs of the PBM,
15 including all members of the board of directors, board of
16 trustees, executive committee, other governing board, or
17 committee, the principal officers in the case of a
18 corporation, the partners or members in the case of a
19 partnership or association, and any other person who
20 exercises control or influence over the affairs of the PBM.

21 (3) A certificate of compliance issued by the Board
22 indicating that the PBM's plan of operation is consistent
23 with the Pharmacy Practice Act of 1987 and any rules
24 adopted under that Act.

25 (4) Annual statements or reports for the 3 most recent
26 years, or such other information as the Department may
27 require in order to review the current financial condition
28 of the applicant.

29 (5) If the applicant is not currently acting as a PBM,
30 a statement of the amounts and sources of funds available
31 for organization expenses and the proposed arrangements
32 for reimbursement and compensation of incorporators or
33 other principals.

34 (6) The name and address of the agent for service of
35 process in the State.

36 (7) A detailed description of the claims processing

1 services, pharmacy services, insurance services, other
2 prescription drug or device services, audit procedures for
3 network pharmacies, or other administrative services to be
4 provided.

5 (8) All incentive arrangements or programs, such as
6 rebates, discounts, disbursements, or any other similar
7 financial program or arrangement relating to income or
8 consideration received or negotiated, directly or
9 indirectly, with any pharmaceutical company, that relates
10 to prescription drug or device services, including, at a
11 minimum, information on the formula or other method for
12 calculation and amount of the incentive arrangements,
13 rebates or other disbursements, the identity of the
14 associated drug or device, and the dates and amounts of the
15 disbursements.

16 (9) A filing fee of \$5,000.

17 (10) Any other information the Secretary may require.

18 (c) The applicant shall make available for inspection by
19 the Department copies of all contracts with insurers,
20 pharmaceutical manufacturers, or other persons utilizing the
21 services of the PBM for pharmacy benefit management services.
22 Certain contracts are subject to prior approval as provided in
23 Section 45.

24 (d) The Department shall not issue a certificate of
25 authority if it determines that the PBM or any principal of the
26 PBM is not competent, trustworthy, financially responsible, or
27 of good personal and business reputation or has had an
28 insurance license or pharmacy license denied for cause by any
29 state.

30 (e) A PBM shall maintain a fidelity bond equal to at least
31 10% of the amount of the funds handled or managed annually by
32 the PBM. However, the Department may require an amount in
33 excess of \$500,000, but not more than 10% of the amount of the
34 funds handled or managed annually by the PBM. A copy shall be
35 provided to the Department.

36 (f) Any person or entity that fits the definition of a

1 "PBM" on the effective date of this amendatory Act of the 94th
2 General Assembly shall have 90 days in which to obtain a
3 certificate of authority from the Department in order to
4 continue to validly operate in this State.

5 Section 25. Certificate of compliance issued by Board.

6 (a) Each PBM seeking to become licensed in the State must
7 submit its plan of operation for review in a format prescribed
8 by the Board.

9 (b) The Board will review the submission in order to
10 determine if it complies with the Pharmacy Practice Act of
11 1987. The Board shall adopt rules, including, but not limited
12 to, rules concerning the format required, the filing fee, the
13 requirements for re-certification, and any other information
14 the Board may require to complete its review. The fees
15 collected shall be used solely for the purpose of regulating
16 PBMs.

17 (c) If the PBM's filing meets with Board approval, it shall
18 be issued a certificate of compliance. Subsequent material
19 changes in the plan of operation must be filed with the Board.

20 Section 30. Disclosure of ownership or affiliation and
21 certain agreements.

22 (a) Each PBM shall disclose to the Department any ownership
23 interest or affiliation of any kind with (i) any insurance
24 company responsible for providing benefits directly or through
25 reinsurance to any plan for which the PBM provides services or
26 (ii) any parent companies, subsidiaries, and other entities or
27 businesses relative to the provision of pharmacy services,
28 other prescription drug or device services, or a pharmaceutical
29 manufacturer.

30 (b) The PBM must notify the Department in writing within 5
31 calendar days of any material change in its ownership.

32 (c) Every PBM shall disclose all of the following
33 agreements:

34 (1) Any agreement with a pharmaceutical manufacturer

1 to favor that manufacturer's products over a competitor's
2 products or to place that manufacturer's drug on the PBM's
3 preferred list or formulary or to switch the drug
4 prescribed by the patient's health care provider with a
5 drug agreed to by the PBM and that manufacturer.

6 (2) Any agreement with a pharmaceutical manufacturer
7 to share manufacturer rebates and discounts with the PBM or
8 to pay money or other economic benefits to the PBM.

9 (3) Any agreement to bill, or practice of billing, the
10 health plan for prescription drugs at a cost higher than
11 the PBM pays the pharmacy.

12 (4) Any agreement to share revenue with a mail order or
13 internet pharmacy company.

14 (5) Any agreement to sell prescription drug data,
15 including data concerning the prescribing practices of the
16 health care providers in the State.

17 Section 35. Maintenance, access, and confidentiality of
18 records; financial examination.

19 (a) Every PBM shall maintain, for the duration of the
20 written agreement and for 2 years thereafter, books and records
21 of all transactions between the PBM, insurers, covered persons,
22 pharmacists, and pharmacies.

23 (b) The Department shall have access to books and records
24 maintained by the PBM for the purposes of examination, audit,
25 and inspection. All information contained in these books and
26 records shall be confidential. However, the Department may use
27 the information in any proceeding instituted against the PBM or
28 insurer.

29 (c) The Secretary shall conduct periodic financial
30 examinations of every PBM in this State to ensure an
31 appropriate level of regulatory oversight. The PBM shall pay
32 the cost of the examination which shall be deposited in a
33 special fund to provide all expenses for the regulation,
34 supervision, and examination of all entities subject to
35 regulation under this Act.

1 Section 40. Annual statement and filing fee required.

2 (a) Each authorized PBM shall file with the Department an
3 annual statement on or before March 1 of every year. The
4 statement shall be in a form and contain those matters
5 prescribed by the Department and shall be accompanied by the
6 filing fee established by the Department. It must include the
7 total number of persons subject to management by the PBM during
8 the year, the number of persons terminated during the year, the
9 number of persons covered at the end of the year, and the
10 dollar value of claims processed.

11 (b) The statement shall disclose all incentive
12 arrangements or programs, such as rebates, discounts,
13 disbursements, or any other similar financial program or
14 arrangement relating to income or consideration received or
15 negotiated, directly or indirectly, with any pharmaceutical
16 company, that relates to prescription drug or device services,
17 including, at a minimum, information on the formula or other
18 method for calculation and amount of the incentive
19 arrangements, rebates, or other disbursements, the identity of
20 the associated drug or device, and the dates and amounts of the
21 disbursements.

22 Section 45. Contracts; agreement approval; prohibited
23 provisions.

24 (a) No person may act on behalf of a PBM without a written
25 agreement between the person and the PBM.

26 (b) A PBM shall not require a pharmacist or pharmacy to
27 participate in one contract in order to participate in another
28 contract. The PBM shall not exclude an otherwise qualified
29 pharmacist or pharmacy from participation in a particular
30 network solely because that pharmacist or pharmacy declined to
31 participate in another plan or network managed by the PBM.

32 (c) The PBM must file with the Department a copy of all
33 contracts or agreements with pharmacies for approval not less
34 than 30 days before the execution of the contract or agreement.

1 The Department shall consult with the Board on the criteria
2 prior to promulgation. The contract shall be deemed approved
3 unless the Department disapproves it within 30 days after it is
4 filed.

5 (d) The written agreement between the insurer and the PBM
6 shall not provide that the pharmacist or pharmacy is
7 responsible for the actions of the insurer or the PBM.

8 (e) All agreements shall provide that when the PBM receives
9 payment for the services of the pharmacist or pharmacy that the
10 PBM shall act as a fiduciary of the pharmacy or pharmacist who
11 provided the services. The PBM shall distribute said funds in
12 accordance with the time frames set forth in this Act.

13 Section 50. PBM prohibited practices.

14 (a) A PBM shall not intervene in the delivery or
15 transmission of prescriptions from the prescriber to the
16 pharmacist or pharmacy for the purpose of (i) influencing the
17 prescriber's choice of therapy, (ii) influencing the patient's
18 choice of pharmacist or pharmacy, or (iii) altering the
19 prescription information, including but not limited to,
20 switching the prescribed drug without the express
21 authorization of the prescriber.

22 (b) No agreement shall mandate that a pharmacist or
23 pharmacy change a covered person's prescription, unless the
24 prescribing physician and the covered person authorize the
25 pharmacist to make the change.

26 (c) The insurer and the PBM may not discriminate with
27 respect to participation in the network or reimbursement as to
28 any pharmacist or pharmacy that is acting within the scope of
29 his or her license or certification.

30 (d) The PBM may not transfer a health benefit plan to
31 another payment network unless it receives written
32 authorization from the insurer.

33 (e) No PBM may discriminate when contracting with
34 pharmacies on the basis of co-payments or days of supply. A
35 contract shall apply the same coinsurance, co-payment, and

1 deductible to covered drug prescriptions filled by any
2 pharmacy, including a mail order pharmacy or pharmacist who
3 participates in the network.

4 (f) No PBM may discriminate when advertising which
5 pharmacies are participating pharmacies. Any list of
6 participating pharmacies shall be complete and all inclusive.

7 (g) No PBM may mandate basic record keeping by any
8 pharmacist or pharmacy that is more stringent than required by
9 State or federal laws or regulations.

10 Section 55. Termination of agreements.

11 (a) A pharmacist or pharmacy may not be terminated from the
12 network or penalized by a PBM solely because of filing a
13 complaint, grievance, or appeal as permitted under this Act.

14 (b) A pharmacist or pharmacy may not be terminated from the
15 network or penalized because it expresses disagreement with the
16 PBM's decision to deny or limit benefits to a covered person or
17 because the pharmacist or pharmacy assists a covered person in
18 seeking reconsideration of the PBM's decision or because the
19 pharmacist or pharmacy discusses alternative medications.

20 (c) Before terminating a pharmacy from the network, the PBM
21 must give the pharmacy or pharmacist a written explanation of
22 the reason for the termination at least 30 days prior to the
23 termination date, unless the termination is based on (i) the
24 loss of the pharmacy's license to practice pharmacy or
25 cancellation of professional liability insurance or (ii) a
26 conviction of fraud.

27 (d) Termination of a contract between a PBM and a pharmacy
28 or pharmacist, or termination of a pharmacy or pharmacist from
29 a PBM's provider network shall not release the PBM from the
30 obligation to make any payment due to the pharmacy or
31 pharmacist for pharmacist services rendered.

32 Section 60. Medication reimbursement costs; use of index
33 required. PBMs shall use a current and nationally recognized
34 benchmark to base the reimbursement paid to network pharmacies

1 for medications and products. This reimbursement must be
2 determined as follows:

3 (1) For brand or single source products, the Average
4 Wholesale Price (AWP) as listed in First Data Bank (Hearst
5 publications) or Facts & Comparisons (formerly Medispan)
6 correct and current on the date of service provided shall
7 be used as an index.

8 (2) For generic drug or multi-source products, Maximum
9 Allowable Cost (MAC) shall be established by referencing
10 First Data Bank (Hearst publications) or Facts &
11 Comparisons (formerly Medispan) Baseline Price (BLP). Only
12 products that are compliant with pharmacy laws as
13 equivalent and generically interchangeable with a federal
14 FDA Orange Book rating of "A-B" will be reimbursed from a
15 MAC price methodology. If a multi-source product has no BLP
16 price, then it shall be treated as a single source branded
17 drug for the purpose of determining reimbursement.

18 Section 65. Timely payments; audits.

19 (a) If a PBM processes claims via electronic review, then
20 it shall electronically transmit payment within 7 calendar days
21 of said claims transmission to the pharmacist or pharmacy.
22 Specific time limits for the PBM to pay the pharmacist for all
23 other services rendered must be set forth in the agreement.

24 (b) Within 24 hours of a price increase notification by a
25 manufacturer or supplier, the PBM must adjust its payments to
26 the pharmacist or pharmacy consistent with the price increase.

27 (c) Claims paid by the PBM shall not be retroactively
28 denied or adjusted after 7 days from adjudication of such
29 claims, except as provided in subsection (d) of this Section.
30 In no case shall acknowledgement of eligibility be
31 retroactively reversed.

32 (d) The PBM may retroactively deny or adjust in the event
33 of any of the following:

34 (1) The original claim was submitted fraudulently.

35 (2) The original claim payment was incorrect because

1 the provider was already paid for services rendered.

2 (3) The services were not rendered by the pharmacist or
3 pharmacy.

4 (e) The PBM may not require extrapolation audits as a
5 condition of participating in the contract, network, or
6 program.

7 (f) The PBM shall not recoup any moneys that it believes
8 are due as a result of the audit by setoff until the pharmacist
9 or pharmacy has the opportunity to review the PBM's findings
10 and concurs with the results. If the parties cannot agree, then
11 the audit shall be subject to review by the Board.

12 Section 70. Disclosures to covered persons; authorization
13 for substitutions.

14 (a) When the services of a PBM are utilized, the PBM must
15 provide a written notice approved by the insurer to covered
16 persons advising them of the identity of, and relationship
17 between, the PBM, the insured, and the covered person.

18 (b) The notice must contain a statement advising the
19 covered person that the PBM is regulated by the Department and
20 has the right to file a complaint, appeal, or grievance with
21 the Department concerning the PBM. The notice shall include the
22 toll-free telephone number, mailing address, and electronic
23 mail address of the Department.

24 (c) The notice must be written in plain English, using
25 terms that may be generally understood by the prudent
26 layperson, and a copy must be provided to the Department and
27 each pharmacist or pharmacy participating in the network.

28 (d) If a PBM requests a substitute prescription for a
29 prescribed drug to a covered person, then the following
30 provisions shall apply:

31 (1) The PBM may substitute a lower-priced generic and
32 therapeutically equivalent drug for a higher-priced
33 prescribed drug.

34 (2) With regard to substitutions in which the
35 substitute drug costs more than the prescribed drug, the

1 substitution must be made for medical reasons that benefit
2 the covered individual. If a substitution is being made
3 under this subparagraph, the PBM shall obtain the approval
4 of the prescribing health professional or that person's
5 authorized representative after disclosing to the covered
6 individual the cost of both drugs and any benefit or
7 payment directly or indirectly accruing to the PBM as a
8 result of the substitution and any potential effects on a
9 patient's health and safety, including side effects.

10 (3) The PBM shall transfer, in full, to the covered
11 entity any benefit or payment received in any form by the
12 PBM as a result of a prescription drug substitution under
13 paragraph (1) or (2) of this subsection (d).

14 Section 75. Complaint process.

15 (a) The Department and the Board shall each adopt
16 procedures for formal investigation of complaints concerning
17 the failure of a pharmacy benefits manager to comply with this
18 Act.

19 (b) The Department shall refer a complaint filed under this
20 Act to the Board if the complaint involves a professional or
21 patient health or safety issue.

22 (c) The Board shall refer a complaint filed under this Act
23 to the Department if the complaint involves a business or
24 financial issue.

25 Section 80. Adjustment or settlement of claims;
26 compensation of PBM. Compensation to a PBM for any claims that
27 the PBM adjusts or settles on behalf of an insurer shall in no
28 way be contingent on claims experience. This Section does not
29 prohibit the compensation of a PBM based on total number of
30 claims paid or processed.

31 Section 85. PBM responsibilities to the covered entity.

32 (a) A PBM shall provide to a covered entity all financial
33 and utilization information requested by the covered entity

1 relating to the provision of benefits to covered individuals
2 through that covered entity and all financial and utilization
3 information relating to services to that covered entity. A PBM
4 providing information under this Section may designate that
5 material as confidential. Information designated as
6 confidential by a PBM and provided to a covered entity under
7 this Section may not be disclosed by the covered entity to any
8 person without the consent to the PBM, except that disclosure
9 may be made when authorized by a court.

10 (b) A PBM shall disclose to the covered entity all
11 financial terms and arrangements for remuneration of any kind
12 that apply between the PBM and any prescription drug
13 manufacturer or labeler, including, without limitation,
14 rebates, formulary management and drug-switch or substitution
15 programs, educational support, claims processing, and pharmacy
16 network fees that are charged from retail pharmacies and data
17 sales fees.

18 (c) A PBM shall disclose to the covered entity whether
19 there is a difference between the price paid to retail pharmacy
20 and the amount billed to the covered entity for the purchase.

21 (d) The covered entity may audit the PBM's books and
22 records related to the rebates or other information provided in
23 subsections (a) through (c) of this Section.

24 (e) A PBM shall perform its duties exercising good faith
25 and fair dealing toward the covered entity.

26 Section 90. Pharmacy Benefits Management Fund. The
27 Pharmacy Benefits Management Fund is created as a special fund
28 in the State Treasury. All fees, fines, assessments, and
29 penalties received under this Act shall be deposited into the
30 Pharmacy Benefits Management Fund.

31 Section 95. Assessment; Secretary.

32 (a) The expense of administering this Act, including the
33 costs incurred by the Secretary, shall be assessed annually by
34 the Secretary against all PBMs operating in this State. The

1 assessment shall be in proportion to the business done in this
2 State.

3 (b) The Secretary shall give each PBM notice of the
4 assessment, which shall be paid to the Secretary on or before
5 April 1 of each year.

6 (c) If an assessment is not paid by the prescribed date,
7 the amount of any assessment, plus a penalty, the license of
8 the defaulting PBM may be revoked or suspended by the Secretary
9 until the assessment and any penalty has been paid.

10 Section 100. Assessment; Board.

11 (a) The expense of administering this Act, including the
12 costs incurred by the Board, shall be assessed annually by the
13 Board against all PBMs operating in this State. The assessment
14 shall be in proportion to the business done in this State.

15 (b) The Board shall give each PBM notice of the assessment,
16 which shall be paid to the Board on or before April 1 of each
17 year.

18 (c) If an assessment is not paid by the prescribed date,
19 the amount of any assessment, plus a penalty, the license of
20 the defaulting PBM may be revoked or suspended by the Board
21 until the assessment and any penalty has been paid.

22 Section 105. Rulemaking; Secretary and Board. The
23 Secretary and the Board may adopt rules necessary to carry out
24 the provisions of this Act. These rules may include the
25 definition of terms, the use of prescribed forms, reporting
26 requirements, prohibited practices, and enforcement
27 procedures. The rules shall be subject to review in accordance
28 with general rules of administrative rulemaking and review of
29 regulations.

30 Section 110. Rulemaking; Department. The Department shall
31 define the enforcement process that shall be implemented under
32 this Act, including grounds for license revocation, fines,
33 suspension, and reinstatement and shall adopt rules concerning

1 unfair trade practices, protections for privacy and
2 confidentiality of covered persons, and the prohibition of
3 discrimination and false and misleading advertising.

4 Section 115. Severability. The provisions of this Act are
5 severable under Section 1.31 of the Statute on Statutes.

6 Section 900. The State Finance Act is amended by changing
7 Section 8g and by adding Section 5.640 as follows:

8 (30 ILCS 105/5.640 new)

9 Sec. 5.640. The Pharmacy Benefits Management Fund.

10 (30 ILCS 105/8g)

11 Sec. 8g. Fund transfers.

12 (a) In addition to any other transfers that may be provided
13 for by law, as soon as may be practical after the effective
14 date of this amendatory Act of the 91st General Assembly, the
15 State Comptroller shall direct and the State Treasurer shall
16 transfer the sum of \$10,000,000 from the General Revenue Fund
17 to the Motor Vehicle License Plate Fund created by Senate Bill
18 1028 of the 91st General Assembly.

19 (b) In addition to any other transfers that may be provided
20 for by law, as soon as may be practical after the effective
21 date of this amendatory Act of the 91st General Assembly, the
22 State Comptroller shall direct and the State Treasurer shall
23 transfer the sum of \$25,000,000 from the General Revenue Fund
24 to the Fund for Illinois' Future created by Senate Bill 1066 of
25 the 91st General Assembly.

26 (c) In addition to any other transfers that may be provided
27 for by law, on August 30 of each fiscal year's license period,
28 the Illinois Liquor Control Commission shall direct and the
29 State Comptroller and State Treasurer shall transfer from the
30 General Revenue Fund to the Youth Alcoholism and Substance
31 Abuse Prevention Fund an amount equal to the number of retail
32 liquor licenses issued for that fiscal year multiplied by \$50.

1 (d) The payments to programs required under subsection (d)
2 of Section 28.1 of the Horse Racing Act of 1975 shall be made,
3 pursuant to appropriation, from the special funds referred to
4 in the statutes cited in that subsection, rather than directly
5 from the General Revenue Fund.

6 Beginning January 1, 2000, on the first day of each month,
7 or as soon as may be practical thereafter, the State
8 Comptroller shall direct and the State Treasurer shall transfer
9 from the General Revenue Fund to each of the special funds from
10 which payments are to be made under Section 28.1(d) of the
11 Horse Racing Act of 1975 an amount equal to 1/12 of the annual
12 amount required for those payments from that special fund,
13 which annual amount shall not exceed the annual amount for
14 those payments from that special fund for the calendar year
15 1998. The special funds to which transfers shall be made under
16 this subsection (d) include, but are not necessarily limited
17 to, the Agricultural Premium Fund; the Metropolitan Exposition
18 Auditorium and Office Building Fund; the Fair and Exposition
19 Fund; the Standardbred Breeders Fund; the Thoroughbred
20 Breeders Fund; and the Illinois Veterans' Rehabilitation Fund.

21 (e) In addition to any other transfers that may be provided
22 for by law, as soon as may be practical after the effective
23 date of this amendatory Act of the 91st General Assembly, but
24 in no event later than June 30, 2000, the State Comptroller
25 shall direct and the State Treasurer shall transfer the sum of
26 \$15,000,000 from the General Revenue Fund to the Fund for
27 Illinois' Future.

28 (f) In addition to any other transfers that may be provided
29 for by law, as soon as may be practical after the effective
30 date of this amendatory Act of the 91st General Assembly, but
31 in no event later than June 30, 2000, the State Comptroller
32 shall direct and the State Treasurer shall transfer the sum of
33 \$70,000,000 from the General Revenue Fund to the Long-Term Care
34 Provider Fund.

35 (f-1) In fiscal year 2002, in addition to any other
36 transfers that may be provided for by law, at the direction of

1 and upon notification from the Governor, the State Comptroller
2 shall direct and the State Treasurer shall transfer amounts not
3 exceeding a total of \$160,000,000 from the General Revenue Fund
4 to the Long-Term Care Provider Fund.

5 (g) In addition to any other transfers that may be provided
6 for by law, on July 1, 2001, or as soon thereafter as may be
7 practical, the State Comptroller shall direct and the State
8 Treasurer shall transfer the sum of \$1,200,000 from the General
9 Revenue Fund to the Violence Prevention Fund.

10 (h) In each of fiscal years 2002 through 2004, but not
11 thereafter, in addition to any other transfers that may be
12 provided for by law, the State Comptroller shall direct and the
13 State Treasurer shall transfer \$5,000,000 from the General
14 Revenue Fund to the Tourism Promotion Fund.

15 (i) On or after July 1, 2001 and until May 1, 2002, in
16 addition to any other transfers that may be provided for by
17 law, at the direction of and upon notification from the
18 Governor, the State Comptroller shall direct and the State
19 Treasurer shall transfer amounts not exceeding a total of
20 \$80,000,000 from the General Revenue Fund to the Tobacco
21 Settlement Recovery Fund. Any amounts so transferred shall be
22 re-transferred by the State Comptroller and the State Treasurer
23 from the Tobacco Settlement Recovery Fund to the General
24 Revenue Fund at the direction of and upon notification from the
25 Governor, but in any event on or before June 30, 2002.

26 (i-1) On or after July 1, 2002 and until May 1, 2003, in
27 addition to any other transfers that may be provided for by
28 law, at the direction of and upon notification from the
29 Governor, the State Comptroller shall direct and the State
30 Treasurer shall transfer amounts not exceeding a total of
31 \$80,000,000 from the General Revenue Fund to the Tobacco
32 Settlement Recovery Fund. Any amounts so transferred shall be
33 re-transferred by the State Comptroller and the State Treasurer
34 from the Tobacco Settlement Recovery Fund to the General
35 Revenue Fund at the direction of and upon notification from the
36 Governor, but in any event on or before June 30, 2003.

1 (j) On or after July 1, 2001 and no later than June 30,
 2 2002, in addition to any other transfers that may be provided
 3 for by law, at the direction of and upon notification from the
 4 Governor, the State Comptroller shall direct and the State
 5 Treasurer shall transfer amounts not to exceed the following
 6 sums into the Statistical Services Revolving Fund:

7	From the General Revenue Fund	\$8,450,000
8	From the Public Utility Fund	1,700,000
9	From the Transportation Regulatory Fund	2,650,000
10	From the Title III Social Security and	
11	Employment Fund	3,700,000
12	From the Professions Indirect Cost Fund	4,050,000
13	From the Underground Storage Tank Fund	550,000
14	From the Agricultural Premium Fund	750,000
15	From the State Pensions Fund	200,000
16	From the Road Fund	2,000,000
17	From the Health Facilities	
18	Planning Fund	1,000,000
19	From the Savings and Residential Finance	
20	Regulatory Fund	130,800
21	From the Appraisal Administration Fund	28,600
22	From the Pawnbroker Regulation Fund	3,600
23	From the Auction Regulation	
24	Administration Fund	35,800
25	From the Bank and Trust Company Fund.....	634,800
26	From the Real Estate License	
27	Administration Fund	313,600

28 (k) In addition to any other transfers that may be provided
 29 for by law, as soon as may be practical after the effective
 30 date of this amendatory Act of the 92nd General Assembly, the
 31 State Comptroller shall direct and the State Treasurer shall
 32 transfer the sum of \$2,000,000 from the General Revenue Fund to
 33 the Teachers Health Insurance Security Fund.

34 (k-1) In addition to any other transfers that may be
 35 provided for by law, on July 1, 2002, or as soon as may be
 36 practical thereafter, the State Comptroller shall direct and

1 the State Treasurer shall transfer the sum of \$2,000,000 from
2 the General Revenue Fund to the Teachers Health Insurance
3 Security Fund.

4 (k-2) In addition to any other transfers that may be
5 provided for by law, on July 1, 2003, or as soon as may be
6 practical thereafter, the State Comptroller shall direct and
7 the State Treasurer shall transfer the sum of \$2,000,000 from
8 the General Revenue Fund to the Teachers Health Insurance
9 Security Fund.

10 (k-3) On or after July 1, 2002 and no later than June 30,
11 2003, in addition to any other transfers that may be provided
12 for by law, at the direction of and upon notification from the
13 Governor, the State Comptroller shall direct and the State
14 Treasurer shall transfer amounts not to exceed the following
15 sums into the Statistical Services Revolving Fund:

16	Appraisal Administration Fund	\$150,000
17	General Revenue Fund	10,440,000
18	Savings and Residential Finance	
19	Regulatory Fund	200,000
20	State Pensions Fund	100,000
21	Bank and Trust Company Fund	100,000
22	Professions Indirect Cost Fund	3,400,000
23	Public Utility Fund	2,081,200
24	Real Estate License Administration Fund	150,000
25	Title III Social Security and	
26	Employment Fund	1,000,000
27	Transportation Regulatory Fund	3,052,100
28	Underground Storage Tank Fund	50,000

29 (l) In addition to any other transfers that may be provided
30 for by law, on July 1, 2002, or as soon as may be practical
31 thereafter, the State Comptroller shall direct and the State
32 Treasurer shall transfer the sum of \$3,000,000 from the General
33 Revenue Fund to the Presidential Library and Museum Operating
34 Fund.

35 (m) In addition to any other transfers that may be provided
36 for by law, on July 1, 2002 and on the effective date of this

1 amendatory Act of the 93rd General Assembly, or as soon
2 thereafter as may be practical, the State Comptroller shall
3 direct and the State Treasurer shall transfer the sum of
4 \$1,200,000 from the General Revenue Fund to the Violence
5 Prevention Fund.

6 (n) In addition to any other transfers that may be provided
7 for by law, on July 1, 2003, or as soon thereafter as may be
8 practical, the State Comptroller shall direct and the State
9 Treasurer shall transfer the sum of \$6,800,000 from the General
10 Revenue Fund to the DHS Recoveries Trust Fund.

11 (o) On or after July 1, 2003, and no later than June 30,
12 2004, in addition to any other transfers that may be provided
13 for by law, at the direction of and upon notification from the
14 Governor, the State Comptroller shall direct and the State
15 Treasurer shall transfer amounts not to exceed the following
16 sums into the Vehicle Inspection Fund:

17 From the Underground Storage Tank Fund \$35,000,000.

18 (p) On or after July 1, 2003 and until May 1, 2004, in
19 addition to any other transfers that may be provided for by
20 law, at the direction of and upon notification from the
21 Governor, the State Comptroller shall direct and the State
22 Treasurer shall transfer amounts not exceeding a total of
23 \$80,000,000 from the General Revenue Fund to the Tobacco
24 Settlement Recovery Fund. Any amounts so transferred shall be
25 re-transferred from the Tobacco Settlement Recovery Fund to the
26 General Revenue Fund at the direction of and upon notification
27 from the Governor, but in any event on or before June 30, 2004.

28 (q) In addition to any other transfers that may be provided
29 for by law, on July 1, 2003, or as soon as may be practical
30 thereafter, the State Comptroller shall direct and the State
31 Treasurer shall transfer the sum of \$5,000,000 from the General
32 Revenue Fund to the Illinois Military Family Relief Fund.

33 (r) In addition to any other transfers that may be provided
34 for by law, on July 1, 2003, or as soon as may be practical
35 thereafter, the State Comptroller shall direct and the State
36 Treasurer shall transfer the sum of \$1,922,000 from the General

1 Revenue Fund to the Presidential Library and Museum Operating
2 Fund.

3 (s) In addition to any other transfers that may be provided
4 for by law, on or after July 1, 2003, the State Comptroller
5 shall direct and the State Treasurer shall transfer the sum of
6 \$4,800,000 from the Statewide Economic Development Fund to the
7 General Revenue Fund.

8 (t) In addition to any other transfers that may be provided
9 for by law, on or after July 1, 2003, the State Comptroller
10 shall direct and the State Treasurer shall transfer the sum of
11 \$50,000,000 from the General Revenue Fund to the Budget
12 Stabilization Fund.

13 (u) On or after July 1, 2004 and until May 1, 2005, in
14 addition to any other transfers that may be provided for by
15 law, at the direction of and upon notification from the
16 Governor, the State Comptroller shall direct and the State
17 Treasurer shall transfer amounts not exceeding a total of
18 \$80,000,000 from the General Revenue Fund to the Tobacco
19 Settlement Recovery Fund. Any amounts so transferred shall be
20 retransferred by the State Comptroller and the State Treasurer
21 from the Tobacco Settlement Recovery Fund to the General
22 Revenue Fund at the direction of and upon notification from the
23 Governor, but in any event on or before June 30, 2005.

24 (v) In addition to any other transfers that may be provided
25 for by law, on July 1, 2004, or as soon thereafter as may be
26 practical, the State Comptroller shall direct and the State
27 Treasurer shall transfer the sum of \$1,200,000 from the General
28 Revenue Fund to the Violence Prevention Fund.

29 (w) In addition to any other transfers that may be provided
30 for by law, on July 1, 2004, or as soon thereafter as may be
31 practical, the State Comptroller shall direct and the State
32 Treasurer shall transfer the sum of \$6,445,000 from the General
33 Revenue Fund to the Presidential Library and Museum Operating
34 Fund.

35 (x) In addition to any other transfers that may be provided
36 for by law, on January 15, 2005, or as soon thereafter as may

1 be practical, the State Comptroller shall direct and the State
2 Treasurer shall transfer to the General Revenue Fund the
3 following sums:

4 From the State Crime Laboratory Fund, \$200,000;

5 From the State Police Wireless Service Emergency Fund,
6 \$200,000;

7 From the State Offender DNA Identification System
8 Fund, \$800,000; and

9 From the State Police Whistleblower Reward and
10 Protection Fund, \$500,000.

11 (y) No transfers shall be made to the General Revenue Fund
12 from the Pharmacy Benefits Management Fund.

13 (Source: P.A. 92-11, eff. 6-11-01; 92-505, eff. 12-20-01;
14 92-600, eff. 6-28-02; 93-32, eff. 6-20-03; 93-648, eff. 1-8-04;
15 93-839, eff. 7-30-04; 93-1067, eff. 1-15-05.)

16 Section 999. Effective date. This Act takes effect upon
17 becoming law.