



State Government Administration Committee

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09500HB5614ham001

LRB095 19960 RAS 47227 a

1 AMENDMENT TO HOUSE BILL 5614

2 AMENDMENT NO. _____. Amend House Bill 5614 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Insurance Code is amended by
5 changing Sections 512-3, 512-4, and 512-5 as follows:

6 (215 ILCS 5/512-3) (from Ch. 73, par. 1065.59-3)

7 Sec. 512-3. Definitions. For the purposes of this Article,
8 unless the context otherwise requires, the terms defined in
9 this Article have the meanings ascribed to them herein:

10 (a) "Third party prescription program" or "program" means
11 any system of providing for the reimbursement of pharmaceutical
12 services and prescription drug products offered or operated in
13 this State under a contractual arrangement or agreement between
14 a provider of such services and another party who is not the
15 consumer of those services and products. Such programs may
16 include, but need not be limited to, employee benefit plans

1 whereby a consumer receives prescription drugs or other
2 pharmaceutical services and those services are paid for by an
3 agent of the employer or others.

4 (b) "Third party program administrator" or "administrator"
5 means any person, partnership or corporation who issues or
6 causes to be issued any payment or reimbursement to a provider
7 for services rendered pursuant to a third party prescription
8 program, but does not include the Director of Healthcare and
9 Family Services or any agent authorized by the Director to
10 reimburse a provider of services rendered pursuant to a program
11 of which the Department of Healthcare and Family Services is
12 the third party.

13 (c) "Director" means the Director of the Division of
14 Insurance of the Department of Financial and Professional
15 Regulation.

16 (d) "Division" means the Division of Insurance of the
17 Department of Financial and Professional Regulation.

18 (Source: P.A. 95-331, eff. 8-21-07.)

19 (215 ILCS 5/512-4) (from Ch. 73, par. 1065.59-4)

20 Sec. 512-4. Registration. All third party prescription
21 programs and administrators doing business in the State shall
22 register with the Director ~~of Insurance~~. The Director shall
23 promulgate regulations establishing criteria for registration
24 in accordance with the terms of this Article. The Director may
25 by rule establish an annual registration fee for each third

1 party administrator.

2 (Source: P.A. 82-1005.)

3 (215 ILCS 5/512-5) (from Ch. 73, par. 1065.59-5)

4 Sec. 512-5. Fiduciary and Bonding Requirements. A third
5 party prescription program administrator shall (1) establish
6 and maintain a fiduciary account, separate and apart from any
7 and all other accounts, for the receipt and disbursement of
8 funds for reimbursement of providers of services under the
9 program, or (2) post, or cause to be posted, a bond of
10 indemnity in an amount equal to not less than 10% of the total
11 estimated annual reimbursements under the program.

12 The establishment of such fiduciary accounts and bonds
13 shall be consistent with applicable State law. If a bond of
14 indemnity is posted, it shall be held by the Director ~~of~~
15 ~~Insurance~~ for the benefit and indemnification of the providers
16 of services under the third party prescription program.

17 An administrator who operates more than one third party
18 prescription program may establish and maintain a separate
19 fiduciary account or bond of indemnity for each such program,
20 or may operate and maintain a consolidated fiduciary account or
21 bond of indemnity for all such programs.

22 The requirements of this Section do not apply to any third
23 party prescription program administered by or on behalf of any
24 insurance company, Health Care Service Plan Corporation or
25 Pharmaceutical Service Plan Corporation authorized to do

- 1 business in the State of Illinois.
- 2 (Source: P.A. 82-1005.)"