



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB2611

Introduced 10/23/2013, by Sen. Michael E. Hastings

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. In a provision concerning utilization management controls and prior approval on specialty drugs, provides that for drugs for the treatment of AIDS or severe mental illness (rather than for the treatment of AIDS), the Department of Healthcare and Family Services shall take into consideration the potential for non-adherence by certain populations, and shall develop protocols with organizations or providers primarily serving those with HIV/AIDS or those with severe mental illness (rather than those with HIV/AIDS), as long as such measures intend to maintain cost neutrality with other utilization management controls such as prior approval. In a provision concerning limitations on prescription drugs, provides that antipsychotic drugs used to treat severe mental illness shall not be subject to prior approval as a result of the 4-prescription limit and shall not count toward the monthly prescription limit when used for the following mental disorders: post-traumatic stress disorder, schizophrenia, schizoaffective disorder, bipolar disorder, or panic disorder. Effective immediately.

LRB098 14553 KTG 49326 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 reimbursement
9 under this Article for prescription drugs provided to a
10 recipient of aid under this Article shall include the name of
11 the prescriber or an acceptable identification number as
12 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 frequency
13 (including "as needed") in a dosage, or in conjunction with
14 other psychotropic medications to a nursing home resident or to
15 a resident of a facility licensed under the ID/DD Community
16 Care Act, may constitute a chemical restraint or an
17 "unnecessary drug" as defined by the Nursing Home Care Act or
18 Titles XVIII and XIX of the Social Security Act and the
19 implementing rules and regulations. The Department shall
20 require prior approval for any such medication prescribed for a
21 nursing home resident or to a resident of a facility licensed
22 under the ID/DD Community Care Act, that appears to be a
23 chemical restraint or an unnecessary drug. The Department shall
24 consult with the Department of Human Services Division of
25 Mental Health in developing a protocol and criteria for
26 deciding whether to grant such prior approval.

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

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

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

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

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

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

21 (j) On and after July 1, 2012, the Department shall impose
22 limitations on prescription drugs such that the Department
23 shall not provide reimbursement for more than 4 prescriptions,
24 including 3 brand name prescriptions, for distinct drugs in a
25 30-day period, unless prior approval is received for all
26 prescriptions in excess of the 4-prescription limit. Drugs in

1 the following therapeutic classes shall not be subject to prior
2 approval as a result of the 4-prescription limit:
3 immunosuppressant drugs, oncolytic drugs, and anti-retroviral
4 drugs. Antipsychotic drugs used to treat severe mental illness
5 shall not be subject to prior approval as a result of the
6 4-prescription limit and shall not count toward the monthly
7 prescription limit when used for the following mental
8 disorders: post-traumatic stress disorder, schizophrenia,
9 schizoaffective disorder, bipolar disorder, or panic disorder.

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

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

23 (Source: P.A. 97-38, eff. 6-28-11; 97-74, eff. 6-30-11; 97-333,
24 eff. 8-12-11; 97-426, eff. 1-1-12; 97-689, eff. 6-14-12;
25 97-813, eff. 7-13-12; 98-463, eff. 8-16-13.)

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.