

1 AN ACT in relation to 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 and adding Section 5-5.12b as
6 follows:

7 (305 ILCS 5/5-5.12) (from Ch. 23, par. 5-5.12)

8 Sec. 5-5.12. Pharmacy payments.

9 (a) Every request submitted by a pharmacy for
10 reimbursement under this Article for prescription drugs
11 provided to a recipient of aid under this Article shall
12 include the name of the prescriber or an acceptable
13 identification number as established by the Department.

14 (b) Pharmacies providing prescription drugs under this
15 Article shall be reimbursed at a rate which shall include a
16 professional dispensing fee as determined by the Illinois
17 Department, plus the current acquisition cost of the
18 prescription drug dispensed. The Illinois Department shall
19 update its information on the acquisition costs of all
20 prescription drugs no less frequently than every 30 days.
21 However, the Illinois Department may set the rate of
22 reimbursement for the acquisition cost, by rule, at a
23 percentage of the current average wholesale acquisition cost.

24 (b-5) The State's Medicaid plan shall provide for a
25 program of differential dispensing fees for pharmacies that
26 (i) provide prescriptions for adult care homes under a unit
27 dose system in accordance with rules and regulations of the
28 State Board of Pharmacy and (ii) participate in the return of
29 unused medications program under this Article V.

30 The State's Medicaid plan shall include provisions for
31 differential ingredient cost reimbursement of generic and

1 brand name pharmaceuticals. The Department of Public Aid
2 shall set the rates for differential cost reimbursement of
3 generic and brand name pharmaceuticals by rule.

4 (c) Reimbursement under this Article for prescription
5 drugs shall be limited to reimbursement for 4 brand-name
6 prescription drugs per patient per month. This subsection
7 applies only if (i) the brand-name drug was not prescribed
8 for an acute or urgent condition, (ii) the brand-name drug
9 was not prescribed for Alzheimer's disease, arthritis,
10 diabetes, HIV/AIDS, a mental health condition, or respiratory
11 disease, and (iii) a therapeutically equivalent generic
12 medication has been approved by the federal Food and Drug
13 Administration.

14 Except where a prescriber has personally written
15 "dispense as written" or "D.A.W.," or has signed the
16 prescriber's name on the "dispense as written" signature
17 line, the Department of Public Aid may limit reimbursement
18 for a prescription under the medical assistance program to
19 the multisource generic equivalent drug.

20 No pharmacist participating in the medical assistance
21 program shall be required to dispense a prescription-only
22 drug that will not be reimbursed by the medical assistance
23 program.

24 (d) The Department shall not impose requirements for
25 prior approval based on a preferred drug list for
26 anti-retroviral or any atypical antipsychotics, conventional
27 antipsychotics, or anticonvulsants used for the treatment of
28 serious mental illnesses until 30 days after it has conducted
29 a study of the impact of such requirements on patient care
30 and submitted a report to the Speaker of the House of
31 Representatives and the President of the Senate.

32 (e) No requirements for prior authorization or other
33 restrictions on medications used to treat mental illnesses
34 such as schizophrenia, depression, or bipolar disorder may be

1 imposed on recipients of medical assistance. Medications that
2 must be made be available under the State's Medicaid plan
3 without restriction for persons with mental illnesses include
4 atypical antipsychotic medications, conventional
5 antipsychotic medications, and other medications used for the
6 treatment of mental illnesses.

7 (f) A prescription medication prescribed for a recipient
8 of medical assistance or a person who becomes eligible for
9 medical assistance shall not be subject to any requirement
10 for prior authorization under the State's Medicaid plan
11 unless (i) the prescription, including all authorized
12 refills, has expired or (ii) the practitioner who prescribed
13 the medication for the recipient prescribes a different
14 medication.

15 (Source: P.A. 92-597, eff. 6-28-02; 92-825, eff. 8-21-02;
16 revised 9-19-02.)

17 (305 ILCS 5/5-5.12b new)

18 Sec. 5-5.12b. Preferred drug formulary.

19 (a) The Department of Public Aid may establish a
20 statewide advisory committee pursuant to Section 12-4.20 of
21 this Code to advise the Department in the development of a
22 preferred formulary listing of drugs covered by the medical
23 assistance program.

24 (b) The Department shall evaluate drugs and drug classes
25 for inclusion in the State Medicaid preferred drug formulary
26 based on safety, effectiveness, and clinical outcomes of
27 treatments. In addition, the Department shall evaluate drugs
28 and drug classes to determine whether inclusion of those
29 drugs or drug classes in a starter-dose program would be
30 clinically efficacious and cost effective. If the factors of
31 safety, effectiveness, and clinical outcomes among drugs
32 being considered in the same class indicate no therapeutic
33 advantage, then the Department shall consider the cost

1 effectiveness and the net economic impact of the drugs in
2 making recommendations for inclusion in the State Medicaid
3 preferred drug formulary. Drugs that do not have a
4 significant, clinically meaningful therapeutic advantage in
5 terms of safety, effectiveness, or clinical outcomes over
6 other drugs in the same class that have been selected for the
7 preferred drug formulary may be excluded from the preferred
8 drug formulary and may be subject to prior authorization in
9 accordance with State and federal law, except for cases in
10 which, before July 1, 2004, a prescriber has personally
11 written "dispense as written" or "D.A.W." or has signed the
12 prescriber's name on the "dispense as written" signature
13 line.

14 (c) The Department shall consider the net economic
15 impact of drugs selected or excluded from the preferred drug
16 formulary and may gather information on the costs of specific
17 drugs, rebates, or discounts pursuant to 42 U.S.C. 1396r-8,
18 dispensing costs, dosing requirements, and utilization of
19 other drugs or other Medicaid health care services.

20 (d) The Department may accept all services, including,
21 but not limited to, disease state management, associated with
22 the delivery of pharmacy benefits under the medical
23 assistance program having a determinable cost effect, in
24 addition to the Medicaid prescription drug rebates required
25 pursuant to 42 U.S.C. section 1396r-8.

26 (e) The Department shall submit the State Medicaid
27 preferred drug formulary to the drug utilization review
28 program established under Section 11-26.1 of this Code for
29 review and policy recommendations.

30 Section 99. Effective date. This Act takes effect upon
31 becoming law.