

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 Wholesale Licensure and Prescription Medication Integrity Act.

6 Section 5. Definitions. In this Act:

7 "Authentication" means to affirmatively verify, before any
8 wholesale distribution of a prescription drug occurs, that each
9 transaction listed on the pedigree has occurred.

10 "Authorized distributor of record" means a wholesale
11 distributor with whom a manufacturer has established an ongoing
12 relationship to distribute the manufacturer's prescription
13 drug. An ongoing relationship is deemed to exist between a
14 wholesale distributor and a manufacturer when the wholesale
15 distributor, including any affiliated group of the wholesale
16 distributor, as defined in Section 1504 of the Internal Revenue
17 Code, complies with either of the following:

18 (1) the wholesale distributor has a written agreement
19 currently in effect with the manufacturer evidencing the
20 ongoing relationship; or

21 (2) the wholesale distributor is listed on the
22 manufacturer's current list of authorized distributors of
23 record, which is updated by the manufacturer on no less

1 than a monthly basis.

2 "Chain pharmacy warehouse" means a physical location for
3 prescription drugs that acts as a central warehouse and
4 performs intracompany sales or transfers of the drugs to a
5 group of chain pharmacies that have the same common ownership
6 and control. Notwithstanding any other provision of this Act, a
7 chain pharmacy warehouse shall be considered part of the normal
8 distribution channel.

9 "Co-licensed partner or product" means an instance where 2
10 or more parties have the right to engage in the manufacturing
11 or marketing of a prescription drug, consistent with the FDA's
12 implementation of the Prescription Drug Marketing Act.

13 "Department" means the Department of Financial and
14 Professional Regulation.

15 "Drop shipment" means the sale of a prescription drug to a
16 wholesale distributor by the manufacturer of the prescription
17 drug, or that manufacturer's co-licensed product partner, that
18 manufacturer's third party logistics provider, or that
19 manufacturer's exclusive distributor, whereby the wholesale
20 distributor or chain pharmacy warehouse takes title but not
21 physical possession of such prescription drug and the wholesale
22 distributor invoices the pharmacy, chain pharmacy warehouse,
23 or other person authorized by law to dispense or administer
24 such drug to a patient and the pharmacy, chain pharmacy
25 warehouse or other authorized person receives delivery of the
26 prescription drug directly from the manufacturer, that

1 manufacturer's third party logistics provider, or that
2 manufacturer's exclusive distributor.

3 "Facility" means a facility of a wholesale distributor
4 where prescription drugs are stored, handled, repackaged, or
5 offered for sale.

6 "FDA" means the United States Food and Drug Administration.

7 "Manufacturer" means a person licensed or approved by the
8 FDA to engage in the manufacture of drugs or devices,
9 consistent with the definition of "manufacturer" set forth in
10 the FDA's regulations and guidances implementing the
11 Prescription Drug Marketing Act.

12 "Manufacturer's exclusive distributor" means anyone who
13 contracts with a manufacturer to provide or coordinate
14 warehousing, distribution, or other services on behalf of a
15 manufacturer and who takes title to that manufacturer's
16 prescription drug, but who does not have general responsibility
17 to direct the sale or disposition of the manufacturer's
18 prescription drug. A manufacturer's exclusive distributor must
19 be licensed as a wholesale distributor under this Act and, in
20 order to be considered part of the normal distribution channel,
21 must also be an authorized distributor of record.

22 "Normal distribution channel" means a chain of custody for
23 a prescription drug that goes, directly or by drop shipment,
24 from (i) a manufacturer of the prescription drug, (ii) that
25 manufacturer to that manufacturer's co-licensed partner, (iii)
26 that manufacturer to that manufacturer's third party logistics

1 provider, or (iv) that manufacturer to that manufacturer's
2 exclusive distributor to:

3 (1) a pharmacy or to other designated persons
4 authorized by law to dispense or administer the drug to a
5 patient;

6 (2) a wholesale distributor to a pharmacy or other
7 designated persons authorized by law to dispense or
8 administer the drug to a patient;

9 (3) a wholesale distributor to a chain pharmacy
10 warehouse to that chain pharmacy warehouse's intracompany
11 pharmacy to a patient or other designated persons
12 authorized by law to dispense or administer the drug; or

13 (4) a chain pharmacy warehouse to the chain pharmacy
14 warehouse's intracompany pharmacy or other designated
15 persons authorized by law to dispense or administer the
16 drug.

17 "Pedigree" means a document or electronic file containing
18 information that records each wholesale distribution of any
19 given prescription drug.

20 "Prescription drug" means any drug, including any
21 biological product (except for blood and blood components
22 intended for transfusion or biological products that are also
23 medical devices), required by federal law or regulation to be
24 dispensed only by a prescription, including finished dosage
25 forms and bulk drug substances subject to Section 503(b) of the
26 federal Food, Drug and Cosmetic Act.

1 "Repackage" means repackaging or otherwise changing the
2 container, wrapper, or labeling to further the distribution of
3 a prescription drug, excluding that completed by the pharmacist
4 responsible for dispensing product to a patient.

5 "Third party logistics provider" means anyone who
6 contracts with a prescription drug manufacturer to provide or
7 coordinate warehousing, distribution, or other services on
8 behalf of a manufacturer, but does not take title to the
9 prescription drug or have general responsibility to direct the
10 prescription drug's sale or disposition. A third party
11 logistics provider must be licensed as a wholesale distributor
12 under this Act and, in order to be considered part of the
13 normal distribution channel, must also be an authorized
14 distributor of record.

15 "Wholesale distributor" means anyone engaged in the
16 wholesale distribution of prescription drugs, including
17 without limitation manufacturers; repackagers; own-label
18 distributors; private-label distributors; jobbers; brokers;
19 warehouses, including manufacturers' and distributors'
20 warehouses; manufacturer's exclusive distributors; and
21 authorized distributors of record; drug wholesalers or
22 distributors; independent wholesale drug traders; specialty
23 wholesale distributors; third party logistics providers; and
24 retail pharmacies that conduct wholesale distribution; and
25 chain pharmacy warehouses that conduct wholesale distribution.
26 In order to be considered part of the normal distribution

1 channel, a wholesale distributor must also be an authorized
2 distributor of record.

3 "Wholesale distribution" means the distribution of
4 prescription drugs to persons other than a consumer or patient,
5 but does not include any of the following:

6 (1) Intracompany sales of prescription drugs, meaning
7 (i) any transaction or transfer between any division,
8 subsidiary, parent or affiliated or related company under
9 common ownership and control of a corporate entity or (ii)
10 any transaction or transfer between co-licensees of a
11 co-licensed product.

12 (2) The sale, purchase, distribution, trade, or
13 transfer of a prescription drug or offer to sell, purchase,
14 distribute, trade, or transfer a prescription drug for
15 emergency medical reasons.

16 (3) The distribution of prescription drug samples by
17 manufacturers' representatives.

18 (4) Drug returns, when conducted by a hospital, health
19 care entity, or charitable institution in accordance with
20 federal regulation.

21 (5) The sale of minimal quantities of prescription
22 drugs by retail pharmacies to licensed practitioners for
23 office use.

24 (6) The sale, purchase, or trade of a drug, an offer to
25 sell, purchase, or trade a drug, or the dispensing of a
26 drug pursuant to a prescription.

1 (7) The sale, transfer, merger, or consolidation of all
2 or part of the business of a pharmacy or pharmacies from or
3 with another pharmacy or pharmacies, whether accomplished
4 as a purchase and sale of stock or business assets.

5 (8) The sale, purchase, distribution, trade, or
6 transfer of a prescription drug from one authorized
7 distributor of record to one additional authorized
8 distributor of record when the manufacturer has stated in
9 writing to the receiving authorized distributor of record
10 that the manufacturer is unable to supply the prescription
11 drug and the supplying authorized distributor of record
12 states in writing that the prescription drug being supplied
13 had until that time been exclusively in the normal
14 distribution channel.

15 (9) The delivery of or the offer to deliver a
16 prescription drug by a common carrier solely in the common
17 carrier's usual course of business of transporting
18 prescription drugs when the common carrier does not store,
19 warehouse, or take legal ownership of the prescription
20 drug.

21 (10) The sale or transfer from a retail pharmacy or
22 chain pharmacy warehouse of expired, damaged, returned, or
23 recalled prescription drugs to the original manufacturer
24 or to a third party returns processor.

25 Section 10. Licensure required.

1 (a) Every resident wholesale distributor who engages in the
2 wholesale distribution of prescription drugs must be licensed
3 by the Department, and every non-resident wholesale
4 distributor must be licensed in this State if it ships
5 prescription drugs into this State, in accordance with this
6 Act, before engaging in wholesale distributions of wholesale
7 prescription drugs. The Department shall exempt manufacturers
8 distributing their own FDA-approved drugs and devices from the
9 requirements of this Section, to the extent not required by
10 federal law or regulation, unless particular requirements are
11 deemed necessary and appropriate following rulemaking.

12 (b) The Department shall require without limitation all of
13 the following information from each applicant for licensure
14 under this Act:

15 (1) The name, full business address, and telephone
16 number of the licensee.

17 (2) All trade or business names used by the licensee.

18 (3) Addresses, telephone numbers, and the names of
19 contact persons for all facilities used by the licensee for
20 the storage, handling, and distribution of prescription
21 drugs.

22 (4) The type of ownership or operation, such as a
23 partnership, corporation, or sole proprietorship.

24 (5) The name of the owner or operator of the wholesale
25 distributor, including:

26 (A) if a person, the name of the person;

1 (B) if a partnership, the name of each partner and
2 the name of the partnership;

3 (C) if a corporation, the name and title of each
4 corporate officer and director, the corporate names,
5 and the name of the state of incorporation; and

6 (D) if a sole proprietorship, the full name of the
7 sole proprietor and the name of the business entity.

8 (6) A list of all licenses and permits issued to the
9 applicant by any other state that authorizes the applicant
10 to purchase or possess prescription drugs.

11 (7) The name of the designated representative for the
12 wholesale distributor, together with the personal
13 information statement and fingerprints, as required under
14 subsection (c) of this Section.

15 (8) Any additional information required by the
16 Department.

17 (c) Each wholesale distributor must designate an
18 individual representative who shall serve as the contact person
19 for the Department. This representative must provide the
20 Department with all of the following information:

21 (1) The person's places of residence for the past 7
22 years.

23 (2) The person's date and place of birth.

24 (3) The person's occupations, positions of employment,
25 and offices held during the past 7 years and the principal
26 business and address of any business, corporation, or other

1 organization in which each such office of the person was
2 held or in which each such occupation or position of
3 employment was carried on.

4 (4) Information concerning whether the person has
5 been, during the past 7 years, the subject of any
6 proceeding for the revocation of any license or any
7 criminal violation and, if so, the nature of the proceeding
8 and the disposition of the proceeding.

9 (5) Information concerning whether, during the past 7
10 years, the person has been enjoined, either temporarily or
11 permanently, by a court of competent jurisdiction from
12 violating any federal or State law regulating the
13 possession, control, or distribution of prescription drugs
14 or criminal violations, together with details concerning
15 any such event.

16 (6) A description of any involvement by the person with
17 any business, including any investments, other than the
18 ownership of stock in a publicly traded company or mutual
19 fund, during the past 7 years, which manufactured,
20 administered, prescribed, distributed, or stored
21 pharmaceutical products and any lawsuits in which such
22 businesses were named as a party.

23 (7) A description of any misdemeanor or felony criminal
24 offense of which the person, as an adult, was found guilty,
25 regardless of whether adjudication of guilt was withheld or
26 whether the person pled guilty or nolo contendere. If the

1 person indicates that a criminal conviction is under appeal
2 and submits a copy of the notice of appeal of that criminal
3 offense, the applicant must, within 15 days after the
4 disposition of the appeal, submit to the Department a copy
5 of the final written order of disposition.

6 (8) A photograph of the person taken within the
7 previous 180 days.

8 The designated representative must also submit his or her
9 fingerprints to the Department to be checked against the
10 Department of State Police and Federal Bureau of Investigation
11 criminal history record databases now and hereafter filed, in a
12 manner prescribed by the Department and must receive and
13 complete continuing training in applicable federal and State
14 laws governing the wholesale distribution of prescription
15 drugs.

16 (d) Any information required to be submitted to the
17 Department under subsections (b) and (c) of this Section shall
18 be provided under oath.

19 (e) The Department may not issue a wholesale distributor
20 license to an applicant, unless the Department first:

21 (1) conducts a physical inspection of the facility at
22 the address provided by the applicant as required under
23 item (1) of subsection (b) of this Section; and

24 (2) determines that the designated representative
25 meets each of the following qualifications:

26 (A) He or she is at least 21 years of age.

1 (B) He or she has been employed full-time for at
2 least 3 years in a pharmacy or with a wholesale
3 distributor in a capacity related to the dispensing and
4 distribution of, and recordkeeping relating to,
5 prescription drugs.

6 (C) He or she is employed by the applicant full
7 time in a managerial level position.

8 (D) He or she is actively involved in and aware of
9 the actual daily operation of the wholesale
10 distributor.

11 (E) He or she is physically present at the facility
12 of the applicant during regular business hours, except
13 when the absence of the designated representative is
14 authorized, including without limitation sick leave
15 and vacation leave.

16 (F) He or she is serving in the capacity of a
17 designated representative for only one applicant at a
18 time, except where more than one licensed wholesale
19 distributor is co-located in the same facility and such
20 wholesale distributors are members of an affiliated
21 group, as defined in Section 1504 of the Internal
22 Revenue Code.

23 (G) He or she does not have any convictions under
24 any federal, State, or local laws relating to wholesale
25 or retail prescription drug distribution or
26 distribution of controlled substances.

1 (H) He or she does not have any felony convictions
2 under federal, State, or local laws.

3 (f) If a wholesale distributor distributes prescription
4 drugs from more than one facility, the wholesale distributor
5 shall obtain a license for each facility.

6 (g) The information provided under this Section may not be
7 disclosed to any person or entity other than the Department or
8 another government entity in need of such information for
9 licensing or monitoring purposes.

10 Section 15. License renewal. In accordance with each
11 license renewal, the Department shall send to each licensee a
12 form setting forth the information that the licensee provided
13 to the Department in the licensee's original application for
14 licensure under Section 10 of this Act. Within 30 days after
15 receiving the form, the wholesale distributor must identify and
16 state under oath to the Department any and all changes or
17 corrections to the information originally submitted to the
18 Department. The Department may suspend or revoke the license of
19 a licensee if the Department determines that the licensee no
20 longer qualifies for the license originally issued under this
21 Act.

22 Section 20. Bond required. The Department shall require
23 every wholesale distributor applying for licensure under this
24 Act to submit a bond of at least \$100,000 or another equivalent

1 means of security acceptable to the Department, such as an
2 irrevocable letter of credit or a deposit in a trust account or
3 financial institution, payable to a fund established by the
4 Department. Chain pharmacy warehouses that are not engaged in
5 wholesale distribution are exempt from the bond requirement of
6 this Section. The purpose of the bond is to secure payment of
7 any fines or penalties imposed by the Department and any fees
8 and costs incurred by the Department regarding that license,
9 which are authorized under State law and which the licensee
10 fails to pay 30 days after the fines, penalties, or costs
11 become final. The Department may make a claim against the bond
12 or security until one year after the licensee's license ceases
13 to be valid. A single bond may suffice to cover all facilities
14 operated by an applicant in this State.

15 The Department shall establish a fund, separate from its
16 other accounts, in which to deposit the wholesale distributor
17 bonds required under this Section.

18 Section 25. Restrictions on transactions.

19 (a) A licensee shall receive prescription drug returns or
20 exchanges from a pharmacy or chain pharmacy warehouse pursuant
21 to the terms and conditions of the agreement between the
22 wholesale distributor and the pharmacy or chain pharmacy
23 warehouse. Returns of expired, damaged, recalled, or otherwise
24 non-saleable pharmaceutical products shall be distributed by
25 the receiving wholesale distributor only to either the original

1 manufacturer or a third party returns processor, and such
2 returns or exchanges, including any redistribution by a
3 receiving wholesaler, shall not be subject to the pedigree
4 requirements of Section 30 of this Act, so long as they are
5 exempt from the pedigree requirement of the FDA's currently
6 applicable Prescription Drug Marketing Act guidance. Both
7 licensees under this Act and pharmacies shall be accountable
8 for administering their returns process and ensuring that the
9 aspects of this operation are secure and do not permit the
10 entry of adulterated and counterfeit product.

11 (b) A manufacturer or wholesale distributor licensed under
12 this Act may furnish prescription drugs only to a person
13 licensed by the appropriate state licensing authorities.
14 Before furnishing prescription drugs to a person not known to
15 the manufacturer or wholesale distributor, the manufacturer or
16 wholesale distributor must affirmatively verify that the
17 person is legally authorized to receive the prescription drugs
18 by contacting the appropriate state licensing authorities.

19 (c) Prescription drugs furnished by a manufacturer or
20 wholesale distributor licensed under this Act may be delivered
21 only to the premises listed on the license, provided that the
22 manufacturer or wholesale distributor may furnish prescription
23 drugs to an authorized person or agent of that person at the
24 premises of the manufacturer or wholesale distributor if:

25 (1) the identity and authorization of the recipient is
26 properly established; and

1 (2) this method of receipt is employed only to meet the
2 immediate needs of a particular patient of the authorized
3 person.

4 (d) Prescription drugs may be furnished to a hospital
5 pharmacy receiving area, provided that a pharmacist or
6 authorized receiving personnel signs, at the time of delivery,
7 a receipt showing the type and quantity of the prescription
8 drug received. Any discrepancy between the receipt and the type
9 and quantity of the prescription drug actually received shall
10 be reported to the delivering manufacturer or wholesale
11 distributor by the next business day after the delivery to the
12 pharmacy receiving area.

13 (e) A manufacturer or wholesale distributor licensed under
14 this Act may not accept payment for, or allow the use of, a
15 person or entity's credit to establish an account for the
16 purchase of prescription drugs from any person other than the
17 owner of record, the chief executive officer, or the chief
18 financial officer listed on the license of a person or entity
19 legally authorized to receive the prescription drugs. Any
20 account established for the purchase of prescription drugs must
21 bear the name of the licensee. This subsection (e) shall not be
22 construed to prohibit a pharmacy or chain pharmacy warehouse
23 from receiving prescription drugs if payment for the
24 prescription drugs is processed through the pharmacy's or chain
25 pharmacy warehouse's contractual drug manufacturer or
26 wholesale distributor.

1 Section 30. Pedigree.

2 (a) Each person who is engaged in the wholesale
3 distribution of prescription drugs, including repackagers, but
4 excluding the original manufacturer of the finished form of the
5 prescription drug, that leave or have ever left the normal
6 distribution channel shall, before each wholesale distribution
7 of the drug, provide a pedigree to the person who receives the
8 drug.

9 A retail pharmacy or chain pharmacy warehouse must comply
10 with the requirements of this Section only if the pharmacy or
11 chain pharmacy warehouse engages in the wholesale distribution
12 of prescription drugs.

13 The State Board of Pharmacy shall determine by July 1,
14 2009, a targeted implementation date for electronic track and
15 trace technology. This determination shall be based on
16 consultation with manufacturers, distributors, and pharmacies
17 responsible for the sale and distribution of prescription drug
18 products in this State. After consultation with interested
19 stakeholders and prior to the implementation of the track and
20 trace technology, the State Board of Pharmacy shall deem that
21 the technology is universally available across the entire
22 prescription pharmaceutical supply chain. The implementation
23 date for the mandated electronic track and trace technology
24 shall be no sooner than July 1, 2010 and may be extended by the
25 State Board of Pharmacy in one-year increments if it appears

1 that the technology is not universally available across the
2 entire prescription pharmaceutical supply chain.

3 (b) Each person who is engaged in the wholesale
4 distribution of a prescription drug, including repackagers,
5 but excluding the original manufacturer of the finished form of
6 the prescription drug, who is provided a pedigree for a
7 prescription drug and attempts to further distribute that
8 prescription drug, must affirmatively verify before any
9 distribution of a prescription drug occurs that each
10 transaction listed on the pedigree has occurred.

11 (c) The pedigree must include all necessary identifying
12 information concerning each sale in the chain of distribution
13 of the product from the manufacturer or the manufacturer's
14 third party logistics provider, co-licensed product partner,
15 or exclusive distributor through acquisition and sale by any
16 wholesale distributor or repackager, until final sale to a
17 pharmacy or other person dispensing or administering the drug.
18 This necessary chain of distribution information shall
19 include, without limitation all of the following:

20 (1) The name, address, telephone number and, if
21 available, the e-mail address of each owner of the
22 prescription drug and each wholesale distributor of the
23 prescription drug.

24 (2) The name and address of each location from which
25 the product was shipped, if different from the owner's.

26 (3) Transaction dates.

1 (4) Certification that each recipient has
2 authenticated the pedigree.

3 (d) The pedigree must also include without limitation all
4 of the following information concerning the prescription drug:

5 (1) The name and national drug code number of the
6 prescription drug.

7 (2) The dosage form and strength of the prescription
8 drug.

9 (3) The size of the container.

10 (4) The number of containers.

11 (5) The lot number of the prescription drug.

12 (6) The name of the manufacturer of the finished dosage
13 form.

14 (e) Each pedigree or electronic file shall be maintained by
15 the purchaser and the wholesale distributor for at least 3
16 years from the date of sale or transfer and made available for
17 inspection or use within 5 business days upon a request of the
18 Department.

19 (f) The Department shall adopt rules and prescribe a form
20 relating to the requirements of this Section no later than 90
21 days after the effective date of this Act.

22 Section 35. Prohibited acts. It is unlawful for a person to
23 perform or cause the performance of or aid and abet any of the
24 following acts:

25 (1) Failure to obtain a license in accordance with this

1 Act or operating without a valid license when a license is
2 required by this Act.

3 (2) If the requirements of subsection (a) of Section 25
4 are applicable and are not met, the purchasing or otherwise
5 receiving of a prescription drug from a pharmacy.

6 (3) If licensure is required pursuant to subsection (b)
7 of Section 25 of this Act, the sale, distribution, or
8 transfer of a prescription drug to a person that is not
9 authorized under the law of the jurisdiction in which the
10 person receives the prescription drug to receive the
11 prescription drug.

12 (4) Failure to deliver prescription drugs to specified
13 premises, as required by subsection (c) of Section 25 of
14 this Act.

15 (5) Accepting payment or credit for the sale of
16 prescription drugs in violation of subsection (e) of
17 Section 25 of this Act.

18 (6) Failure to maintain or provide pedigrees as
19 required by this Act;

20 (7) Failure to obtain, pass, or authenticate a pedigree
21 as required by this Act.

22 (8) Providing the Department or any federal official
23 with false or fraudulent records or making false or
24 fraudulent statements regarding any matter within the
25 provisions of this Act.

26 (9) Obtaining or attempting to obtain a prescription

1 drug by fraud, deceit, or misrepresentation or engaging in
2 misrepresentation or fraud in the distribution of a
3 prescription drug.

4 (10) The manufacture, repacking, sale, transfer,
5 delivery, holding, or offering for sale of any prescription
6 drug that is adulterated, misbranded, counterfeit,
7 suspected of being counterfeit, or that has otherwise been
8 rendered unfit for distribution.

9 (11) The adulteration, misbranding, or counterfeiting
10 of any prescription drug.

11 (12) The receipt of any prescription drug that is
12 adulterated, misbranded, stolen, obtained by fraud or
13 deceit, counterfeit, or suspected of being counterfeit and
14 the delivery or proffered delivery of such drug for pay or
15 otherwise.

16 (13) The alteration, mutilation, destruction,
17 obliteration, or removal of the whole or any part of the
18 labeling of a prescription drug or the commission of any
19 other act with respect to a prescription drug that results
20 in the prescription drug being misbranded.

21 The acts prohibited in this Section do not include the
22 obtaining or the attempt to obtain a prescription drug for the
23 sole purpose of testing the prescription drug for authenticity
24 performed by a prescription drug manufacturer or the agent of a
25 prescription drug manufacturer.

1 Section 40. Enforcement; order to cease distribution of a
2 drug.

3 (a) The Department shall issue an order requiring the
4 appropriate person, including the distributors or retailers of
5 a drug, to immediately cease distribution of the drug within
6 this State, if the Department finds that there is a reasonable
7 probability that:

8 (1) a wholesale distributor has (i) violated a
9 provision in this Act or (ii) falsified a pedigree or sold,
10 distributed, transferred, manufactured, repackaged,
11 handled, or held a counterfeit prescription drug intended
12 for human use;

13 (2) the prescription drug at issue, as a result of a
14 violation in paragraph (1) of this subsection (a), could
15 cause serious, adverse health consequences or death; and

16 (3) other procedures would result in unreasonable
17 delay.

18 (b) An order issued under this Section shall provide the
19 person subject to the order with an opportunity for an informal
20 hearing, to be held not later than 10 days after the date of
21 the issuance of the order, on the actions required by the
22 order. If, after providing an opportunity for a hearing, the
23 Department determines that inadequate grounds exist to support
24 the actions required by the order, the Department shall vacate
25 the order.

1 Section 45. Penalties.

2 (a) Any person who engages in the wholesale distribution of
3 prescription drugs in violation of this Act may be fined not
4 more than \$10,000.

5 (b) Any person who engages in the wholesale distribution of
6 prescription drugs in violation of this Act and does so in a
7 grossly negligent manner may be imprisoned for not more than 15
8 years, fined not more than \$50,000, or both.

9 (c) Any person who knowingly engages in the wholesale
10 distribution of prescription drugs in violation of this Act may
11 be imprisoned for any term of years, fined not more than
12 \$500,000, or both.

13 Section 90. The Regulatory Sunset Act is amended by adding
14 Section 4.28 as follows:

15 (5 ILCS 80/4.28 new)

16 Sec. 4.28. Act repealed on January 1, 2018. The following
17 Act is repealed on January 1, 2018:

18 The Wholesale Licensure and Prescription Medication
19 Integrity Act.

20 Section 95. The Pharmacy Practice Act of 1987 is amended by
21 changing Section 10 as follows:

22 (225 ILCS 85/10) (from Ch. 111, par. 4130)

1 (Section scheduled to be repealed on January 1, 2008)

2 Sec. 10. State Board of Pharmacy. There is created in the
3 Department the State Board of Pharmacy. It shall consist of 9
4 members, 7 of whom shall be licensed pharmacists. Each of those
5 7 members must be a licensed pharmacist in good standing in
6 this State, a graduate of an accredited college of pharmacy or
7 hold a Bachelor of Science degree in Pharmacy and have at least
8 5 years' practical experience in the practice of pharmacy
9 subsequent to the date of his licensure as a licensed
10 pharmacist in the State of Illinois. There shall be 2 public
11 members, who shall be voting members, who shall not be licensed
12 pharmacists in this State or any other state.

13 Each member shall be appointed by the Governor.

14 The terms of all members serving as of March 31, 1999 shall
15 expire on that date. The Governor shall appoint 3 persons to
16 serve one-year terms, 3 persons to serve 3-year terms, and 3
17 persons to serve 5-year terms to begin April 1, 1999.
18 Otherwise, members shall be appointed to 5 year terms. No
19 member shall be eligible to serve more than 12 consecutive
20 years.

21 In making the appointment of members on the Board, the
22 Governor shall give due consideration to recommendations by the
23 members of the profession of pharmacy and by pharmaceutical
24 organizations therein. The Governor shall notify the
25 pharmaceutical organizations promptly of any vacancy of
26 members on the Board and in appointing members shall give

1 consideration to individuals engaged in all types and settings
2 of pharmacy practice.

3 The Governor may remove any member of the Board for
4 misconduct, incapacity or neglect of duty and he shall be the
5 sole judge of the sufficiency of the cause for removal.

6 Every person appointed a member of the Board shall take and
7 subscribe the constitutional oath of office and file it with
8 the Secretary of State. Each member of the Board shall be
9 reimbursed for such actual and legitimate expenses as he may
10 incur in going to and from the place of meeting and remaining
11 thereat during sessions of the Board. In addition, each member
12 of the Board shall receive a per diem payment in an amount
13 determined from time to time by the Director for attendance at
14 meetings of the Board and conducting other official business of
15 the Board.

16 The Board shall hold quarterly meetings and an annual
17 meeting in January of each year and such other meetings at such
18 times and places and upon such notice as the Board may
19 determine and as its business may require. Five members of the
20 Board shall constitute a quorum for the transaction of
21 business. The Director shall appoint a pharmacy coordinator,
22 who shall be someone other than a member of the Board. The
23 pharmacy coordinator shall be a registered pharmacist in good
24 standing in this State, shall be a graduate of an accredited
25 college of pharmacy, or hold at a minimum a Bachelor of Science
26 degree in Pharmacy and shall have at least 5 years' experience

1 in the practice of pharmacy immediately prior to his
2 appointment. The pharmacy coordinator shall be the executive
3 administrator and the chief enforcement officer of the Pharmacy
4 Practice Act of 1987.

5 The Board shall exercise the rights, powers and duties
6 which have been vested in the Board under this Act, and any
7 other duties conferred upon the Board by law, including those
8 set forth in Section 30 of the Wholesale Licensure and
9 Prescription Medication Integrity Act.

10 The Director shall, in conformity with the Personnel Code,
11 employ not less than 7 pharmacy investigators and 2 pharmacy
12 supervisors. Each pharmacy investigator and each supervisor
13 shall be a registered pharmacist in good standing in this
14 State, and shall be a graduate of an accredited college of
15 pharmacy and have at least 5 years of experience in the
16 practice of pharmacy. The Department shall also employ at least
17 one attorney who is a pharmacist to prosecute violations of
18 this Act and its rules. The Department may, in conformity with
19 the Personnel Code, employ such clerical and other employees as
20 are necessary to carry out the duties of the Board.

21 The duly authorized pharmacy investigators of the
22 Department shall have the right to enter and inspect during
23 business hours any pharmacy or any other place in the State of
24 Illinois holding itself out to be a pharmacy where medicines or
25 drugs or drug products or proprietary medicines are sold,
26 offered for sale, exposed for sale, or kept for sale. The

1 pharmacy investigators shall be the only Department
2 investigators authorized to inspect, investigate, and monitor
3 probation compliance of pharmacists, pharmacies, and pharmacy
4 technicians.

5 (Source: P.A. 91-827, eff. 6-13-00; 92-651, eff. 7-11-02;
6 92-880, eff. 1-1-04.)

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.