SB3846

LRB09621417KTG38634b

96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB3846

Introduced 3/10/2010, by Sen. John J. Millner

SYNOPSIS AS INTRODUCED:

305 ILCS 5/5-5.12b new

Amends the Illinois Public Aid Code. Provides that the Department of Healthcare and Family Services shall require all generic drug manufacturers whose products are to be provided to Medicaid recipients to compete in a competitive bidding process created by the Department to ensure that the Department is providing Medicaid recipients with quality generic products at a competitively bid cost.

LRB096 21417 KTG 38634 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

AN ACT concerning public aid.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 5. The Illinois Public Aid Code is amended by adding Section Section 5-5.12b as follows:

(305 ILCS 5/5-5.12b new)

Sec. 5-5.12b. Medicaid Generic Drug Competition and Savings.

(a) Definitions. As used in this Section:

"Medicaid" means the medical assistance program established under this Article or the federal medical assistance program established under Title XIX of the Social Security Act.

"Generics" or "generic drugs" means copies of brand-name drugs that are no longer protected by patents, including drugs that contain the same active ingredients, are identical in strength, dosage form, and route of administration as the brand-name innovator drug, and have the same indications, dosing, and labeling and provide the same efficacy and safety profile to patients as the brand-name innovator drugs.

"Generic manufacturers" means manufacturers, both domestic and international, that manufacture generic drugs and distribute those generic drugs throughout the State of Illinois

through various distribution systems.

"Competitive bidding" means a transparent procedure in which bids from generic manufacturers are invited by openly advertising the scope, specifications, terms, and conditions of the proposed contract as well as the criteria by which the bids will be evaluated. The objective of competitive bidding is obtaining goods at the lowest prices by stimulating competition and by preventing favoritism.

(b) Legislative Findings.

(1) With every prescription filled with a generic, the consumer receives the same medicine as the brand-name drug, with the same quality and same result, but at a much lower cost.

(2) For more than 25 years, America's generic pharmaceutical industry has been providing Food and Drug Administration (FDA) approved generic versions of brand-name medicines at a savings to consumers of 30% to as much as 80%.

(3) Millions of Medicaid recipients nationwide are using generics to treat a variety of medical conditions, including infection, heart disease, and cancer. Generics are rigorously tested by the FDA and must prove that they are the same medicine with the same active ingredients, strengths, and dosages as their brand-name counterparts. Today, there are thousands of generic drugs available and all are manufactured and inspected under the same strict

quality guidelines as brand-name drugs.

(4) For most brand-name products there are multiple generics available and these generics can vary greatly in price.

(5) While the State Medicaid program has encouraged the use of generic drugs by Medicaid recipients, it has not taken advantage of the savings that could be generated by taking advantage of the competition among generic manufacturers whose pricing of generic drugs varies greatly.

(c) Competitive Bidding. The Department of Healthcare and Family Services shall require all generic drug manufacturers whose products are to be provided to Medicaid recipients to compete in a competitive bidding process created by the Department to ensure that the Department is providing Medicaid recipients with quality generic products at a competitively bid cost.