



Sen. David Koehler

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LRB104 03541 BAB 26898 a

1 AMENDMENT TO HOUSE BILL 1697

2 AMENDMENT NO. _____. Amend House Bill 1697, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 1. This Act may be referred to as the
6 Prescription Drug Affordability Act.

7 Section 5. The State Employees Group Insurance Act of 1971
8 is amended by changing Section 6.11 as follows:

9 (5 ILCS 375/6.11)

10 Sec. 6.11. Required health benefits; Illinois Insurance
11 Code requirements. The program of health benefits shall
12 provide the post-mastectomy care benefits required to be
13 covered by a policy of accident and health insurance under
14 Section 356t of the Illinois Insurance Code. The program of
15 health benefits shall provide the coverage required under

1 Sections 356g, 356g.5, 356g.5-1, 356m, 356q, 356u, 356u.10,
2 356w, 356x, 356z.2, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8,
3 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15,
4 356z.17, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30, 356z.32,
5 356z.33, 356z.36, 356z.40, 356z.41, 356z.45, 356z.46, 356z.47,
6 356z.51, 356z.53, 356z.54, 356z.55, 356z.56, 356z.57, 356z.59,
7 356z.60, 356z.61, 356z.62, 356z.64, 356z.67, 356z.68, ~~and~~
8 356z.70, ~~and~~ 356z.71, 356z.74, 356z.76, and 356z.77 of the
9 Illinois Insurance Code. The program of health benefits must
10 comply with Sections 155.22a, 155.37, 355b, 356z.19, 370c, and
11 370c.1 and Article XXXIIB of the Illinois Insurance Code. The
12 program of health benefits shall provide the coverage required
13 under Section 356m of the Illinois Insurance Code and, for the
14 employees of the State Employee Group Insurance Program only,
15 the coverage as also provided in Section 6.11B of this Act. The
16 Department of Insurance shall enforce the requirements of this
17 Section with respect to Sections 370c and 370c.1 and Article
18 XXXIIB of the Illinois Insurance Code; all other requirements
19 of this Section shall be enforced by the Department of Central
20 Management Services.

21 Rulemaking authority to implement Public Act 95-1045, if
22 any, is conditioned on the rules being adopted in accordance
23 with all provisions of the Illinois Administrative Procedure
24 Act and all rules and procedures of the Joint Committee on
25 Administrative Rules; any purported rule not so adopted, for
26 whatever reason, is unauthorized.

1 (Source: P.A. 102-30, eff. 1-1-22; 102-103, eff. 1-1-22;
2 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-642, eff.
3 1-1-22; 102-665, eff. 10-8-21; 102-731, eff. 1-1-23; 102-768,
4 eff. 1-1-24; 102-804, eff. 1-1-23; 102-813, eff. 5-13-22;
5 102-816, eff. 1-1-23; 102-860, eff. 1-1-23; 102-1093, eff.
6 1-1-23; 102-1117, eff. 1-13-23; 103-8, eff. 1-1-24; 103-84,
7 eff. 1-1-24; 103-91, eff. 1-1-24; 103-420, eff. 1-1-24;
8 103-445, eff. 1-1-24; 103-535, eff. 8-11-23; 103-551, eff.
9 8-11-23; 103-605, eff. 7-1-24; 103-718, eff. 7-19-24; 103-751,
10 eff. 8-2-24; 103-870, eff. 1-1-25; 103-914, eff. 1-1-25;
11 103-918, eff. 1-1-25; 103-951, eff. 1-1-25; 103-1024, eff.
12 1-1-25; revised 11-26-24.)

13 Section 10. The Department of Commerce and Economic
14 Opportunity Law of the Civil Administrative Code of Illinois
15 is amended by changing Section 605-60 as follows:

16 (20 ILCS 605/605-60)

17 Sec. 605-60. DCEO Projects Fund.

18 (a) The DCEO Projects Fund is created as a trust fund in
19 the State treasury. The Department is authorized to accept and
20 deposit into the Fund moneys received from any gifts, grants,
21 transfers, or other sources, public or private, unless deposit
22 into a different fund is otherwise mandated.

23 (b) Subject to appropriation, the Department shall use
24 moneys in the Fund to make grants or loans to and enter into

1 contracts with units of local government, local and regional
2 economic development corporations, retail associations, and
3 not-for-profit organizations for municipal development
4 projects, for the specific purposes established by the terms
5 and conditions of the gift, grant, or award, and for related
6 administrative expenses. As used in this Section, the term
7 "municipal development projects" includes, but is not limited
8 to, grants for reducing food insecurity in urban and rural
9 areas.

10 (c) In this subsection, "rural tract" and "urban tract"
11 have the meanings given to those terms in Section 5 of the
12 Grocery Initiative Act.

13 Subject to appropriation, the Department shall use moneys
14 deposited into the Fund pursuant to Section 513b2 of the
15 Illinois Insurance Code to make a grant to a statewide retail
16 association representing pharmacies to promote access to
17 pharmacies and pharmacist services. Grant funds under this
18 subsection shall be made available to the following
19 beneficiaries:

20 (1) critical access care pharmacies as defined in
21 Section 5-5.12b of the Illinois Public Aid Code;

22 (2) retail pharmacies with a physical location in
23 Illinois owned by a person or entity with an ownership or
24 control interest in fewer than 10 pharmacies;

25 (3) retail pharmacies with a physical location in a
26 county in Illinois with fewer than 50,000 residents;

1 (4) retail pharmacies with a physical location in a
2 county in Illinois with 50,000 or more residents and in an
3 area within Illinois that is designated by the United
4 States Department of Health and Human Services as either:
5 (A) a Medically Underserved Area, including Governor's
6 Exceptions; or (B) a Medically Underserved Population,
7 including Governor's Exceptions;

8 (5) pharmacies whose claims constitute 65% or greater
9 for Medicaid services and at least 80% of their total
10 claims are for pharmacy services administered in Illinois;

11 (6) a pharmacy located in an Illinois census tract
12 that meets both of the following poverty and population
13 density and pharmacy accessibility standards:

14 (A) the census tract has either: (i) 20% or more of
15 its population living below the poverty guidelines
16 updated periodically in the Federal Register by the
17 U.S. Department of Health and Human Services under the
18 authority of 42 U.S.C. 9902(2); or (ii) a median
19 household income of less than 80% of the median income
20 of the nearest metropolitan area; and

21 (B) the census tract has at least 33% of its
22 population living one mile or more from the pharmacy
23 for urban tracts or more than 10 miles from the
24 pharmacy for rural tracts.

25 At least annually, the Department shall file with the
26 Governor and the General Assembly a report that includes:

1 (1) the number of beneficiaries who applied for
2 funding;

3 (2) the number of beneficiaries who received funding;
4 and

5 (3) the pharmacies that were awarded funding,
6 including the location, the amount of funding, and the
7 subsection category or categories under which the pharmacy
8 qualified.

9 (Source: P.A. 103-588, eff. 6-5-24.)

10 Section 12. The State Finance Act is amended by adding
11 Section 5.1030 as follows:

12 (30 ILCS 105/5.1030 new)

13 Sec. 5.1030. The Prescription Drug Affordability Fund.

14 Section 15. The School Code is amended by changing Section
15 10-22.3f as follows:

16 (105 ILCS 5/10-22.3f)

17 Sec. 10-22.3f. Required health benefits. Insurance
18 protection and benefits for employees shall provide the
19 post-mastectomy care benefits required to be covered by a
20 policy of accident and health insurance under Section 356t and
21 the coverage required under Sections 356g, 356g.5, 356g.5-1,
22 356m, 356q, 356u, 356u.10, 356w, 356x, 356z.4, 356z.4a,

1 356z.6, 356z.8, 356z.9, 356z.11, 356z.12, 356z.13, 356z.14,
2 356z.15, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30, 356z.32,
3 356z.33, 356z.36, 356z.40, 356z.41, 356z.45, 356z.46, 356z.47,
4 356z.51, 356z.53, 356z.54, 356z.56, 356z.57, 356z.59, 356z.60,
5 356z.61, 356z.62, 356z.64, 356z.67, 356z.68, ~~and~~ 356z.70, ~~and~~
6 356z.71, 356z.74, and 356z.77 of the Illinois Insurance Code.
7 Insurance policies shall comply with Section 356z.19 of the
8 Illinois Insurance Code. The coverage shall comply with
9 Sections 155.22a, 355b, and 370c and Article XXXIIB of the
10 Illinois Insurance Code. The Department of Insurance shall
11 enforce the requirements of this Section.

12 Rulemaking authority to implement Public Act 95-1045, if
13 any, is conditioned on the rules being adopted in accordance
14 with all provisions of the Illinois Administrative Procedure
15 Act and all rules and procedures of the Joint Committee on
16 Administrative Rules; any purported rule not so adopted, for
17 whatever reason, is unauthorized.

18 (Source: P.A. 102-30, eff. 1-1-22; 102-103, eff. 1-1-22;
19 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-642, eff.
20 1-1-22; 102-665, eff. 10-8-21; 102-731, eff. 1-1-23; 102-804,
21 eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff. 1-1-23;
22 102-860, eff. 1-1-23; 102-1093, eff. 1-1-23; 102-1117, eff.
23 1-13-23; 103-84, eff. 1-1-24; 103-91, eff. 1-1-24; 103-420,
24 eff. 1-1-24; 103-445, eff. 1-1-24; 103-535, eff. 8-11-23;
25 103-551, eff. 8-11-23; 103-605, eff. 7-1-24; 103-718, eff.
26 7-19-24; 103-751, eff. 8-2-24; 103-914, eff. 1-1-25; 103-918,

1 eff. 1-1-25; 103-1024, eff. 1-1-25; revised 11-26-24.)

2 Section 20. The Illinois Insurance Code is amended by
3 changing Sections 513b1, 513b2, and 513b3 and by adding
4 Section 513b1.1 as follows:

5 (215 ILCS 5/513b1)

6 Sec. 513b1. Pharmacy benefit manager contracts.

7 (a) As used in this Section:

8 "340B drug discount program" means the program established
9 under Section 340B of the federal Public Health Service Act,
10 42 U.S.C. 256b.

11 "340B entity" means a covered entity as defined in 42
12 U.S.C. 256b(a)(4) authorized to participate in the 340B drug
13 discount program.

14 "340B pharmacy" means any pharmacy used to dispense 340B
15 drugs for a covered entity, whether entity-owned or external.

16 "Affiliate" means a person or entity that directly or
17 indirectly through one or more intermediaries controls or is
18 controlled by, or is under common control with, the person or
19 entity specified. The location of a person or entity's
20 domicile, whether in Illinois or a foreign or alien
21 jurisdiction, does not affect the person or entity's status as
22 an affiliate.

23 "Biological product" has the meaning ascribed to that term
24 in Section 19.5 of the Pharmacy Practice Act.

1 "Brand name drug" means a drug that has been approved
2 under 42 U.S.C. 262 or 21 U.S.C. 355(c), as applicable, and is
3 marketed, sold, or distributed under a proprietary,
4 trademark-protected name.

5 "Complex or chronic medical condition" means a physical,
6 behavioral, or developmental condition that has no known cure,
7 is progressive, or can be debilitating or fatal if unmanaged
8 or untreated.

9 "Covered individual" means a member, participant,
10 enrollee, contract holder, policyholder, or beneficiary of a
11 health benefit plan who is provided a drug benefit by the
12 health benefit plan.

13 "Critical access pharmacy" means a critical access care
14 pharmacy as defined in Section 5-5.12b of the Illinois Public
15 Aid Code.

16 "Drugs" has the meaning ascribed to that term in Section 3
17 of the Pharmacy Practice Act and includes biological products.

18 "Generic drug" means a drug that has been approved under
19 42 U.S.C. 262 or 21 U.S.C. 355(c), as applicable, and is
20 marketed, sold, or distributed directly or indirectly to the
21 retail class of trade with labeling, packaging (other than
22 repackaging as the listed drug in blister packs, unit doses,
23 or similar packaging for use in institutions), product code,
24 labeler code, trade name, or trademark that differs from that
25 of the brand name drug.

26 "Health benefit plan" means a policy, contract,

1 certificate, or agreement entered into, offered, or issued by
2 an insurer to provide, deliver, arrange for, pay for, or
3 reimburse any of the costs of physical, mental, or behavioral
4 health care services. Notwithstanding Sections 122-1 through
5 122-4 of this Code, "health benefit plan" includes self-funded
6 employee welfare benefit plans. Notwithstanding Sections 122-1
7 through 122-4 of this Code, "health benefit plan" includes
8 self-funded employee welfare benefit plans except for
9 self-funded multiemployer plans that are not nonfederal
10 government plans.

11 "Maximum allowable cost" means the maximum amount that a
12 pharmacy benefit manager will reimburse a pharmacy for the
13 cost of a drug.

14 "Maximum allowable cost list" means a list of drugs for
15 which a maximum allowable cost has been established by a
16 pharmacy benefit manager.

17 "Pharmacy benefit manager" means a person, business, or
18 entity, including a wholly or partially owned or controlled
19 subsidiary of a pharmacy benefit manager, that provides claims
20 processing services or other ~~prescription~~ drug or device
21 services, or both, for health benefit plans.

22 "Pharmacy" has the meaning given to that term in Section 3
23 of the Pharmacy Practice Act.

24 "Pharmacy services" means the provision of any services
25 listed within the definition of "practice of pharmacy" under
26 subsection (d) of Section 3 of the Pharmacy Practice Act.

1 "Rare medical condition" means a physical, behavioral, or
2 developmental condition that affects fewer than 200,000
3 individuals in the United States or approximately 1 in 1,500
4 individuals worldwide.

5 "Rebate" means a discount or pricing concession based on
6 drug utilization or administration that is paid by the
7 manufacturer to a pharmacy benefit manager or its client.

8 "Rebate aggregator" means a person or entity, including
9 group purchasing organizations, that negotiate rebates or
10 other fees with drug manufacturers on behalf or for the
11 benefit of a pharmacy benefit manager or its client and may
12 also be involved in contracts that entitle the rebate
13 aggregator or its client to receive rebates or other fees from
14 drug manufacturers based on drug utilization or
15 administration.

16 "Retail price" means the price an individual without
17 ~~prescription~~ drug coverage would pay at a retail pharmacy, not
18 including a pharmacist dispensing fee.

19 "Specialty drug" means a drug that:

20 (1) is prescribed for a person with a complex or
21 chronic medical condition or a rare medical condition;

22 (2) has limited or exclusive distribution; and

23 (3) requires both:

24 (A) specialized product handling by the dispensing
25 pharmacy or administration by the dispensing pharmacy;

26 and

1 (B) specialized clinical care, including frequent
2 dosing adjustments, intensive clinical monitoring, or
3 expanded services for patients, including intensive
4 patient counseling, education, or ongoing clinical
5 support beyond traditional dispensing activities, such
6 as individualized disease and therapy management to
7 support improved health outcomes.

8 "Spread pricing" means the model of drug pricing in which
9 the pharmacy benefit manager charges a health benefit plan a
10 contracted price for drugs, and the contracted price for the
11 drugs differs from the amount the pharmacy benefit manager
12 directly or indirectly pays the pharmacist or pharmacy for the
13 drugs, pharmacist services, or drug and dispensing fees.

14 "Steer" includes, but is not limited to:

15 (1) requiring a covered individual to only use a
16 pharmacy, including a mail-order or specialty pharmacy, in
17 which the pharmacy benefit manager or its affiliate
18 maintains an ownership interest or control;

19 (2) offering or implementing a plan design that
20 encourages a covered individual to only use a pharmacy in
21 which the pharmacy benefit manager or an affiliate
22 maintains an ownership interest or control, if the plan
23 design increases costs for the covered individual. This
24 includes a plan design that requires a covered individual
25 to pay higher costs or an increased share of costs for a
26 drug or drug-related service if the covered individual

1 uses a pharmacy that is not owned or controlled by the
2 pharmacy benefit manager or its affiliate.

3 (3) reimbursing a pharmacy or pharmacist for a drug
4 and pharmacist service in an amount less than the amount
5 that the pharmacy benefit manager reimburses itself or an
6 affiliate, including affiliated manufacturers or joint
7 ventures for providing the same drug or service.

8 "Third-party payer" means any entity that pays for
9 ~~prescription~~ drugs on behalf of a patient other than a health
10 care provider or sponsor of a plan subject to regulation under
11 Medicare Part D, 42 U.S.C. 1395w-101 et seq.

12 (a-5) In this Article, references to an "insurer" or
13 "health insurer" shall include commercial private health
14 insurance issuers, managed care organizations, managed care
15 community networks, and any other third-party payer that
16 contracts with pharmacy benefit managers or with the
17 Department of Healthcare and Family Services to provide
18 benefits or services under the Medicaid program or to
19 otherwise engage in the administration or payment of pharmacy
20 benefits. However, the terms do not refer to the plan sponsor
21 of a self-funded, single-employer employee welfare benefit
22 plan or self-funded multiemployer plan subject to 29 U.S.C.
23 1144.

24 (b) A contract between a health insurer and a pharmacy
25 benefit manager must require that the pharmacy benefit
26 manager:

1 (1) Update maximum allowable cost pricing information
2 at least every 7 calendar days.

3 (2) Maintain a process that will, in a timely manner,
4 eliminate drugs from maximum allowable cost lists or
5 modify drug prices to remain consistent with changes in
6 pricing data used in formulating maximum allowable cost
7 prices and product availability.

8 (3) Provide access to its maximum allowable cost list
9 to each pharmacy or pharmacy services administrative
10 organization subject to the maximum allowable cost list.
11 Access may include a real-time pharmacy website portal to
12 be able to view the maximum allowable cost list. As used in
13 this Section, "pharmacy services administrative
14 organization" means an entity operating within the State
15 that contracts with independent pharmacies to conduct
16 business on their behalf with third-party payers. A
17 pharmacy services administrative organization may provide
18 administrative services to pharmacies and negotiate and
19 enter into contracts with third-party payers or pharmacy
20 benefit managers on behalf of pharmacies.

21 (4) Provide a process by which a contracted pharmacy
22 can appeal the provider's reimbursement for a drug subject
23 to maximum allowable cost pricing. The appeals process
24 must, at a minimum, include the following:

25 (A) A requirement that a contracted pharmacy has
26 14 calendar days after the applicable fill date to

1 appeal a maximum allowable cost if the reimbursement
2 for the drug is less than the net amount that the
3 network provider paid to the supplier of the drug.

4 (B) A requirement that a pharmacy benefit manager
5 must respond to a challenge within 14 calendar days of
6 the contracted pharmacy making the claim for which the
7 appeal has been submitted.

8 (C) A telephone number and e-mail address or
9 website to network providers, at which the provider
10 can contact the pharmacy benefit manager to process
11 and submit an appeal.

12 (D) A requirement that, if an appeal is denied,
13 the pharmacy benefit manager must provide the reason
14 for the denial and the name and the national drug code
15 number from national or regional wholesalers.

16 (E) A requirement that, if an appeal is sustained,
17 the pharmacy benefit manager must make an adjustment
18 in the drug price effective the date the challenge is
19 resolved and make the adjustment applicable to all
20 similarly situated network pharmacy providers, as
21 determined by the managed care organization or
22 pharmacy benefit manager.

23 (5) Allow a plan sponsor or insurer whose coverage is
24 administered by the ~~contracting with~~ a pharmacy benefit
25 manager an annual right to audit compliance with the terms
26 of the contract by the pharmacy benefit manager,

1 including, but not limited to, full disclosure of any and
2 all rebate amounts secured, whether product specific or
3 generalized rebates, that were provided to the pharmacy
4 benefit manager by a pharmaceutical manufacturer. The cost
5 of the audit shall be borne exclusively by the pharmacy
6 benefit manager.

7 (6) Allow a plan sponsor or insurer whose coverage is
8 administered by the ~~contracting with a~~ pharmacy benefit
9 manager to request that the pharmacy benefit manager
10 disclose the actual amounts paid by the pharmacy benefit
11 manager to the pharmacy.

12 (7) Provide notice to the plan sponsor or the insurer
13 party contracting with the pharmacy benefit manager of any
14 consideration that the pharmacy benefit manager receives
15 from the manufacturer for dispense as written
16 ~~prescriptions~~ once a generic or biologically similar
17 product becomes available.

18 (c) In order to place a particular ~~prescription~~ drug on a
19 maximum allowable cost list, the pharmacy benefit manager
20 must, at a minimum, ensure that:

21 (1) if the drug is a generically equivalent drug, it
22 is listed as therapeutically equivalent and
23 pharmaceutically equivalent "A" or "B" rated in the United
24 States Food and Drug Administration's most recent version
25 of the "Orange Book" or have an NR or NA rating by
26 Medi-Span, Gold Standard, or a similar rating by a

1 nationally recognized reference;

2 (2) the drug is available for purchase by each
3 pharmacy in the State from national or regional
4 wholesalers operating in Illinois; and

5 (3) the drug is not obsolete.

6 (d) A pharmacy benefit manager is prohibited from limiting
7 a pharmacist's ability to disclose whether the cost-sharing
8 obligation exceeds the retail price for a covered ~~prescription~~
9 drug, and the availability of a more affordable alternative
10 drug, if one is available in accordance with Section 42 of the
11 Pharmacy Practice Act.

12 (e) A health insurer or pharmacy benefit manager shall not
13 require a covered individual ~~an insured~~ to make a payment for a
14 ~~prescription~~ drug at the point of sale in an amount that
15 exceeds the lesser of:

16 (1) the applicable cost-sharing amount; ~~or~~

17 (2) the retail price of the drug in the absence of
18 ~~prescription~~ drug coverage;

19 (3) the discounted price presented by the covered
20 individual through a no-cost drug program or drug
21 manufacturer voucher provided by or for the covered
22 individual at the point of sale; or

23 (4) the discounted price presented by the covered
24 individual through a discounted health care services plan
25 provided by or for the covered individual at the point of
26 sale.

1 (f) Unless required by law, a contract between a pharmacy
2 benefit manager or third-party payer and a 340B entity or 340B
3 pharmacy shall not contain any provision that:

4 (1) distinguishes between drugs purchased through the
5 340B drug discount program and other drugs when
6 determining reimbursement or reimbursement methodologies,
7 or contains otherwise less favorable payment terms or
8 reimbursement methodologies for 340B entities or 340B
9 pharmacies when compared to similarly situated non-340B
10 entities;

11 (2) imposes any fee, chargeback, or rate adjustment
12 that is not similarly imposed on similarly situated
13 pharmacies that are not 340B entities or 340B pharmacies;

14 (3) imposes any fee, chargeback, or rate adjustment
15 that exceeds the fee, chargeback, or rate adjustment that
16 is not similarly imposed on similarly situated pharmacies
17 that are not 340B entities or 340B pharmacies;

18 (4) prevents or interferes with an individual's choice
19 to receive a covered ~~prescription~~ drug from a 340B entity
20 or 340B pharmacy through any legally permissible means,
21 except that nothing in this paragraph shall prohibit the
22 establishment of differing copayments or other
23 cost-sharing amounts within the health benefit plan for
24 covered individuals ~~persons~~ who acquire covered
25 ~~prescription~~ drugs from a nonpreferred or nonparticipating
26 provider;

1 (5) excludes a 340B entity or 340B pharmacy from a
2 pharmacy network on any basis that includes consideration
3 of whether the 340B entity or 340B pharmacy participates
4 in the 340B drug discount program;

5 (6) prevents a 340B entity or 340B pharmacy from using
6 a drug purchased under the 340B drug discount program; or

7 (7) any other provision that discriminates against a
8 340B entity or 340B pharmacy by treating the 340B entity
9 or 340B pharmacy differently than non-340B entities or
10 non-340B pharmacies for any reason relating to the
11 entity's participation in the 340B drug discount program.

12 As used in this subsection, "pharmacy benefit manager" and
13 "third-party payer" do not include pharmacy benefit managers
14 and third-party payers acting on behalf of a Medicaid program.

15 (f-5) A pharmacy benefit manager or an affiliate acting on
16 its behalf shall not conduct spread pricing.

17 (f-10) A pharmacy benefit manager or an affiliate acting
18 on its behalf shall not steer a covered individual. Existing
19 agreements entered into before the effective date of this
20 amendatory Act of the 104th General Assembly shall supersede
21 this subsection until the termination of the current term of
22 such agreement.

23 (f-15) A pharmacy benefit manager or affiliated rebate
24 aggregator must remit no less than 100% of any amounts paid by
25 a pharmaceutical manufacturer, wholesaler, or other
26 distributor of a drug, including, but not limited to, rebates,

1 group purchasing fees, and other fees, to the health benefit
2 plan sponsor, covered individual, or employer. Records of
3 rebates and fees remitted from the pharmacy benefit manager or
4 rebate aggregator must be disclosed to the Department annually
5 in a format to be specified by the Department. The records
6 received by the Department shall be considered confidential
7 and privileged for all purposes, including for purposes of the
8 Freedom of Information Act, shall not be subject to subpoena
9 from any private party, and shall not be admissible as
10 evidence in a civil action.

11 (f-20) A pharmacy benefit manager or an affiliate acting
12 on its behalf is prohibited from limiting a covered
13 individual's access to drugs from a pharmacy or pharmacist
14 enrolled with the health benefit plan under the terms offered
15 to all pharmacies in the plan coverage area by designating the
16 covered drug as a specialty drug contrary to the definition in
17 this Section.

18 (f-25) The contract between the pharmacy benefit manager
19 and the insurer or health benefit plan sponsor must allow and
20 provide for the pharmacy benefit manager's compliance with an
21 audit at least once per calendar year of the rebate and fee
22 records remitted from a pharmacy benefit manager or its
23 affiliated party to a health benefit plan. This audit may be
24 incorporated into the audit under paragraph (5) of subsection
25 (b) of this Section. Contracts with rebate aggregators,
26 pharmacy services administrative organizations, pharmacies, or

1 drug manufacturers must be available for audit by health
2 benefit plan sponsors, insurers, or their designees at least
3 once per plan year. Audits shall be performed by an auditor
4 selected by the health benefit plan sponsor, insurer, or its
5 designee. Health benefit plan sponsors and insurers shall give
6 the pharmacy benefit manager a complete copy of the audit and
7 the pharmacy benefit manager shall provide a complete copy of
8 those findings to the Department within 60 days of initial
9 receipt. Rebate contracts with rebate aggregators, pharmacy
10 services administrative organizations, pharmacies, or drug
11 manufacturers shall be available for audit by health benefit
12 plan sponsor, insurer, or designee. Nothing in this Section
13 shall limit the Department's ability to access the books and
14 records and any and all copies thereof of pharmacy benefit
15 managers, their affiliates, or affiliated rebate aggregators.
16 The records received by the Department shall be considered
17 confidential and privileged for all purposes, including for
18 purposes of the Freedom of Information Act, shall not be
19 subject to subpoena from any private party, and shall not be
20 admissible as evidence in a civil action.

21 (g) A violation of this Section by a pharmacy benefit
22 manager constitutes an unfair or deceptive act or practice in
23 the business of insurance under Section 424.

24 (h) A provision that violates subsection (f) in a contract
25 between a pharmacy benefit manager or a third-party payer and
26 a 340B entity that is entered into, amended, or renewed after

1 July 1, 2022 shall be void and unenforceable. This subsection
2 and subsection (f) do not apply to a contract directly between
3 a 340B entity and the plan sponsor of a self-funded,
4 single-employer employee welfare benefit plan subject to 29
5 U.S.C. 1144.

6 (i)(1) A pharmacy benefit manager may not retaliate
7 against a pharmacist or pharmacy for disclosing information in
8 a court, in an administrative hearing, before a legislative
9 commission or committee, or in any other proceeding, if the
10 pharmacist or pharmacy has reasonable cause to believe that
11 the disclosed information is evidence of a violation of a
12 State or federal law, rule, or regulation.

13 (2) A pharmacy benefit manager may not retaliate against a
14 pharmacist or pharmacy for disclosing information to a
15 government or law enforcement agency, if the pharmacist or
16 pharmacy has reasonable cause to believe that the disclosed
17 information is evidence of a violation of a State or federal
18 law, rule, or regulation.

19 (3) A pharmacist or pharmacy shall make commercially
20 reasonable efforts to limit the disclosure of confidential and
21 proprietary information.

22 (4) Retaliatory actions against a pharmacy or pharmacist
23 include cancellation of, restriction of, or refusal to renew
24 or offer a contract to a pharmacy solely because the pharmacy
25 or pharmacist has:

26 (A) made disclosures of information that the

1 pharmacist or pharmacy has reasonable cause to believe is
2 evidence of a violation of a State or federal law, rule, or
3 regulation;

4 (B) filed complaints with the plan or pharmacy benefit
5 manager; or

6 (C) filed complaints against the plan or pharmacy
7 benefit manager with the Department.

8 (j) This Section applies to contracts entered into or
9 renewed on or after July 1, 2022 and, unless provided
10 otherwise in this Section or in the Illinois Public Aid Code,
11 applies to pharmacy benefit managers that are contracted with
12 a Medicaid managed care entity on or after January 1, 2026.

13 (k) This Section applies to any health benefit ~~group or~~
14 ~~individual policy of accident and health insurance or managed~~
15 ~~care~~ plan that provides coverage for ~~prescription~~ drugs and
16 that is amended, delivered, issued, or renewed on or after
17 July 1, 2020. The changes made to this Section by this
18 amendatory Act of the 104th General Assembly shall apply with
19 respect to any health benefit plan that provides coverage for
20 drugs that is amended, delivered, issued, or renewed on or
21 after January 1, 2026.

22 (l) A pharmacy benefit manager is responsible for
23 compliance with all State requirements applicable to pharmacy
24 benefit managers even if an action or responsibility of a
25 pharmacy benefit manager is delegated to or completed by an
26 affiliate.

1 (Source: P.A. 102-778, eff. 7-1-22; 103-154, eff. 6-30-23;
2 103-453, eff. 8-4-23.)

3 (215 ILCS 5/513b1.1 new)

4 Sec. 513b1.1. Pharmacy benefit manager reporting
5 requirements.

6 (a) A pharmacy benefit manager that provides services for
7 a health benefit plan must submit an annual report no later
8 than September 1, to the Department, each health benefit plan
9 sponsor, and each insurer that includes the following:

10 (1) data on the health benefit plan including:

11 (A) a list of drugs including corresponding
12 information on therapeutic class, brand name, generic
13 name, or specialty drug name;

14 (B) number of covered individuals;

15 (C) number of drug-related claims;

16 (D) dosage units;

17 (E) dispensing channel used;

18 (F) average wholesale acquisition cost per drug;

19 and

20 (G) total out-of-pocket spending by deidentified
21 covered individual per drug, per transaction;

22 (2) amount received by the health benefit plan in
23 rebates, fees, or discounts related to drug utilization or
24 spending;

25 (3) total gross spending on drugs by the health

1 benefit plan;

2 (4) total net spending, gross spending less
3 administrative portion of the medical loss ratio, on drugs
4 by the health benefit plan;

5 (5) the amount paid by the health benefit plan to the
6 pharmacy benefit manager for reimbursement cost of a drug
7 and service per transaction;

8 (6) the amount a pharmacy benefit manager paid for
9 pharmacists' services and drugs rendered related to the
10 health benefit plan per transaction, including, but not
11 limited to, any dispensing fee;

12 (7) the specific rebate amount received by the
13 pharmacy benefit manager per transaction, the amount of
14 the rebates passed through to the health benefit plan per
15 transaction, and the amount of the rebates passed on to
16 covered individuals at the point of sale that reduced the
17 covered individuals' applicable deductible, copayment,
18 coinsurance, or other cost-sharing amount per transaction;

19 (8) any information collected from drug manufacturers
20 pertaining to copayment assistance to the extent such
21 information is collected;

22 (9) any compensation paid to brokers, consultants,
23 advisors, or any other individual or firm for referrals,
24 consideration, or retention by the health benefit plan;

25 (10) explanation of benefit design parameters
26 encouraging or requiring covered individuals to use

1 affiliated pharmacies, percentage of drugs charged by
2 these pharmacies, and a list of drugs dispensed by
3 affiliated pharmacies with their associated costs; and

4 (11) a complete copy of each unredacted contract the
5 pharmacy benefit manager has with the health benefit plan
6 sponsor or insurer.

7 (b) Annual reports pursuant to subsection (a):

8 (1) must be written in plain language to ensure ease
9 of reading and accessibility;

10 (2) must only contain summary health information to
11 ensure plan, coverage, or covered individual information
12 remains private and confidential;

13 (3) upon request by a covered individual, must be
14 available in summary format and provide aggregated
15 information to help covered individuals understand their
16 health benefit plan's drug coverage; and

17 (4) must be filed with the Department no later than
18 September 1 of each year via the Systems for Electronic
19 Rates & Forms Filing (SERFF). The filing shall include the
20 summary version of the report described in paragraph (3)
21 of this subsection, which shall be marked for public
22 access.

23 The Department may share all reports with an established
24 institution of higher education in this State for the creation
25 of a pharmacist dispensing cost report to be produced
26 annually. This annual pharmacist dispensing cost report shall

1 provide a survey of the average cost of dispensing a
2 prescription for pharmacists in Illinois. The institution of
3 higher education shall have the ability to request additional
4 information from pharmacists for its analysis. The institution
5 of higher education shall issue the report to the General
6 Assembly no later than December 31, 2026 and annually
7 thereafter.

8 (c) A pharmacy benefit manager may petition the Department
9 for a filing submission extension. The Director may grant or
10 deny the extension within 5 business days.

11 (d) Failure by a pharmacy benefit manager to submit all
12 required elements in an annual report to the Department may
13 result in a fine levied by the Director not to exceed \$10,000
14 per day, per offense. Funds derived from fines levied shall be
15 deposited into the Insurance Producer Administration Fund.
16 Fine information shall be posted on the Department's website.

17 (e) A pharmacy benefit manager found in violation of
18 subsection (a) or paragraph (4) of subsection (b) may request
19 a hearing from the Director within 10 days of receipt of the
20 Director's order, or, if the violation is found in a market
21 conduct examination, as provided in Section 132 of this Code.

22 (f) Except for the summary version, the annual reports
23 submitted by pharmacy benefit managers shall be considered
24 confidential and privileged for all purposes, including for
25 purposes of the Freedom of Information Act, shall not be
26 subject to subpoena from any private party, and shall not be

1 admissible as evidence in a civil action.

2 (g) A copy of an adverse decision against a pharmacy
3 benefit manager for failing to submit an annual report to the
4 Department must be posted to the Department's website.

5 (h) Nothing in this Section shall be construed as
6 permitting a pharmacy benefit manager to avoid or otherwise
7 fail to comply with the reporting requirements set forth in
8 Section 5-36 of the Illinois Public Aid Code.

9 (215 ILCS 5/513b2)

10 Sec. 513b2. Licensure requirements.

11 (a) Beginning on July 1, 2020, to conduct business in this
12 State, a pharmacy benefit manager must register with the
13 Director. To initially register or renew a registration, a
14 pharmacy benefit manager shall submit:

15 (1) A nonrefundable fee not to exceed \$500.

16 (2) A copy of the registrant's corporate charter,
17 articles of incorporation, or other charter document.

18 (3) A completed registration form adopted by the
19 Director containing:

20 (A) The name and address of the registrant.

21 (B) The name, address, and official position of
22 each officer and director of the registrant.

23 (b) The registrant shall report any change in information
24 required under this Section to the Director in writing within
25 60 days after the change occurs.

1 (c) Upon receipt of a completed registration form, the
2 required documents, and the registration fee, the Director
3 shall issue a registration certificate. The certificate may be
4 in paper or electronic form, and shall clearly indicate the
5 expiration date of the registration. Registration certificates
6 are nontransferable.

7 (d) A registration certificate is valid for 2 years after
8 its date of issue. The Director shall adopt by rule an initial
9 registration fee not to exceed \$500 and a registration renewal
10 fee not to exceed \$500, both of which shall be nonrefundable.
11 Total fees may not exceed the cost of administering this
12 Section.

13 (e) The Department shall adopt any rules necessary to
14 implement this Section.

15 (f) On or before August 1, 2025, the pharmacy benefit
16 manager shall submit a report to the Department that lists the
17 name of each health benefit plan it administers, provides the
18 number of covered individuals for each health benefit plan as
19 of the date of submission, and provides the total number of
20 covered individuals across all health benefit plans the
21 pharmacy benefit manager administers. On or before September
22 1, 2025, a registered pharmacy benefit manager, as a condition
23 of its authority to transact business in this State, must
24 submit to the Department an amount equal to \$15 or an alternate
25 amount as determined by the Director by rule per covered
26 individual enrolled by the pharmacy benefit manager in this

1 State, as detailed in the report submitted to the Department
2 under this subsection, during the preceding calendar year. On
3 or before September 1, 2026 and each September 1 thereafter,
4 payments submitted under this subsection shall be based on the
5 number of covered individuals reported to the Department in
6 Section 513b1.1.

7 (g) All amounts collected under this Section shall be
8 deposited into the Prescription Drug Affordability Fund, which
9 is hereby created as a special fund in the State treasury. Of
10 the amounts collected under this Section each fiscal year, the
11 Department shall transfer the first \$25,000,000 into the DCEO
12 Projects Fund. Moneys deposited into the Prescription Drug
13 Affordability Fund shall be used to pay the expenses of the
14 Department.

15 (Source: P.A. 101-452, eff. 1-1-20.)

16 (215 ILCS 5/513b3)

17 Sec. 513b3. Examination.

18 (a) The Director, or his or her designee, may examine a
19 registered pharmacy benefit manager related to all of its
20 lines of business, including government programs, under the
21 Director's jurisdiction in accordance with Sections 132-132.7.
22 If the Director or the examiners find that the pharmacy
23 benefit manager has violated this Article or any other
24 insurance-related or health benefits-related laws, rules, or
25 regulations under the Director's jurisdiction because of the

1 manner in which the pharmacy benefit manager has conducted
2 business on behalf of a health insurer or plan sponsor, then,
3 unless the health insurer or plan sponsor is included in the
4 examination and has been afforded the same opportunity to
5 request or participate in a hearing on the examination report,
6 the examination report shall not allege a violation by the
7 health insurer or plan sponsor and the Director's order based
8 on the report shall not impose any requirements, prohibitions,
9 or penalties on the health insurer or plan sponsor. Nothing in
10 this Section shall prevent the Director from using any
11 information obtained during the examination of an
12 administrator to examine, investigate, or take other
13 appropriate regulatory or legal action with respect to a
14 health insurer or plan sponsor.

15 (b) The examination requirement for the pharmacy benefit
16 manager to provide convenient and free access to all books and
17 records under Sections 132 and 132.4 of this Code includes, at
18 the Director's discretion, unredacted copies furnished
19 electronically to the Director's market conduct surveillance
20 personnel or examiners. Access must include information
21 related to third-party entities affiliated or contracted with
22 the pharmacy benefit manager, including, but not limited to,
23 rebate aggregators and pharmacy services administrative
24 organizations.

25 (c) The Department may examine any pharmacy benefit
26 manager as often as the Department deems appropriate, but

1 shall, at a minimum, conduct an examination of the 3 largest
2 pharmacy benefit managers with the most covered individuals
3 not less frequently than once every 5 years beginning in 2026,
4 or following the conclusion of any market conduct exams
5 already in progress for the 3 largest pharmacy benefit
6 managers. In determining pharmacy benefit plan market share,
7 the Department may consider, but is not limited to, the
8 following:

9 (1) the number of covered individuals;

10 (2) the Illinois Market share;

11 (3) the number of drug-related claims;

12 (4) the total gross spending on drugs;

13 (5) the aggregate amounts of rebates, fees, and
14 discounts remitted by the pharmacy benefit manager or
15 rebate aggregator;

16 (6) the dispensing channel used;

17 (7) the previous violations; and

18 (8) the complaints received.

19 (Source: P.A. 103-897, eff. 1-1-25.)

20 Section 25. The Illinois Public Aid Code is amended by
21 changing Sections 5-5.12b and 5-36 as follows:

22 (305 ILCS 5/5-5.12b)

23 Sec. 5-5.12b. Critical access care pharmacy program.

24 (a) As used in this Section:

1 "Critical access care pharmacy" means an Illinois-based
2 brick and mortar retail pharmacy ~~that is~~ located in Illinois
3 that is owned by a person or entity with an ownership or
4 control interest in a county with fewer than 50,000 residents
5 ~~and that owns fewer than 10 pharmacies,~~ is either located in a
6 county with fewer than 50,000 residents or in a county with
7 50,000 or more residents and in an area within Illinois that is
8 designated as a Medically Underserved Area by the Health
9 Resources and Services Administration, an agency of the U.S.
10 Department of Health and Human Services and has attested and
11 been approved by the Department for participation in the
12 critical access care pharmacy program. A pharmacy that
13 participates or contracts in the 340B program as a contract
14 pharmacy shall not be considered a critical access pharmacy
15 for the purpose of this Section.

16 "Critical access care pharmacy program payment" means the
17 number of individual prescriptions a critical access care
18 pharmacy fills during that quarter multiplied by the lesser of
19 the individual payment amount or the dispensing reimbursement
20 rate made by the Department under the medical assistance
21 program as of April 1, 2018.

22 "Individual payment amount" means the dividend of 1/4 of
23 the annual amount appropriated for the critical access care
24 pharmacy program by the number of prescriptions filled by all
25 critical access care pharmacies reimbursed by Medicaid managed
26 care organizations that quarter.

1 "Ownership or control interest" has the meaning given to
2 "person with an ownership or control interest" in 42 CFR
3 455.101.

4 (b) Subject to appropriations and federal approval, the
5 Department shall establish a critical access care pharmacy
6 program to ensure the sustainability of critical access
7 pharmacies throughout the State of Illinois.

8 (c) The critical access care pharmacy program disbursed by
9 the managed care plans shall not exceed \$45,000,000
10 ~~\$10,000,000~~ annually and individual payment amounts per
11 prescription shall not exceed the brand name dispensing rate
12 that the Department would have reimbursed to a critical access
13 care pharmacy under the Medical Assistance Program as of July
14 1, 2024 ~~April 1, 2018~~.

15 (d) Annually, beginning January 1, 2026 ~~Quarterly~~, the
16 Department shall determine the number of prescriptions filled
17 by critical access care pharmacies reimbursed by Medicaid
18 managed care organizations utilizing encounter data available
19 to the Department. The Department shall determine the
20 individual payment amount per prescription by dividing 1/4 of
21 the annual amount appropriated for the critical access care
22 pharmacy program by the number of prescriptions filled by all
23 critical access care pharmacies reimbursed by Medicaid managed
24 care organizations that quarter. If the individual payment
25 amount per prescription as calculated using quarterly
26 prescription amounts exceeds the reimbursement rate under the

1 medical assistance program as of April 1, 2018, then the
2 individual payment amount per prescription shall be the
3 dispensing reimbursement rate under the medical assistance
4 program as of April 1, 2018.

5 (e) Quarterly, the Department shall distribute to critical
6 access care pharmacies a critical access care pharmacy program
7 payment. The first payment shall be calculated utilizing the
8 encounter data from the last quarter of State fiscal year
9 2018. This payment shall sunset on December 31, 2025.

10 (f) Effective January 1, 2026, the Department shall issue
11 a quarterly directed critical access care pharmacy program
12 payment to critical access care pharmacies for any
13 prescription drug dispensed to a managed care client.

14 (g) ~~(f)~~ The Department may adopt rules necessary to
15 implement this Section. The rules may include, but are not
16 limited to, permitting an Illinois-based brick and mortar
17 pharmacy that owns fewer than 10 pharmacies to receive
18 critical access care pharmacy program payments in the same
19 manner as a critical access care pharmacy, regardless of
20 whether the pharmacy meets the other requirements of a
21 critical access care pharmacy in subsection (a) is located in
22 a county with a population of less than 50,000.

23 (Source: P.A. 100-587, eff. 6-4-18.)

24 (305 ILCS 5/5-36)

25 Sec. 5-36. Pharmacy benefits.

1 (a)(1) The Department may enter into a contract with a
2 third party on a fee-for-service reimbursement model for the
3 purpose of administering pharmacy benefits as provided in this
4 Section for members not enrolled in a Medicaid managed care
5 organization; however, these services shall be approved by the
6 Department. The Department shall ensure coordination of care
7 between the third-party administrator and managed care
8 organizations as a consideration in any contracts established
9 in accordance with this Section. Any managed care techniques,
10 principles, or administration of benefits utilized in
11 accordance with this subsection shall comply with State law.

12 (2) The following shall apply to contracts between
13 entities contracting relating to the Department's third-party
14 administrators and pharmacies:

15 (A) the Department shall approve any contract between
16 a third-party administrator and a pharmacy;

17 (B) the Department's third-party administrator shall
18 not change the terms of a contract between a third-party
19 administrator and a pharmacy without written approval by
20 the Department; and

21 (C) the Department's third-party administrator shall
22 not create, modify, implement, or indirectly establish any
23 fee on a pharmacy, pharmacist, or a recipient of medical
24 assistance without written approval by the Department.

25 (b) The provisions of this Section shall not apply to
26 outpatient pharmacy services provided by a health care

1 facility registered as a covered entity pursuant to 42 U.S.C.
2 256b or any pharmacy owned by or contracted with the covered
3 entity. A Medicaid managed care organization shall, either
4 directly or through a pharmacy benefit manager, administer and
5 reimburse outpatient pharmacy claims submitted by a health
6 care facility registered as a covered entity pursuant to 42
7 U.S.C. 256b, its owned pharmacies, and contracted pharmacies
8 in accordance with the contractual agreements the Medicaid
9 managed care organization or its pharmacy benefit manager has
10 with such facilities and pharmacies and in accordance with
11 subsection (h-5).

12 (b-5) Any pharmacy benefit manager that contracts with a
13 Medicaid managed care organization to administer and reimburse
14 pharmacy claims as provided in this Section must be registered
15 with the Director of Insurance in accordance with Section
16 513b2 of the Illinois Insurance Code. A pharmacy benefit
17 manager must comply with all provisions of Article XXXIIB of
18 the Illinois Insurance Code to the extent that the provisions
19 do not prevent the application of any provision of this
20 Article or applicable federal law. Nothing in this Section
21 shall be construed to limit the authority of the Illinois
22 Department or the Inspector General to administer or enforce
23 any provisions of this Section or any other Section in the
24 Illinois Public Aid Code related to pharmacy benefit managers
25 or Medicaid managed care entity.

26 (c) On at least an annual basis, the Director of the

1 Department of Healthcare and Family Services shall submit a
2 report beginning no later than one year after January 1, 2020
3 (the effective date of Public Act 101-452) that provides an
4 update on any contract, contract issues, formulary, dispensing
5 fees, and maximum allowable cost concerns regarding a
6 third-party administrator and managed care. The requirement
7 for reporting to the General Assembly shall be satisfied by
8 filing copies of the report with the Speaker, the Minority
9 Leader, and the Clerk of the House of Representatives and with
10 the President, the Minority Leader, and the Secretary of the
11 Senate. The Department shall take care that no proprietary
12 information is included in the report required under this
13 Section.

14 (d) (Blank). ~~A pharmacy benefit manager shall notify the~~
15 ~~Department in writing of any activity, policy, or practice of~~
16 ~~the pharmacy benefit manager that directly or indirectly~~
17 ~~presents a conflict of interest that interferes with the~~
18 ~~discharge of the pharmacy benefit manager's duty to a managed~~
19 ~~care organization to exercise its contractual duties.~~
20 ~~"Conflict of interest" shall be defined by rule by the~~
21 ~~Department.~~

22 (e) A pharmacy benefit manager shall, upon request,
23 disclose to the Department the following information:

24 (1) whether the pharmacy benefit manager has a
25 contract, agreement, or other arrangement with a
26 pharmaceutical manufacturer to exclusively dispense or

1 provide a drug to a managed care organization's enrollees,
2 and the aggregate amounts of consideration of economic
3 benefits collected or received pursuant to that
4 arrangement;

5 (2) the percentage of claims payments made by the
6 pharmacy benefit manager to pharmacies owned, managed, or
7 controlled by the pharmacy benefit manager or any of the
8 pharmacy benefit manager's management companies, parent
9 companies, subsidiary companies, or jointly held
10 companies;

11 (3) the aggregate amount of the fees or assessments
12 imposed on, or collected from, pharmacy providers;

13 (4) the average annualized percentage of revenue
14 collected by the pharmacy benefit manager as a result of
15 each contract it has executed with a managed care
16 organization contracted by the Department to provide
17 medical assistance benefits which is not paid by the
18 pharmacy benefit manager to pharmacy providers and
19 pharmaceutical manufacturers or labelers or in order to
20 perform administrative functions pursuant to its contracts
21 with managed care organizations;

22 (5) the total number of prescriptions dispensed under
23 each contract the pharmacy benefit manager has with a
24 managed care organization (MCO) contracted by the
25 Department to provide medical assistance benefits;

26 (6) the aggregate wholesale acquisition cost for drugs

1 that were dispensed to enrollees in each MCO with which
2 the pharmacy benefit manager has a contract by any
3 pharmacy owned, managed, or controlled by the pharmacy
4 benefit manager or any of the pharmacy benefit manager's
5 management companies, parent companies, subsidiary
6 companies, or jointly-held companies;

7 (7) the aggregate amount of administrative fees that
8 the pharmacy benefit manager received from all
9 pharmaceutical manufacturers for prescriptions dispensed
10 to MCO enrollees;

11 (8) for each MCO with which the pharmacy benefit
12 manager has a contract, the aggregate amount of payments
13 received by the pharmacy benefit manager from the MCO;

14 (9) for each MCO with which the pharmacy benefit
15 manager has a contract, the aggregate amount of
16 reimbursements the pharmacy benefit manager paid to
17 contracting pharmacies; and

18 (10) any other information considered necessary by the
19 Department.

20 (f) The information disclosed under subsection (e) shall
21 include all retail, mail order, specialty, and compounded
22 prescription products. All information made available to the
23 Department under subsection (e) is confidential and not
24 subject to disclosure under the Freedom of Information Act.
25 All information made available to the Department under
26 subsection (e) shall not be reported or distributed in any way

1 that compromises its competitive, proprietary, or financial
2 value. The information shall only be used by the Department to
3 assess the contract, agreement, or other arrangements made
4 between a pharmacy benefit manager and a pharmacy provider,
5 pharmaceutical manufacturer or labeler, managed care
6 organization, or other entity, as applicable.

7 (g) A pharmacy benefit manager shall disclose directly in
8 writing to a pharmacy provider or pharmacy services
9 administrative organization contracting with the pharmacy
10 benefit manager of any material change to a contract provision
11 that affects the terms of the reimbursement, the process for
12 verifying benefits and eligibility, dispute resolution,
13 procedures for verifying drugs included on the formulary, and
14 contract termination at least 30 days prior to the date of the
15 change to the provision. The terms of this subsection shall be
16 deemed met if the pharmacy benefit manager posts the
17 information on a website, viewable by the public. A pharmacy
18 service administration organization shall notify all contract
19 pharmacies of any material change, as described in this
20 subsection, within 2 days of notification. As used in this
21 Section, "pharmacy services administrative organization" means
22 an entity operating within the State that contracts with
23 independent pharmacies to conduct business on their behalf
24 with third-party payers. A pharmacy services administrative
25 organization may provide administrative services to pharmacies
26 and negotiate and enter into contracts with third-party payers

1 or pharmacy benefit managers on behalf of pharmacies.

2 (h) A pharmacy benefit manager shall not include the
3 following in a contract with a pharmacy provider:

4 (1) a provision prohibiting the provider from
5 informing a patient of a less costly alternative to a
6 prescribed medication; or

7 (2) a provision that prohibits the provider from
8 dispensing a particular amount of a prescribed medication,
9 if the pharmacy benefit manager allows that amount to be
10 dispensed through a pharmacy owned or controlled by the
11 pharmacy benefit manager, unless the prescription drug is
12 subject to restricted distribution by the United States
13 Food and Drug Administration or requires special handling,
14 provider coordination, or patient education that cannot be
15 provided by a retail pharmacy.

16 (h-5) Unless required by law, a Medicaid managed care
17 organization or pharmacy benefit manager administering or
18 managing benefits on behalf of a Medicaid managed care
19 organization shall not refuse to contract with a 340B entity
20 or 340B pharmacy for refusing to accept less favorable payment
21 terms or reimbursement methodologies when compared to
22 similarly situated non-340B entities and shall not include in
23 a contract with a 340B entity or 340B pharmacy a provision
24 that:

25 (1) imposes any fee, chargeback, or rate adjustment
26 that is not similarly imposed on similarly situated

1 pharmacies that are not 340B entities or 340B pharmacies;

2 (2) imposes any fee, chargeback, or rate adjustment
3 that exceeds the fee, chargeback, or rate adjustment that
4 is not similarly imposed on similarly situated pharmacies
5 that are not 340B entities or 340B pharmacies;

6 (3) prevents or interferes with an individual's choice
7 to receive a prescription drug from a 340B entity or 340B
8 pharmacy through any legally permissible means;

9 (4) excludes a 340B entity or 340B pharmacy from a
10 pharmacy network on the basis of whether the 340B entity
11 or 340B pharmacy participates in the 340B drug discount
12 program;

13 (5) prevents a 340B entity or 340B pharmacy from using
14 a drug purchased under the 340B drug discount program so
15 long as the drug recipient is a patient of the 340B entity;
16 nothing in this Section exempts a 340B pharmacy from
17 following the Department's preferred drug list or from any
18 prior approval requirements of the Department or the
19 Medicaid managed care organization that are imposed on the
20 drug for all pharmacies; or

21 (6) any other provision that discriminates against a
22 340B entity or 340B pharmacy by treating a 340B entity or
23 340B pharmacy differently than non-340B entities or
24 non-340B pharmacies for any reason relating to the
25 entity's participation in the 340B drug discount program.

26 A provision that violates this subsection in any contract

1 between a Medicaid managed care organization or its pharmacy
2 benefit manager and a 340B entity entered into, amended, or
3 renewed after July 1, 2022 shall be void and unenforceable.

4 In this subsection (h-5):

5 "340B entity" means a covered entity as defined in 42
6 U.S.C. 256b(a)(4) authorized to participate in the 340B drug
7 discount program.

8 "340B pharmacy" means any pharmacy used to dispense 340B
9 drugs for a covered entity, whether entity-owned or external.

10 (i) Nothing in this Section shall be construed to prohibit
11 a pharmacy benefit manager from requiring the same
12 reimbursement and terms and conditions for a pharmacy provider
13 as for a pharmacy owned, controlled, or otherwise associated
14 with the pharmacy benefit manager.

15 (j) A pharmacy benefit manager shall establish and
16 implement a process for the resolution of disputes arising out
17 of this Section, which shall be approved by the Department.

18 (k) The Department shall adopt rules establishing
19 reasonable dispensing fees for fee-for-service payments in
20 accordance with guidance or guidelines from the federal
21 Centers for Medicare and Medicaid Services.

22 (Source: P.A. 102-558, eff. 8-20-21; 102-778, eff. 7-1-22;
23 103-593, eff. 6-7-24.)

24 Section 30. The Juvenile Court Act of 1987 is amended by
25 changing Section 5-515 as follows:

1 (705 ILCS 405/5-515)

2 Sec. 5-515. Medical, ~~and~~ dental, and pharmaceutical
3 treatment and care.

4 (a) At all times during temporary custody, detention or
5 shelter care, the court may authorize a physician, a hospital
6 or any other appropriate health care provider to provide
7 medical, dental or surgical procedures or pharmaceuticals if
8 those procedures or pharmaceuticals are necessary to safeguard
9 the minor's life or health. If the minor is covered under an
10 existing medical or dental plan, the county shall be
11 reimbursed for the expenses incurred for such services as if
12 the minor were not held in temporary custody, detention, or
13 shelter care.

14 (b) If a provider of temporary custody, detention, or
15 shelter care has a contract with a pharmacy benefit manager or
16 a contract with an insurance company, health maintenance
17 organization, limited health service organization,
18 administrative services organization, or any other managed
19 care organization or health insurance issuer where a pharmacy
20 benefit manager administers the provider's coverage of,
21 payment for, or formulary design for drugs necessary to
22 safeguard the minor's life or health, the contract with the
23 pharmacy benefit manager and the pharmacy benefit manager's
24 activities shall be subject to Article XXXIIB of the Illinois
25 Insurance Code and the authority of the Director of Insurance

1 to enforce those provisions. The provider shall have all the
2 rights of a plan sponsor under those provisions.

3 (Source: P.A. 90-590, eff. 1-1-99.)

4 Section 35. The Unified Code of Corrections is amended by
5 changing Section 3-2-2 as follows:

6 (730 ILCS 5/3-2-2) (from Ch. 38, par. 1003-2-2)

7 Sec. 3-2-2. Powers and duties of the Department.

8 (1) In addition to the powers, duties, and
9 responsibilities which are otherwise provided by law, the
10 Department shall have the following powers:

11 (a) To accept persons committed to it by the courts of
12 this State for care, custody, treatment, and
13 rehabilitation, and to accept federal prisoners and
14 noncitizens over whom the Office of the Federal Detention
15 Trustee is authorized to exercise the federal detention
16 function for limited purposes and periods of time.

17 (b) To develop and maintain reception and evaluation
18 units for purposes of analyzing the custody and
19 rehabilitation needs of persons committed to it and to
20 assign such persons to institutions and programs under its
21 control or transfer them to other appropriate agencies. In
22 consultation with the Department of Alcoholism and
23 Substance Abuse (now the Department of Human Services),
24 the Department of Corrections shall develop a master plan

1 for the screening and evaluation of persons committed to
2 its custody who have alcohol or drug abuse problems, and
3 for making appropriate treatment available to such
4 persons; the Department shall report to the General
5 Assembly on such plan not later than April 1, 1987. The
6 maintenance and implementation of such plan shall be
7 contingent upon the availability of funds.

8 (b-1) To create and implement, on January 1, 2002, a
9 pilot program to establish the effectiveness of
10 pupillometer technology (the measurement of the pupil's
11 reaction to light) as an alternative to a urine test for
12 purposes of screening and evaluating persons committed to
13 its custody who have alcohol or drug problems. The pilot
14 program shall require the pupillometer technology to be
15 used in at least one Department of Corrections facility.
16 The Director may expand the pilot program to include an
17 additional facility or facilities as he or she deems
18 appropriate. A minimum of 4,000 tests shall be included in
19 the pilot program. The Department must report to the
20 General Assembly on the effectiveness of the program by
21 January 1, 2003.

22 (b-5) To develop, in consultation with the Illinois
23 State Police, a program for tracking and evaluating each
24 inmate from commitment through release for recording his
25 or her gang affiliations, activities, or ranks.

26 (c) To maintain and administer all State correctional

1 institutions and facilities under its control and to
2 establish new ones as needed. Pursuant to its power to
3 establish new institutions and facilities, the Department
4 may, with the written approval of the Governor, authorize
5 the Department of Central Management Services to enter
6 into an agreement of the type described in subsection (d)
7 of Section 405-300 of the Department of Central Management
8 Services Law. The Department shall designate those
9 institutions which shall constitute the State Penitentiary
10 System. The Department of Juvenile Justice shall maintain
11 and administer all State youth centers pursuant to
12 subsection (d) of Section 3-2.5-20.

13 Pursuant to its power to establish new institutions
14 and facilities, the Department may authorize the
15 Department of Central Management Services to accept bids
16 from counties and municipalities for the construction,
17 remodeling, or conversion of a structure to be leased to
18 the Department of Corrections for the purposes of its
19 serving as a correctional institution or facility. Such
20 construction, remodeling, or conversion may be financed
21 with revenue bonds issued pursuant to the Industrial
22 Building Revenue Bond Act by the municipality or county.
23 The lease specified in a bid shall be for a term of not
24 less than the time needed to retire any revenue bonds used
25 to finance the project, but not to exceed 40 years. The
26 lease may grant to the State the option to purchase the

1 structure outright.

2 Upon receipt of the bids, the Department may certify
3 one or more of the bids and shall submit any such bids to
4 the General Assembly for approval. Upon approval of a bid
5 by a constitutional majority of both houses of the General
6 Assembly, pursuant to joint resolution, the Department of
7 Central Management Services may enter into an agreement
8 with the county or municipality pursuant to such bid.

9 (c-5) To build and maintain regional juvenile
10 detention centers and to charge a per diem to the counties
11 as established by the Department to defray the costs of
12 housing each minor in a center. In this subsection (c-5),
13 "juvenile detention center" means a facility to house
14 minors during pendency of trial who have been transferred
15 from proceedings under the Juvenile Court Act of 1987 to
16 prosecutions under the criminal laws of this State in
17 accordance with Section 5-805 of the Juvenile Court Act of
18 1987, whether the transfer was by operation of law or
19 permissive under that Section. The Department shall
20 designate the counties to be served by each regional
21 juvenile detention center.

22 (d) To develop and maintain programs of control,
23 rehabilitation, and employment of committed persons within
24 its institutions.

25 (d-5) To provide a pre-release job preparation program
26 for inmates at Illinois adult correctional centers.

1 (d-10) To provide educational and visitation
2 opportunities to committed persons within its institutions
3 through temporary access to content-controlled tablets
4 that may be provided as a privilege to committed persons
5 to induce or reward compliance.

6 (e) To establish a system of supervision and guidance
7 of committed persons in the community.

8 (f) To establish in cooperation with the Department of
9 Transportation to supply a sufficient number of prisoners
10 for use by the Department of Transportation to clean up
11 the trash and garbage along State, county, township, or
12 municipal highways as designated by the Department of
13 Transportation. The Department of Corrections, at the
14 request of the Department of Transportation, shall furnish
15 such prisoners at least annually for a period to be agreed
16 upon between the Director of Corrections and the Secretary
17 of Transportation. The prisoners used on this program
18 shall be selected by the Director of Corrections on
19 whatever basis he deems proper in consideration of their
20 term, behavior and earned eligibility to participate in
21 such program - where they will be outside of the prison
22 facility but still in the custody of the Department of
23 Corrections. Prisoners convicted of first degree murder,
24 or a Class X felony, or armed violence, or aggravated
25 kidnapping, or criminal sexual assault, aggravated
26 criminal sexual abuse or a subsequent conviction for

1 criminal sexual abuse, or forcible detention, or arson, or
2 a prisoner adjudged a Habitual Criminal shall not be
3 eligible for selection to participate in such program. The
4 prisoners shall remain as prisoners in the custody of the
5 Department of Corrections and such Department shall
6 furnish whatever security is necessary. The Department of
7 Transportation shall furnish trucks and equipment for the
8 highway cleanup program and personnel to supervise and
9 direct the program. Neither the Department of Corrections
10 nor the Department of Transportation shall replace any
11 regular employee with a prisoner.

12 (g) To maintain records of persons committed to it and
13 to establish programs of research, statistics, and
14 planning.

15 (h) To investigate the grievances of any person
16 committed to the Department and to inquire into any
17 alleged misconduct by employees or committed persons; and
18 for these purposes it may issue subpoenas and compel the
19 attendance of witnesses and the production of writings and
20 papers, and may examine under oath any witnesses who may
21 appear before it; to also investigate alleged violations
22 of a parolee's or releasee's conditions of parole or
23 release; and for this purpose it may issue subpoenas and
24 compel the attendance of witnesses and the production of
25 documents only if there is reason to believe that such
26 procedures would provide evidence that such violations

1 have occurred.

2 If any person fails to obey a subpoena issued under
3 this subsection, the Director may apply to any circuit
4 court to secure compliance with the subpoena. The failure
5 to comply with the order of the court issued in response
6 thereto shall be punishable as contempt of court.

7 (i) To appoint and remove the chief administrative
8 officers, and administer programs of training and
9 development of personnel of the Department. Personnel
10 assigned by the Department to be responsible for the
11 custody and control of committed persons or to investigate
12 the alleged misconduct of committed persons or employees
13 or alleged violations of a parolee's or releasee's
14 conditions of parole shall be conservators of the peace
15 for those purposes, and shall have the full power of peace
16 officers outside of the facilities of the Department in
17 the protection, arrest, retaking, and reconfining of
18 committed persons or where the exercise of such power is
19 necessary to the investigation of such misconduct or
20 violations. This subsection shall not apply to persons
21 committed to the Department of Juvenile Justice under the
22 Juvenile Court Act of 1987 on aftercare release.

23 (j) To cooperate with other departments and agencies
24 and with local communities for the development of
25 standards and programs for better correctional services in
26 this State.

1 (k) To administer all moneys and properties of the
2 Department.

3 (l) To report annually to the Governor on the
4 committed persons, institutions, and programs of the
5 Department.

6 (1-5) (Blank).

7 (m) To make all rules and regulations and exercise all
8 powers and duties vested by law in the Department.

9 (n) To establish rules and regulations for
10 administering a system of sentence credits, established in
11 accordance with Section 3-6-3, subject to review by the
12 Prisoner Review Board.

13 (o) To administer the distribution of funds from the
14 State Treasury to reimburse counties where State penal
15 institutions are located for the payment of assistant
16 state's attorneys' salaries under Section 4-2001 of the
17 Counties Code.

18 (p) To exchange information with the Department of
19 Human Services and the Department of Healthcare and Family
20 Services for the purpose of verifying living arrangements
21 and for other purposes directly connected with the
22 administration of this Code and the Illinois Public Aid
23 Code.

24 (q) To establish a diversion program.

25 The program shall provide a structured environment for
26 selected technical parole or mandatory supervised release

1 violators and committed persons who have violated the
2 rules governing their conduct while in work release. This
3 program shall not apply to those persons who have
4 committed a new offense while serving on parole or
5 mandatory supervised release or while committed to work
6 release.

7 Elements of the program shall include, but shall not
8 be limited to, the following:

9 (1) The staff of a diversion facility shall
10 provide supervision in accordance with required
11 objectives set by the facility.

12 (2) Participants shall be required to maintain
13 employment.

14 (3) Each participant shall pay for room and board
15 at the facility on a sliding-scale basis according to
16 the participant's income.

17 (4) Each participant shall:

18 (A) provide restitution to victims in
19 accordance with any court order;

20 (B) provide financial support to his
21 dependents; and

22 (C) make appropriate payments toward any other
23 court-ordered obligations.

24 (5) Each participant shall complete community
25 service in addition to employment.

26 (6) Participants shall take part in such

1 counseling, educational, and other programs as the
2 Department may deem appropriate.

3 (7) Participants shall submit to drug and alcohol
4 screening.

5 (8) The Department shall promulgate rules
6 governing the administration of the program.

7 (r) To enter into intergovernmental cooperation
8 agreements under which persons in the custody of the
9 Department may participate in a county impact
10 incarceration program established under Section 3-6038 or
11 3-15003.5 of the Counties Code.

12 (r-5) (Blank).

13 (r-10) To systematically and routinely identify with
14 respect to each streetgang active within the correctional
15 system: (1) each active gang; (2) every existing
16 inter-gang affiliation or alliance; and (3) the current
17 leaders in each gang. The Department shall promptly
18 segregate leaders from inmates who belong to their gangs
19 and allied gangs. "Segregate" means no physical contact
20 and, to the extent possible under the conditions and space
21 available at the correctional facility, prohibition of
22 visual and sound communication. For the purposes of this
23 paragraph (r-10), "leaders" means persons who:

24 (i) are members of a criminal streetgang;

25 (ii) with respect to other individuals within the
26 streetgang, occupy a position of organizer,

1 supervisor, or other position of management or
2 leadership; and

3 (iii) are actively and personally engaged in
4 directing, ordering, authorizing, or requesting
5 commission of criminal acts by others, which are
6 punishable as a felony, in furtherance of streetgang
7 related activity both within and outside of the
8 Department of Corrections.

9 "Streetgang", "gang", and "streetgang related" have the
10 meanings ascribed to them in Section 10 of the Illinois
11 Streetgang Terrorism Omnibus Prevention Act.

12 (s) To operate a super-maximum security institution,
13 in order to manage and supervise inmates who are
14 disruptive or dangerous and provide for the safety and
15 security of the staff and the other inmates.

16 (t) To monitor any unprivileged conversation or any
17 unprivileged communication, whether in person or by mail,
18 telephone, or other means, between an inmate who, before
19 commitment to the Department, was a member of an organized
20 gang and any other person without the need to show cause or
21 satisfy any other requirement of law before beginning the
22 monitoring, except as constitutionally required. The
23 monitoring may be by video, voice, or other method of
24 recording or by any other means. As used in this
25 subdivision (1)(t), "organized gang" has the meaning
26 ascribed to it in Section 10 of the Illinois Streetgang

1 Terrorism Omnibus Prevention Act.

2 As used in this subdivision (1)(t), "unprivileged
3 conversation" or "unprivileged communication" means a
4 conversation or communication that is not protected by any
5 privilege recognized by law or by decision, rule, or order
6 of the Illinois Supreme Court.

7 (u) To establish a Women's and Children's Pre-release
8 Community Supervision Program for the purpose of providing
9 housing and services to eligible female inmates, as
10 determined by the Department, and their newborn and young
11 children.

12 (u-5) To issue an order, whenever a person committed
13 to the Department absconds or absents himself or herself,
14 without authority to do so, from any facility or program
15 to which he or she is assigned. The order shall be
16 certified by the Director, the Supervisor of the
17 Apprehension Unit, or any person duly designated by the
18 Director, with the seal of the Department affixed. The
19 order shall be directed to all sheriffs, coroners, and
20 police officers, or to any particular person named in the
21 order. Any order issued pursuant to this subdivision
22 (1)(u-5) shall be sufficient warrant for the officer or
23 person named in the order to arrest and deliver the
24 committed person to the proper correctional officials and
25 shall be executed the same as criminal process.

26 (u-6) To appoint a point of contact person who shall

1 receive suggestions, complaints, or other requests to the
2 Department from visitors to Department institutions or
3 facilities and from other members of the public.

4 (v) To do all other acts necessary to carry out the
5 provisions of this Chapter.

6 (2) The Department of Corrections shall by January 1,
7 1998, consider building and operating a correctional facility
8 within 100 miles of a county of over 2,000,000 inhabitants,
9 especially a facility designed to house juvenile participants
10 in the impact incarceration program.

11 (3) When the Department lets bids for contracts for
12 medical services to be provided to persons committed to
13 Department facilities by a health maintenance organization,
14 medical service corporation, or other health care provider,
15 the bid may only be let to a health care provider that has
16 obtained an irrevocable letter of credit or performance bond
17 issued by a company whose bonds have an investment grade or
18 higher rating by a bond rating organization.

19 (3.5) If the Department has a contract with a pharmacy
20 benefit manager or a contract with an insurance company,
21 health maintenance organization, limited health service
22 organization, administrative services organization, or any
23 other managed care entity or health insurance issuer where a
24 pharmacy benefit manager administers the provider's coverage
25 of, payment for, or formulary design for drugs necessary to
26 safeguard the minor's life or health, the contract with the

1 pharmacy benefit manager and the pharmacy benefit manager's
2 activities shall be subject to Article XXXIIB of the Illinois
3 Insurance Code and the authority of the Director of Insurance
4 to enforce those provisions. The provider shall have all the
5 rights of a plan sponsor under those provisions.

6 (4) When the Department lets bids for contracts for food
7 or commissary services to be provided to Department
8 facilities, the bid may only be let to a food or commissary
9 services provider that has obtained an irrevocable letter of
10 credit or performance bond issued by a company whose bonds
11 have an investment grade or higher rating by a bond rating
12 organization.

13 (5) On and after the date 6 months after August 16, 2013
14 (the effective date of Public Act 98-488), as provided in the
15 Executive Order 1 (2012) Implementation Act, all of the
16 powers, duties, rights, and responsibilities related to State
17 healthcare purchasing under this Code that were transferred
18 from the Department of Corrections to the Department of
19 Healthcare and Family Services by Executive Order 3 (2005) are
20 transferred back to the Department of Corrections; however,
21 powers, duties, rights, and responsibilities related to State
22 healthcare purchasing under this Code that were exercised by
23 the Department of Corrections before the effective date of
24 Executive Order 3 (2005) but that pertain to individuals
25 resident in facilities operated by the Department of Juvenile
26 Justice are transferred to the Department of Juvenile Justice.

1 (6) The Department of Corrections shall provide lactation
2 or nursing mothers rooms for personnel of the Department. The
3 rooms shall be provided in each facility of the Department
4 that employs nursing mothers. Each individual lactation room
5 must:

6 (i) contain doors that lock;

7 (ii) have an "Occupied" sign for each door;

8 (iii) contain electrical outlets for plugging in
9 breast pumps;

10 (iv) have sufficient lighting and ventilation;

11 (v) contain comfortable chairs;

12 (vi) contain a countertop or table for all necessary
13 supplies for lactation;

14 (vii) contain a wastebasket and chemical cleaners to
15 wash one's hands and to clean the surfaces of the
16 countertop or table;

17 (viii) have a functional sink;

18 (ix) have a minimum of one refrigerator for storage of
19 the breast milk; and

20 (x) receive routine daily maintenance.

21 (Source: P.A. 102-350, eff. 8-13-21; 102-535, eff. 1-1-22;
22 102-538, eff. 8-20-21; 102-813, eff. 5-13-22; 102-1030, eff.
23 5-27-22; 103-834, eff. 1-1-25.)

24 Section 40. The County Jail Act is amended by changing
25 Section 17 as follows:

1 (730 ILCS 125/17) (from Ch. 75, par. 117)

2 Sec. 17. Bedding, clothing, fuel, and medical aid;
3 reimbursement for medical expenses. The Warden of the jail
4 shall furnish necessary bedding, clothing, fuel, and medical
5 services for all committed persons under his charge, and keep
6 an accurate account of the same. When services that result in
7 qualified medical expenses are required by any person held in
8 custody, the county, private hospital, physician or any public
9 agency which provides such services shall be entitled to
10 obtain reimbursement from the county for the cost of such
11 services. The county board of a county may adopt an ordinance
12 or resolution providing for reimbursement for the cost of
13 those services at the Department of Healthcare and Family
14 Services' rates for medical assistance. To the extent that
15 such person is reasonably able to pay for such care, including
16 reimbursement from any insurance program or from other medical
17 benefit programs available to such person, he or she shall
18 reimburse the county or arresting authority. If such person
19 has already been determined eligible for medical assistance
20 under the Illinois Public Aid Code at the time the person is
21 detained, the cost of such services, to the extent such cost
22 exceeds \$500, shall be reimbursed by the Department of
23 Healthcare and Family Services under that Code. A
24 reimbursement under any public or private program authorized
25 by this Section shall be paid to the county or arresting

1 authority to the same extent as would have been obtained had
2 the services been rendered in a non-custodial environment.

3 The sheriff or his or her designee may cause an
4 application for medical assistance under the Illinois Public
5 Aid Code to be completed for an arrestee who is a hospital
6 inpatient. If such arrestee is determined eligible, he or she
7 shall receive medical assistance under the Code for hospital
8 inpatient services only. An arresting authority shall be
9 responsible for any qualified medical expenses relating to the
10 arrestee until such time as the arrestee is placed in the
11 custody of the sheriff. However, the arresting authority shall
12 not be so responsible if the arrest was made pursuant to a
13 request by the sheriff. When medical expenses are required by
14 any person held in custody, the county shall be entitled to
15 obtain reimbursement from the County Jail Medical Costs Fund
16 to the extent moneys are available from the Fund. To the extent
17 that the person is reasonably able to pay for that care,
18 including reimbursement from any insurance program or from
19 other medical benefit programs available to the person, he or
20 she shall reimburse the county.

21 For the purposes of this Section, "arresting authority"
22 means a unit of local government, other than a county, which
23 employs peace officers and whose peace officers have made the
24 arrest of a person. For the purposes of this Section,
25 "qualified medical expenses" include medical and hospital
26 services but do not include (i) expenses incurred for medical

1 care or treatment provided to a person on account of a
2 self-inflicted injury incurred prior to or in the course of an
3 arrest, (ii) expenses incurred for medical care or treatment
4 provided to a person on account of a health condition of that
5 person which existed prior to the time of his or her arrest, or
6 (iii) expenses for hospital inpatient services for arrestees
7 enrolled for medical assistance under the Illinois Public Aid
8 Code.

9 If a jail or a unit of local government operating the jail
10 has a contract with a pharmacy benefit manager or a contract
11 with an insurance company, health maintenance organization,
12 limited health service organization, administrative services
13 organization, or any other managed care organization or health
14 insurance issuer where a pharmacy benefit manager administers
15 coverage of, payment for, or formulary design for drugs
16 necessary to safeguard the life or health of any person in
17 custody, that contract and the pharmacy benefit manager's
18 activities shall be subject to Article XXXIIB of the Illinois
19 Insurance Code and the authority of the Director of Insurance
20 to enforce those provisions. The jail or unit of local
21 government shall have all the rights of a plan sponsor under
22 those provisions.

23 (Source: P.A. 103-745, eff. 1-1-25.)

24 Section 99. Effective date. This Act takes effect on
25 January 1, 2026, except that this Section, Section 10, and the

1 changes to Sections 513b2 and 513b3 of the Illinois Insurance
2 Code take effect upon becoming law.".