

1 AN ACT concerning regulation.

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

4 Section 5. The Illinois Insurance Code is amended by
5 changing Sections 512-3, 512-4, and 512-5 as follows:

6 (215 ILCS 5/512-3) (from Ch. 73, par. 1065.59-3)

7 Sec. 512-3. Definitions. For the purposes of this Article,
8 unless the context otherwise requires, the terms defined in
9 this Article have the meanings ascribed to them herein:

10 (a) "Third party prescription program" or "program" means
11 any system of providing for the reimbursement of pharmaceutical
12 services and prescription drug products offered or operated in
13 this State under a contractual arrangement or agreement between
14 a provider of such services and another party who is not the
15 consumer of those services and products. Such programs may
16 include, but need not be limited to, employee benefit plans
17 whereby a consumer receives prescription drugs or other
18 pharmaceutical services and those services are paid for by an
19 agent of the employer or others.

20 (b) "Third party program administrator" or "administrator"
21 means any person, partnership or corporation who issues or
22 causes to be issued any payment or reimbursement to a provider
23 for services rendered pursuant to a third party prescription

1 program, but does not include the Director of Healthcare and
2 Family Services or any agent authorized by the Director to
3 reimburse a provider of services rendered pursuant to a program
4 of which the Department of Healthcare and Family Services is
5 the third party.

6 (c) "Director" means the Director of the Division of
7 Insurance of the Department of Financial and Professional
8 Regulation.

9 (d) "Division" means the Division of Insurance of the
10 Department of Financial and Professional Regulation.

11 (Source: P.A. 95-331, eff. 8-21-07.)

12 (215 ILCS 5/512-4) (from Ch. 73, par. 1065.59-4)

13 Sec. 512-4. Registration. All third party prescription
14 programs and administrators doing business in the State shall
15 register with the Director ~~of Insurance~~. The Director shall
16 promulgate regulations establishing criteria for registration
17 in accordance with the terms of this Article. The Director may
18 by rule establish an annual registration fee for each third
19 party administrator.

20 (Source: P.A. 82-1005.)

21 (215 ILCS 5/512-5) (from Ch. 73, par. 1065.59-5)

22 Sec. 512-5. Fiduciary and Bonding Requirements. A third
23 party prescription program administrator shall (1) establish
24 and maintain a fiduciary account, separate and apart from any

1 and all other accounts, for the receipt and disbursement of
2 funds for reimbursement of providers of services under the
3 program, or (2) post, or cause to be posted, a bond of
4 indemnity in an amount equal to not less than 10% of the total
5 estimated annual reimbursements under the program.

6 The establishment of such fiduciary accounts and bonds
7 shall be consistent with applicable State law. If a bond of
8 indemnity is posted, it shall be held by the Director ~~of~~
9 ~~Insurance~~ for the benefit and indemnification of the providers
10 of services under the third party prescription program.

11 An administrator who operates more than one third party
12 prescription program may establish and maintain a separate
13 fiduciary account or bond of indemnity for each such program,
14 or may operate and maintain a consolidated fiduciary account or
15 bond of indemnity for all such programs.

16 The requirements of this Section do not apply to any third
17 party prescription program administered by or on behalf of any
18 insurance company, Health Care Service Plan Corporation or
19 Pharmaceutical Service Plan Corporation authorized to do
20 business in the State of Illinois.

21 (Source: P.A. 82-1005.)