

HB3787



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB3787

Introduced 2/17/2023, by Rep. Camille Y. Lilly

SYNOPSIS AS INTRODUCED:

215 ILCS 5/513b1.5 new

Amends the Pharmacy Benefit Managers Article of the Illinois Insurance Code. Provides that a pharmacy benefit manager shall not: steer a beneficiary; order a covered individual to fill a prescription or receive pharmacy care services from an affiliated pharmacy; reimburse a pharmacy or pharmacist for a pharmaceutical product or pharmacist service in an amount less than the amount that the pharmacy benefit manager reimburses itself or an affiliate for providing the same product or services; offer or implement plan designs that require patients to use an affiliated pharmacy; or advertise, market, or promote a pharmacy by an affiliate to patients or prospective patients. Defines terms.

LRB103 30041 BMS 56462 b

A BILL FOR

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 adding Section 513b1.5 as follows:

6 (215 ILCS 5/513b1.5 new)

7 Sec. 513b1.5. Steering prohibition.

8 (a) As used in this Section:

9 "Covered individual" means a member, participant,
10 enrollee, contract holder, policyholder, or beneficiary of a
11 carrier, insurer, or issuer who is provided a prescription
12 drug benefit by the carrier, insurer, or issuer. "Covered
13 individual" includes a dependent or other person provided a
14 prescription drug benefit through a policy, contract, or plan
15 for a covered individual.

16 "Pharmacy benefit management" means a service provided to
17 covered entities to facilitate the provision of prescription
18 drug benefits to covered individuals for dispensation within
19 this State, including negotiating pricing and other terms with
20 drug manufacturers and retail pharmacies. "Pharmacy benefit
21 management" includes the following:

22 (1) claims processing, retail network management, and
23 payment of claims to pharmacies for prescription drugs

1 dispensed to covered individuals for dispensation within
2 this State;

3 (2) clinical formulary development and management
4 services;

5 (3) rebate contracting and administration;

6 (4) certain covered individual compliance, therapeutic
7 intervention, and generic substitution programs; and

8 (5) disease management programs.

9 "Pharmacy benefit manager" means any person that designs
10 or administers the prescription drug or device benefit of one
11 or more health plans on behalf of a third party irrespective of
12 whether such entity identifies itself as a pharmacy benefit
13 manager. "Pharmacy benefit manager" includes any agent,
14 affiliate, or representative of a health plan or pharmacy
15 benefit manager hired or contracted by a health plan or
16 pharmacy benefit manager to assist in designing or
17 administering the drug benefit and any wholly owned or
18 partially owned or controlled subsidiary of a pharmacy benefit
19 manager.

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

21 (1) requiring a beneficiary to use only a pharmacy,
22 including a mail-order pharmacy, in which the pharmacy
23 benefit manager maintains an ownership interest or
24 control;

25 (2) offering or implementing a plan design that
26 encourages a beneficiary to use a pharmacy in which the

1 pharmacy benefit manager maintains an ownership interest
2 or control, if such plan design increases costs for the
3 beneficiary, including requiring a beneficiary to pay full
4 costs for a prescription if the beneficiary chooses not to
5 use a pharmacy owned or controlled by the pharmacy benefit
6 manager;

7 (3) reimbursing a pharmacy or pharmacist for a
8 pharmaceutical product or pharmacist service in an amount
9 less than the amount that the pharmacy benefit manager
10 reimburses itself or an affiliate for providing the same
11 product or services; or

12 (4) any other actions determined by the Department by
13 rule.

14 (b) A pharmacy benefit manager shall not:

15 (1) steer a beneficiary;

16 (2) order a covered individual to fill a prescription
17 or receive pharmacy care services from an affiliated
18 pharmacy;

19 (3) reimburse a pharmacy or pharmacist for a
20 pharmaceutical product or pharmacist service in an amount
21 less than the amount that the pharmacy benefit manager
22 reimburses itself or an affiliate for providing the same
23 product or services;

24 (4) offer or implement plan designs that require
25 patients to use an affiliated pharmacy; or

26 (5) advertise, market, or promote a pharmacy by an

1 affiliate to patients or prospective patients.