HB4469

LRB104 15174 KTG 28318 b

104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB4469

Introduced 1/20/2026, by Rep. Hoan Huynh

SYNOPSIS AS INTRODUCED:

New Act

Creates the Illinois Affordable Drug Manufacturing Act. Provides that the Department of Human Services shall enter into partnerships with drug companies or manufactures to: (i) increase competition, lower prices, and address shortages in the market for generic prescription drugs; (ii) reduce the cost of prescription drugs for public and private purchasers, taxpayers, and consumers; and (iii) increase patient access to affordable drugs. Provides that such partnerships shall be made with the intent to ensure the wide availability of generic prescription drugs to public and private purchasers, providers and suppliers, and pharmacies as appropriate. Requires that such drugs must be produced or distributed by a drug company or generic drug manufacturer that is registered with the United States Food and Drug Administration. Sets forth price setting criteria and a list of the most common generic prescription drugs that are to be produced and distributed through the partnerships. Requires the Department to consult with other State agencies, licensed health care service plans, health insurers, hospitals, and pharmacy benefit managers in maintaining the list of generic prescription drugs. Contains provisions concerning minimum drug procurement thresholds; reporting requirements; and other matters. Makes implementation of the Act subject to appropriation. Effective immediately, except that certain provisions take effect on January 1, 2029.

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A BILL FOR

AN ACT concerning State government.

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

Section 1. Short title. This Act may be cited as the Illinois Affordable Drug Manufacturing Act.

Section 5. Definitions. As used in this Act:

"Department" means the Department of Human Services.

"Generic drug" means a drug that is approved in accordance with subdivision (j) of Section 355 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.), or a biosimilar, as defined under the federal Public Health Service Act (42 U.S.C. 262).

"Partnerships" include, but are not limited to, agreements for the procurement of generic prescription drugs by way of contracts or purchasing by a payer, State governmental agency, group purchasing organization, nonprofit organization, or other entity.

"Pharmacy" or "drugstore" means every store, shop, pharmacy department, or any other place where pharmacist care is provided by a pharmacist:

(1) where drugs, medicines, or poisons are dispensed, sold or offered for sale at retail, or displayed for sale at retail; or

(2) where prescriptions of physicians, dentists, advanced practice registered nurses, physician assistants, veterinarians, podiatric physicians, or optometrists, within the limits of their licenses, are compounded, filled, or dispensed; or

(3) which has upon it or displayed within it, or affixed to or used in connection with it, a sign bearing the word or words "Pharmacist", "Druggist", "Pharmacy", "Pharmaceutical Care", "Apothecary", "Drugstore", "Medicine Store", "Prescriptions", "Drugs", "Dispensary", "Medicines", or any word or words of similar or like import, either in the English language or any other language; or

(4) where the characteristic prescription sign (Rx) or similar design is exhibited.

"Pharmacy" or "drugstore" includes any store, or shop, or other place with respect to which any of the words, objects, signs, or designs listed in paragraphs (1) through (4) are used in any advertisement.

"Provider" means a hospital, a skilled nursing facility, a comprehensive outpatient rehabilitation facility, a home health agency, a hospice, a clinic, or a rehabilitation agency.

"Supplier" means a physician and surgeon or other health care practitioner, or an entity that furnishes health care services other than a provider.

Section 10. Partnership with generic drug manufactures.

(a) The Department shall enter into partnerships, consistent with subsection (b) of Section 15, in consultation with other State departments as necessary, to increase competition, lower prices, and address shortages in the market for generic prescription drugs, to reduce the cost of prescription drugs for public and private purchasers, taxpayers, and consumers, and to increase patient access to affordable drugs.

(b) Contingent upon specific appropriation, the Department shall have the ability to hire staff to oversee and project-manage the partnerships for manufacturing or distribution of generic prescription drugs.

Section 15. Prescription drug acquisition, distribution, and price setting.

(a) The Department shall enter into partnerships resulting in the production or distribution of generic prescription drugs, with the intent that these drugs be made widely available to public and private purchasers, providers and suppliers, and pharmacies as appropriate. The generic prescription drugs shall be produced or distributed by a drug company or generic drug manufacturer that is registered with the United States Food and Drug Administration.

(b)(1) The Department shall only enter into partnerships

as provided under subsection (a) to produce a generic prescription drug at a price that results in savings, targets failures in the market for generic drugs, and improves patient access to affordable medications.

(2) For top drugs identified in accordance with the criteria listed in paragraph (5), the Department shall, if possible, determine partnerships to manufacture or distribute generic prescription drugs by examining the relevant legal, market, policy, and regulatory factors.

(3) The Department shall consider the following, if applicable, when setting the price of the generic prescription drug:

(A) United States Food and Drug Administration user fees.

(B) Abbreviated new drug application acquisition costs amortized over a 5-year period.

(C) Mandatory rebates.

(D) Total contracting and production costs for the drug, including a reasonable amount for administrative, operating, and rate-of-return expenses of the drug company or generic drug manufacturer.

(E) Research and development costs attributed to the drug over a 5-year period.

(F) Other initial start-up costs amortized over a 5-year period.

(4) Each drug shall be made available to providers,

patients, and purchasers at a transparent price and without rebates, other than federally required rebates.

(5) The Department shall prioritize the selection of generic prescription drugs that have the greatest impact on lowering drug costs to patients, increasing competition and addressing shortages in the prescription drug market, improving public health, or reducing the cost of prescription drugs to public and private purchasers.

(c) The top 100 of the most common generic prescription drugs as of August 31, 2025, per the National Library of Medicine 2025 report, are to be produced and include the following:

Lisinopril, Levothyroxine, Metformin, Simvastatin, Omeprazole, Amlodipine Besylate, Metoprolol, Acetaminophen (Hydrocodone), Albuterol, Hydrochlorothiazide, Losartan, Gabapentin, Sertraline, Furosemide, Acetaminophen Analgesic, Atenolol, Pravastatin, Amoxicillin, Fluoxetine, Citalopram, Trazodone, Alprazolam, Fluticasone, Bupropion, Carvedilol, Potassium Chloride, Tramadol, Pantoprazole, Montelukast, Escitalopram, Prednisone, Rosuvastatin, Ibuprofen, Meloxicam, Insulin Glargine, Hydrochlorothiazide & Lisinopril, Clonazepam, Aspirin, Clopidogrel Antiplatelet, Glipizide, Warfarin Anticoagulant, Cyclobenzaprine, Insulin Human, Tamsulosin, Zolpidem, Ethinyl Estradiol/ Norgestimate,

Duloxetine, Ranitidine, Venlafaxine, Fluticasone Salmeterol, Oxycodone, Azithromycin, Amphetamine, Lorazepam, Allopurinol, Paroxetine, Methylphenidate, Estradiol, Hydrochlorothiazide & Losartan K, Ethinyl Estradiol/ Norethindrone, Fenofibrate, Propanolol, Glimepiride, Ergocalciferol, Esomeprazole, Spironolactone, Loratadine, Naproxen, Lamotrigine, Hydrochlorothiazide/ Triamterene, Cetirizine, Sulfamethoxazole (Trimethoprim), Lovastatin, Diltiazem, Clonidine, Topiramate, Amoxicillin, Pregabalin, Folic Acid, Aldendronate Sodium, Hydrocodone Bitrate, Amitriptyline, Diclofenac, Insulin Aspart, Tiotropium, Quetiapine Fumarate, Enalapril, Polymyxin B Sulfate, Sitagliptin Phosphate, Diazepam, Latanoprost, Ciprofloxacin, Budesonide (Formoterol), Hydroxyzine, Ethinyl Estradiol (Levonorgestrel), Docusate, Valsartan, Finasteride, Ondansetron.

The top 100 of the most common generic drugs to be produced under this Act shall be updated every 5 years, starting in 2030, per the National Library of Medicine.

(d) The Department shall consult with all of the following public and private purchasers to assist in developing a list of generic prescription drugs to be manufactured or distributed through partnerships and to determine the volume of each generic prescription drug that can be procured over a multiyear period to support a market for a lower cost generic

prescription drug:

(1) The Department of Healthcare and Family Services, the Illinois health insurance marketplace, the Department of Public Health, and the Department of Central Management Services, or the entities acting on behalf of each of those State purchasers.

(2) Licensed health care service plans.

(3) Health insurers holding a valid outstanding certificate of authority from the Director of Insurance.

(4) Hospitals.

(5) Pharmacy benefit managers.

(e) Before effectuating a partnership in accordance with this Section, the Department shall determine minimum thresholds for procurement of an entity's expected volume of a targeted drug from the company or manufacturer over a multiyear period. In making advance commitments, the Department shall consult with the Department of Central Management Services.

(f) The listed entities in paragraphs (2) through (5) of subsection (d) shall not be required to purchase prescription drugs from the Department or entities that contract or partner with the Department in accordance with this Act.

(g) The Department shall not be required to consult with every entity listed in paragraphs (2) through (5) of subsection (d), so long as purchaser engagement includes a reasonable representation from these groups.

Section 20. Report.

(a) On or before July 1, 2028, the Department shall report to the General Assembly on the following:

(1) The feasibility of directly manufacturing generic prescription drugs and selling generic prescription drugs at a fair price.

(2) An analysis of governance structure options for manufacturing functions, including chartering a private organization, a public-private partnership, or a public board of directors.

(3) A description of the status of all drugs targeted under this Act.

(4) An analysis of how the activities of the Department may impact competition, access to targeted drugs, the costs of those drugs, and the costs of generic prescription drugs to public and private purchasers.

(5) An analysis of viable pathways for partnerships to manufacture or distribute generic prescription drugs by examining the relevant legal, market, policy, and regulatory factors.

(b) This Section is repealed on January 1, 2029.

Section 25. Funding. Implementation of this Act is subject to appropriation.

Section 97. Severability. If any provision of this Act or its application to any person or circumstance is held invalid, the invalidity of that provision or application does not affect other provisions or applications of this Act that can be given effect without the invalid provision or application.

Section 99. Effective date. This Act takes effect upon becoming law, except that Section 15 takes effect on January 1, 2029.