Sen. Julie A. Morrison

Filed: 4/10/2026

AMENDMENT TO SENATE BILL 3508

AMENDMENT NO. _____. Amend Senate Bill 3508 on page 1, immediately above line 4, by inserting the following:

"Section 5. The Regulatory Sunset Act is amended by changing Section 4.37 and by adding Section 4.47 as follows:

(5 ILCS 80/4.37)

Sec. 4.37. Acts ~~and Articles~~ repealed on January 1, 2027. The following are repealed on January 1, 2027:

The Clinical Psychologist Licensing Act.

The Illinois Optometric Practice Act of 1987.

~~Articles II, III, IV, V, VI, VIIA, VIIC, XVII, XXXI, and XXXI 1/4 of the Illinois Insurance Code.~~

The Boiler and Pressure Vessel Repairer Regulation Act.

The Marriage and Family Therapy Licensing Act.

The Boxing and Full-contact Martial Arts Act.

The Cemetery Oversight Act.

The Community Association Manager Licensing and Disciplinary Act.

The Detection of Deception Examiners Act.

The Home Inspector License Act.

The Massage Licensing Act.

The Medical Practice Act of 1987.

The Petroleum Equipment Contractors Licensing Act.

The Radiation Protection Act of 1990.

The Real Estate Appraiser Licensing Act of 2002.

The Registered Interior Designers Act.

The Landscape Architecture Registration Act.

The Water Well and Pump Installation Contractor's License Act.

The Licensed Certified Professional Midwife Practice Act.

(Source: P.A. 102-20, eff. 6-25-21; 102-284, eff. 8-6-21; 102-437, eff. 8-20-21; 102-656, eff. 8-27-21; 102-683, eff. 10-1-22; 102-813, eff. 5-13-22; 103-371, eff. 1-1-24; 103-823, eff. 8-9-24.)

(5 ILCS 80/4.47 new)

Sec. 4.47. Articles repealed on January 1, 2037. The following Articles are repealed on January 1, 2037:

Articles II, III, IV, V, VI, VIIA, VIIC, XVII, XXXI, and XXXI 1/4 of the Illinois Insurance Code.

on page 1, line 4, by replacing "5" with "10"; and

on page 3, line 7, by replacing "10" with "15"; and

on page 3, by replacing line 8 with "changing Sections 155.49, 356z.73, 404, 500-35, and 513b1.1 as"; and

by deleting line 10 on page 3 through line 20 on page 4; and

on page 5, by replacing lines 20 through 23 with the following:

"Each company is required to submit a searchable report, in Portable Document Format (PDF), to the Department on or before April 1, 2024 and on or before April 1 every year thereafter. For reports due on or after April 1, 2027, the company shall submit the report in the format designated by the Department."; and

on page 15, immediately below line 7, by inserting the following:

"(215 ILCS 5/513b1.1)

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

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

(1) data on the health benefit plan including:

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

(B) the total number of covered individuals and number of Illinois residents who are covered individuals;

(C) number of drug-related claims;

(D) dosage units;

(E) dispensing channel used;

(F) average wholesale acquisition cost per drug; and

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

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

(3) total gross spending on drugs by the health benefit plan;

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

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

(6) the amount a pharmacy benefit manager paid for

pharmacists' services and drugs rendered related to the health benefit plan per transaction, including, but not limited to, any dispensing fee;

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

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

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

(10) explanation of benefit design parameters encouraging or requiring covered individuals to use affiliated pharmacies, percentage of drugs charged by these pharmacies, and a list of drugs dispensed by affiliated pharmacies with their associated costs; and

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

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

(1) must be written in plain language to ensure ease

of reading and accessibility;

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

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

(4) must be filed with the Department no later than September 1 of each year in the format designated by the Department ~~via the Systems for Electronic Rates & Forms Filing (SERFF)~~. The filing shall include the summary version of the report described in paragraph (3) of this subsection, which the Department shall make available to members of the public ~~be marked for public access~~.

The Department may share all reports with an established institution of higher education in this State for the creation of a pharmacist dispensing cost report to be produced annually. This annual pharmacist dispensing cost report shall provide a survey of the average cost of dispensing a prescription for pharmacists in Illinois. The institution of higher education shall have the ability to request additional information from pharmacists for its analysis. The institution of higher education shall issue the report to the General Assembly no later than December 31, 2026 and annually thereafter.

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

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

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

(f) Except for the summary version, the annual reports submitted by pharmacy benefit managers shall be considered confidential and privileged for all purposes, including for purposes of the Freedom of Information Act, shall not be subject to subpoena from any private party, and shall not be admissible as evidence in a civil action.

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

(h) Nothing in this Section shall be construed as permitting a pharmacy benefit manager to avoid or otherwise fail to comply with the reporting requirements set forth in

Section 5-36 of the Illinois Public Aid Code.

(Source: P.A. 104-27, eff. 1-1-26; 104-439, eff. 12-2-25.)";

and

on page 15, line 9, by replacing "15" with "20"; and

on page 15, line 11, by replacing "20" with "25".