HB0053

LRB101 04687 CPF 49696 b

101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB0053

Introduced 1/9/2019, by Rep. Mary E. Flowers

SYNOPSIS AS INTRODUCED:

410 ILCS 620/16.2 new
410 ILCS 620/16.3 new

Amends the Illinois Food, Drug and Cosmetic Act. Requires manufacturers of brand name or generic prescription drugs to notify State purchasers, health insurers, health care service plan providers, pharmacy benefit managers, and the General Assembly of specified increases in drug prices at least 60 days before such increase and the cost of specified new prescription drugs within 3 days after approval by the U.S. Food and Drug Administration. Provides that within 30 days after such notifications, prescription drug manufacturers shall report specified information to State purchasers, health insurers, health care service plan providers, pharmacy benefit managers, and the General Assembly. Provides that failure to report such information shall result in a specified civil penalty. Requires the General Assembly to conduct an annual public hearing on aggregate trends in prescription drug pricing. Provides that if the manufacturer of a prescription drug or its agent meets or otherwise communicates with a prescriber for the purpose of marketing a drug, then the manufacturer or its agent shall disclose to the prescriber if any ingredient in the drug it is marketing is known to pose a risk of dependency in humans. Makes other changes.

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FISCAL NOTE ACT
MAY APPLY

A BILL FOR

AN ACT concerning health.

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

Section 5. The Illinois Food, Drug and Cosmetic Act is amended by adding Sections 16.2 and 16.3 as follows:

(410 ILCS 620/16.2 new)

Sec. 16.2. Prescription drug price increases.

(a) This Section shall apply to any manufacturer of a prescription drug that is purchased or reimbursed by any of the following:

(1) A State purchaser, including, but not limited to, State retirement systems, the Department of Corrections, the Department of Healthcare and Family Services, the Department of Public Health, or any entity acting on behalf of a State purchaser.

(2) A health insurer.

(3) A health care service plan provider.

(4) A pharmacy benefit manager.

(b) A manufacturer of a brand name prescription drug shall provide written notice to State purchasers, health insurers, health care service plan providers, pharmacy benefit managers, and the General Assembly if the manufacturer is increasing the wholesale price of the brand name prescription drug by more

than 10% during a 12-month period or by more than $10,000 during a 12-month period. A manufacturer of a generic prescription drug with a wholesale price of $100 or more per 30-day month shall provide written notice to State purchasers, health insurers, health care service plan providers, pharmacy benefit managers, and the General Assembly if the manufacturer is increasing the wholesale price of the generic prescription drug by more than 25% during a 12-month period. The notice shall be provided in writing at least 60 days prior to the planned effective date of the increase. Within 30 days after notification of a price increase as provided in this subsection, a manufacturer shall report the following information to State purchasers, health insurers, health care service plan providers, pharmacy benefit managers, and the General Assembly:

(1) a justification for the proposed price increase; the manufacturer may limit the information in the justification to that which is publicly available;

(2) the previous year's marketing budget for the drug;

(3) the date and price of acquisition if the drug was not developed by the manufacturer; and

(4) a schedule of price increases for the drug for the previous 5 years.

(c) A manufacturer of a prescription drug shall provide written notice to State purchasers, health insurers, health care service plan providers, pharmacy benefit managers, and the

General Assembly if the manufacturer is introducing a new prescription drug to market at a wholesale cost of $10,000 or more annually or per course of treatment. The notice shall be provided in writing within 3 days after approval by the U.S. Food and Drug Administration. Within 30 days after notification of approval for a new drug as provided in this subsection, a manufacturer shall report the following information to State purchasers, health insurers, health care service plan providers, pharmacy benefit managers, and the General Assembly:

(1) a justification for the introductory price; the manufacturer may limit the contents of the justification to publicly available information;

(2) the expected marketing budget for the drug; and

(3) the date and price of acquisition if the drug was not developed by the manufacturer.

(d) Failure to report the information required pursuant to subsection (b) or subsection (c) to State purchasers, health insurers, health care service plan providers, pharmacy benefit managers, or the General Assembly shall result in a civil penalty of $1,000 per day for every day after the 30-day notification period.

(e) The General Assembly shall conduct an annual public hearing on aggregate trends in prescription drug pricing. The hearing shall provide for public discussion of overall price increases, emerging trends, decreases in drug spending, and the

impact of prescription drug spending on health care affordability and premiums.

(f) Except for the hearing required pursuant to subsection (e), the General Assembly shall keep confidential all of the information provided to the General Assembly pursuant to this Section, and that information shall be exempt from disclosure under the Freedom of Information Act.

(g) This Section shall not restrict the legal ability of a pharmaceutical manufacturer to change prices as permitted under federal law.

(410 ILCS 620/16.3 new)

Sec. 16.3. Prescription drug manufacturer disclosure of dependency risk. If the manufacturer of a prescription drug or its agent meets or otherwise communicates with a prescriber for the purpose of marketing a drug, then the manufacturer or its agent shall disclose to the prescriber if any ingredient in the drug it is marketing is known to pose a risk of dependency in humans. For the purposes of this subsection, "prescriber" shall have the same meaning as provided in the Illinois Controlled Substances Act.