

SB3733



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB3733

Introduced 2/14/2020, by Sen. Andy Manar

SYNOPSIS AS INTRODUCED:

215 ILCS 5/155.37

Amends the Illinois Insurance Code. Provides that if a generic equivalent for a brand name drug is approved by the Food and Drug Administration, insurance companies with plans that provide coverage for prescription drugs through the use of a drug formulary that are amended, delivered, issued, or renewed in the State on or after January 1, 2021 shall immediately substitute the brand name drug with the generic equivalent or move the brand name drug to a formulary tier that reduces an enrollee's cost. Grants rulemaking authority to the Department of Insurance. Defines "brand name drug", "generic drug", and "formulary". Effective January 1, 2021.

LRB101 19166 BMS 68629 b

FISCAL NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

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 changing Section 155.37 as follows:

6 (215 ILCS 5/155.37)

7 Sec. 155.37. Drug formulary; notice.

8 (a) As used in this Section:

9 "Brand name drug" means a prescription drug marketed under
10 a proprietary name or registered trademark name, including a
11 biological product.

12 "Generic drug" means a prescription drug, whether
13 identified by its chemical, proprietary, or nonproprietary
14 name, that is not a brand name drug and is therapeutically
15 equivalent to a brand name drug in dosage, safety, strength,
16 method of consumption, quality, performance, and intended use.
17 "Generic drug" includes a biosimilar product.

18 "Formulary" means a list of prescription drugs that is
19 developed by clinical and pharmacy experts and represents the
20 carrier's medically appropriate and cost-effective
21 prescription drugs approved for use.

22 (b) Insurance companies that transact the kinds of
23 insurance authorized under Class 1(b) or Class 2(a) of Section

1 4 of this Code and provide coverage for prescription drugs
2 through the use of a drug formulary must notify insureds of any
3 change in the formulary. A company may comply with this Section
4 by posting changes in the formulary on its website.

5 (c) If a generic equivalent for a brand name drug is
6 approved by the Food and Drug Administration, insurance
7 companies with plans that provide coverage for prescription
8 drugs through the use of a drug formulary that are amended,
9 delivered, issued, or renewed in this State on or after January
10 1, 2021 shall:

11 (1) immediately substitute the brand name drug with the
12 generic equivalent; or

13 (2) move the brand name drug to a formulary tier that
14 reduces an enrollee's cost.

15 (d) The Department of Insurance may adopt rules to
16 implement this Section.

17 (Source: P.A. 92-440, eff. 8-17-01; 92-651, eff. 7-11-02.)

18 Section 99. Effective date. This Act takes effect January
19 1, 2021.