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Illinois Pharmacy Legislative Day - 2025

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Disclosures | Conflicts of Interest

• Dr. Crank and Mr. Reynolds declare no conflicts of interest, real or apparent, and no financial interests in any company, product, or service mentioned in this program, including grants, employment, gifts, stock holdings and honoraria.

Pharmacist Objectives

Discuss current legislative priorities for pharmacy practice in the 2025 spring session.

Review how you can advocate for the profession.

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Technician Objectives

Which of the following is a primary goal of PBM (Pharmacy Benefit Manager) reform?

- a) Increasing prescription drug prices for consumers
- b) Ensuring cost transparency and prohibiting PBMs from charging health plans more than they reimburse pharmacies
- c) Reducing the number of pharmacies participating in health plans
- d) Encouraging PBMs to classify more drugs as 'specialty drugs' to limit patient access

Which legislative bill aims to prevent the mandatory use of white-bagging and brown-bagging for prescription drug coverage?

- a) HB1272
- b) SB3225
- c) HB1443
- d) SB1746



104th General Assembly

- Senate: 40 Democrats | 19 Republicans
- House: 78 Democrats | 40 Republicans
- Democrats have Super Majority in both chambers
- Bills filed, so far
 - Senate 2,524 ——— 6,485
 - House 3,961
- Usually monitoring over 300 bills/resolutions
- January 1, 2025 December 31, 2026

General Assembly Committees

House

- Appropriations Health & Human Services
- Health Care Availability & Access
- Health Care Licenses
- Human Services
- Insurance
- Labor and Commerce
- Prescription Drug Affordability
- Public Health
- Revenue & Finance

Senate

- Appropriations Health and Human
- Health and Human Services
- Insurance
- Licensed Activities
- Public Health
- Revenue

Department of
Financial and
Professional
Regulation - DFPR

Department of Healthcare and Family Services -HFS

Department of Human Services -DHS

Department of Insurance - Insurance

Department of Public Health -DPH Dept of Central Management Services - CMS

If the General Assembly makes the laws, who makes the rules?

The Board of Pharmacy is made up of 8 pharmacists, 1 pharmacy technician, and 2 public members.

The Illinois Department of Financial and Professional Regulation makes the Rules for the Pharmacy Practice Act.

The Board may provide comments but they really don't do much of the work.

The Department staff does ask for input throughout the process from all interested parties.

The formal rules process comes next!

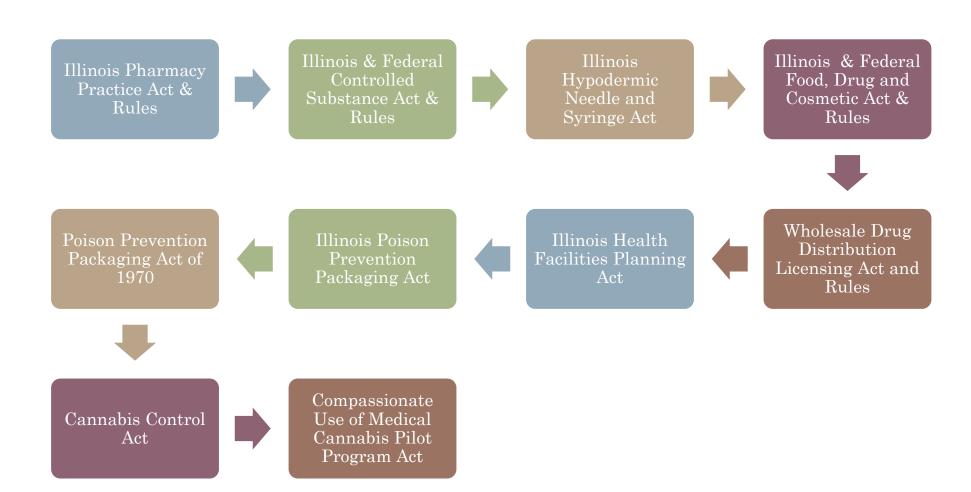
All Rules must be published in the Illinois Register in draft format and provide a 45-day public comment period.

The Department reviews all the comments and incorporates changes as it believes is appropriate.

Final Rules are sent to the Joint Committee on Administrative Rules (JCAR).

- 6 Senators (3 Dems & 3 Reps)
- 6 Representatives (3 Dems & 3 Reps)

Pharmacy Related Statutes & Administrative Code









PBM Reform: Ensuring Affordable and Accessible Healthcare in Illinois

Ban PBM Spread Pricing

- **Stop Hidden Markups:** Ensure cost transparency by prohibiting PBMs from charging health plans more than they reimburse pharmacies.
- Lower Costs: Reduce inflated drug prices for employers and the state.

· Fair Pharmacy Reimbursement

• Mandate NADAC + Professional Fee: Implement a transparent model for equitable pharmacy payments, promoting competition and sustainability.

Enforce Pricing Transparency

- End Hidden Costs: Require PBMs to disclose pricing practices and discounts to protect employers and consumers.
- 100% of Rebates back to Employers/Plan Sponsors/Patients

Regulate Specialty Drug Classifications

• **Prevent Price Manipulation:** Define 'specialty drugs' based on evidence to stop PBMs from inflating costs and limiting patient access.

Increase Oversight of PBM Contracts

• **Ensure Market Fairness:** Prevent anti-competitive practices like patient steering and hidden markups through stronger regulatory oversight.

"...it's not the state or the pharmacy's fault that the PBMs have such byzantine procedures that affect drug prices." - Chief Justice Roberts during the Rutledge v PCMA argument

Ensuring Patient Choice and Access to Medications

"PBMs are middlemen in the healthcare industry. They extract extra profit from patients through opaque and often predatory tactics. They are not doctors, but they work with insurance companies to deny people the drugs and treatments doctors prescribe. Not only are they driving up healthcare costs for Illinois families by hundreds of millions of dollars per year, but they are also putting small, local, independent pharmacies out of business. – Governor Pritzker, 2025 State of the State Address

Reforming Pharmacy Benefit Managers (PBMs) in Illinois is Critical

Illinois residents deserve affordable medications and access to community pharmacies. However, current practices by Pharmacy Benefit Managers (PBMs) threaten both. PBMs are intermediaries between insurers and pharmacies, but they have increasingly leveraged their market power to inflate drug prices, limit patient choice, and undermine independent pharmacies. To protect Illinois families and ensure a competitive marketplace, decisive action is needed.

Key Recommendations for Legislative Action:

Ban PBM Spread Pricing:

PBMs charge health plans more for medications than they reimburse pharmacies, pocketing the difference. This practice inflates drug costs for employers and the state, draining healthcare dollars. Illinois should ban spread pricing to ensure cost transparency and lower costs for all stakeholders.

Mandate NADAC + Professional Dispensing Fee:

Implementing a payment model based on the National Average Drug Acquisition Cost (NADAC) plus a fair professional dispensing fee will ensure all pharmacies are reimbursed equitably, promoting competition and preventing PBMs from undercutting independent pharmacies. Currently, PBMs reimburse pharmacies by paying them a negotiated rate for dispensed medications, typically based on the drug's cost plus a dispensing fee, but these rates are based on opaque benchmarks and often lower than the pharmacy's acquisition cost, impacting long-term sustainability.

Enforce Transparency in PBM Pricing:

PBMs operate with little to no oversight, allowing them to overcharge employers and manipulate prices. Illinois should require PBMs to disclose pricing practices and negotiated discounts to protect employers and consumers from hidden costs.





Regulate Specialty Drug Classifications:

PBMs exploit arbitrary 'specialty drug' classifications to charge higher prices and restrict dispensing to their own specialty pharmacies. Illinois must define 'specialty drugs' based on evidence, preventing PBMs from inflating costs and limiting patient access. The FTC's January 2025 report found that major PBMs imposed significant markups on specialty generic drugs (sometimes exceeding 1,000%) leading to increased costs for patients and plan sponsors, which can inflate medical-loss ratios and drive up insurance premiums.

Increase Oversight of PBM Contracts:

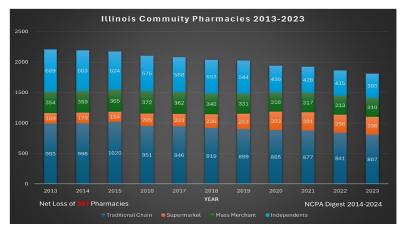
PBMs use anti-competitive contracts to steer patients to their own pharmacies and inflate costs. Illinois should enhance regulatory oversight to prevent patient steering, ensure contract transparency, and maintain market fairness.

Impact on Illinois:

- Community Pharmacies at Risk: More than 80 pharmacies closed in Illinois in 2024, undermining access to care, especially in rural and underserved areas.
- Cost to Taxpayer: The performance audit of the Medicaid Managed Care PBMs identified over \$200 Million over 2 years in spread pricing overbilling to the Medicaid Managed Care (MMC) prescription program.
- Consumer Choice and Access: PBMs' patient steering practices limit consumer choice, forcing patients to use PBM-owned pharmacies.

Call to Action:

We urge Illinois legislators to implement comprehensive PBM reforms to protect patients, support community pharmacies, and ensure a fair drug pricing system. These actions will enhance transparency, promote competition, and lower prescription drug costs for all Illinois residents.



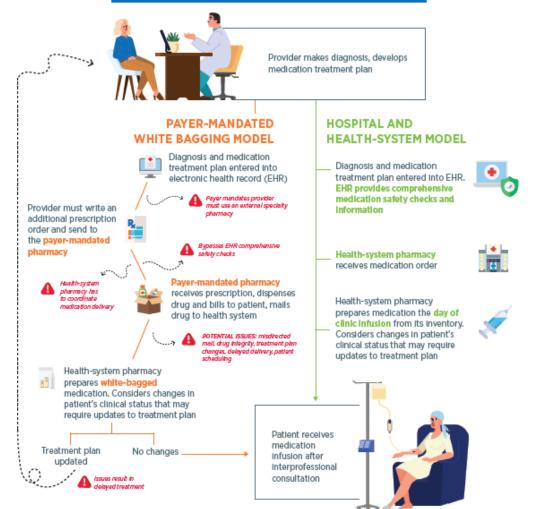
SB1746 | White-bagging and Brown-bagging

- Senator Cristina Castro
- > Amends the Illinois Insurance Code
- > To ensure access to safe and effective drug therapies, a health benefit plan amended, delivered, issued, or renewed on or after January 1, 2025 that provides prescription drug coverage through a medical or pharmacy health benefit or its contracted pharmacy benefit manager shall not mandate white-bagging and brown-bagging
- > Approach: Delays in care, unnecessary patient and healthcare provider coordination, and decreased patient satisfaction
- > STATUS: Assigned to Insurance (S)





How Does White Bagging Work?







White Bagging

SB 1746 - Senator Cristina Castro

- "White-Bagging" refers to a process in healthcare where medications are shipped to healthcare
 providers and facilities from an outside specialty pharmacy or distributor, rather than being
 purchased, stored, and provided to the patient by the facility's pharmacy or a healthcare
 provider.
- White Bagging means that instead of patients getting their medications directly from their provider or pharmacy, the medications are shipped through the mail or another delivery service to the healthcare facility for preparation and administration.

What are the negative impacts on patient care with White-Bagging?

- Delays in care including the initiation of drug therapy. Any treatment changes due to patients' clinical status would create a delay since drugs must be shipped from a remote pharmacy or drug distributor.
- Additional payer benefit requirements such as prior authorizations through insurance and
 pharmacy benefit managers delays care as do problems with shipping the drugs, i.e. lack of
 temperature control, damaged/broken product or drugs lost in shipping.
- Increased difficulty in patient care coordination since outside pharmacies and drug distributors
 are involved as tracking information is rarely provided and minimal proactive communication is
 received.
- Changes in therapy require the white-bagging process to start over which results in rescheduling of appointments causing additional stress and frustration for patients.
- Patients may be charged co-pays for drugs not received due to shipping errors, treatment changes, etc.
- Decreased medication safety with multiple risk points for medication errors.
- Increased fragmentation of established healthcare record process for prescriptions.
- Incomplete electronic medical records since some pharmacy data is kept at the outside specialty pharmacy or drug distributor.

For More Information – Contact: Liz Brown-Reeves (217) 502-3703 or Samantha Brill at (937) 776-9563

HB1272, HB3134, SB1971 | Importation

- Representatives Huynh & West and Senator Ventura
- > Creates the Wholesale Prescription Drug Importation Program Act.
- > Requires IDPH to establish the Wholesale Prescription Drug Importation Program.
- > Provides that the Department shall implement the program by: contracting with one or more prescription drug wholesalers and Canadian suppliers to import prescription drugs and provide prescription drug cost savings to consumers in this State.
- > STATUS: Assigned to Appropriations-Health and Human Services Committee (H HB1272); others in Assignments/Rules





HB1443 / SB66 | Health Care Availability

- Representative Nabeela Syed | Senator Robert Peters
- Creates the Health Care Availability and Access Board Act
- Establishes the Health Care Availability and Access Board to protect State residents, State and local governments, commercial health plans, health care providers, pharmacies licensed in the State, and other stakeholders within the health care system from the high costs of prescription drug products.
- > STATUS: Assigned to Health Care Availability & Accessibility Committee (H) | Assignments (S)

Advocating for Proven Pharmacy Benefit Manager (PBM) Reform

Opposition to Illinois Bills SB66, HB1272, HB1443, SB1971, and HB3134

The Illinois Pharmacists Association (IPhA) and Illinois Council of Health-System Pharmacists (ICHP) express significant concerns regarding the proposed legislation—SB66, HB1272, HB1443, SB1971, and HB3134—aimed at reducing medication costs. While the intent to make prescriptions more affordable is commendable, these bills introduce unproven methods that may not achieve the desired outcomes. Instead, IPhA and ICHP advocate for comprehensive PBM reform, a strategy with a demonstrated track record of lowering medication costs, enhancing patient access, reducing employer health plan expenses, and improving health outcomes.

Critique of Proposed Legislation

SB 1971, HB1272 and HB3134: These bills propose the importation of prescription drugs from Canada and other countries. While this approach suggests potential cost savings, it faces significant challenges:

- Safety and Quality Control: Ensuring that imported medications meet U.S. safety standards is complex and resource-intensive.
- Supply Limitations: Canada's drug market is not equipped to handle the demand from U.S. consumers, potentially leading to drug shortages.
- Regulatory Hurdles: The federal government must approve drug importation programs, a process historically met with safety and efficacy concerns.

SB66 and HB1443: These bills aim to establish state-run boards or committees to oversee drug pricing – also known as Prescription Drug Affordability Boards (PDABs).

PDABs have been created in several states with the goal to lower prescription drug costs for patients. They have yet to fulfill their promise to lower medicine costs. Even worse, the implementation of Upper Payment Limits appears likely to impact patient access to lifesaving medicines and financially harm vulnerable community pharmacies. This is becoming a political liability rather than an admirable solution.

SB66 and HB1443 propose utilizing the Medicare Maximum Fair Price for medications identified in the Medicare Drug Price Negotiation Program (MDPNP). The National Community Pharmacists Association and 3 Axis Advisors released an analysis that concluded that this program "exposes small and independent pharmacies to significant financial risk, potentially disrupting seniors' access to essential medications and services."

- Payment Delays and Cash Flow Shortfalls: Pharmacies could face significant
 payment delays, leading to \$11,000 in weekly cash flow shortfalls and \$43,000 in
 annual revenue losses.
- 340B covered entities: May have less revenue available for charitable care or expanded health care services (i.e., dental care).





Advocating for Proven Pharmacy Benefit Manager (PBM) Reform

A recent NCPA survey stated that **93.2% of independent community pharmacies** are either **considering not stocking or have already chosen not to stock** one or more of the first ten medications on the MDPNP.

Advocating for Comprehensive PBM Reform

Pharmacy Benefit Managers (PBMs) exploit their control over drug pricing and patient access to maximize profits, often at the expense of patients and community pharmacies. Reforming PBM practices has been proven to yield substantial benefits:

- Cost Savings: States that have implemented PBM reforms, such as prohibiting spread pricing and ensuring fair reimbursement (NADAC) plus a transparent professional dispensing fee for pharmacies, have seen substantial reductions in prescription drug costs. This strategy ensures cost savings for patients and employers while maintaining access to local pharmacy care.
- Enhanced Transparency: Mandating that PBMs disclose rebate amounts and pricing structures fosters a more transparent system, allowing for better oversight and ensuring that savings are passed on to consumers.
- Improved Patient Access: By regulating PBM practices that often lead to pharmacy closures or reduced services, states can ensure that patients maintain access to necessary medications and pharmacy care.

Supporting Evidence from State Legislation

Several states have enacted laws targeting PBM practices with positive outcomes:

- Ohio: The state prohibited Medicaid managed care organizations from contracting
 with PBMs that use spread pricing, transitioning to a transparent, pass-through
 pricing model. This change led to significant cost savings for the state's Medicaid
 program.
- New York: Legislation requires PBMs to register with the state and disclose all financial incentives and benefits they receive from drug manufacturers, promoting transparency and accountability.
- Kentucky: Mandated a single PBM for Medicaid and established fair reimbursement rates for pharmacies, including a dispensing fee of \$10.64 per prescription. This reform led to an estimated \$282.7 million in cost avoidance for the state's Medicaid program.

Conclusion

While the intention behind SB66, HB1272, HB1443, SB1971, and HB3134 is to make medications more affordable, the strategies they propose are unproven and may lead to unintended negative consequences. In contrast, comprehensive PBM reform has a documented history of achieving cost reductions, improving access, lowering employer health plan expenses, and enhancing health outcomes. IPhA and ICHP urge policymakers to prioritize PBM reform as a proven, effective approach to addressing the pressing issue of prescription drug affordability.





HB 3350 SB 2385 | PATIENT ACCESS 340B PHARMACY

- Representative Anna Moeller and Senators David Koehler, Michael W. Halpin and Javier L. Cervantes
- > Creates the Patient Access to Pharmacy Protection Act
- > Provides that no person, including a pharmaceutical manufacturer may
 - Deny, restrict, prohibit, condition, or otherwise interfere with, either directly or indirectly, the acquisition of a 340B drug by, or delivery of a 340B drug to, a 340B covered entity or a 340B contract pharmacy authorized to receive 340B drugs on behalf of the 340B covered entity unless such receipt is prohibited by federal law.
 - Impose any restriction on the ability of a 340B covered entity to contract with or designate a 340B contract pharmacy including restrictions relating to the number, location, ownership, or type of 340B contract pharmacy.
 - Require or compel a 340B covered entity or 340B contract pharmacy to submit or otherwise provide ingredient cost or pricing data pertinent to 340B drugs unless required by State or federal law; institute requirements in any way relating to how a 340B covered entity manages its inventory of 340B drugs that are not required by a State or federal agency, including requirements relating to the frequency or scope of audits of inventory management systems of a 340B covered entity or a 340B contract pharmacy; or submit data or information that is not required by State or federal law as a condition for a 340B covered entity, its 340B contract pharmacy, or a location otherwise authorized by a 340B covered entity to receive 340B drugs.
- > STATUS: Referred to Rules and Referred to Assignments



Voices in Advocacy

Illinois State Medical Society Illinois Nurses Association

Illinois Trial Lawyers Association Pharmaceutical
Research and
Manufacturers
Association

- Illinois Retail Merchants Association
- Illinois Pharmacists Association
- Illinois Council of Health-System Pharmacists

Insurance Companies Pharmacy Benefit Managers



Attend Legislative Day



Supporting a Pro-Pharmacy candidate



Working for a campaign



Hosting a store visit



Writing a legislator

Ways to Activate your voice

Meeting with a Legislator

- Introduce yourself and state why you are there;
- Mention mutual friends/contacts;
- Emphasize key points that personally concern you;
- Keep the discussion brief;
- Expect questions and be responsive, not argumentative;
- Take a brief synopsis of your key points and supportive material to leave as a reminder;
- Be enthusiastic and show you care about the issue;
- · If possible, get a commitment of support; and
- Follow up with a thank you letter, even if you were not successful.



Meeting with a Legislator

- Do not be rude or threaten.
- Do not pretend to have greater political influence than you really have.
- Do not promise something you can't deliver.
- Do not be self-righteous or all-knowing.
- Do not be vague about the issue (research your member's position and present facts to support or refute it).
- Do not forget to thank the member for past favors.
- Do not bring up past campaign contributions or present a check during your meeting. (This should be done at events specifically for fundraising.)





It's Easier Than You Think!

What Can You Expect When You Attend Legislative Day?

- A.Mass confusion
- **B.Organized Chaos**
- C.Guided Excellence
- D.All of the above
- E.Some of the above
- F. Some of all of the above



What Can You Expect When You Attend Legislative Day?



ICHP and IPhA strive to make appointments for you!



We do place you in groups with an experienced leader.



We provide you with lunch.



We provide nametags and handouts in folders with talking point sheets to leave behinds with your legislators.



We will provide you our talking points for the focus pieces of legislation.



We present an orientation before you head to the Capitol.

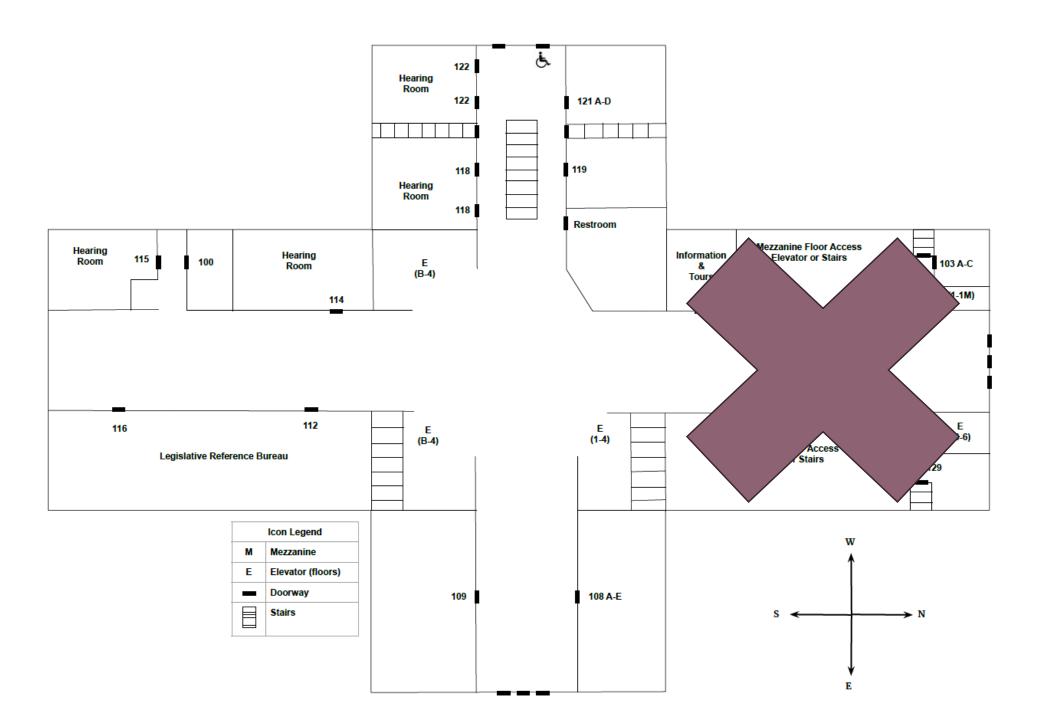
So where can You make a difference?

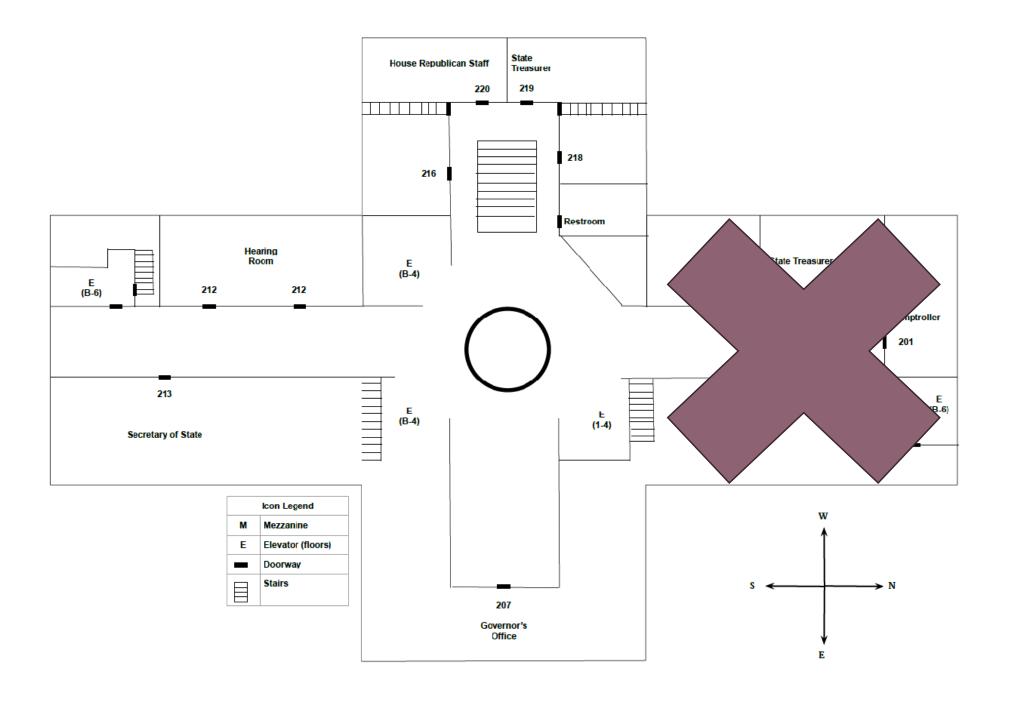
By knowing who your State Senator and Representative is at all times and getting to know them as soon as they are elected.

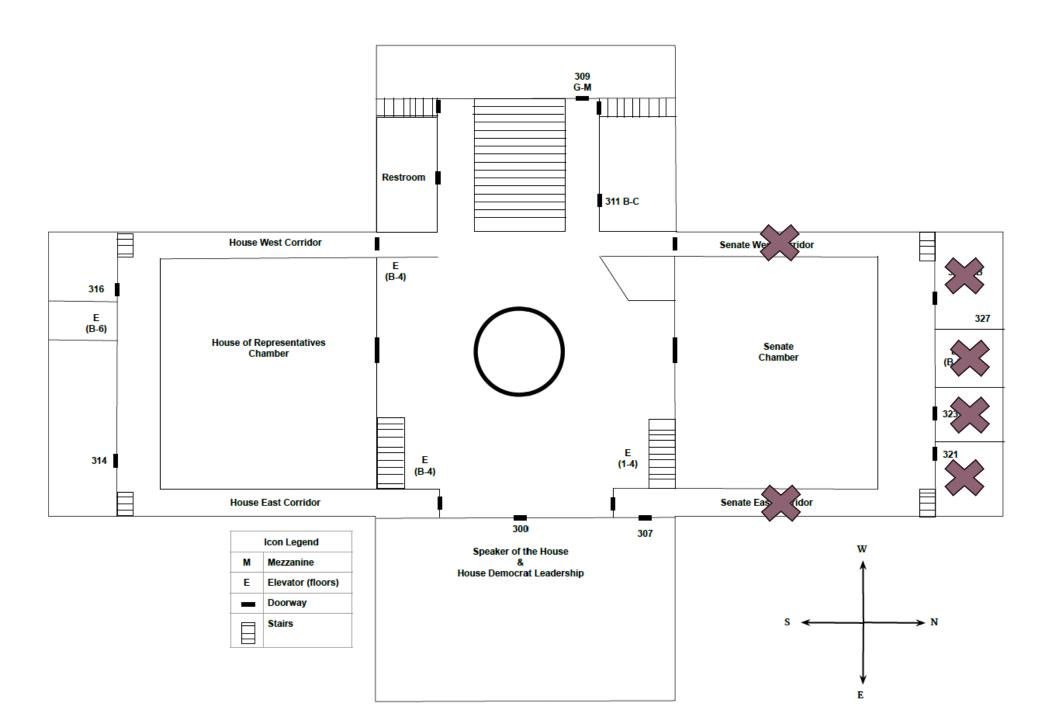
By visiting with your State Senator and Representative every year or more frequently if possible.

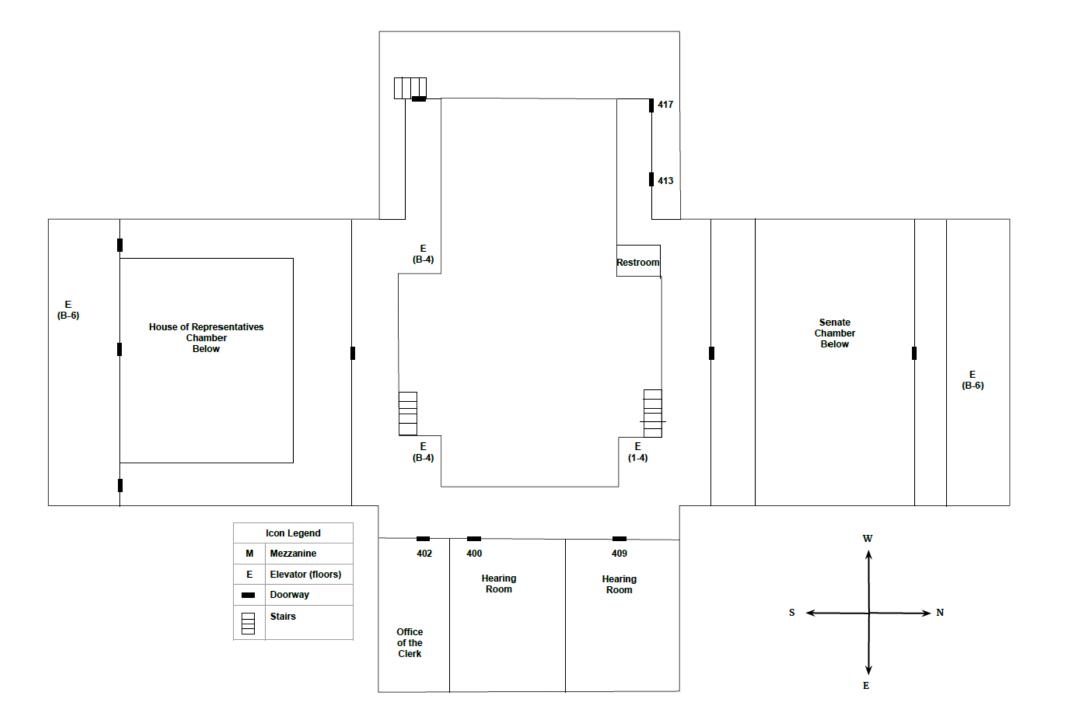
By being a member of a State pharmacy association that has boots on the ground in Springfield.

By knowing if your State Senator or Representative is a member of a committee that hears pharmacy related bills or is a member of JCAR.

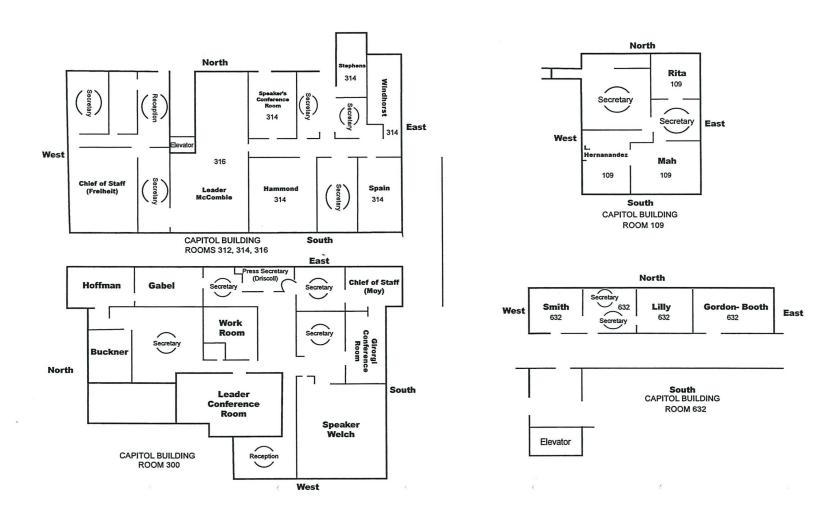




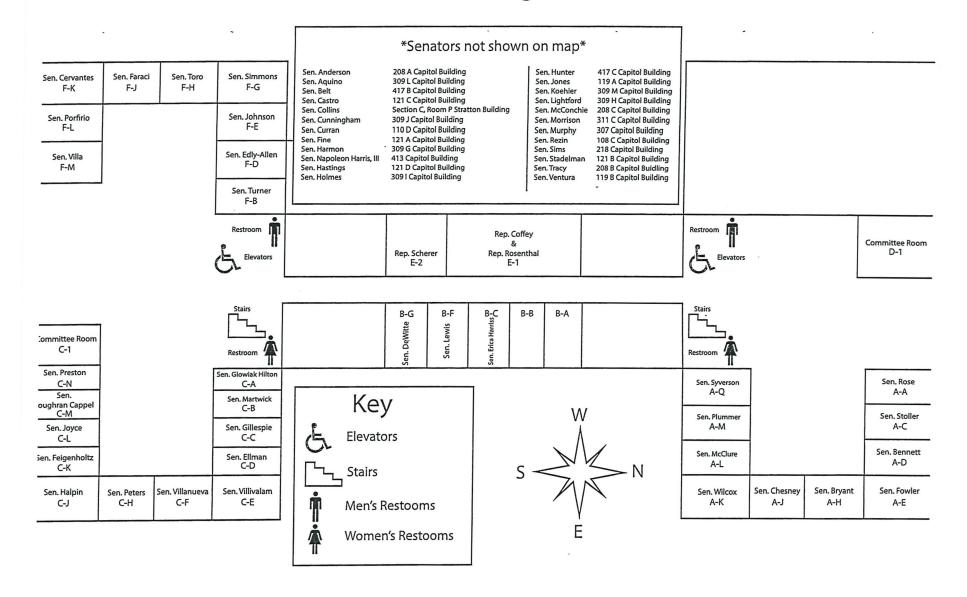


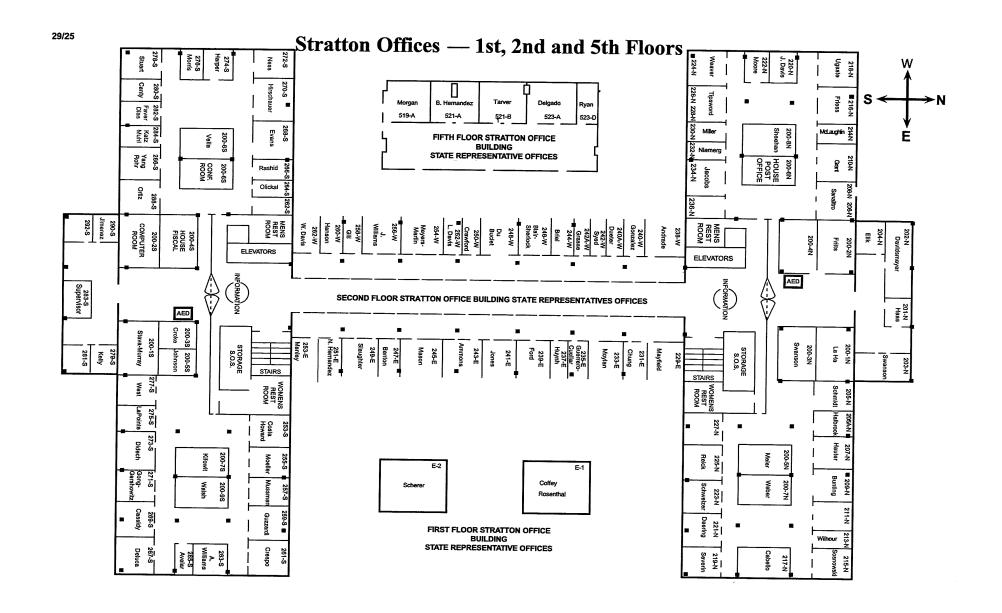


Capitol Offices - 1st, 3rd, 6th Floors



Stratton Building-First Floor





Senate/House Committees | Afternoon

Senate

- 3:30 PM Judicary
 - Location: 400 Capitol Building
- 3:30 PM Local Government
 - Location: 409 Capitol
- 5:00 PM Appropriations Health and Human Services
 - Location: 212 Capitol

House

- 4:00 PM Higher Education
 - Location: Room 122B Capitol
- 4:00 PM Appropriations-Pensions
 - Location: Room 114 Capitol
- 4:00 PM Appropriations-Public Safety
 - Location: Room 115 Capitol



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Speaker Contact Information

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