SENATE RESOLUTION

WHEREAS, The Medicaid program in Illinois has an immense and growing impact, both in terms of taxpayer dollars and in the effect it has on citizens across the State; and

WHEREAS, State resources for healthcare services are scarce, and many healthcare providers, including pharmacists, are discontinuing services or ceasing operation, leading to a profoundly detrimental impact on our communities and the expansion of pharmacy deserts; and

WHEREAS, Enrollment under the Illinois Department of Healthcare and Family Services' Medical Assistance Programs (Medicaid) exceeds three million; and

WHEREAS, A sizable portion of the Medicaid population is currently enrolled, often mandatorily, in Managed Care Organizations (MCOs), making outlays to MCOS, measured in billions of dollars, one of the largest disbursements in the State; and

WHEREAS, 12,500 licensed pharmacists in Illinois provide medications and patient care services to assure the rational and safe use of all medications; and
WHEREAS, Pharmacists, as front-line healthcare providers, answered the call to aid during the ongoing COVID-19 pandemic and have assumed additional responsibilities of care and practice in order to best serve the public health needs of the citizens of the State of Illinois; and

WHEREAS, A significant number of pharmacists respond to the charge of their community to establish a pharmacy to provide access to care for their patients; and

WHEREAS, Pharmacies generate additional taxable revenue for the State and yet are continuously reimbursed below their cost on medications dispensed to meet their patient's needs; and

WHEREAS, Pharmacy benefit managers are companies that manage prescription drug benefits on behalf of Illinois' Managed Care Programs, which includes providing claims processing services or other prescription drug services; and

WHEREAS, Public Act 101-452, which was signed into law August 23, 2019 and went into effect on January 1, 2020, provides oversight of pharmacy benefit managers; and

WHEREAS, A number of other states have performed audits evaluating the role and benefit of pharmacy benefit managers;
WHEREAS, It is paramount that the General Assembly stay engaged in Medicaid funding and corresponding healthcare outcome issues and be prepared to make legislative and administrative recommendations; therefore, be it

RESOLVED, BY THE SENATE OF THE ONE HUNDRED SECOND GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that the Auditor General is directed to conduct a performance audit of the Department of Healthcare and Family Services' administration of pharmacy benefit managers; and be it further

RESOLVED, That the performance audit include, but not be limited to, the following determinations:

(1) The amount of State and federal funds used by managed care organizations to reimburse pharmacy benefit managers and, in time, the amount paid by pharmacy benefit managers to reimburse pharmacies for fiscal years 2020 and 2021;

(2) An examination of contracts between managed care organizations and pharmacy benefit managers and between pharmacy benefit managers and pharmacies receiving reimbursement;

(3) The level of oversight the Department of Healthcare and Family Services provides over the contracts
and over the pharmacy benefit managers to ensure compliance with contract requirements;

(4) An overview of the distribution of and payments for pharmaceuticals in the medical assistance managed care program;

(5) A review of the reimbursement practices and reimbursement rates of managed care organizations to pharmacy benefit managers; and

(6) A review of the reimbursement practices and reimbursement rates of pharmacy benefit managers to pharmacies, including out-of-state pharmacies and pharmacies affiliated with pharmacy benefit managers; and

be it further RESOLVED, That the Illinois Department of Healthcare and Family Services, as well as any other entity that may have information pertaining to this audit, cooperate fully and promptly with the Auditor General's Office in the conduct of this audit; and be it further

RESOLVED, That the Auditor General commence this audit as soon as possible and report his findings and recommendations upon completion in accordance with the provisions of Section 3-14 of the Illinois State Auditing Act; and be it further

RESOLVED, That a copy of this resolution be delivered to