

# LEGISLATIVE REPORT

**BOMA/SUBURBAN CHICAGO**

March 15, 2019

It was a full house this week at the State Capitol with both the Senate and House of Representatives in Springfield for session. Both chambers focused primarily on bills being presented in committee with very little floor action.

Committee work will continue to be the focal point next week as the Senate deadline for senate bills out of senate committees is March 22 and the House deadline for house bills out of house committees is March 29. These are the last days that bills must be moved from committee to the House and Senate floor.

Of note, even if a bill is not acted on by the committee deadline, it does not mean the issue or proposal is dead. Bill sponsors have numerous tools at their disposal to keep legislation alive. Each chamber's rules allow a lawmaker to ask to have a bill deadline extended, they can amend their ideas on to another bill or they can file a motion to discharge a bill directly to the floor.

Both chambers will resume Session on Tuesday, March 19.

## ADDED TO BILL REPORT THIS WEEK

- |                 |                 |                 |
|-----------------|-----------------|-----------------|
| ➤ <b>SB1581</b> | ➤ <b>SB1740</b> | ➤ <b>SB1914</b> |
| ➤ <b>SB1591</b> | ➤ <b>SB1792</b> | ➤ <b>SB1972</b> |
| ➤ <b>SB1657</b> | ➤ <b>SB1876</b> | ➤ <b>SB2023</b> |
| ➤ <b>SB1714</b> | ➤ <b>SB1899</b> | ➤ <b>SB2048</b> |
| ➤ <b>SB1723</b> | ➤ <b>SB1909</b> |                 |

## UPCOMING DATES

- March 22 – Senate Bills out of Senate Committee Deadline
- March 29 – House Bills out of House Committee Deadline
- April 2 – Consolidated Election
- May 10 – House & Senate Bills Out of Committee Deadline

## SENATE FOLLOWS HOUSE, APPROVES MEASURE TO RAISE AGE TO PURCHASE TOBACCO

[\*Herald & Review\*](#)

A four-year effort by lawmakers and advocates to raise the minimum age to purchase tobacco products in Illinois appears nearly complete now that legislation approved by both chambers heads to Gov. J.B. Pritzker's desk.

The Senate successfully passed the measure Thursday by a mostly party-line vote. It received the backing of only one Republican.

Pritzker has not said definitively whether he will sign "Tobacco 21," which changes the age to buy products containing nicotine — including cigarettes, e-cigarettes, vapes and chewing tobacco, among others — from 18 to 21.

But supporters of the initiative are optimistic the Democratic governor will sign the bill into law, unlike former Gov. Bruce Rauner, who vetoed a similar measure last year.

If Pritzker signs the bill, Illinois would be the eighth state in the nation, and the first state in the Midwest, to have such a law on the books.

The legislation is House Bill 345. The final vote in the Senate Thursday was 39 to 16.

## MOVEMENT ON LEGALIZING RECREATIONAL CANNABIS EFFORTS

*[Rich Miller](#)*

A cannabis working group met for the first time Thursday with the governor's staff in an attempt to forge agreement on a marijuana legalization bill. A presentation was also presented to the Legislative Black Caucus later in the evening.

Longtime legislative backers of legalization have finally put together language that will be brought to the meeting today. Proponents have been waiting for input from the governor's office and that's much of what today's first meeting is supposed to be about.

By the looks of things, this issue could finally start moving forward soon. The overall concept has broad bipartisan support, but finalizing something this complicated is never an easy task. Just getting it into bill form is a win of sorts. The thing is as thick as a phonebook.

## HIGHLIGHTS FROM RECENT S&P REPORT

The Governor met with the credit ratings agencies Monday ahead of an upcoming \$455 million bond sale. Most of the proceeds from the upcoming general obligation bond sale will help fund a pension benefit buyout program approved last year as a way to lower costs.

From the report:

"Despite the current bill backlog and estimated deficit to end fiscal 2019, we anticipate that the state will retain sufficient cash flow to provide coverage of all core payments. In our view, the proposed seven-year extension of the pension plans' amortization alone

weakens the state's pension funding. However, it remains possible that an asset transfer or passage of an income tax increase within the outlook horizon could offset what we would otherwise view as weak budgetary practices proposed in the fiscal 2020 budget. Additionally, we do not expect see a re-emergence of heightened political dysfunction but rather anticipate that the budget process will be more timely and constructive. The state's strong bond payment provisions also offer some downside insulation to the state ratings. The current GO rating incorporates our view of the state's longer-term vulnerabilities and remains the lowest possible rating within the investment-grade categories.

"Illinois' liquidity position is paramount to the rating. Downward rating pressure would likely ensue if Illinois' bill backlog continues to climb or its liquidity position weakens to a level that jeopardizes its ability to timely finance core government services. Particularly given the state's high fixed costs, depleted reserves, and prioritization of government services, we believe it has minimal cushion to weather a recession or other unrealized budget assumptions. If unaddressed, we expect that wider-than-currently forecasted budget gaps would likely exacerbate the state's already strained liquidity. Given its tenuous fiscal position, near-term progress toward resolving its ongoing structural imbalance is critical to maintaining our investment-grade rating. If Illinois is unwilling or unable to pass a revenue increase within the next two years, absent significant expenditures cuts, we would likely lower the rating. Other key sources of potential downward rating pressure include further measures to reduce annual pension contributions, recognition of asset transfers in a way that undermines pension funding, and substantial growth in the state's debt burden.

"That said, Illinois' credit rating is uncommonly low among the states, reflecting a confluence of its daunting long-term liability profile and persistent crisis-like budget environment in recent years. Any upside to its credit quality, however, remains constrained by its poorly funded pension systems and other outsized liabilities. But even with these, the state's economic base could support a higher rating pending improvement in its fiscal operations and overall budget management.

If Illinois were to make sustainable progress toward structural balance, reducing its bill backlog, and growing reserves, we could raise the rating."

Governor Pritzker has proposed a plan to boost revenue by \$3.4 billion annually by amending the state constitution to allow for graduated income tax rates instead of the current flat rate.

## HOUSE PANEL ADVANCES BILL TO EXPAND MEDICAID FOR EARLY AUTISM DIAGNOSIS/TREATMENT

[Capitol News Illinois](#)

It's been a decade since Illinois became one of the first states to pass legislation mandating private insurers cover the cost of autism diagnosis and treatment in children, and legislators are looking to expand that coverage.

House Bill 2845, which requires state Medicaid managed care plans to cover autism diagnosis and treatment for those under 21, passed unanimously out of the House Mental Health Committee Thursday morning.

Illinois is one of only eight states that lacks mandated coverage for autistic children on Medicaid. While the bill's sponsor says there is "no opposition" to changing that, it's unclear where the bill's funding will come from considering how expensive ABA therapy can be.

"With ABA, you're not getting one hour a week," Boheme said. "You're getting anywhere from 10 to 30 hours a week, and you need qualified clinicians to do it. So the number of hours alone is why this is so expensive."

Conroy agreed with this assessment, adding that the primary challenge for the bill is "budgetary – figuring out what we can actually do within the budget."

But DiCianni gave two reasons he's hopeful for funding.

The first is that any dollars the state puts toward Medicaid services are matched by the federal government. With state reimbursements for behavioral analysis therapy costing about \$84 an hour, that means the state only puts up \$42.

The second is that autistic children who receive ABA therapy before the age of four and up to the age of 10 have a high likelihood of going to typical schools and colleges and joining the workforce afterward, Boheme said.

Conroy, the sponsor, said she spoke Wednesday with representatives of the Illinois Department of Healthcare and Family Services, which administers healthcare coverage for Illinoisans with Medicaid, and they said the department is not opposed to the bill.

## REPRODUCTIVE HEALTH ACT DEBATE HEATS UP

[Illinois Issues - NPR](#)

The new Illinois bill would cover reproductive health care, in addition to abortion, including pregnancy, miscarriage, contraception, sterilization, preconception care and any related

services. It would repeal a mid '90s ban on partial birth abortion and require private health insurers to cover abortions.

Like New York's law, the Illinois plan would lift a requirement that doctors be the only ones to perform abortions. It would allow other kinds of qualified health care providers, like nurse practitioners, to do the procedure. It would also bring up-to-date the 1975 Illinois abortion law that contained criminal penalties for doctors performing abortions. That could come into play should a conservative U.S. Supreme Court decide to overturn *Roe v. Wade*, the federal case that removed state prohibitions on abortion.

Illinois' current abortion statute was passed into law in 1975. Legislators wrote their objective was to "reasonably regulate" abortion procedures to adhere with the U.S. Supreme Court's decision in *Roe v. Wade*.

Since then, though, courts have struck down several aspects of the Abortion Law, such as a ban on fetal experimentation, a prohibition on sex-selective abortion procedures, and a provision allowing the husband of a woman seeking the procedure to receive a court order barring her from doing so.

Another key provision of the Reproductive Health Act would allow advanced practice nurses and clinicians to provide in-clinic abortions. Current law only allows for physicians to provide these procedures while advanced practice nurses are limited to providing medication abortion. Allowing nurse practitioners to provide in-clinic abortions will increase the number of providers in the state, potentially meeting an increased demand should patients from surrounding areas continue to seek care in Illinois, said Liz Higgins, associate medical director of Planned Parenthood of Illinois.

## LEGISLATORS PUSH FOR PBM OVERSIGHT

### [\*Capitol News Illinois\*](#)

As part of an effort to rein in the rising cost of prescription drugs in Illinois, Democratic state lawmakers introduced bills Wednesday to impose state regulations on a little-known industry, pharmacy benefit managers, or PBMs, who negotiate drug prices and benefits on behalf of insurance plans.

Harris and Manar introduced companion bills Wednesday — House Bill 465 and Senate Bill 652 — that would put PBMs under regulation by the Illinois Department of Insurance.

PBMs generally work on behalf of health insurance plans to negotiate drug prices and develop what are called "formularies" — rules that determine what drugs will be covered for particular conditions, and in some instances, under what conditions those drugs will be covered.

In addition, in the case of high-cost drugs, PBMs will often set a "maximum allowable cost" that limits how much pharmacies will be reimbursed for a particular drug.

They would also put several restrictions on PBM operations, such as prohibiting them from putting a drug on a maximum allowable cost list unless there are at least three lower-cost generic equivalent drugs available on the market.

Independent pharmacies complain those maximum allowable costs are often less than the wholesale price they pay to manufacturers to obtain the drug. They also allege that certain PBMs have direct ties to large, retail chain pharmacies, such as CVS Health, which operates the nation's largest chain of retail pharmacies and provides pharmacy benefit management services.

### [The Courier](#)

The Springfield-based Illinois Pharmacists Association says many owners of the state's more than 500 independent pharmacies and smaller chains are being paid less than the "acquisition cost," or wholesale cost, of the medicines they dispense to Medicaid patients.

Garth Reynolds, executive director of the association, says pharmacies also have seen their per-prescription "dispensing fee" from Medicaid, a fee designed to cover professional services, drop from \$5.50 for generics and \$2.40 for name-brand drugs under the previous "fee-for-service" system to the current 45 cents per prescription.

Advocates for managed-care organizations and PBMs say the managers save states money in their Medicaid systems. But advocates for pharmacy owners say Illinois' less-than-transparent managed-care contracts conceal what may be unfairly high profits by PBMs that are being earned at the expense of independent pharmacies.

And because at least one PBM, CVS Caremark, is owned by the huge chain that operates CVS pharmacies, independent pharmacies say Caremark's rate cuts may be designed to put independents out of business.