

**Bureau of Managed Care
Managed Care Organizations
Policy / Procedures**

General Contract Monitoring

Pharmacy Benefit Managers

The Illinois Department of Healthcare and Family Services (Department) must ensure that subcontracts between MCOs and Pharmacy Benefit Managers are compliant with statutory and regulatory requirements specified in [215 ILCS 5/513b1](#) and [305 ILCS 5/5-36 \(ilga.gov\)](#) and in related administrative rules. In addition:

- MCOs, pursuant to the terms of the Managed Care Contracts, are responsible for ensuring that all subcontractors of the MCO comply with all contractual, statutory, and regulatory requirements and rules. MCOs will work with subcontractors to correct subcontract issues and will attest to this compliance on an annual basis as provided under Section 9.2 of the HCI and YouthCare Contracts, and Section 5.3.22 of the MMAI Contract.
- MCOs are required to submit complete and contractually compliant copies of their executed, clean/non-redacted PBM Subcontract(s) to the Department on an annual basis – no later than August 30 of each reporting calendar year.
 - The next MCO PBM Subcontract submission is due into SharePoint on August 30, 2024.
 - MCOs that have more than one Managed Care Contract (HCI, MMAI, YouthCare) shall submit a separate executed PBM Subcontract for each applicable Managed Care Contract.
- MCOs shall also submit any new or amended PBM Subcontracts executed outside of the annual PBM subcontract submission period to the Department within 30 days of execution.
- MCOs shall submit their annual, new, or amended PBM Subcontract to the Department via the SharePoint MCO Admin and Deliverables Report System.
 - MCOs shall submit the following PBM Subcontract documents at a minimum:
 - A clean/unredacted copy of the executed Subcontract.
 - If requesting redactions/confidential treatment of the Subcontract:
 - A redacted format.
 - An unapplied redacted format (red bubbles format).
 - A justification document explaining the redaction request.
 - MCOs shall submit the copy of their PBM Subcontract(s) into the applicable SharePoint report library—HCI, MMAI or YouthCare—under the “PBM Subcontract” report title option:
 - When submitting the annual PBM Subcontract, each MCO shall apply the following naming convention to the subcontract document:
 - HCI – [MCO Name] HCI PBM Subcontract [CY]
 - YouthCare – [MCO Name] YIC PBM Subcontract [CY]
 - MMAI – [MCO Name] MMAI PBM Subcontract [CY]
 - If submitting a new PBM Subcontract outside of the annual submission period, the MCO shall apply the following naming convention to the subcontract document:

- HCI – [MCO Name] HCI NEW PBM Subcontract [CY] [Effective date of New Subcontract]
 - YouthCare – [MCO Name] YIC NEW PBM Subcontract [CY] [Effective date of New Subcontract]
 - MMAI – [MCO Name] MMAI NEW PBM Subcontract [CY] [Effective date of New Subcontract]
- If submitting an amended PBM Subcontract outside of the annual submission period, the MCO shall apply the following naming convention to the subcontract document:
 - HCI – [MCO Name] HCI Amended PBM Subcontract [CY] [Effective date of Amendment]
 - YouthCare – [MCO Name] YIC Amended PBM Subcontract [CY] [Effective date of Amendment]
 - MMAI – [MCO Name] MMAI Amended PBM Subcontract [CY] [Effective date of Amendment]
- If an MCO is submitting a new or amended PBM Subcontract in SharePoint, the MCO shall also provide a written notice (email) to their assigned HFS Account Management Team at the same time (no later than 2 business days after the materials were submitted into SharePoint). This written notice will identify the new or amended materials that the MCO is uploading into the SharePoint system and will ensure that the HFS Account Management Team is aware of the MCOs PBM activity.
 - MCOs that do not submit their annual submission timely into SharePoint will be subject to follow-up by their Department Account Management Team, and possible Sanctions as provided in each Managed Care Contract.
 - MCOs that do not submit their new or amended PBM Subcontracts within 30 days of execution to the Department shall be subject to Sanctions as provided in each Managed Care Contract.

Policy History General

Date	Action	Policy Originator
August 2024	Contract Clarification	Amy Harris Roberts

Policy Revisions	Revision Approved
August 2024	Helena Lefkow