

JANUARY 21, 2022

# ILHIC LEGISLATIVE CALL NOTES



THE ILLINOIS LIFE AND HEALTH INSURANCE COUNCIL  
PROMOTES AND ADVOCATES FOR A HEALTHY AND  
COMPETITIVE LIFE AND HEALTH INSURANCE INDUSTRY FOR  
THE FINANCIAL WELL-BEING OF EMPLOYERS, INDIVIDUALS,  
AND FAMILIES IN ILLINOIS.



## 1. Session Update

## 2. Legislation Filed

### a. SB 3209 (Simmons)

- i. Amends the Pharmacy Practice Act. Expands the pharmacist's scope of practice to include the initiation, dispensing, administration of drugs, laboratory testing, assessments, referrals, and consultations for PrEP treatment. Language states that pharmacists shall be covered and reimbursed for these services ordered and administered by a pharmacist at least 85% of the rate that physicians are reimbursed for Medicaid and **other payers**.
- ii. Identical to HB 4430 (Cassidy)

### b. HB 4595 (Harris)

- i. Prohibits PBMs from various contract language regarding 340b drug pricing entities. Prohibitions include cannot reimburse at a lower rate than non-340B entities; impose fee, chargeback, or rate adjustments that are not imposed by the pharmacy for non-340B covered entities; the interference of individual choice to receive a prescription drug from a 340B entity; excluding a 340b entity from a pharmacy network; requires a billing modifier to indicate a drug claim is for drugs purchased under 340B drug discount program; prohibits discrimination against 340b covered entities.
- ii. If your company has suggestions/concerns, please reach out to Kate Morthland with feedback by COB Monday, January 24<sup>th</sup>.

### c. HB 4653 (Jones)

- i. HB 4653 is the NAIC model data security law without the industry requested changes; However, the Department is meeting with ILHIC next week to discuss changes to the bill.

## 3. Bills in Committee This Week

**a. Cybersecurity, Data Analytics, and IT Committee**

i. Time: Jan 20, 2022 at 10:00AM

**1. HB3453 (Williams)**

- a. Creates the Geolocation Privacy Protection Act to require a private entity that owns, operates, or controls a location-based application on a user's device from disclosing geolocation information from a location-based application to a third party unless the private entity first receives the user's affirmative express consent after providing a specified notice to the user. The provisions include an exemption for HIPAA and GLBA-regulated entities.
- b. The bill was not called this week. The committee was cancelled.
- c. Position: MONITOR

**b. Prescription Drug Affordability and Accessibility Committee**

i. Time: Jan, 19, 2022 at 3:00PM

**1. HB 3630 (Harris)**

- a. Requires insurers to replace a brand name drug with a new generic equivalent on the formulary once it becomes available in the market or move the brand name drug to the lowest cost tier. In provisions concerning a contract between a health insurer and a pharmacy benefit manager, provides that a pharmacy benefit manager must update and publish maximum allowable cost pricing information according to specified requirements, must provide a reasonable administrative appeal procedure to allow pharmacies to challenge maximum allowable costs, and must comply with specified requirements if an appeal is denied. The legislation also sets forth contracting requirements for PBMs, including fiduciary responsibilities. Identical to [SB 2008 \(Koehler\)](#).
- b. The bill was not called this week. This committee was cancelled.
- c. Position: OPPOSE

**c. House Insurance Committee**

i. Time: Jan 18, 2022 at 2:00PM

**1. HB 4337 (Cassidy)**

- a. Mandates coverage for aesthetic services and restorative care provided for the treatment of physical injuries to victims of domestic violence when medically necessary. No language is present regarding how that is determined by a physician.
- b. Position: OPPOSE
- c. Cassidy received ILHIC's comments is currently working with her advocates to receive a response. This bill was not called this week and the committee was cancelled.

**4. Remaining Issues**

**a. Bills Coming Up**

**i. HB 4271 (Kifowit)**

- 1. HB 4271 mandates coverage for medically necessary breast reduction surgery. ILHIC spoke with Representative Kifowit and she agreed to a 2024 effective date (rather than 2023). This bill will be called in House Insurance on Tuesday, January 25<sup>th</sup>.

**ii. HB 4337 (Cassidy)**

1. This bill is posted again to House Insurance for Tuesday, January 25<sup>th</sup>. ILHIC is reaching out to Cassidy again for advocate feedback in preparation for the next week's hearing.

**iii. DOI No Surprises Bill (HB 4703) Morgan**

1. Provides that when an insured receives emergency services or covered ancillary services from a nonparticipating provider or a nonparticipating facility, the health insurance issuer shall ensure that cost-sharing requirements are applied as though the services had been received from a participating provider or facility, and that the insured or any group policyholder or plan sponsor shall not be liable to or billed by the health insurance issuer, the nonparticipating provider, or the facility beyond the cost-sharing amount. Contains provisions concerning a notice and consent process for out-of-network coverage; billing for reasonable administrative fees; assignment of benefits to nonparticipating providers; and cost-sharing amounts and deductibles. Amends the Illinois Insurance Code and the Health Maintenance Organization Act to make a change in provisions concerning disclosure of nonparticipating provider benefits. Amends the Network Adequacy and Transparency Act. Provides that a beneficiary who receives care at a participating health care facility shall not be required to search for participating providers under certain circumstances. Amends the Managed Care Reform and Patient Rights Act. Provides that prior authorization or approval by the plan shall not be required for post-stabilization services that constitute emergency services. Amends the Health Maintenance Organization Act and the Voluntary Health Services Plans Act to provide that health maintenance organizations and voluntary health services plans are subject to provisions of the Illinois Insurance Code concerning billing and cost sharing. Makes other changes. Effective July 1, 2022, except that certain changes take effect January 1, 2023.

**iv. DOI Fee Bill**

1. The Fee bill includes adding an application fee to become a Certified Reinsurer, with a \$1,000 initial fee and a \$400 renewal. It would increase the fee for service of process from \$20 to \$40 to offset the Department's expenses. It establishes a registration fee for captive management companies with a \$50 initial fee and a \$50 renewal. It adds a \$25 fee for informational and advertising filings and allows for disapproval or withdrawal of deficient product filings. For companies to be admitted as a reinsurer domiciled in a Reciprocal Jurisdiction a \$1,000 initial fee and a \$400 renewal. When a company fails to pay the full amount of any annual Illinois Workers' Compensation Commission Operations Fund Surcharge it would change the penalty to a flat 10% of the deficiency for each month or part of a month that the deficiency remains unpaid. Lastly, it will add a fee of \$10,000 for a domestic stock company to divide into two or more companies to offset the Department's expenses for processing and reviewing a Plan of Division. Additionally, the Division Statute allows amendments to a company's Plan of Division but needs to specify that amendments are subject to the Director's approval and should address any potential need to update the certificate of division.

**v. HB 228 (Mayfield)**

1. Provides that an insurer or producer authorized to issue policies of insurance in the State may not make a distinction or otherwise discriminate between persons, reject an applicant, cancel a policy, or demand or require a higher rate of premium

for reasons based solely upon the basis that an applicant or insured has been convicted of a felony. This bill was approved for consideration in the Rules Committee on 1-19-2022.

**vi. HB 3630 (Harris) PBM Bill**

1. This bill will not be called in Committee next week.

**b. Upcoming Deadlines**

- i. January 28<sup>th</sup>- Deadline for Introduction of House Bills
- ii. January 21<sup>st</sup>- Deadline for Introduction of Senate Bills

**c. Payor/ Provider Summit**

- i. Thank you to all who voiced interest in being included in a Payor/ Provider Summit. I have collected your availability and I will send the availability to the Providers and get back to you with a permanent date.