



1. Antitrust Statement

- a. ILHIC is committed to conducting all our activities in compliance with federal and state antitrust laws. If at any time during the call the discussion should venture into matters that might conflict with antitrust laws, please feel free to speak up and we will stop the discussion and move forward in the agenda.

2. Legislative Overview

- a. This week was a typical first week in Springfield post inauguration for the Senate. The week was slow, and many bills were filed, mostly from the house. We do expect many more Senate bills, with the first deadline being today, The Senate must have their legislation to LRB for drafting by the end of the day, today.

3. Legislation

a. State Based Exchange

i. HB 1229

1. This State Based Exchange bill is Chairman Jones legislation that is being pushed by a lobbyist with a client that runs a technology platform that assists states to move to a full state based exchange platform. This bill is not spearheaded from the Department, and this is mirrored language from last session that received a subject matter hearing that was abridged and there was no testimony.

ii. Department Language

1. The Department intends to move its own State Based Exchange Language this Session. They said that they are unable to provide us with and details because the issue all is still in flux. We have stated to the Department that if the Department chooses move forward, the Council wishes to be involved in the process and conversation.

b. Paid Family Leave

i. HB 1006

1. Flowers introduced a bill that requires private employers with 50 or more employees to provide 6 weeks of paid leave to an employee who takes leave: (1) because of the birth of a child of the employee and in order to care for the child; (2) to care for a newly adopted child under 18 years of age or a newly placed foster child under 18 years of age or a newly adopted or newly placed foster child older than 18 years of age if the child is incapable of self-care because of a mental or physical disability; or (3) to care for a family member with a serious health condition.

ii. HB 1102

1. Flowers also introduced a bill that requires the Department of Employment Security to establish and administer a family leave insurance program. Provides family leave insurance benefits to eligible employees who take unpaid family leave to care for a newborn child, a newly adopted or newly placed foster child, or a family member with a serious health condition. Authorizes family leave of up to 12 weeks during any 24-month period

iii. ILHIC Language

1. The Council is having LRB draft the NCOIL model for Paid Leave giving the Department the authority to license Paid Leave Products. Stakeholders involved with the Paid Leave Negotiations mentioned they would be interested in including language that allows these products to be written in Illinois. We are continuing conversations. However, we are unsure that the internal conflicts in the existing Paid Leave Group were remedied.

c. Felony Underwriting

i. HB 1068

1. Mayfield reintroduced a bill prohibiting insurers to reject an applicant, cancel a policy, or require a higher rate of premium for reasons based solely on the basis that the insured will be convicted of a felony. This language was the language filed before we had negotiated with the Sponsor. We will likely have to renegotiate.

d. Genetic Information Prohibition

i. SB 68

1. This bill states that a life, health, or long-term care insurer cannot cancel, limit, or deny coverage of differences in rates based on a person's genetic information. These plans cannot solicit this information from individuals. There are some carve outs of allowing medical diagnosis that provide further confusion in the bill.

e. Healthcare for All

i. HB 1094

1. Flowers introduced her HealthCare For All bill again. Essentially, the bill provides that all individuals residing in this State are covered under the Illinois Health Services Program for health insurance. It also makes it unlawful for health insurers to provide health insurance that duplicates the coverage of the state coverage. This bill usually does not go anywhere. However, it is important to note that Leader Flowers is now the Deputy Majority Leader, which adds another layer of authority and the ability to move legislation.

f. Prescription Drugs

i. HB 1034

1. Flowers introduced wholesale acquisition cost bill for prescription drugs. The bill states that a manufacturer of a prescription drug with a wholesale acquisition cost of more than \$40 for a course of therapy shall notify specified parties if the increase in the wholesale acquisition cost of the prescription drug is more than 10%, including the proposed increase and cumulative increase. Provides that the notice of price increase shall be provided in writing at least 60 days prior to the planned date of the increase.

ii. HB 1054

1. Mayfield introduced a point-of-sale bill requiring insurers to calculate prescription drugs at the point of sale on a price that is reduced by an amount equal to at least 100% of all rebated in connection with dispensing or administering the drug. All rebates shall go to lower consumer premiums.

g. Medical Society

i. Batching No Surprises Act Parity Bill

1. The Medical Society Is putting forth language that is intended to create parity with the Federal No Surprises Act. The language provides the inclusion of batch bills for binding arbitration. The issuer or providers may initiate binding arbitration to determine payment for services provided on a per bill (OR) batched bill basis. Previously the language only provided for a per bill basis. The Medical Society does not want to have this bill be opened up wildly. Rather, they just want to make this small change. I will be circulating this language at the end of this call. If you see any potential concerns, please let me know.

ii. Network Adequacy Legislation

1. The Medical Society does not intend to move this bill. However, they intend to file it to help push the Department to move on their Network Adequacy Rules, which we responded to in the Spring of last year.

h. HMO Referral

- i. The Council's language was filed clarifying that HMO's operate in the State without in-network referral systems in place.

ii. HB 1186

1. Filed in the House by Representative Croke

iii. SB 130

1. Filed in the Senate by Senator Fine

i. Process

i. HB 1348

1. Rep. Collins filed a bill requiring health plan and pharmacy benefit manager, upon request of a covered individual, his or her health care provider, or an authorized third party on his or her behalf, furnish specified cost, benefit, and coverage data to the covered individual, his or her health care provider, or the third party of his or her choosing and shall ensure that the data is: (1) current no later than one business day after any change is made; (2) provided in real time; and (3) in a format that is easily accessible to the covered individual or, in the case of his or her health care provider, through an electronic health records system.

j. Mandates

i. HB 1384 Reconstructive Services Mandate

1. Cassidy refiled this language. This is an Illinois State Medical Society Bill that was heavily negotiated by us last session but did not make it past the finish line. The mandate prohibits insurers to deny coverage for medically necessary reconstructive services intended to restore physical appearance. The effective date is January 1, 2025 and medical necessity is included in the language.

ii. SB 54 Insulin Pump Coverage Mandate

1. This language provides a benefit coverage mandate for insulin pumps and medical supplies required for the use of insulin pumps when it is medically necessary and prescribed by a physician. This language does not include the 2025 effective date. However, the sponsor is planning to file an amendment correcting the effective date per our request.

iii. SB 101 PANDAS Coverage Mandate

1. This mandate bill was also heavily negotiated last session but did not make it past the finish line. The mandate provides that a plan cannot deny coverage if the child was previously diagnosed with some other condition. Also, there is language tying coverage to recommendations developed by a medical professional consortium. We negotiated to include that this consortium publishes research that is evidence based and accessible for medical professional and based on positive patient outcomes.

k. Coverage and Deductible Year Alignment

i. SB 92

1. Provides that the Director of Insurance shall issue rules to establish specific standards which may cover, but shall not be limited to, alignment of an accident and health insurance policy's coverage year and deductible year for the purpose of determining patient out-of-pocket cost-sharing limits.

I. Cyber Security

i. SB 89

1. Chairman Harris introduced this cybersecurity bill, which defines cybersecurity insurance and requires that if an order of liquidation occurs on or after the start of this year, obligations shall not exceed \$500,000, excluding workers comp claims.

m. Insurance Chairs

- i. Chairman Harris and Chairman Jones will Chair the Senate and House Insurance Committees for the 103rd GA.

4. Market Conduct Legislation Negotiation Update

- a. Thank you for submitting your additional comments for the Market Conduct Legislation. We are meeting with the Department this afternoon to continue negotiations with the legislation. The Department is getting some heat from the House Chair to ensure that Market Conduct Examinations are a fair process for industry as well as meet the goal of ensuring that laws are followed. This pressure might be why the Department is expediting the negotiations. We will keep you updated on the Department's responses. However, if this negotiation is anything like the last negotiations, the Council will explain their comments and the Department will have to circle back internally. We might receive official comments from the Department next week. They do still wish to file this legislation as an already agreed to bill.

5. Department Bulletin 2023-02

- a. The Department issued a bulletin this week that provides guidance for all insurance groups subject to registration under 215 ILCS 5/131.13. This bulletin includes timelines and deadlines for Group Capital Calculation filings. The first filing is due to the Department by May 1, 2023. If a group qualifies for an exemption, the group needs to file a letter requesting an exemption by February 28, 2023 for the May 1, 2023 filing deadline. If you have any questions, please reach out to the Department. If you need questions answered and a facilitated introduction, please reach out to the Council.

6. Annual Meeting

- a. The ILHIC Annual Meeting will be held on August 30-31, 2023. The meeting will be held at Hotel Indigo Naperville River Walk in Naperville Illinois. We will be sending out an official save the date next week. Should you have any questions, please reach out to us.

7. Regulator Roundtable

- a. The next Regulator Roundtable will be held on February 10, 2023 from 2pm-3pm (CT). Please let me know if you have not received the invitation. ILHIC's agendas items include: 1. Request for response on the Medical Necessity Implementation Memo; 2. A request for a Pre-Filing

Season Department Call; 3. Legislation update for Spring 2023 (including Sponsors); and 4. Request for Updates on Network Adequacy Administrative Rules

8. Important Dates

- a. January 27, 2023 (Senate LRB Deadline)
- b. February 3, 2023 (House LRB Deadline)
- c. February 10, 2023 (Senate Introduction Deadline)
- d. February 17, 2023 (House Introduction Deadline)
- e. March 10, 2023 (House and Senate Committee Deadline)
- f. March 24, 2023 (House 3rd Reading Deadline)
- g. March 31, 2023 (Senate 3rd Reading Deadline)
- h. April 28, 2023 (Senate and House Crossover Deadline)
- i. May 11, 2023 (Senate 3rd Reading Deadline (House Bills))
- j. May 12, 2023 (House 3rd Reading Deadline (Senate Bills))
- k. May 19, 2023 House and Senate Adjournment