



1. Overview

- a. As mentioned in the Pre-veto Election Newsletter, The Democrats in Illinois had a very successful election night. Both the House and the Senate hold a Democratic super-majority, making it even easier to push democratic policy initiatives through the General Assembly. Democrats also swept statewide races, maintaining control over all Constitutional offices. This is important to note when moving into the legislative season, knowing that industry is likely to face additional legislation that might have a negative impact. I want to stress Laura’s statement in her election email that the Council will continue to be a tireless advocate for our life and health insurance industry in our state regardless of what political party holds power. We have several opportunities ahead of us for education regarding the value of the insurance industry in the financial protection of Illinois consumers and the significant role it plays in the economic vitality of this state, and partnership with our policymakers and our regulator to find a balance between these two value propositions. And we intend to avail ourselves of those opportunities moving forward.

2. Veto 2022

a. HMO Legislation- HB 5793

- i. HB 5793 clarifies Illinois statute to allow patients enrolled in an HMO to access in-network services and providers without actively obtaining a referral from the primary care physician prior to obtaining those services. Rep. Croke and House Staff are still looking for a vehicle to move this for Veto 2022.

b. Market Conduct

- i. The Council has been working with the Department this week and last to go over member comments collected from the Market Conduct Examination language. The negotiations haven’t been extremely fruitful. Much of the conversation results in the Council bringing forth concerns and the Department stating that “they have to discuss any changes internally.” After our most recent call with the Department (afternoon of 11/17/2022), they stated that they will now be taking our comments and circling internally to further redline the bill. They did state that they would be willing to work with us on some points, including but not limited to: request an oral hearing in accordance with the Illinois Admin Law, the 5 business day turn around (they are thinking about negotiating time frames in the kick off call but are not sure how that would look), providing notice to a company if they are going to publicly disclose that they are in a market conduct examination, providing notice on public inspections that were already made public, looking at fine maximums, and adding some clarity on corrective action reimbursement. This does not mean that they will take all these actions, but I do believe we made significant headway in getting the bill to a better position.
- ii. They still intend to push the legislation in Veto but the chances of that happening are becoming slim. There is still no vehicle to our knowledge, and they have still not confirmed a Senate

Sponsor. In addition, there isn't much interest to really push for the bill from the House Sponsor or Senate Leadership. The House Sponsor was under the assumption that the language was already agreed to. That was the perception that the Department gave him. There might be more of a push in the second week of Veto, but the stagnant process of getting the bill together in the first place is not making this look likely for Veto 2022. The Department stated that they are still working through comments provided from other stakeholders.

c. HB 4220 Abortion (Introduced by Senator Ellman)

- i. Prohibits non-participating providers from billing members for any amount up to the billed charge after the plan has paid its portion of the bill for all reproductive healthcare services under the Reproductive Health Act. Includes "Reproductive Health Care" as defined in the Reproductive Health Act as an ancillary service. Requires a plan to file a description of written policies and procedures on how the network plan will provide 24 hour, 7 days a week access to reproductive health care. Mandates the Department to create ratios for reproductive healthcare. The Network Adequacy portions of the bill are effective July 1, 2023. The Provider prohibition is effective January 1, 2024.

3. Lame Duck

a. Mental Health

- i. The Legislative Mental Health Working Group, not to be confused with the Mental Health Parity Working Group, has been working through the summer to come up with policies that protect access to mental health services in Illinois. This will be another large policy item for Lame Duck Session (along with abortion). We are hearing some of the ideas, which include education of mental health through the Illinois Department of Public Health, mandated coverage of out of network mental health care with the requirement that mental health care be reimbursed at whatever set price of the out of network provider, which would be lifted when the plan reduces disparity of out of network doctors by 50%, a benefit coverage mandate for 2 annual mental health prevention and wellness visits without cost sharing, these are to name a few. Please note that all these benefit mandates are in one bill. This gives us a flavor of what to expect with two super majorities and a Governor who has his eye on the White House. We did sit down with House Staff and discuss these overarching concerns with Network Adequacy Rules, Coverage Mandates, etc., and they did mention that this "idea" of a bill is likely to change. However, I wanted to share with you some of the items that we might see come up in Lame Duck.

b. Abortion

- i. Abortion is another big-ticket policy item that will be pushed in Lame Duck. We have been working with House Staff on some of the ideas that the Working Group is producing and providing our comments and concerns along the way. Similarly, to mental health, the abortion legislation is not "soup" yet. We will share language with members it is solidified. Some ideas being thrown around are, mandating PREP and gender affirming care medication be dispensed at 12 months at a time, Coverage mandates for all gender affirming care medication and abortifacients (medicinal abortion).

4. Upcoming Issues

a. Rate Review

- i. [PA-102-0900](#) requires the Department to conduct a study intended to find possible misalignment of premiums in the health insurance marketplace. The Department is tasked with exploring rate setting approaches that may yield a misalignment. This study is mandated to be completed by January 1, 2024. However, the recent [Company Bulletin 2022-17](#) required this data in a tight turn around a year earlier than expected. When the Council asked for a blanket extension, the

Department denied it, stating that plans were to complete the data call by November 23rd. They did say that if a plan had any questions or requests for extensions, to contact the contacts listed in the bulletin for Oliver Wyman. If Oliver Wyman is nonresponsive, please let Kate at the Council know.

b. State Based Exchange

- i. The Department has noted at their interest to run legislation granting authority for a State Based Exchange. At a recent Roundtable, the Council asked if the Department was going to follow their own advice published in the Feasibility Study, which states that further financial analysis should be conducted before insurance companies were assessed. They were unable to answer the question. The Governor is still looking for a larger “health policy” win, so moving to a state-based exchange could very well be the policy he presses the agency to accomplish.

c. PBM

- i. There will likely be multiple policy issues regarding Pharmacy Benefit Managers. One item we do know is that Senator Castro wishes to move her White Bagging bill next Spring. Additionally, we have seen legislative proposals requiring insurers and PBMs to provide information including patient specific prescription cost and benefit data, including formulary, benefit coverage, cost sharing data, and variances in cost sharing based on the pharmacy dispensing.

5. Regulatory Considerations

a. Infertility

- i. Moved to 2nd Notice. Will be heard on Dec 13th hearing at JCAR. ILHIC submitted remaining concerns regarding surrogacy information to JCAR Staff.

b. Network Adequacy

- i. The Department recently expressed that they planned on moving the network adequacy rules to 2nd notice. However, we have not received any response to our comment letter. We will keep members updated on any Department movement on this issue.

c. Group Medicare Supplement

- i. The Department issued a proposed rule on November 4th, 2022. Effective January 1, 2022, Section 363 of the Insurance Code requires notification of new Medicare supplemental plan enrollment options at the time of application. The required notice form may be prescribed by the Department. (215 ILCS 5/363(8)). Therefore, the Department seeks to add this new notice to the existing Medicare supplement notices required at the time of application so that it is included on the application document filed with and approved by the Department. In addition, several corrections and updates are being made.

6. Upcoming Dates

a. Veto (2nd Week)

- i. November 29th, 30th, and December 1st

b. Lame Duck

- i. The schedule hasn't been released yet, but members were informed to keep the first two weeks of January open. Once the Lame Duck Schedule has been released, we will share it with members. We are unsure what this will look like. This lame duck was intended to move through some progressive policies to ensure that Democrats have the votes required. This is due to the fact that it was projected that the Democrats would lose seats in both the House and the Senate on November 8th. The results were contradicted the predictions, with Democrats taking

both House and Senate Seats. With the need to vote immediately to ensure votes dwindling after the election, we do not know how Lame Duck will proceed. However, we are still preparing for an extremely heavy agenda in January regardless.