

Bills in Committee



ILHIC

ILLINOIS LIFE & HEALTH
INSURANCE COUNCIL

Tuesday February 28th

2:30 Insurance

HB 1059 Auto Credit- ILHIC is opposed. While the Council does not usually weigh in on auto insurance bills, we are concerned of the overall prohibitions to a critical underwriting process that assists in lowering insurance costs. Picking apart the vital underwriting process will take away the ability for insurance companies to properly assess risk, which will create an increase in premiums.

HB 1068 Felony Prohibition- ILHIC is opposed to the current language. However, last session, the Illinois Life and Health Insurance Council worked with the Sponsor on an amendment ([HA# 2 to SB 228](#)), which would bring the Illinois Life and Health Insurance Council to Neutral. This amendment states that with respect to final expense policies, life insurance cannot refuse to insure, or limit coverage based solely on the basis that the applicant has been convicted of a felony. The Council has reached out to the Sponsor to see if she is open to filing the amendment.

HB 1229 Healthcare Benefit Exchange- ILHIC is opposed. Please note: **ILHIC is not opposed to the State moving toward a State Based Exchange**, but believes the Department should be leading the discussion since much of the implementation falls on their shoulders and given that the bill imposes an assessment on the industry to support the exchange, we need the Department to discuss with us how they anticipate using those funds to implement. The Council has asked the Department if this is a policy they will be getting involved in and has not received a response.

HB 1384 Reconstructive Services Mandate- ILHIC is Neutral.

HB 1565 Estrogen Mandate- ILHIC is Neutral with an amendment. The Sponsor has agreed to an amendment with an effective date change of 2025. The language is currently at LRB. We have informed the Sponsor that we are ok with her moving the bill out of committee with the promise that the effective date amendment be filed.

HB 1601 Provider Nondiscrimination- ILHIC is opposed. Provider nondiscrimination provisions are already covered in federal law: 42 USC 300gg-5 (language is attached). Because it is in federal law as part of the ACA, it applies across the board to ERISA and non-ERISA plans, which obviously HB 1601 only applies to non-ERISA plans. However, HB 1601 excludes a critical provision stated in Federal Law that provides that "this section shall not require that a group health plan or health insurance issuer contract with any health care provider willing to abide by the terms and conditions for participation established by the plan or issuer." This provision is critical because it maintains the contractual rights between the insurer and provider.

HB 2070 Dental Loss Ratio Act ILHIC is opposed. No other state in the Country (besides Massachusetts) has implemented a Dental MLR. California has a dental MLR reporting law, and while their analysis is not public, the California Department of Managed Health Care has indicated that the data they have seen would suggest a disruption to the dental insurance market if a minimum loss ratio were to be required. They have therefore not moved forward with any such requirement in that state. Applying MLRs to dental plans would lead to higher premiums, coverage losses, and decreased oral outcomes for families who depend on their dental coverage.

HB 2071 Fee Dental- ILHIC has no position.

HB 2072 Network Dental- ILHIC is still working through this language to see if it aligns with the National Model Language. If it does, likely only technical changes would need to be made. ILHIC is collecting language revisions

HB 2203 Auto Rates - ILHIC is opposed. While the Council does not usually weigh in on auto insurance bills, we are concerned of the overall prohibitions to a critical underwriting process that assists in lowering insurance costs. Picking apart the vital underwriting process will take away the ability for insurance companies to properly assess risk, which will create an increase in premiums.

HB 2350 Pap Test Prostate Screen- ILHIC is opposed. However, there is an amendment changing the effective date to 2025. Once the amendment is filed, ILHIC will be neutral.

HB 2472 Adverse Determination- ILHIC is currently working with the Department and stakeholders to work on concerns and the intent of the language.

4:00 Healthcare Availability and Accessibility

HB 1348 Real Time Benefit Tools - ILHIC is opposed to the current language. In general, the overall intent of the bill is in line with what insurers and their pharmacy benefit managers already do as far as providing a real-time benefit tool for the insureds and providers to determine coverage and cost information as it relates to a prescription and the insured's benefit plan. The overarching concern we have with the bill, however, relates to the potential conflict we may run into with the federal government, which is currently in the process of writing regulations establishing standards for these real-time benefit tools that will apply across the country. We are also concerned that the provisions of the bill are tailored to apply standards that would only allow for McKesson's real time benefit tool to comply, which in turn forces insurers and PBMs into supplying them with sensitive competitive information.

We have previously discussed these concerns with McKesson and are in the process of working on amendatory language that would address those overarching concerns from our perspective. We hope to have a draft of those proposed changes to McKesson and you by the end of this week if not sooner.

HB 2078 Cancer Screening Mandate - ILHIC is opposed to the current language. *However,* ILHIC is working with the sponsor to include medical necessity as well as an effective date change of 2025. Medical necessity is determined by reviewing if the treatment satisfies the plan's requirements for medical necessity, which can include accepted standards of medical care within a community as well as the treatment being necessary and appropriate for the diagnosis, treatment, cure, or relief of a health condition, illness, or injury. Additionally, we discussed with the sponsor that this bill might be duplicative in nature. If it is found that the bill is not duplicative and unnecessary and the sponsor wishes to move the bill, **ILHIC will be neutral with the amendment.**

Wednesday March 1st

10:00 Executive

HB 1054 Rebates- ILHIC is Opposed. HB 1054 mandates that rebate earnings can only be applied to point-of-sale transactions rather than allowing the payor of the insurance plan (employers, state government, union, teacher plans, etc) decide how to use rebate funds to lower insurance costs. Most payors decide to use rebate funds to lower the cost of healthcare coverage for all enrollees through

lower premiums. If plans are required to only implement point-of-sale rebate transactions, only those enrollees who take the rebated drug would benefit, but insurance premiums would increase for all enrollees. (Not all drugs have rebates, so only the small percentage of enrollees taking a drug with a rebate would benefit; only higher-cost drugs with a competing brand will have a rebate.)

The federal CMS actuaries estimated that a federal proposal for POS rebates in Medicare Part D would increase premiums by up to 25%.

Illinois CMS' fiscal impact of HB 1054: If enacted into law, this would reduce revenue to CMS health plans (SEGIP, CIP, TRIP, LGHP) by \$43.2 million. Impact to SEGIP alone would be \$37 million annually (HIRF, GRF).

4:00 Prescription Drug Affordability and Accessibility

HB 2189- Access to Insulin- ILHIC is opposed to the current language. However, the Sponsor is open to amending the effective date to 2025. This will align the Department of Insurance's filing timelines. **With the amendment, ILHIC will be neutral.**