



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 Week Overview

- a. Saying that this week was busy would be the understatement of the year to date. Hundreds of bills were heard in committees and with condensed committee schedules, committees were meeting hours after they were scheduled. As stated last week, the House is operating differently in that bills that would usually move to insurance are moving to various committees, which made an extremely hectic week for the insurance industry. Lots of bills were either moved to subcommittee or moved out of committee with a request to hold it on second.

3. Bills this Week

House Insurance

March 7, 2023

2:00 PM

Room C-1

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.

- This bill was not heard.

HB 1068 Felony Prohibition- ILHIC is neutral with the Amendment. 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 Sponsor has agreed to the Amendment, which will remove our opposition.**

- The bill moved to the floor with a promise to hold it on second to come back for the agreed amendment. There was a procedural problem with moving the bill out of subcommittee, so the amendment bringing ILHIC to neutral might have to be refiled. The Council is working with staff to ensure it is filed and adopted.

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. The Sponsor has informed the Council he will not be moving the bill.

- This bill did not move.

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.

- This bill did not move. Staff indicated that the bill would likely have a subject matter at a later date.

HB 2071 Fee Dental- ILHIC has no position.

- The bill did not move.

HB 2072 Network Dental- ILHIC is working with the Senate Sponsor (Senator Fine), AHIP, and ACLI on agreed language. As written, ILHIC is opposed.

- The bill was merged with the fee bill and was moved to the floor. An agreed amendment will be filed as a floor amendment.

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.

- This bill did not move.

HB 2385 Colonoscopy Coverage Mandate- ILHIC is opposed. The Council has reached out to the Sponsor to suggest a technical amendment, changing the effective date to 1-1-2025. This date will align with the Department's QHP filing timelines. The Department is requesting these technical changes on amendments as well. If amended with the technical change, ILHIC will remove its opposition.

- This bill was heard and was passed to the House floor.

HB 2443- Hearing Aid Coverage Mandate- ILHIC is no position on the bill.

- This bill was heard and was passed to the House floor.

HB 2445- Senior Fitness Coverage- ILHIC is opposed. This benefit coverage mandate is triggered when individuals have Medicare coverage, which is not under state authority to regulate. The sponsor has indicated to the Council that she does not intend to move the bill.

- This bill was not called.

HB 2472- Adverse Determination- ILHIC is currently working with the Department and stakeholders to work on concerns and the intent of the language. The Department has informed the Council that they will not be moving the bill this Spring and will continue conversations this summer.

- This bill was not called.

HB 2613 – STLD Expiration- ILHIC has no position on the bill.

- This bill was not called.

HB 2799- Proton Beam Therapy Coverage Mandate- ILHIC has no position on the bill.

- This bill was heard and was passed to the House floor.

HB 2814- White Bagging- ILHIC is opposed. White bagging is a vital tool to ensure that patients receive safe and affordable drugs. The white bagging process is a process of drug delivery for incredibly rare and expensive drugs. A prohibition of white bagging would decimate rural hospital

systems as well as increase drug costs necessary for complex medical conditions. There is evidence that hospitals mark up the same drugs utilized in these white bagging delivery processes by 120% to 630%. If you'd like to read more, I have provided a summary of policy issue [here](#).

- This bill was not called.

HB 3030- Batch Billing- ILHIC is neutral on the bill.

- This bill was heard and was passed to the House floor.

HB 3202-Saliva Cancer Test Mandate- ILHIC has no position on the bill.

- This bill was heard and was passed to the House floor.

HB 3631- PBM Disclosure- ILHIC is opposed. HB 3631 allows pharmacists to share proprietary information as well as restricts ability to negotiate for lower costs on drugs.

- This bill was passed and moves to the House Floor. The sponsor has promised that the bill must come back to committee with an agreed to amendment for the bill to proceed in the legislative process.

HB 3809- Health Therapy Session Children- ILHIC is currently working with the Sponsor to file HA#1, which will remove any opposition from the Council.

- This bill was heard and was passed to the House floor. HA 1 will be filed as a floor amendment.

HB 3812- Mental Health Occupation Mandate- ILHIC is opposed. We have some implementation concerns with the bill. The Council's concerns are as follows.

1. Parity Considerations- The industry as well as the Department and General Assembly alike have made significant strides to bring mental health in parity with medical/ surgical benefits. Meaning, mental health benefits can offer no less coverage than what is offered with medical surgical benefits. HB 3812 would create a disparity between the equality between mental health benefits and medical surgical benefits.

2. Classification Issues- The ACA does not allow plans to establish different coverage based on the classification of individuals. Establishing a no cost sharing mental health coverage mandate for police

officers, firefighters, EMTs, and veterans would create a discriminatory practice within insurance coverage. In addition, there is no way for industry to know whether the individual is a veteran, firefighter, etc. Some counties might have group products that include firefighters, etc., but outside of those cases this would be impossible to track. There are also considerations where volunteer firefighters might be on their employer plan; there would be no way to track that individual through his existing plan.

- The bill was heard and passed to the floor with a promise to hold it on 2nd. This was a bug push from the Sheriff Dart. However, they didn't seem to understand how their intent was not in the bill. For example, the bill covered all mental health services, where they were just suggesting cost sharing for out patient services. We are having a call with them next week to discuss. We are making a push to put this in the Counties code and remove from the insurance code because as written, it is inoperable. Additionally, the Senate Sponsor (Hastings) was really pushing the inclusion of Veteran. This bill will likely need much more work for all parties to agree.

HB 3861- Policy Readability- ILHIC is opposed. The National Association of Insurance Commissioners (NAIC) published model language regarding policy readability as well as standards that a Department may use to determine readability. The Council has requested to the Sponsor that since the Department is tasked with implementing the bill, to hold the bill to work with the industry and Department to the possibility of utilizing the NAIC model law.

- The bill was called and passed to the House floor. The committee was not too crazy about this bill and received a lot of difficult questions from both sides of the aisle. The Sponsor wishes to work with the Department and Industry to come to an agreement while using the NAIC model law as a foundation.

HB 3920- Cranial Prosthesis Mandate- ILHIC is opposed. The Council suggested to the Sponsor an effective date of January 1, 2025 to ensure a more seamless QHP policy filing timeline. **The Sponsor is filing an amendment that will remove its opposition.**

- This bill was not heard.

House Adoption and Child Welfare

March 7, 2023

2:00

HB 1468- Family Care Plans for Infants- ILHIC is monitoring this bill.

- This bill was sent to subcommittee.

House Healthcare Availability and Access

March 7, 2023

4:00

Room C-1

HB 2078 Cancer Screening Ultrasounds- 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.**

- This bill will not move this session.

HB 3148 Emergency Contraceptives-ILHIC is Opposed. (Duplicative) The federal government mandates that plans already provide coverage for emergency contraception (at no cost sharing).

From Federal CMS

Q2: Are plans and issuers required to cover, without the imposition of any cost sharing, contraceptive products and services that are not included in a category of contraception described in the HRSA-Supported Guidelines?

Yes. The 2019 HRSA-Supported Guidelines include a recommendation that adolescent and adult women have access to the full range of female-controlled FDA-approved contraceptive methods, effective family planning practices, and sterilization procedures as part of contraceptive care. The range of identified categories of contraception in the currently applicable 2019 HRSA Supported Guidelines include: (1) sterilization surgery for women, (2) surgical sterilization via implant for women, (3) implantable rods, (4) copper intrauterine devices, (5) intrauterine devices with progestin (all durations and doses), (6) the shot or injection, (7) oral contraceptives (combined pill), (8) oral contraceptives (progestin only), (9) oral contraceptives (extended or continuous use), (10) the contraceptive patch, (11) vaginal contraceptive rings, (12) diaphragms; (13) contraceptive sponges, (14) cervical caps, (15) female condoms, (16) spermicides, (17) emergency contraception (levonorgestrel), and (18) emergency contraception (ulipristal acetate); and additional methods as identified by the FDA.¹⁸ Plans and issuers must cover without cost sharing at least one form of contraception in each of the categories above.

[FAQS ABOUT AFFORDABLE CARE ACT IMPLEMENTATION PART 54 \(cms.gov\)](https://www.cms.gov/faq-affordable-care-act-implementation-part-54)

I have included the link to the above statement from the Federal CMS. We believe this bill is duplicative in nature as current law already requires that health insurance plans provide coverage for emergency contraception.

- This bill did not move this session.

HB 3251- Neonatal Care Coverage Mandate- ILHIC is opposed. As written, it would essentially dismantle provider networks and eliminate any incentive for a hospital providing neonatal care from contracting in good faith. The Council is extremely sensitive to this issue, especially given the small number of hospitals that specialize in neonatal care. Additionally, there are providers within a neonatal hospital that may be employed, so they are covered in-network, and others that are not, so they would be out-of-network. There are protections in place for these situations depending on the policy and also the type of insurance one has. In cases where care is needed that isn't available in-network for an HMO, for example, that care must be provided as if it were in-network. For PPO products, the out-of-network coverage is available at a greater cost share, however, there are protections within the Network Adequacy and Transparency Act as well as at the federal level to provide continuity of care coverage protections should an infant require care that isn't available in-network. This would also not have an impact on self-insured, ERISA-regulated plans, which could create another layer of consumer confusion. The Council is in the process of expressing our concerns with the Sponsor.

- This bill did not move.

House Consumer Protection Committee

March 7, 2023

4:00 PM

Room 115 Capitol

HB 3102- Cemeteries- ILHIC is monitoring this bill.

- An amendment was adopted to the bill and moved to the House Floor

HB 3775- Cemeteries Sales- ILHIC is monitoring this bill.

- This bill was moved to the House Floor.

Senate Insurance

March 7, 2023

5:30 PM

Room 400 Capitol

SB 130 HMO Referral - ILHIC SUPPORTS. This is Council language to alleviate a misinterpretation that in-network referral systems are necessary for a certificate of authority in Illinois. The Department is working through language with the Council in the House Chamber regarding Department Rulemaking.

- This bill was moved to the Senate Floor

SB 1289 Dental Fee - ILHIC has no position.

- This bill was moved to the Senate Floor

SB 1527-Compression Sleeves- ILHIC OPPOSES. However, we have reached out to the sponsor to suggest a technical change to move the effective date to 2025. This will better align with the

Department's QHP policy filing timelines. I know the Department is suggesting timeline changes as well. **If amended, the Council will remove its opposition.**

- This bill was moved to the Senate Floor. Our amendment changing the effective date to 2025 was agreed to by the Sponsor and will be filed as a floor amendment.

SB 1540- Vision Care Regulation Act- ILHIC OPPOSES the bill as is. We are working with stakeholders in order to come to an agreed language.

- This bill was postponed in the Senate.

SB 1559- \$35 Insulin Mandate- ILHIC has no position after Senate Amendment #1, which removed our opposition.

- This bill was moved to the Senate Floor.

SB 1568 Disability Income Parity- ILHIC OPPOSES. The Council requested a data call to fully understand the impact that mental health parity will have on these voluntary products. Establishing parity to voluntary products, especially when some of these voluntary products do include mental health, can have a detrimental impact to the product that will price the product out of reach for many low to middle income individuals that need/want it. **However, SA #1, if adopted, would remove the Council's opposition.**

- The amendment was adopted in Senate insurance, which requires the Department to conduct a data call to get a better picture of the products in question. The bill passed to the Senate Floor

SB 1961 Business Transfer Act- ILHIC has no position on the bill. ILHIC is requesting one more small technical change in removing class 1 insurance from the bill.

- This bill is postponed in Senate Insurance Committee. The Department is moving toward making changes as well.

SB 2195- Prosthetic Mandate- ILHIC OPPOSES. However, we have reached out to the sponsor to suggest a technical change to move the effective date to 2025. This will better align with the Department's QHP policy filing timelines. I know the Department is suggesting timeline changes as well. **If amended, the Council will remove its opposition.**

- Our requested amendment was adopted in Senate Insurance and the bill moved to the Senate Floor.

SB 2295 Batch Billing- ILHIC is Neutral.

- This bill was moved to the Senate Floor.

House Jud- Civ

March 8, 2023

8:00 AM

Room 114 Capitol

HB 3603- Protect Health Data- ILHIC is working on discussions with the Sponsor to understand intent and effect.

- This bill passed out of Committee and heads to the House Floor. Tech is working with all stakeholders on an agreed to amendment and the Sponsor has promised to bring back the bill to committee.

House Human Services

March 8, 2023

8:00 AM

Room D-1 Stratton

HB 3725- Vision Care Regulation Act- ILHIC believes the bill, as introduced, limits patients options under a vision plan by banning not only discounts but also incentives for the use of in-network vision care materials and lab services. Vision care plans offer vision products and materials to consumers at a discount that is negotiated between the optometrist and the vision plan. By banning these discounts, consumers will be subject to higher cost materials (frames and lenses, as well as contact lenses). Unlike health insurance, vision care insurance rarely has a deductible and usually has a low office copay, which incentivizes the consumer to seek routine eye care (outside of health-related eye issues that are covered under the health insurance benefit). The discount for frames/lenses is intended to not only help the consumer, but we also think it helps the optometrist keep the consumer at their office to purchase the frames and lenses, should they need them.

We have talked several times since this issue first came up in the 102nd General Assembly with Jim Morphew and the IL Optometrists Association. The Council took part in a call with them, Senator Castro, and the National Association of Vision Care Plans Friday afternoon to discuss possible areas of compromise. **While we do have to oppose the bill as it is currently introduced, we do hope we can work out some compromise language with the proponents to address these concerns.**

- The Council offered testimony regarding our concerns and our commitment to work with the stakeholders to continue conversations. The bill passed and the Sponsor will hold the bill on second pending an amendment. The amendment must come back to the committee to be vetted.

House Healthcare Licenses

March 8, 2023

10:00 AM

Room 122B Capitol

HB 2550- Telehealth Treatment University- ILHIC is monitoring this bill.

- This bill passed to the House Floor.

House Executive Committee

March 8, 2023

10:00 AM

Room 118 Capitol

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).

- This bill was not called.

House Labor and Commerce

March 8, 2023

2:00 PM

Room 114

HB 1102- Paid Family Leave- ILHIC is monitoring this bill.

- This bill was sent to the Job Growth and Workforce Development Subcommittee.

HB 1530- Paid Family Leave- ILHIC is monitoring this bill.

- This bill was sent to the Job Growth and Workforce Development Subcommittee

HB 3129- Equal Pay Act- ILHIC is monitoring this bill.

- This bill was not called.

House Prescription Drug Affordability

March 8, 2023

4:00 PM

Room 118 Capitol

HB 2189- Access to Insulin- ILHIC has no position on the bill.

- This bill passed to the House Floor

HB 3639 Epinephrine Mandate- As drafted, ILHIC is opposed. However, ILHIC worked with the Sponsor to change the effective date to 1-1-2025, which aligns with the Department of Insurance's QHP filing timelines. The amendment is currently being drafted at LRB. With the effective date change, ILHIC will remove its opposition.

- The Sponsor has agreed to the Council's amendment, and will be filed.

HB 3631 PBM Duties- ILHIC is opposed. This bill restricts lots, including pharmacy networks, how payors pay for pharmacy benefit services, impedes formulary design that utilizes negotiations to lower costs, allows pharmacist disclosure of proprietary information, removes pharmacy accreditation, This bill was not called.

- This bill was passed out of committee and the Sponsor promised not to move the bill unless there was an agreed to amendment.

HB 3787 PBM Steering- ILHIC is opposed. This bill restricts use of mail order and specialty pharmacies and pharmacy networks that allow insurance plans to lower health care costs coverage for drugs. mail order is convenient and efficient for patients, helps with medication adherence, specialty pharmacies deal with high-cost specialty drugs that require specific handling.

- This bill had a bit of drama attached to it. The bill, not expected to be called, was requested to be called the morning of the Committee. In an interesting turn of events, this bill was moved by Pharma, who has no interest in a PBM steering bill. Up until the end of Committee the Sponsor was pushing to call the bill in Committee. However, in the end, the bill was not called in Committee.

Appropriations- Health and Human Services

March 9, 2023

8:00 AM

Room 114 Capitol

HB 1094 Healthcare for All- ILHIC is opposed to this bill. The recently published Illinois Feasibility Study noted that with a BHP, Marketplace enrollment would decrease by 35%, and premiums would increase by 4%-6%.^[7] The ACA included in its construction the critical need for healthy individuals being included in a risk pool. A BHP does not solve the inherent problem of consumer insurance literacy or accessible

care. In fact, the BHP creates a tale of two consumers, further splintering the goal of affordable coverage for all.

- This bill was not called.

House Cyber Security

March 9, 2023

10:00 AM

Room 413 Stratton

HB 2130- Insurance Data Security Law- ILHIC is opposed. IHLIC's request to add a material trigger provision ("*and the cybersecurity event has reasonable likelihood of materially harming a consumer residing in this State or reasonable likelihood of materially harming any material part of the normal operations of the licensee*") provides the same "material trigger" to a licensee domiciled in the State of Illinois as those licensees not domiciled in Illinois. Our request to add this provision is to align the materiality trigger for domiciled licensees with the materiality trigger provided for non-domiciled licensees and to acknowledge that licensees regardless of domicile have a clear understanding of what is considered "material" as a threshold for determining harm of the cybersecurity event.

17 of the 18 states that have adopted this National Association of Insurance Commissioners (NAIC) model law have adopted this "Materiality Trigger." The only state not to address this issue is South Carolina.

- ILHIC testified in opposition to this bill, stating that the material trigger for domestics is not in the model law. However, 20 states have included the materiality trigger or exclusivity. The bill passed on partisan leave and any amendment will have to come back to Committee.

House Health and Addiction

March 9, 2023

10:00 AM

HB 2847- Mental Health Access- As drafted, ILHIC is opposed. Our detailed comments are attached. However, the Council is meeting with stakeholders and the Sponsor this afternoon to discuss concerns and potential areas of compromise.

We offer, in the attached, some suggested language to address concerns on the provisions that require coverage for mental health wellness visits. However, there are a number of provisions in the bill - particularly involving the network coverage requirements - that are duplicative and somewhat conflicting with existing areas of the Insurance Code - most notably the Network Adequacy and Transparency Act that requires standards for coverage of mental health and substance use treatment providers and facilities.

- ILHIC testified regarding their concerns in the bill. The Sponsor has promised to hold the bill on second and only move the bill with an agreed to amendment. The Department has large issues with this bill as well. There is a large portion requiring the Department to write rules within in

the year for enforcement. They are speaking with Thresholds next week regarding their concerns and we will continue to work through the bill with the stakeholders as well.

4. The Week Ahead

- a. The House is the only Chamber in next week. It will be a lighter week. However, many of the bills that passed out of Committee are held on second. This means that an amendment will have to be passed through committee and third reading by April 28th. We expect a lot of these negotiations to pick up next week in an effort to move some of these bills that are held on second reading.

5. Network Adequacy Comment Update

- a. Thank you to the companies that have offered the Council additional comments. We are now working with the JCAR staff in order to discuss our concerns with the Department. We have a call today at 1:00pm to provide an overview of remaining concerns. At this point, the Department (as evidenced by their questions) are not interested in the out-of-scope arguments and express that they have broad rulemaking powers to all arguments. We will inform companies of how the meeting goes.

6. State Based Exchange

- a. The State based Exchange is becoming a reality. This might be fueled by HFS and Medicaid redeterminations. However, Representative Gabel shared with industry language that was written by DOI and HFS establishing a state based exchange utilizing the Federal Platform by 2024 and a Full State Based Exchange by 2026. I will share the language with members in another email. We will likely have a conversation with the governor's office next Wednesday.

7. Important Dates

- a. **March 10, 2023 (House and Senate Committee Deadline)**
- b. March 24, 2023 (House 3rd Reading Deadline)
- c. March 31, 2023 (Senate 3rd Reading Deadline)
- d. April 28, 2023 (Senate and House Crossover Deadline)
- e. May 11, 2023 (Senate 3rd Reading Deadline (House Bills))
- f. May 12, 2023 (House 3rd Reading Deadline (Senate Bills))
- g. May 19, 2023 House and Senate Adjournment