

MARCH 11, 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. 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. Session Update

- a. It's been a quiet week in the Illinois General Assembly this week regarding bill movement. The Senate and House were both in Session this week, and the Rules and Assignments have now received the passed legislation from both Chambers. This week, the Illinois House and Senate were both in. The House and Senate did make some changes reflective of the State removing the mask mandate. Both the House and Senate are now mask optional. Additionally, the House stated that some of their committees will move to a hybrid model, which includes in person as well as Zoom. This is similar to how the Senate conducts committee hearings.
- b. I also do want to note that there were many more House bills that moved to the senate, than Senate bills moving to the House. Only 4 House bills were released from Senate Assignments to the Insurance Committee. There is a likelihood that many House bills will not move out of Senate Assignments. As a reminder, the Senate is not in Session next week. Meaning, the Senate will have only 1 week to pass whatever House bills get released from Assignments before the Committee Deadline.

3. Appropriations- Human Services Committee

a. HB 4175 Health Benefit Exchange

- i. Creates the authority for the State to pursue a platform transition to SBE-FP or a full SBE.
- ii. ILHIC met with the Republican Budget Team, Deputy Republican Leader Demmer, and have a meeting scheduled for next Thursday with Leader Harris and Budget Leader Jarmer. ILHIC is making good headway on explaining the concerns with this legislation from an implementation and fiscal standpoint. While we don't oppose the underlying policy of moving the State to another platform, we do have grave concerns regarding the lack of stakeholder input on a process that has a massive impact on the health market in Illinois.

4. Remaining Issues

a. HB 4979 Funeral Burial Act

- i. As introduced, the provisions currently require insurers to issue an irrevocable assignment of benefits to a funeral home in an amount not to exceed the purchase price of a funeral or burial expense policy. The language is intended to address a current issue with Medicaid beneficiaries seeking eligibility and avoidance of current asset limitations. Current law allows exemptions in assets up to a certain dollar amount in addition to exemptions for final expense policies that must be irrevocably assigned. Similar to HB 295 as introduced. [HA #1](#) Mirrors industry current practice, removing ILHIC opposition.
- ii. The agencies are unhappy with the language draft put forth that is not reflective of a previous agreement with HA#1, and they are planning to have a meeting with the governor's office to make a push to put forth their language, which mirrors current practice and ILHIC will be Neutral. The agencies and the funeral homes were told to have an agreement by next Tuesday. I was told by the agencies that the language being changed reflects trusts and funeral homes holding the money in order to provide an accounting for family members. These changes would not affect ILHIC.

b. SB 3926 STLD Prohibition

- i. Prohibits the sale of STLDs in Illinois. Effective January 1, 2023. This language also gives the Department rule making authority to prescribe specific standards for or restrictions on policy provisions, benefit design, disclosures, and sales and marketing practices for excepted benefits.
- ii. The Department has been working with ILHIC to get to an agreement to move this bill, but their line is the sand is also one of our lines as well. The Department wants to include a prohibition on STLDs during any Open Enrollment Period. As discussed, ILHIC will not support a prohibition of STLDs, but is willing to work on disclosure requirements around this legislation. Additionally, their time frame for STLDs they are giving is 3 months, and we argue that the Federal Administration is planning on addressing this issue in the fall. The Department and ILHIC continue to negotiate. We are unsure that without lifting a prohibition we will not be able to be neutral on the bill.

c. HB 228 Felony Conviction

- i. 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.
- ii. This bill was not called on the floor last week before deadline. Sponsor Mayfield had second thoughts on ILHIC's language on her bill. Specifically, she brought up a

hypothetical of an aunt buying a nephew a policy while the nephew is in jail and is murdered while in jail. Staff did inform ILHIC that they intend to have a meeting with the sponsor and ILHIC. However, we have not received word on when that meeting would be held. At this time, we are unsure if this bill is moving this session. Technically, it still could. However, ILHIC does not want to press the issue if it doesn't move.

d. HB 4430 HIV PrEP Coverage Mandate

- 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. [HA #1](#) includes a provision in the Insurance Code that requires insurers to reimburse pharmacists or other health care professionals for dispensing PREP and providing services under the Act. Requires reimbursement for an "adequate consultation" fee or if medical billing is not available, an enhanced dispensing fee that is equivalent to 85% of the fees provided by advanced practice registered nurses or physicians.
- ii. The advocate coalition pushing the bill has agreed to accept our language and amend the bill in the senate with language that adds PrEP to the already existing requirement for coverage for patient care services provided by a pharmacist. The language has not been filed yet and the bill is still in assignments.

e. HB 5534 Insurance Business Transfer Act

- i. Creates the Insurance Business Transfer Act. Create notice requirements, application procedure, application to a court for approval of a plan, approval and denial of insurance business transfer plans, and fees and costs. [HA #1](#) adds reinsurers to the language.
- ii. The Sponsor informed the Committee that the bill will not move so conversation may happen over the summer. However, the bill moved with little to no conversation regarding the detrimental impact this bill would have on the life and health markets in Illinois. We have informed Senate Leadership and Senate Staff that we did not have the opportunity to provide our concerns or negotiate on the bill. It is still unlikely that the bill may move. However, we would like to note that Senator Cunningham did pick up the bill at the request of a lobbyist whose client would financially benefit from this legislation. ILHIC is working, along with the Department, to discuss our concerns with Senator Cunningham in hope that he allows the bill to die.

5. Bills Assigned to Committees

a. Senate Insurance

i. HB 4338 Prenatal Vitamins Coverage Mandate

1. Mandates coverage for prenatal vitamins. (This medication already required to be covered under the ACA.) [HA #1](#) Moves the effective date to 2024.
2. Neutral

ii. HB 4349 Congenital Anomaly Coverage Mandate

1. Mandates coverage for congenital defects including treatment of cranial facial anomalies that are medically necessary to restore normal function or appearance. Cosmetic changes are included in coverage requirement. [HA#1](#) includes Medically necessary provisions.
2. Neutral

iii. HB 5334 Genetic Testing for Cancer Coverage Mandate

1. Mandates coverage for genetic testing of the BRCA1 and BRCA2 genes to detect an increased risk for breast and ovarian cancer if recommended by a health care provider in accordance with the United States Preventive Service Task Force's recommendations for testing.
2. Neutral

b. House Insurance

i. Set for 3PM on March 15, 2022

1. SB 2963 Group Life Continuation

- a. Fixes Department concern that the new group life continuation of coverage provisions could potentially create an unintended gap in continuation of coverage for those active employees who may be receiving or eligible to receive benefits under the prior carrier's group life policy.
- b. Support

2. SB 2969 Glucose Monitor Coverage Mandate

- a. Mandates coverage of continuous glucose monitors. SA#1 Moves the effective date to 1-1-2024, add medical necessity to glucose monitors for individuals diagnosed with type 1 or type 2 diabetes and requires insulin for the management of their diabetes
- b. Neutral

3. SB 3819 Pediatric Palliative Care Coverage Mandate

- a. Provides that a group or individual policy of accident and health insurance or a managed care plan amended, delivered, issued, or renewed on or after the effective date of the amendatory Act shall provide coverage for community-based pediatric palliative or hospice care. Provides that the care shall be delivered to any qualifying child by a trained interdisciplinary team in accordance with all the terms of the Pediatric Palliative Care Act, which allows a child to receive community-based pediatric palliative and hospice care while continuing to pursue curative treatment and disease-directed therapies for the qualifying illness. SA #1 moves the effective date to 1-1-24 as well as linked palliative care and serious illness to the Pediatric Palliative Care Act.
- b. Neutral

4. SB 3910 Uniform ID Card Requirements

- a. [HA # 1](#) Amendment includes removing the NAIC number and the fully insured/self-insured portion for space as well as removing the dental card requirement on the No Surprises language (as well as a 1-1-24 effective Date).
- b. Neutral

c. Human Services Appropriation

i. HB 4175 Health Benefit Exchange

1. Creates the authority for the State to pursue a platform transition to SBE-FP or a full SBE.
2. Oppose (lack of stakeholder input)

6. Next Week in Session

- a. The House will be in session next week. The Senate will not be in session next week. House insurance is set to meet next week on the 15th at 3PM. Human Services Appropriations is having

a hearing on March 15th at 9:00 (Subject Matter) and March 17th at 8:00AM. We will be tracking HB 4175 closely in that committee.

7. Important Deadlines

a. March 25th

- i. Senate (House Bill) Committee Deadline & House (Senate Bill) Committee Deadline

b. April 1st

- i. 3rd Senate 3rd Reading Substantive Bills & House 3rd Reading Substantive Bills

c. April 8th

- i. Adjournment

8. Industry Day

- a.** Will be held on March 22, 2022 at the Merchant House in Springfield IL from 6:00-8:00. If you plan to attend, please let Susan in out office know by March 16, 2022.