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. The House was the only Chamber in Springfield this week. The House and Senate are expected next week. Although committee rooms and the floor were quiet, there were robust negotiations with large sweeping policies affecting insurance companies.
3. **Bills this Week**

March 14

House Insurance
3:00 PM
HB 2350- PAP Test/Prostate- ILHIC has removed its opposition with HFA #1. The effective date of 1-1-2025 removes the opposition of the Council. This effective date ensures a policy filing timeline alignment with the Department of Insurance.

- This amendment was passed and moved to the floor.

House Health Care Availability and Access
4:00 PM
HB 1186 HFA # 1- HMO Referral- ILHIC is Neutral on the amendment. This is agreed upon language between the Council and the Department of Insurance that allows the Department to promulgate rules to ensure that consumers are clear in the product they are receiving.

- This amendment was passed and moved to the floor.

March 16

House Appropriations Health and Human Services
8:30 AM

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%. 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.

HB 3496 Medicaid Buy In- ILHIC is opposed to this bill. The recently published Illinois Feasibility Study concluded that under a broad buy-in option, 20%-30% of Marketplace enrollees would shift to the Medicaid Buy-in model, decimating the individual Marketplace by 26%-74%. Many individuals shifting to the Medicaid Buy-in option would be healthier, leaving a sicker risk pool and higher premiums for individuals wishing to stay in the Marketplace. It is clear that pulling this untested Medicaid Buy-in policy block would destabilize the same ACA that is praised consistently as expanding access to comprehensive health insurance coverage, made even more affordable for many Illinoisans by way of expanded premium assistance and cost-sharing.

- This bill was not called.

HB 3585 Long-Acting Contraceptive- Within the Insurance code, this language is duplicative. Long-acting contraceptives are already included in contraceptive coverage.

- This bill was not called

4. **Next Week**
    a. **Senate Insurance (March 21 at 5pm)**
        i. Liver Disease Screening Coverage Mandate (SB 1282) This language still needs an effective date change to January 1, 2025.
        ii. Rate Review (Subject Matter) SB 1912
        iii. Dental Loss Ratio Act (SB 1287)
    b. **House Insurance (March 21 at 4:00pm)**

i. Consumer Healthcare Access Liaison (HB 440)

5. Network Adequacy JCAR discussions

a. JCAR Staff, the Department of Insurance, and Shriver Center, met with the Council in a stakeholder meeting to discuss comments from the second notice. The Department accepted the following changes:

i. 1. Material Change- the Department agreed to remove county from the material change definition.

ii. 2. Added clarification to Dental and Vision Coverage.

iii. 3. Added a definition of preferred provider.

iv. 4. Added a 15-day extension to submit a material change filing (30 days total)

v. 5. Adding language that an insurer must demonstrate at all times during the audit period that contents of a print directory are printed from the same data used for the online directory on the same date of printing exempts auditing the print directories separately.

vi. 6. Notice of Termination- The Department is removing prescriptive language from the Notice Document.

vii. Areas where we are still at disagreement:

1. 1. PBMs- The Department is holding strong on the information collected from insurers does not include PBMs in NATA. We are pushing on JCAR members to remove the pharmacy pieces from the language.

2. 2. Annual Filing- The Department will not accept our argument that annual refiling is a deviation of statute and process.

6. State Based Exchange Discussions (HB 579)

a. Leader Gabel held a meeting with Governor's Staff, HFS Chief of Staff, DOI Chief of Staff and Legislative Liaisons, The Shriver Center, and the Illinois Hospital Association for the first ever conversation on the State Based Exchange (since 2011). Here is a brief on how the meeting went:

i. Goals- The DOI and HFS goals of the SBE will provide a better integration with Medicaid plans on enrollment.

ii. Operations- ILHIC asked many questions on operations, which included staffing and procurement. In Illinois, hiring one state employee and building a position with unions takes an extraordinary amount of time. ILHIC asked if there was a working staffing plan that we could look at to ensure that the SBE-FP and SBE is well staffed and managed. The Department was not prepared to talk about staffing, budget, or operational matters at this time. They mentioned that they were leveraging current staff as SBE Staff. We stated as a Council that we would like to know where the delineation is between regulatory staff and SBE staff would be. DOI informed us that that delineation was with Get Covered. The Council also asked if a Division were to be created within DOI to implement the SBE FP and SBE. We were told that Get Covered would be restructured.

iii. Funding- ILHIC asked if the 10 million appropriation was going to the SBE FP and that was confirmed. We asked how much the full SBE would cost (as an estimate) and we were told that they do not want to discuss that at this time.

iv. Assessment- We mentioned that the language did not have a assessment cap, which could create a chilling effect for the growth of issuers in the state. We received aggressive pushback, with DOI stating that they need to be flexible in funding the SBE FP and SBE. There was additional pushback from Senator Gillespie, who is expected to be Sponsor in the Senate.

v. Council Governance- The Council asked about the opportunity to establish an advisory of governance council that is beyond the single person hired by the Governor. This will ensure a collective voice in collaboration and implementation. HFS and DOI seemed reluctant but open to this conversation.

vi. Standardized cost sharing- There was a comment raised regarding the standardized plans in regards to a larger goal of moving to a Basic Health Plan or State Option. HFS stated that their goals (for now) are to create a seamless transition for Medicaid to Marketplace plans. However, the Feasibility Study states that to establish a basic health plan, the SBE would be a necessary first step. HFS was extremely interested in this route in the drafting of the Feasibility Study.

vii. Next Steps- The Department and Sponsor wants a redline by next Monday. Sponsor Gabel was adamant on moving this legislation this session. Another stakeholder meeting will happen on Tuesday of next

week from 3-5pm. Please let me know if you did not receive the invite from me and would like to attend.

viii. ILHIC prepared a redline to the language The language changes include:

1. 1. Removes Emergency Rulemaking from the language. The language still allows the Department to promulgate rules.
2. 2. Prohibits assessments from increasing past the assessment set for issuers operating on the Federally Facilitated Exchange.
3. 3. For any increase in assessment, the director must submit an actuarial justification for the assessment to the newly created Health Benefit Exchange Board 90 days prior to implementation. The Health Benefit Exchange Board has the authority to approve assessment increases.
4. 4. Removed emergency procurement of a vendor to eliminate ethical considerations regarding tech platform interest in the legislation.
5. 5. Create a delineation within the Department of Insurance as well as the Department of Healthcare and Family Services from regulatory functions of each department.
6. 6. Established the Health Benefit Board, which advises the Chief Operating Officer on technical, operational, utilization, marketing, communications, fiscal considerations, intergovernmental functions, and all other implementation or process considerations for the SBE. The board also rejects or accepts assessment increases on insurers.
7. 7. Requires the Chief Operating Officer to provide a report as well as an oral report at all quarterly meetings of the Board. The report will include any actions taken in furtherance of the State Based Exchange.

Please let me know if you have any comments or suggestions to this language by Monday, March 20th at 10:00 AM. We sincerely apologize for the tight turn around. We are at the behest of the Sponsor and the Department on timelines.

7. Rate Review Language

a. The Department and Advocates we working on Senator Fine's SB 1912, which very clearly lays our the Department's intentions for the State Based Exchange. The Department is making an active push to include rate review along with the

State Based Exchange, now merging the two (1) State Based Exchange and (2) Office of the Healthcare Advocate. The language includes affordability standards in addition to mandating insurance issuers to attend public hearings after public comments are posted on the Department's website to justify their rates to the public. The Department advocated for rate review to start in 2026, which is troubling with their other intention to move the State Based Exchange, which current language includes no capping of assessments. This is one bill up for a Subject Matter Hearing in Senate Insurance.

8. Important Dates

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