

MARCH 18, 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**

1. 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. This Week's Session Update**

1. The House was the only Chamber in this week, which made for a slow week of bill movement. We are seeing more and more visitors at the Capitol, a testament to Illinois moving to a new normal. While this week was slower, we believe next week will be a bit busier. Next Friday is the committee deadline for both chambers.

## **3. Bills in Committee this Week**

### **1. House Insurance**

- i. **March 15, 2022 at 3:00 PM**
  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**
  - c. This bill passed out of Committee
- 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**
  - c. This bill was NOT called in Committee this week. The Sponsor was not prepared to call the bill.
- 1. **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.
  - d. **NEUTRAL**
  - e. This bill passed out of Committee.
- 2. **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).
  - f. **NEUTRAL**
  - g. This bill was NOT called in Committee this week. HFS is planning on making a technical amendment.
- 2. **House Appropriations Human Services**
  - i. **March 17, 2022 at 8:00 AM**
    - 1. **HB 4175 Health Benefit Exchange**
      - a. Creates the authority for the State to pursue a platform transition to SBE-FP or a full SBE.
      - b. **OPPOSE** (lack of stakeholder input)
      - c. This bill was NOT called in Committee. Leader Harris and the Democratic Budget Team had to reschedule their meeting with ILHIC this week. However, we are rescheduling this meeting for next week to discuss the negative implications of moving this policy without proper stakeholder input.

### 3. House Judiciary Civil

#### i. March 16, 2022 at 9:00 AM

##### 1. SB 1099 Consumer Legal Funding Act

- a. Creates the Consumer Legal Funding Act. Sets forth consumer legal funding company prohibitions. Sets forth the fees that may be charged by a consumer legal funding company and provides that a consumer legal funding company shall not collect any additional fees besides those specified in the Act.
- b. **MONITOR**
- c. This bill was NOT called in Committee this week.

### 4. Lingered Policy Issues

#### i. Disability Income Insurance and Parity for Behavior Health Conditions Task Force

1. This Task Force convened for the first time this Tuesday. The group has been tasked with exploring parity for behavioral health conditions within disability income insurance. Not all members have been appointed. This meeting consisted mostly of housekeeping matters. Specifically, the voting of a Task Force Chair. The Task Force voted Representative Carroll. Another meeting is scheduled for mid-April.
2. The underlying statute creating this task force is linked [HERE](#).

#### ii. Contract Dispute Subject Matter Committee Hearing House Insurance

1. The House Insurance Committee has called a Subject Matter Hearing on a contract dispute between Blue Cross and Springfield Clinic. This issue gained media attention when Springfield Clinic raised its provider rates and either side could not agree to a contract, moving lots of Springfield Illinois residents to other physicians. Springfield Clinic is a large medical system here in Springfield, Illinois. The Department of Insurance will be at the Subject Matter Hearing as well due to the media's concern regarding the Department's implementation of the Network Adequacy law.

#### iii. HB 228 Felony Conviction

1. 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.
2. There hasn't been any interest from the Sponsor or Staff to hold a meeting to discuss the Sponsor's new concerns with ILHIC. The bill has been referred back to Rules.

#### iv. SB 3926 STLD Prohibition

1. 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.
2. This bill has an extension to March 25<sup>th</sup>. We recently explained to Staff and Leader Harris that we can not reach an agreement with DOI regarding a flat-out prohibition of one type of plan, even in that prohibition has been limited to Open Enrollment. This would still cause a substantial consumer disruption from this prohibition. In addition, ILHIC takes issue with the attorney general language

granting AG authority over one specific plan, singling out these plans. This bill is currently in Senate Insurance.

- v. **HB 4979 Funeral Burial Act**
  - 1. 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.
  - 2. ILHIC checked with the agencies and it looks like they have reached another agreement regarding the funeral homes holding the money in a fund for 30 days and providing an accounting to living members of the deceased. The change does not affect industry practices.
- vi. **HB 4430 HIV PrEP Coverage Mandate**
  - 1. [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.
  - 2. [SA #1](#) adds PrEP services to the existing “Coverage for Patient Care Services Provided by a Pharmacist” statute presented in 215 ILCS 5/356z.45, which includes that services are covered only if: 1. The pharmacists meet the requirements and scope set forth in Section 43.5 (PrEP); 2. The health plan provides coverage for the same service provided by a licensed physician, advanced practice nurse, or physician assistant; 3. The pharmacist is included in the health benefit plan’s network; and 4. The reimbursement has been successfully negotiated in good faith between the pharmacist and the health plan. This amendment will move ILHIC to Neutral.
- vii. **HB 5534 Insurance Business Transfer Act**
  - 1. 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.
  - 2. This bill is likely to stay in Assignments, thankfully. However, if it were to move somewhere, we will let members know ASAP.
- viii. **HB 989 Penalties Compliance Reporting Requirements**
  - 1. [HA #1](#) adds penalties for failure to comply with reporting requirements for corporations reporting Female, minority, and LGBTQ directors. For a first time failure to timely file, the corporation will be fined \$100,000, the second time \$200,000, with an additional late filing fee in the amount of \$50,000 accruing monthly until the report is final.
  - 2. We were certainly tracking the underlying corporate board diversity reporting law because of the impact on our members, but we deferred to the Chamber and other business groups to take the lead on that. However, if the bill gets traction, ILHIC

will definitely explore the option of joining a coalition of business groups who would likely oppose something like this.

## 5. Next Week in Session

### 1. Bills Assigned to Senate Committees

#### i. Senate Insurance

##### 1. HB 4271 Breast Reduction Surgery Coverage Mandate

- a. ILHIC moved to **NEUTRAL** with House Amendment #1, which moves the coverage mandate effective date back to 1/1/24 (from 1/1/23) to better align with current policy filing timelines.

##### 2. HB 4324 Producer License CE Credit

- a. ILHIC **SUPPORTS** this legislation. [HA#1](#) Clarifies that credit shall be certified and provided on an hour per hour basis. These credits will not be used to satisfy ethics education requirements. Defines methods for participation.

##### 3. HB 4335 Vaginal Estrogen Coverage Mandate

- a. ILHIC moved to **NEUTRAL** with House Amendment #1, which moves the effective date of the bill to 1-1-2024 to simplify policy filings as well as establish that insurance companies shall cover at least one vaginal estrogen product (or therapeutic equivalents) with no cost sharing. This language is similar to the hormonal contraceptives mandate language passed in Illinois.

##### 4. HB 4408 Naloxone Coverage Mandate

- a. ILHIC moved to **NEUTRAL** with House Amendment #1, which changes the effective date to 1-1-2024, and provides a carve out for HDHPs with HSAs.

##### 5. HB 4433 Co Pay Accumulator HSA

- a. ILHIC **SUPPORTS** this legislation, which exempts high-deductible health plans (HDHPs) that are eligible for health savings accounts (HSAs) from the state's copay accumulator law requiring insurers to apply the value of a drug manufacturers coupon to the consumer's deductible and out-of-pocket expenses. This change is needed to align the state law with IRS deductible requirements for HSA-eligible HDHPs. *If the bill is not passed to correct this misalignment with federal Tax Code provisions, the DOI will NOT approve any HSA-eligible HDHPs for sale in 2023 and beyond.*

##### 6. HB 4595 340b PBM

- a. ILHIC moved to **NEUTRAL** with HA #1, which removes modifier language.

##### 7. HB 4703 Surprise Billing

- a. ILHIC moved to **NEUTRAL** with HA#1, which aligns more closely with the federal no surprises act. ILHIC will continue to work with the Department on implementation of the bill.

##### 8. HB 4941 Fee Schedule Change

- a. ILHIC moved to **NEUTRAL** with House Amendment #1, which categorizes non-routine and routine changes as well as limits notice to 60 days notification before the fee change (instead of 90 days).

##### 9. HB 5318 Prostate Cancer Screening Coverage Mandate



- a. ILHIC moved to **NEUTRAL** with House Amendment #1. Changes include, moving the effective date to 1-1-24, adding carve out language to HDHPs. This language will ensure that consumers with high deductible health plans will not be disqualified from their Health Savings Accounts and adding medical necessity to follow up testing. (Not the screening)

**10. HB 5585 Home Health Care Coverage Mandate**

- a. Mandates coverage for home health care services. ILHIC is **NEUTRAL**

**11. HB 4338 Prenatal Vitamins Coverage Mandate**

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

- b. **NEUTRAL**

**12. HB 4349 Congenital Anomaly Coverage Mandate**

- a. 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.

- b. **NEUTRAL**

**13. HB 5334 Genetic Testing for Cancer Coverage Mandate**

- a. 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.

- b. **NEUTRAL**

**ii. Senate State Government Committee**

**1. HB 4493 Annuity Non-forfeiture Rate**

- a. DOI Initiative Admin Bill. In provisions concerning standard non-forfeiture for individual deferred annuities, changes an interest rate to 0.15% (rather than 1%).

- b. ILHIC believes this bill might of went to State Government Committee because of the Fee increases attached to the bill.

**iii. House Insurance**

**1. SB 3910 Uniform ID Card Requirements**

- b. [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).

- a. **NEUTRAL**

- b. This bill was NOT called in Committee this week. HFS is planning on making a technical amendment.

**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 type1 or type 2 diabetes and requires insulin for the management of their diabetes

- b. **NEUTRAL**

- c. This bill was NOT called in Committee this week. The Sponsor was not prepared to call the bill.

**3. Subject Matter BSBS- Springfield Clinic Network Dispute and Disruption in Health Coverage**

**6. Remaining Issues**

**7. Important Deadlines**

**1. March 25<sup>th</sup>**

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

**2. April 1<sup>st</sup>**

- i. 3<sup>rd</sup> Senate 3<sup>rd</sup> Reading Substantive Bills & House 3<sup>rd</sup> Reading Substantive Bills

**3. April 8<sup>th</sup>**

- i. Adjournment