



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. This week has been the week of last-minute amendments and efforts to push extremely large policies. Both the House and Senate were in. The Senate has followed similarly in previous years, placing most bills that the Council tracks in the Senate Insurance Committee. However, as we will discuss today, in the House, insurance bills are being directed in Committees that are new to insurance bills. There were also some large stakeholder conversations this week.

3. Bills this Week

House Insurance

HB 440 Consumer Health Care Access Liaison- ILHIC has no position. The Council is a bit unsure of the specifics of what this employee would do. Additionally, the Council questions whether 1. Agencies have authority in their existing statutes to give information or collaborate in a way the Department of Insurance is requesting; and 2. What are the specific functions of this job that differ from authority already granted within the Network Adequacy and Transparency Act regarding collaboration with other agencies.

- The Department expressed that they would be surprised to see this bill move. The Department expressed that the Sponsor believed that the bill wouldn't do anything that isn't already in NATA. There was also some infighting between agencies. They do not intend on asking for an extension.

HB 2072- ILHIC is Neutral on Amendments #2 and #3. This language is an agreement between ILHIC, the Dental Associations, ACLI, and other stakeholders.

- The Amendments were adopted and moved to the Floor.

HB 2385 HA#1 Coverage Mandate- ILHIC will remove opposition with the agreement that the effective date will be changed to 1-1-25. We suggested a standard date change to simplify policy filings with the Department for 1-1-25. Additionally, the age set for the coverage mandate is 75. Individuals will not be utilizing this coverage at 75 because they will have Medicare plans.

- The Amendment was not filed and the bill did not move.

HB 579 HA#1 State Based Exchange- ILHIC is opposed. Currently, the Department is unable to discuss any implementation, governance, budgetary, or staffing considerations for the State Based Exchange. This is concerning because the language provides no caps on how much the State can assess issuers. Additionally, the Governance structure includes a singular individual appointed by the Governor to run the Exchange. The governance structure lacks the necessary stakeholder and expert input needed for the platform to be successful. The Council is not opposed to moving towards this platform. However, this is an extremely large policy and we have concerns that there has not been enough preparation or stakeholder input to move this piece of legislation so quickly.

HB 3812 Veteran First Responder Mental Health- ILHIC is neutral with HFA #2, which removes the mandate originally placed in the Insurance Code and places it in its appropriate Counties and Municipalities Code.

- The bill still had some opposition from CMS. That opposition kept the bill from being called in Committee.

HB 3631 PBM Whistleblower - ILHIC will not be filing a position. The bill prohibits any retaliation against a pharmacist or pharmacy for disclosing information in a court, administrative hearing, legislative committee or any other proceeding. The Pharmacy or pharmacist shall make commercially reasonable efforts to limit disclosure of confidential and proprietary information.

- Language was worked narrowed and agreed upon and moved out of committee to the Floor.

Senate Insurance

SB 1282 Liver Disease Screening Coverage Mandate- As currently written, ILHIC is opposed. However, we did discuss with the Sponsor changing the effective date to January 1, 2025 as well as creating an HDHP carve out. This language will ensure that consumers with high deductible health plans will not be disqualified from their Health Savings Accounts. If this amendment is filed, ILHIC will remove its opposition.

- In Committee, the Sponsor is committed to adding an amendment that address the concerns of the Council. Unfortunately, the Sponsor could not get the amendment drafted in time for Committee. The bill moved to the floor.

Subject Matter SB 1287 Dental Loss Ratio- 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.

- The Council Testified in opposition, stating that DLR does not translate to more dental care and it actually decreased the availability for dental coverage. The Council expressed that the MLR is incredibly different than a DLR, and no state beside Massachusetts has established a DLR. The Council also stated that California's Department has the authority to establish DLR, but has not, due to the negative impact on the Market. Delta Dental also spoke in opposition, mostly explaining the structure within Delta and the ability to direct funding to underserved communities. The Illinois State Dental Society Spoke in favor, stating that the ACA has had an MLR in place for 10 years and has saved consumers money. He also mentioned that it was important to have transparency in the process. It was apparent that the Dental Society was mostly targeting Delta Dental, expressing that their CEO's make too much money. The Subject Matter concluded with the Sponsor stating that this was the beginning of a discussion, and more discussions would be had.

Subject Matter SB 1912 Prior Approval- ILHIC is opposed. [Public Act 102-0900](#), that just passed last year, required the Department of Insurance to oversee a study to explore rate setting approaches with the goal of making coverage more affordable for low to middle income residents. The Department sent the data call to collect information to conduct the study with a due date from issuers of November 23, 2022. This study is to receive actual data on what policy options are the best for the specific goals in mind. That study has not been finalized. Moving towards a policy without the research that was required by previous legislation for the policy we are looking at today would be wasting precious resources and insight into what would be best for our state with those specific goals in mind. Additionally, Rate Review is now being tied to the State moving to a State Based Exchange, which does not establish an assessment cap on insurers, increasing costs for consumers across the State.

- The Council testified in opposition. The Council pointed out that the Department currently there are measures in place to ensure that consumers do not have rate increases without actuarial justifications. The Council expressed that this does nothing for affordability, because there is nothing in this bill that looks at the price drivers of healthcare. The Shriver Center testified as a proponent, along with a small business association. Their comments laid out their intent, which is to make insurance for small businesses more affordable. The Shriver Center said they completed a study of nine states with rate review and believes that Illinois would benefit from

the ability of rate review. Additionally, it was interesting to see the Department rise in support of Rate Review, even being a part of the panel of the proponents. They have usually offered support by means of technical advice, but this type of support in the policy itself is a new strategy for the Department.

House Cyber Security

HB 2130 – Data Security- HFA# 1 included the material harm language and the bill passed to the floor. Senator Harris had placed some pressure on the Department to include the trigger. He is the Sponsor in the Senate.

Mental Health and Addiction

HB 2847 HFA #1 Mental Health Parity- The Council remains opposed to the Amendment. The changes included language of the Department, which created two reporting standards within the bill. The out-of-network coverage piece still raises large implementation concerns. For example, if this bill is required to be incorporated within this language, HMO's because they do not offer out of network coverage, will never meet these threshold requirements. We did explain on a recent stakeholder conversation that there are already in place provisions in NATA and Market Conduct to ensure that consumers have access to mental health services. Stakeholders maintained that this language would entice providers to enter into contracts with insurers. However, the bill does not meet that intent in practice at all. The Sponsor is going to hold the bill and request for an extension for the Council and Thresholds to "work out" differences.

Health Care Licenses

HB 559 Emergency COVID Order Cliff- Requires coverage of pharmacy testing and vaccinations. The language has standard usage language for pharmacy expansion bills drafted by the Council, which includes that coverage only be provided if 1. The health plan coverage for the same service provided by a licensed physician, an advanced practice nurse, or physician assistant 2. The pharmacist is included in the health plans network of participating providers; and 3. Reimbursement has been successfully negotiated in good faith between the pharmacist and the health plan.

- **HB 559 HFA #2 and #3 and #4- Pharmacy COVID/FLU- for purposes of the Insurance Code provisions, ILHIC has no position.**
- The Amendments were adopted and moved to the floor.

HB 3639 Epinephrine Mandate- HA#1 The Amendment removes the effective date on the bill. ILHIC has no position.

House Appropriations Health and Human Services

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.

- The 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.

- The bill was not called.

4. Bills Next Week

a. Senate

- i. **SB 1912 Rate Review-** The Sponsor would like to meet with the Council on Monday to see how the policy will move forward. The Sponsor and Thresholds are aggressively pushing this policy, even though the study which will direct policy implications is not published yet.
- ii. **SB 757 PBM Auditing**
- iii. **SB 1288 Dental Plan Network Bill**
- iv. **SB 1289 Dental Plan Fee**
- v. **SB 1527 Compression Sleeve Coverage Mandate**
- vi. **SB 1568 Disability Income Department Information Collection**

5. State Based Exchange Update

- a. This bill (and House Amendment 1) was heard in House Insurance this week. Leader Gabel, HFS, and DOI testified in proponents and laid out the reasoning and benefits of moving to a State Based Exchange. The Council testified in opposition to the bill, not in intent, but in process. We did mention that the language was premature, and fiscal research needs to be conducted prior to establishing assessments in statute. There were questions from the Committee regarding staffing, operations, and the possibility of creating an expedited task force to look at these operational issues, solidify the language

and pass the bill next year. The Leader was not interested in that suggestion, but mentioned that we will continue to discuss the bill in stakeholder conversations.

- b. The Department had an amendment filed last night with new language on the State Based Exchange. They did not utilize our redline in their changes. Most of our changes were not accepted. However, we will continue to push for them in additional stakeholder conversations.

There redline makes the following changes:

1. The Redline maintains emergency rulemaking as well as emergency procurement. The emergency rulemaking authority is repealed on December 31, 2024.
 2. Requires all coverage for preventative services without cost sharing.
 3. Creates an assessment cap of 4%.
 4. Requires the Director to (in advance of the adjustment) post reasons and justifications on the website.
 5. Allows the SBE to implement programs that increase affordability or access to healthcare coverage, including for populations currently not eligible to enroll in the SBE.
 6. The Department is to establish a Health Benefits Advisory Board before Jan, 31, 2023. The Chief Operating Officer is required to make a quarterly report to the advisory committee.
- a. 7. The Advisory Board is made up of : 1. Director of Insurance 2. Director of HFS 3. Secretary of the Department of Human Services and 6 public members appointed by the Director of Insurance.

- C. There will be another stakeholder meeting next Tuesday. I am working on redlining the current version and sending it out to members. This will be another tight turn around. If you have comments on the existing language, please provide feedback to Kate Morthland.

6. Network Adequacy Rule Update

- a. The Network Adequacy Rulemaking was heard in JCAR on Tuesday of this week, without any questions or testimony on the Rulemaking. The inclusion of PBM information was removed from the language. Three out of the 4 larger arguments were accepted and changed within the language, which is: 1. The removal of county from the definition of material change, 2. The removal of PBM reporting requirements and 3. Removal of prescriptive language for notice of terminations. The only high priority that was not met was the annual filing. We argued that an annual filing was a deviation of statute and process.

7. Mental Health Parity Working Group Reminder

The Mental Health Parity Working Group is scheduled for today 3-24-23 at 1:00 p.m. CST . David Shilcut is going to present our feedback to the group over the instructions. Please let the Council know if you do not have the call-in number.

8. Important Dates

- a. March 24, 2023 (House 3rd Reading Deadline)
- b. March 28, 2023 Insurance Industry Lobby day!
- 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