



### 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 was incredibly busy with negotiations, bills moving through the House and gearing up for March 10<sup>th</sup>, which is the House and Senate Committee Deadline week. The House was in this week, and both chambers will be in next week to move volumes of bills out of Committees. We are expecting long Committees next week because many of the bills assigned did not have a hearing.

### 3. Bills in Committee This Week

**Tuesday February 28<sup>th</sup>**

#### **2:30 Insurance**

**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 called.

**HB 1068 Felony Prohibition- ILHIC is opposed to the current language.** However, 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 Council has reached out to the Sponsor to see if she is open to filing the amendment.

- This bill was not called.

**HB 1229 Healthcare Benefit Exchange- ILHIC is opposed.** Please note: **ILHIC is not opposed to the State moving toward a State Based Exchange**, but believes the Department should be leading the discussion

since much of the implementation falls on their shoulders and given that the bill imposes an assessment on the industry to support the exchange, we need the Department to discuss with us how they anticipate using those funds to implement. The Council has asked the Department if this is a policy they will be getting involved in and has not received a response.

**HB 1384 Reconstructive Services Mandate- ILHIC is Neutral.**

- This bill was heard and passed out of Committee to the House Floor.

**HB 1565 Estrogen Mandate- ILHIC is Neutral with an amendment.** The Sponsor has agreed to an amendment with an effective date change of 2025. The language is currently at LRB. We have informed the Sponsor that we are ok with her moving the bill out of committee with the promise that the effective date amendment be filed.

- This bill was heard and passed out of Committee to the House Floor.

**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.

- This bill was not called.

**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 was not called.

**HB 2071 Fee Dental- ILHIC has no position.**

- This bill was not called.

**HB 2072 Network Dental-** ILHIC is still working through this language to see if it aligns with the National Model Language. If it does, likely only technical changes would need to be made. ILHIC is collecting language revisions

- This bill was not called.

**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 was not called.

**HB 2350 Pap Test Prostate Screen- ILHIC is opposed.** However, there is an amendment changing the effective date to 2025. Once the amendment is filed, ILHIC will be neutral.

- This bill was heard and passed out of Committee to the House Floor.

**HB 2472 Adverse Determination-** ILHIC is currently working with the Department and stakeholders to work on concerns and the intent of the language.

- This bill was not called. The Department is still working through comments.

#### **4:00 Healthcare Availability and Accessibility**

**HB 1348 Real Time Benefit Tools - ILHIC is opposed to the current language.** In general, the overall intent of the bill is in line with what insurers and their pharmacy benefit managers already do as far as providing a real-time benefit tool for the insureds and providers to determine coverage and cost information as it relates to a prescription and the insured's benefit plan. The overarching concern we have with the bill, however, relates to the potential conflict we may run into with the federal government, which is currently in the process of writing regulations establishing standards for these real-time benefit tools that will apply across the country. We are also concerned that the provisions of the bill are tailored to apply standards that would only allow for McKesson's real time benefit tool to comply, which in turn forces insurers and PBMs into supplying them with sensitive competitive information.

We have previously discussed these concerns with McKesson and are in the process of working on amendatory language that would address those overarching concerns from our perspective. We hope to have a draft of those proposed changes to McKesson and you by the end of this week if not sooner.

- This bill was called and ILHIC testified in opposition. There was strong questioning to McKesson on monopolizing the Market in this space. All stakeholders committed (with the sponsor) that if parties could not come to a conclusion on the amendment, the bill would not come back to Committee.

**HB 2078 Cancer Screening Mandate - 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 was not called.

Wednesday March 1<sup>st</sup>

**10:00 Executive**

**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. ILHIC is working with PCMA to discuss this legislation with Unions in order to provide an education background so they can provide the impact to their plans.

**4:00 Prescription Drug Affordability and Accessibility (CANCELED)**

**HB 2189- Access to Insulin- ILHIC is opposed to the current language.** However, the Sponsor is open to amending the effective date to 2025. This will align the Department of Insurance's filing timelines. **With the amendment, ILHIC will be neutral.**

- This bill was not called.

**2:00 Labor and Commerce**

**HB 1102-Paid Family Leave- ILHIC Monitor Bill**

- This bill was not called.

**HB 1530-Paid Family Leave- ILHIC Monitor Bill**

- This bill was not called.

**2:00 State Government**

**HB 2088- Supplier Diversity- ILHIC Monitor Bill**

- This bill was passed and moved to the house floor.

**4:00 Prescription Drug (CANCELED)**

**HB 2189- Access to Insulin Cap \$35-** Guzzardi has agreed to the effective date change on the legislation.

#### **4. Bills Assigned Next Week**

##### **a. March 7**

##### **b. House Insurance 2:00PM**

- i. HB 1059- Use of Credit Auto
- ii. HB 1068- Felony Discrimination
- iii. HB 1601- Any Willing Provider (Not Moving)
- iv. HB 2070- DLR
- v. HB 2072- Dental Fee Bill
- vi. HB Dental Network Plan Change
- vii. HB 2203- Auto Rates
- viii. HB 2385 Colonoscopy Mandate
- ix. HB 2443 Hearing Aid Mandate
- x. HB 2445- Senior Fitness coverage Mandate (Not Moving)
- xi. HB 2472- Adverse Determination (Not Moving)
- xii. HB 2613 STLD Expiration
- xiii. HB 2799- Proton Beam Therapy Mandate
- xiv. HB 2814- White Bagging
- xv. HB 3030- Batch Bill Federal Parity
- xvi. HB 3202- Saliva Cancer Test Mandate
- xvii. HB 3631- PBM Information/ Disclosure
- xviii. HB 3809- Therapy, testing Mandate for Children
- xix. HB 3861- Policy Readability
- xx. HB 3920 Cranial Prosthesis Mandate

##### **c. Healthcare Affordability and Access 4:00 PM**

- i. HB 2078 Cancer Screen Mandate (Not Moving)
- ii. HB 3148 Insurance Contraceptives Mandate
- iii. HB 3251 Neonatal Hospital Mandate

##### **d. Senate Insurance 5:30 PM**

- i. SB 130 HMO Referral
- ii. SB 1289 Dental Leasing Bill
- iii. SB 1527 Compression Sleeve Mandate
- iv. SB 1540 Vision Care Act
- v. SB 1559 Insulin \$35 Dollar Copay Cap
- vi. SB 1568 Disability Income Mental Health Parity
- vii. SB 1961 Business Transfer Act
- viii. SB 2195 Prosthetic Device Coverage
- ix. SB 2295 Batch Billing Federal Parity
- x. Subject Matter Hearing: Market Conduct
- xi. Subject Matter Hearing: Rate Approval

##### **e. March 8**

##### **f. Jud-Civ 8:00 AM**

- i. HB 3603 Protect Health Data Act

##### **g. Human Services 8:00 AM**

- i. HB 3725- Vision Care Regulation Act

##### **h. House Executive 10:00 AM**

- i. HB 1054- Cost Sharing Rebates
  - i. House Labor and Commerce 2:00**
    - i. HB 1102- Paid Family Leave
    - ii. HB 1530- Paid Family Leave
  - j. House Prescription Drug 4:00**
    - i. HB 3639- Epinephrine Cost Cap
    - ii. HB 3761- PBM Prohibition Bill
    - iii. HB 3787- PBM Steering Prohibition
  - k. March 9**
  - l. Mental Health 10:00AM**
    - i. HB 2847- LaPoint Summer Mental Health Working Group Bill
  - m. Cybersecurity 10:00**
    - i. HB 2130- Data Security Act
- 5. Market Conduct Negotiation Update**
  - a. The Department held their first ever Market Conduct Negotiation Meeting on March 1<sup>st</sup>. Many other organizations still had remaining concerns that they felt went unaddressed. Due to this reasoning, The Department is still circling back to some remaining issues and has agreed to complete a redline of all the changes up to this point. They mentioned that they need to see language, and there was a general frustration that concerns were expressed in writing and went unnoticed. There were also frustrations expressed that these 3<sup>rd</sup> party auditors do not have to itemize or state their time and due to the extent that the Market Conduct exams go, this is an incredible cost to the companies. We will likely see further changes coming soon.
- 6. Mental Health Parity Working Group Update**
  - a. The Mental Health Parity Working Group met and Tim Clement was able to present his complete rework of the NQTLs Phase 1 and 2. The Department did confirm that this would fix any inadequacies or deficiencies they thought were in the phases. We did suggest to them a redline to help clarify what was changed and what wasn't. We also suggested a document that stated "The Department is suggesting this change because this change is effect x." They agreed to that change. We are expecting those documents in the next couple of weeks. Once we get them, we will send them to members. We also stated that the July 1<sup>st</sup> deadline was unworkable at this point. They agreed to move that date and industry agreed to work with them on any annual reporting discussions. The next Mental Health Parity Meeting is March 24th from 1-2.
- 7. Network Adequacy Rules and Strategy Update**
  - a. The Department released a 38-page document with their responses to the Network Adequacy Rules (that we submitted in May of last year). Our strategy is to meet with JCAR to discuss our frustrations with the Department "running out the clock" on the rule, leaving stakeholders with little to no time to respond. The Department wishes to hear the rule in at the March 21st Meeting. The Rule will expire in April. Our strategy will be to request that the rule run the clock and the Department submit the rulemaking through the process once more, giving stakeholders adequate time to digest and respond. We believe we have a good argument as we submitted our comments in May of last year and have repeatedly requested responses to our concerns. Should that strategy not prove fruitful, we need to be ready to state our remaining language

concerns to JCAR and staff. We held a Network Adequacy Meeting this morning to begin highlighting largest concerns. We will continue to work through feedback and express those concerns to legislators and JCAR Staff.

- b. ILHIC did discuss these overall concerns with Leader Spain, who is on JCAR. He mentioned that refiling the rule would be a nuclear option. However, if we submit our concerns to JCAR staff and there are still substantial concerns, JCAR can suspend the rule, which stops the clock on the rulemaking process until those concerns are addressed.

#### **8. Disability Income Legislation Meeting Update**

- a. Senator Morrison met with ILHIC and the Department to discuss her disability income parity legislation SB 1568, which mandates disability income products to have mental health parity within the product. It was a complete rehashing of the same arguments. We did mention that we were unable to capture the entire market snapshot on these products, and it would be a good idea for the Department to do a data call to see the impact this could have. Senator Morrison mentioned that while the data call would be “interesting,” she wanted to do something more. The Department stated that they are not opposed and only giving technical amendments. We are going to continue to push the data call legislation.

#### **9. Upcoming Legislative Deadlines**

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