



ILHIC Legislative Call



Summary

March 15, 2024

1. Legislative Overview

- a. This was an incredibly busy week for the Council and for insurance in general. This was also a pretty rough week in terms of policy issues. It has been a theme that controversial insurance bills do not move through the insurance committee (in the House). These bills are sent to other committees with members with no insurance background, making them easier to pass out of committee. We are seeing this with some of the larger insurance bills (in the House). We expect a very busy week next week as well, as some sponsors have noted that they would like their bill to move next week. Next week is also Illinois Primary (March 19th). We should expect a very interesting week next week.

2. Bills in Committee

a. House Insurance Committee

i. Bills in Subcommittee

1. 2613- Short Term Expiration
2. 4477- Provider Nondiscrimination
3. 4780- Dental Loss Ratio
4. 5103- Cancer Screenings
5. 4154- Medical Prohibit Advance bill
6. 4352- Pet Insurance
7. 4929- Gym Membership Mandate

ii. Bills Called (ILHIC Tracked)

1. HB 4180- Molecular Breast Imaging Mandate

- a. Testimony was heard from a patient with cancer that was not able to be seen through regular imaging. Rep. Hauter had a lengthy conversation on the need for this bill since this testing is rarely appropriate.
- b. The bill passed on a vote of 10-2.

2. HB 4504- Inhaler Coverage

- a. The American Lung Association testified in support. There was good conversation regarding inhalers and the various costs and looking at means tests with no-cost sharing mandates. Forcing the plans to harbor the cost to push the costs on to each person. Rep. Hauter states that lower costs for inhalers will limit access because doctors won't prescribe the medication.
- b. The bill passed 10-2.

3. HB 5282- Coverage of Mental Health for Miscarriage/ Stillbirth

- a. The Sponsor testified that staff brought her this bill to provide coverage from perinatal support after miscarriage and stillbirth. This was based on

a Kentucky law. Amendment coming that: (1) changes the effective date to 2026 as well as (2) includes HMOs.

b. The bill passed on a vote of 12-1(present)

b. House Human Services Committee

i. Only Subject Matter HB 5395 HCA#1

1. Emily Miller from the Governor's Office testified. She states that this addresses some consumer protection issues. Insurance companies use utilization management- insurance companies do this to save costs. This bill bans PA for in-patient mental health care. She did state that it is limited to this setting. She stated that this bill comes up with clinical criteria (because insurance companies come up with their own criteria). This also bans step therapy with drugs. She stated that this bill eliminates short term limited duration plans. These plans do not include the same protections and are sub-par coverage. Consumers usually get this through a "loophole." There is not an example that makes these plans worthwhile. Another piece in this is ghost networks. The largest piece is that providers are conducting 90-day audits. The last piece of this bill is premium misalignment. (Large group rate approval). This bill is doable. The insurance consumers will not go solvent.
2. Leader Hammond asked questions. This bill is coming very fast. Has the industry been involved in this plan? Emily Miller said on rate review yes. Industry has made the point that industry was not involved. Emily Miller gave her commitment to work with us. What will be the fiscal impact? I am only interested in the costs to Illinois families. Consumers don't have a seat at the table.
3. LaPointe- Why does the ghost network piece not apply to Medicaid? What is in the bill is a front-end solution to remove barriers to access to care.
4. This bill will come back to the Committee next week.
5. Keicher asked about removing concurrent reviews. The Department was hearing concerns about concurrent review. Where does that dialogue happen if the insurance company has input on a better path forward. This is an overhaul on insurance. We should be in insurance committee. We are hearing complaints on "fail first" issues.
6. Senator Patrick Joyce and Representative Lilly testified. Senator Joyce's son needed heart surgery and a valve placed in his 20s. He discussed how prior authorization still gives his son grief. Our daughter was diagnosed with leukemia in her 20s. Prior Authorizations kept us torn from being able to spend the final years with his daughter. Leader Lilly testified that this bill puts power back in the hands of consumers and their doctors. There are major concerns with prior authorizations, step therapy, and ghost networks. We have before this Committee because this is a human service issue.
7. Consumers testify- Cody O'Conner from the MS Society. I support the banning of STLDI in Illinois. Cody lives with MS. He is a small business owner and was able to afford STLDI. He had to pay for this diagnosis because it was considered a pre-existing condition. These plans are dangerous. It lures younger and healthier individuals into a false sense of coverage. Emily Birtchfield from the Shiver Center testified. Her daughters were born with heart murmurs. The hospitals said the tests were not approved from the insurance and the insurance company did approve the prior approval, confusing the consumer. Another

member from thresholds testified that her prior authorization or the “we will review” deny strategy. David Llyod testified from the non-profit inseparables. We support the elimination of junk plans in Illinois as well as the utilization management piece (which was the exact legislation he pushed under the Kennedy Forum).

8. Clay from Alexian Brothers behavioral health testified and stated that behavioral health should not have barriers to care. Retroactivity will allow us to be fully providers. Mary Dobbins with Springfield Pediatrics. This ties up our time and we don’t have the staff to do all these prior authorizations. Parents commonly change their appointments which change their plans. Medications must be denied because parents cannot afford the medication out of pocket. We are giving up clinical time when we know kids are waiting to see us. We are not allowed to practice up to our standard of care with insurance companies that establish their own utilization management standards.
9. Gov. Affairs for the Leukemia Lymphoma Society testified for the banning of short-term limited duration plans.
10. Laura Minzer testified. Spent most of her time negotiating policies today. She touched on the importance of access to care. Illinois boasted its highest enrollment to the ACA. This will have unintended consequences for patients both in access and costs.
11. Lori Reimers testified on behalf of PCMA. Testimony centered on the complexity of access and costs and how to measure how to decide that balance. Insurance companies and PCMA work on that balance every day. Small businesses and families are having difficulty affording their premiums. Insurance cards are not magic wands for making healthcare affordable. You must look at the entire health delivery chain (hospitals, physicians, etc.) We passed a detailed step therapy in law now passed just years ago. Step therapy ensures affordability when it is appropriate.
12. CBHA (Behavioral Health)- We need to expand this to all Medicaid patients as well. You need to protect the most vulnerable residents.
13. The Sponsor is taking up this bill next week for consideration.
14. Applicability to Medicaid
 - a. Banning Prior Auth for Mental Health
 - b. Utilization Management
 - c. Public Posting on Prior Authorizations

c. House Consumer Protection Committee

i. HB 4629 (Junk Fee Bill)

1. Passed out of Committee on a party line vote. There were more than 30 opponents that slipped in opposition of the bill. The Sponsor noted that there will be an amendment coming. He has confirmed that this is not intended to affect the insurance industry. We were unable to have legislative intent in Committee. However, we will push to do so on the floor and expect alternative language soon.

d. House Health Care Availability & Accessibility Committee

i. HB5142 No Cost Sharing (Pregnancy/ Postpartum).

1. Leader Gabel testified that this was a part of the Governor’s Birth initiative. She stated that she is working to create parity in the way that a woman wants to give birth.

2. Lt. Governor Juliana Stratton testified on the bill as well, driving home that this birth equity initiative will save lives.
3. Rep. Hauter asked that this puts physicians at a disadvantage. This puts the medical community at a disadvantage to provide no cost share on doulas and midwives but not physicians. He also asks for limits. What limits do you have on these visits?
4. Laura testified regarding the Council's concerns. In response to the birth services, DOI General Counsel stated that she doesn't believe it is the read that this covers birth services (physicians).
5. The bill passed out of Committee on a partisan roll call vote.

e. House Mental Health & Addiction Committee

- i. HB 5313 was heard in House Mental Health, which requires directory changes. We are working with the Sponsor on alternative language. There is an additional amendment that states that DOI would not be responsible for collecting any of the monies owed to consumers. Requires Department to audit 10% of plans each year. This does not include Medicaid. Haas stated that this might be a burden to providers. Howder encouraged the stakeholders for someone else to conduct the audit other than the plans itself. LaPointe mentioned that behavioral health providers need reimbursements in statute. She did state the bill will be heard before the deadline. She asked about how this would work with the Governor's Bill. Croke stated that the omnibus bill has a lot in the bill. She knows this issue has bipartisan support and would like to keep it in an individual bill. This bill is unique to the Governor's office bill. These require more specifics in what is required in the directory. This response seems interesting since they were advocating for the smaller bill over the larger bill. This bill passed on leave.

f. Senate Insurance Committee

i. Held (All SBs)

1. 2572- Menopause/ Glucose Medicine
2. 2836- STLD (Department)
3. 2858- Health Benefit Exchange Enrollment
4. 2896- Behavioral Health
5. 3225- Clinician Administer Drug
6. 3307- Participating Providers
7. 3739- Network Adequacy Standards (Gov's Bill)

ii. Agreed Bill List (All SBs)

1. SB 2697- Cancer Genetic Testing
2. 2735- Electronic Payment Fees
3. 3414- Continuous Glucose Monitor
4. 3741- Prior Auth Substance Use
5. 2641- Network Adequacy Specialists
6. 2639- Fertility Coverage
7. 3732- Prior Auth Chronic Health

iii. Subject Matter on SB3665 (Healthcare Mandate Doulas/Midwives)

1. Lt. Gov Stratton testified on subject matter for 3665, stating that this bill will save lives. This is a part of the birth equity initiative. She added in this testimony that she is not willing to work with anyone who doesn't agree with birth equity. (Signaling that they are not interested in negotiating and bringing an amendment back to Committee.)

2. Republicans ask, “what is defined as a doula?” How are they networked? What is the benefit of no cost share.
3. Joanna Coll states that legislators in the general assembly should make the judgement call as to whether birth should be treated as something that everyone should survive.
4. Syverson expressed concern with small employers who cannot afford this mandate. Small employers cannot afford to provide coverage for their employees and these mandates are causing it. These mandates are being felt by the employee.
5. Laura Minzer testified for the Council’s opposition. We are opposed to the bill regarding cost sharing. In relation to Doulas, there must be a definition for proper coverage. We need to look at cost pressures holistically. We look forward to working with everyone to narrow the bill.

3. Meetings/ Events

a. Industry Day

- i. Industry day was held and over 100 members of the industry were in attendance in Springfield. The audience heard from both the Senate and House Speaker of the House Insurance Committee. Representative Jones and Senator Harris both stated that they were fair chairmen. Minority Spokesman of both the Senate and the House spoke as well, stating that there is a theme of unchecked progressivism, which means that “nutty bills keep moving a lot farther than they logically should.”

b. Meeting with the Governor’s Office on his health legislation

- i. I was able to meet with the Governor's office, the Department of Insurance, Representative Moeller and legislative staff from both the House and the Senate to further discuss our concerns and outline areas where we believe we can find a pathway forward.
 1. The provisions we have stated that we can work with include:
 - a. Network adequacy provisions
 - b. Prior authorization for in-patient mental health services
 - c. Formulary and prior authorization transparency
 - d. Utilization management criteria
 - e. Limitations on short-term limited duration insurance plans

The Council made it clear that any provisions that include prior approval for large group health insurance rates, a ban on step therapy, a ban on short-term limited duration insurance or limitations on excepted benefits would mean our continued opposition.

We have a lot of work ahead of us in order to meet the commitment I made to have a redline version of our suggested changes to House Amendment #1 to HB 5395 to them by the end of the day on Monday, March 18.

c. Meeting on HB 4633.

- i. The Council met with Representative Avelar to discuss HB4633, which requires insurers to provide coverage for school-based health centers at the same rate that would apply if services were provided in a different health care setting. The Sponsor said she was hearing a problem in district of these facilities not running private insurance because kids with HMO might have an issue with referrals from primary care providers. We are working to provide the Sponsor with more information as well as our previous successful effort of our network HMO bill last year. Any feedback into coverage for school-based healthcare services would be appreciated!

4. Subject Matter Hearing

a. AI in Healthcare

- i. The Department dropped Company Bulletin 2024-08 5 minutes before the 4:00pm Healthcare and AI hearing. We were not notified that this was going to drop and when asked in our Regulatory Roundtable, the Department did not state they were taking on this issue. The bulletin is like the NAIC bulletin. However, the Department took out the portion of that bulletin that says, "companies are expected to create an AIS program." The joint committee of Healthcare Licenses and House Insurance met to discuss AI in Healthcare. The hearing was broad in nature. When the Department was asked whether or not they were going to run legislation on AI, they didn't provide a clear answer.

5. Next Week

- a. The House and Senate is in session next week. Committees scheduled are:
 - i. House Insurance March 20th 2pm
 - ii. House Healthcare Availability and Access March 20th 4pm (PDAB will not be called next week)

6. Important Dates

- a. House Committee Deadline- April 5th
- b. Senate 3rd Reading Deadline- April 12th
- c. House Bills 3rd Reading- April 19th
- d. House and Senate Committee Deadline- May 3rd
- e. House 3rd Reading Senate Bills- May 17th
- f. Adjournment- May 24th
- g. Possible contingent session (May 25th- May 31st)