

APRIL 8, 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

- 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. Session This Week

- a. The idea that ILHIC would work incredibly hard to negotiate all of our tracked bills in order to simply watch the budget implementation bill this week was dashed on Monday, when 3 bills and corresponding resolutions regarding healthcare dropped in the House in addition to lots of pressure to move HB 1465- the Network Adequacy and Transparency/ Market Conduct Exams. The House and Senate are on opposite playing fields as to wrapping up work and leaving Springfield. The House Democrats are dropping different political packages including health care and crime, which seem to be empty votes because the Senate does not seem interested in taking votes on any of the bills the House is passing.

3. State Government Administration

- a. April 4, 2022 at 10:30 AM

- i. **HB 1463** Network Adequacy Market Conduct Examinations
 1. Oppose
 2. [HA #1](#) Overhauls the Network Adequacy and Transparency/ Market Conduct Examination Bill. It creates an entirely new (and some codification) standards regarding market conduct exams as well as large changes to network adequacy.
 3. House Amendment #1 removes the Network Adequacy Advisory Council as well as the provision allowing the Director to share information regarding Market Conduct Examinations with the Governor's Office. Effective Immediately.
 4. ILHIC Testified in opposition of the bill along with AHIP to discuss and points were made that addressed 1. The two portions of the bill that addresses the impetus of the issues of the Sponsors (Emergency Rule Making Authority and Ability to State when the Department is in an active Market Conduct Examination.) and 2. That the Department has not issued rules that would clarify many of the issues that arose from the 2017 law, and the process should be handled by the JCAR process.
 5. The Department testified in Support of the legislation, citing that although there are no rules published yet, this legislation will go further to close loopholes than simply publishing rules (that the Department was required to do in the 2017 law).
 6. The Department mentioned in Committee that they are ready and willing to work with ILHIC on our concerns. However, in a meeting scheduled by the Chairperson of the State Administrative Committee, there was absolutely no interest in changing any of the bill, including even moving the effective date.
 7. The bill passed out of committee.
 8. The bill was called on the floor and has an extremely spirited debate. Rep Scheer stated on multiple occasions that members that voted no could not look their constituents in the eye and tell them that they cared about them and that they were on the side of insurance companies. She had a hard time separating her bill from the reasoning why she filed the bill (BCBS dispute). Chairman Jones of the Insurance Committee testified in opposition to the bill, citing that the Representative was not honest in her alternative choice in Committee and that this bill should have been heard in Insurance Committee. Her tactics did not play well during the roll call. She was short by twenty votes (with many representatives refusing to vote at all) and the bill died on the floor.

4. House Insurance

- a. April 6, 2022 at 9:00 AM

- i. **SB 2969** Glucose Monitor Coverage Mandate

1. Neutral
 2. 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
 3. This bill passed out of committee.

- ii. **SB 3910** DOI's Uniform ID Card

1. Neutral
 2. DOI INITIATIVE. Amends the Uniform Prescription Drug Information Card Act. Mandates that uniform Rx cards issued by health plans shall display on the card the regulatory entity that holds authority over the plan, whether the plan is fully insured or self-insured, the issuer's National Association of Insurance Commissioners company code, any deductible applicable to the plan, any out-of-

pocket maximum limitation applicable to the plan, and a toll-free telephone number and Internet website address through which the cardholder may seek consumer assistance information. Provides that a discounted health care services plan administrator shall issue to its beneficiaries a card that contains information about the regulatory entity that holds authority over the plan and whether the plan is fully insured or self-insured. Provides that a health care benefit information card or other technology containing uniform health care benefit information issued by a health benefit plan or a dental plan shall specifically identify and display on the card the regulatory entity that holds authority over the plan, whether the plan is fully insured or self-insured, the issuer's National Association of Insurance Commissioners company code, any deductible applicable to the plan, any out-of-pocket maximum limitation applicable to the plan, and a toll-free telephone number and Internet website address through which the cardholder may seek consumer assistance information. Makes other changes. Effective January 1, 2023. [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).

3. This bill passed out of committee.

i. **HB 4338** Prenatal Vitamins

- 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
- c. This bill passed out of Committee.

ii. **HB 4979** Prepaid Funeral Burial

- a. SA #1 becomes the bill. Allows any owner of rights under a life insurance policy to make an irrevocable assignment to a funeral home. The insurance company shall notify the funeral home and owner of the policy of its receipt of the form. Once the owner irrevocably assigns right to the funeral home, the owner cannot 1. Collect from the insurance company when it becomes a claim upon death, 2. Surrender the policy for cash value, 3. The right to obtain a policy loan. 4. The right to designate as primary beneficiary of the policy other than provided in that Act. 5. The right to collect or receive income, shares or surplus, dividend deposits, refunds of premium, or additions to the policy. An insured may make an irrevocable assignment or all or part of his her rights for the purpose of obtaining favorable consideration for Medicaid, Supplemental Security Income, or another public assistance program. The form to do this will be provided by HFS of a form prepared by the insurance company that has been approved by HFS. The insured shall sign a guaranteed pre-need contract with the provider that describes the cost for funeral goods and services to be provided upon the person's death, up to \$7,248. This amount can be adjusted annually by HFS. For guaranteed preneed contracts with cash advances, the contract shall include a disclosure that states (in 12 pt. font) that cash allowances are merely an allowance toward the then-current costs for the involved for the involved items to be purchased after death. Burial spaces allowances may only be excluded from resources under Medicaid if a separate contract is executed for such burial space with a cemetery. Upon the death of the insured, the proceeds shall be paid as follows 1. The provider, 2. The State of Illinois, 3. Payment of proceeds to a secondary beneficiary (if any)
- b. Neutral

c. This bill passed out of committee.

5. House Healthcare Licenses

a. April 2, 2022 at 9:00 AM

i. **HB 4430** PrEP Pharmacy Services

ii. Neutral

iii. [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 licenses 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 negotiation in good faith between the pharmacist and the health plan. Effective Jan 1, 2023.

iv. Bill passed out of committee.

6. Senate Insurance

a. **HB 4335** Vaginal Estrogen Coverage Mandate

i. Neutral

ii. Mandates coverage for vaginal estrogen without cost sharing. [HA #1](#) removes ILHIC opposition by only requiring 1 therapeutic equivalent as well as push the effective date to 1-1-2024.

iii. This bill was never posted for a hearing.

b. **HB 4979** with SCA #2 Prepaid Funeral Burial

i. Neutral

ii. [SA #1](#) becomes the bill. Allows any owner of rights under a life insurance policy to make an irrevocable assignment to a funeral home. The insurance company shall notify the funeral home and owner of the policy of its receipt of the form. Once the owner irrevocably assigns right to the funeral home, the owner cannot 1. Collect from the insurance company when it becomes a claim upon death, 2. Surrender the policy for cash value, 3. The right to obtain a policy loan. 4. The right to designate as primary beneficiary of the policy other than provided in that Act. 5. The right to collect or receive income, shares or surplus, dividend deposits, refunds of premium, or additions to the policy. An insured may make an irrevocable assignment or all or part of his her rights for the purpose of obtaining favorable consideration for Medicaid, Supplemental Security Income, or another public assistance program. The form to do this will be provided by HFS of a form prepared by the insurance company that has been approved by HFS. The insured shall sign a guaranteed pre-need contract with the provider that describes the cost for funeral goods and services to be provided upon the person’s death, up to \$7,248. This amount can be adjusted annually by HFS. For guaranteed preneed contracts with cash advances, the contract shall include a disclosure that states (in 12 pt. font) that cash allowances are merely an allowance toward the then-current costs for the involved for the involved items to be purchased after death. Burial spaces allowances may only be excluded from resources under Medicaid if a separate contract is executed for such burial space with a cemetery. Upon the death of the insured, the proceeds shall be paid as follows 1. The provider, 2. The State of Illinois, 3. Payment of proceeds to a secondary beneficiary (if any) Effective Jan 1, 2023.

iii. This bill was passed out of committee.

iv. NOTE: These changes are contingent on HFS applying for federal waivers and approval. If there is clean up that needs to happen, we will work closely with HFS over the summer to make those changes.

7. Senate Executive

- a. April 8, 2022 at 9:00 AM
- b. **HB 836** Premium Misalignment Study (Subject Matter Only)
- c. Tasks the Department of Insurance to oversee a study to explore rate setting approaches that may yield a misalignment of premiums across different tiers of coverage in Illinois individuals health insurance market. The study shall include an specific analysis on: 1. Number of consumers who are eligible for a premium subsidy under the ACA. 2. If the plan is in a silver level, analysis should include the relation of the premium amount compared to the premium charges for QHPs offering different levels of coverage, 3. Whether the plan issue utilized the induced demand factors developed by CMS for the risk adjustment, 4. Predict cost estimates for Illinois residents addressing metal -level premium misalignment. The report shall be submitted by January 1, 2024.
- d. Neutral

8. Manic Monday

- a. **HB 1462** Prescription Drug Affordability Board
 - i. Oppose
 - ii. Creates the Prescription Drug Affordability Board. HB 1462 establishes the Prescription Drug Affordability Board to protect against high prescription drug costs. The board consists of 5 members and 5 alternatives that must have health care economics expertise and clinical medicine expertise. Members cannot belong to trade associations for manufacturers or manufacturers. The Chair of the board must hire staff, an executive director, and a general council. The Board may receive a salary. The Board shall meet every 6 weeks to review prescription drug product information. The Board shall 1: deliberate drug cost review; 2. vote on whether to impose payment limits on purchases and reimbursements and 3. and a decision by the board. The Board shall get drug information by accessing pricing information for prescription drugs from states that already report pricing information by means of a memorandum of understanding. This bill also establishes the Prescription Drug Affordability Stakeholder Council for the purpose to provide input to assist the board in making decisions. The Council consists of 25 members appointed by the governor and Leadership. Industry is not included. The Board shall identify various prescription drug products and pricing processes. Effective Jan 1, 2023.
 - iii. Placed on the Order of 2nd Reading
- b. **HB 1465** Rate Review
 - i. Oppose
 - ii. Amends the Insurance Code by defining "unreasonable rate increase" to mean a rate increase that a Director determines to be excessive, unjustified, or unfairly discriminatory in accordance with 45 CFR 154.205. Requires all individual and small group accident and health policies written in compliance of ACA to file rate to the Department for Approval. The Department is required to provide a report to the General Assembly on or after January 1, 2023, regarding both on and off exchange individual and small group rates. Rates must be approved or denied within 60 days after the rate increase is filed with the Department. The Department is required to publish a report explaining the rates for the subsequent calendar year on its website no more than 30 days after CMS has certified the policies. Effective Upon Becoming Law.
 - iii. Passed the House Referred to Assignments
- c. **HB 1466** Insulin Cap \$35 Coverage Mandate
 - i. Oppose
 - ii. Moves the insulin cap from \$100 to \$35 dollars. Effective Immediately.

iii. Passed the House Referred to Assignments

9. Remaining Issues

a. **Network Adequacy DOI Rules** have not been published by JCAR as of April 8, 2022.

10. Deadlines

a. **Adjournment**

i. April 8, 2022 **TODAY!**