



ILHIC Legislative Call Summary

April 12, 2024

1. Session Overview

- a. Today marks the Senate's 3rd Reading Deadline. Many of our negotiated bills have been amended to a place of neutrality in the Senate, with some outliers. We expect a lot of floor action today and next week as the 3rd Reading Deadline for the House approaches next Friday. The Senate is expected to have a packed day. They have already heard controversial bills, including BIPA, with passed out of the Chamber 46-13. Our tracked bills that have reached neutrality are slowly moving to the other chamber. We will provide members with updated charts to reference bill movement.

2. Bills in Committee

4/9/24

Senate Insurance Committee

400 Capitol

5:30PM

- **SB 3130 SFA #2- Insurance Various SBM Omnibus**
 - ILHIC is Neutral on the amendment.
 - Bill passed on the agreed bill list.
- **SB 773 Fertility**
 - ILHIC is Neutral on the amendment.
 - Bill passed on the agreed bill list.
 - Bill passed on the agreed bill list.
- **SB 2639 Fertility (Hastings)**
 - ILHIC is Neutral on the amendment.
 - Bill passed on the agreed bill list.
 - There will be a floor amendment.
 - Conflicts with HB 4112 (Croke)
- **SB 2641 Emergency Specialists**
 - ILHIC is opposed to the amendment. The language is difficult to implement for plans as well as the Department. ILHIC has concerns over the lack of authority plans have to determine sufficient staffing of specialists.
 - Testimony was provided on SB 2641. Senator Holmes explained the bill and what insurers are required to do. The bill was brought by the Illinois Society of Pathologists.
 - A physician testified on the bill stating that they want to strengthen networks for consumers. This is a bill like Washington State.

- Senator Syverson asked about non-employees of the hospitals and clarified if the specialists would be working within the facility in question. You can negotiate with these carriers now...so why are you not in-network? There is nothing that precludes you from doing that.
 - By requiring the providers to be in-network, you give all the negotiating powers to the monopoly of specialty doctors. This will increase costs to the consumer.
 - Senator Rose spoke up about how he is voting for the bill because he was waiting for his wife's breast cancer diagnosis, and it was not released until there was an agreement between the insurer and the hospital.
 - Passed on a roll call vote of 8-1.
- **SB 2697 Cancer Genetic Testing Coverage Mandate**
 - ILHIC is Neutral on the Amendment
 - Bill passed on the agreed bill list.
- **SB 3414 Continuous Glucose Monitor Coverage Mandate**
 - ILHIC is Neutral on the Amendment
 - Bill passed on the agreed bill list.
- **SB 3599 Mobile Integrated Health Coverage Mandate**
 - ILHIC is Neutral on the Amendment
 - Bill passed on the agreed bill list.

4/10/24

House Insurance Committee

C-1 Stratton

3:00PM

- **HB 4180 HFA #2- Diagnostic Mammogram**
 - ILHIC is Neutral on the amendment.
 - The amendment passed on leave.
- **HB5643 HFA #2- Pregnancy Tests**
 - ILHIC is Neutral on the amendment.
 - The amendment passed on leave.

3. Important Items

a. COGFA Meeting

- i. The COGFA meeting included an overview of the FY 2025 State Employee Group Insurance Program, which included a steep increase from years prior.
- ii. Senator Syverson asked why the trend in healthcare spending is so high? Are other states following these same trends? CMS responded by saying that the underlying costs are not different, but the utilization is higher, which is driving costs.
- iii. Senator Syverson asked if it is because of Illinois becoming a sicker population. Representative Davidsmeyer asked if the increase to healthcare spending included the cost of the mandates passed by the General Assembly. CMS responded by stating that

324 million dollars is explained by inflation and the rise in healthcare costs, while 210 million dollars are seen by mandates passed by the General Assembly. Senator Syverson pointed out that when we force increases in healthcare costs, it hurts businesses and non-state employees. They are “hit with a double whammy.” We need to step back from the mandates and look at the effects it has on consumer cost.

- iv. Senator Syverson asked the health plans how much the Ozempic mandate was going to cost, and if the plans currently cover this drug for weight loss?
The plans explained that they use quality controls to ensure that the drugs are used for their intended purposes. However, when the mandates for Ozempic becomes effective in June, they will comply with the statute.
- v. Senator Syverson stated that plans need to utilize quality control measures to keep costs down, because the General Assembly is passing bills that increase costs. It was then brought up that the Governor’s proposal would take away those very tools to contain costs. There was a request for an estimate of how much it would cost to eliminate step therapy that is proposed in the Governor’s healthcare package. The plans will provide those estimates shortly.

b. HB 5395 Stakeholder Meeting and Legislative Updates

- i. The Council met with the Governor’s Office to discuss and negotiate HB 5395. The discussion focused primarily on the step therapy portion of the bill. (pass to Laura)
- ii. Thank you to members who have submitted feedback on a complex UM issue with an extremely tight turnaround. We sincerely appreciate all your feedback as we slowly work through all of these pieces. We hope to get some of these pieces in a better place so when we move to the Senate, we don’t have a long list of asks. This will be more impactful asks.
 1. For the UM and Medical Necessity pieces, the Council requested:
 - a. Replacing the “Medically Necessary” definition to mirror what we negotiated in the Prior Authorization Reform Act. This mirrors the previous year’s work with the Illinois State Medical Society. For the 3rd bullet point, which previously stated that medically necessary was not primarily for the economic benefit of the health care plan, we simplified the 3rd bullet to reflect that medical necessity should not be for the convenience of the physician or caregiver, but what is best for the patient’s health outcome.
 - b. We deleted the “fail first” portion of the step therapy requirement definition.
 - c. Within step therapy exemptions, we suggested striking language that states “unless the utilization review criteria to authorize coverage for a requested treatment condition authorization on the enrollee failing first with another treatment and adding a new qualifier regarding aligning with the UM criteria provisions in Section 87.
 - d. We requested to strike that only a clinical peer may make an adverse determination, as it conflicts with some language in the PA Reform Act.

- e. We suggested a qualifier in Utilization Review that a UR Program shall apply the most recent version of the treatment criteria “at the time a service or treatment was delivered.”
- f. Deletion of the interrater reliability pass rates.

2. We hope to have another stakeholder conversation addressing our feedback soon. They intend to move the bill next week.

c. HB 5142/ SB 3665 Doula/ Birth Coverage

- i. The Governor’s Office has been working with industry to find a middle ground on HB 5142 and SB 3665, which mandates coverage with no cost sharing for home births, outpatient mental health services, home visits, support during labor, abortion, or miscarriage support by a doula with no cost sharing. This bill also mandates coverage for lactation consultants and coverage for postpartum coverage for one year after birth without cost sharing.
- ii. The Administration is open to removing the no cost sharing on home births, as well as placing a monetary cap on doula coverage. They expressed that they are most interested in no cost sharing for abortion services. The attempt is to get as much out of this as possible. However, we should be prepared to accept the no cost sharing mandate on abortion services.

d. ICHAN Request

- i. ICAHN manages a statewide rural accountable care organization (ACO), Illinois Rural Community Care Organization (IRCCO), that has twenty-seven critical access and rural hospitals and one-independent practice in this organization. The IRCCO hospitals have about 100 rural health clinics and practices and more than 500 medical providers. IRCCO has been in the Medicare Shared Savings Program (MSSP) since 2015 and Blue Cross Blue Shield IL Shared Savings Program since 2018. Collectively as of 2024, IRCCO has 35,000 traditional Medicare beneficiaries and about 34,000 BCBS beneficiaries in its ACO. IRCCO has put in place a strong onsite performance improvement coaching program along with the necessary infrastructure and data analysis to work directly with hospital and providers to improve care and performance. In addition, as an ACO,IRCCO has developed standard practices, submitted annually Medicare and HEDIS quality measures, and has focused on prevention and care management of its rural beneficiaries. IRCCO hospital/clinics are interested in learning if there are incentive quality performance programs and/or population management programs offered by commercial carriers. If so, how would IRCCO be able to participate? How could IRCCO, working in Illinois rural communities, create a program that would financial benefit insurance companies and IRCCO facilities?
- ii. Pat Shou, Executive Director of ICHAN, would welcome the opportunity to meet with the various insurance companies’ staff and learn more about their programs. ICAHN, a hospital member network comprised of the fifty-four critical access hospitals and five rural hospitals, manages the IRCCO program.
- iii. If you are interested in reaching out, Pat’s email address is: pschou@icahn.org

e. Dental Bill Slip Up SB 3305

- i. For members tracking dental bills, an amendment was filed on SB 3305 which was not agreed to. The Council was informed that there would be an amendment filed to SB 3305 which mandates tooth replacement under comprehensive health coverage. However, Amendment 1 was filed, and language includes changes to the Uniform Electronic Transactions in Dental Care billing Act. However, we were informed that this was a mistake. Amendment 2 took care of our Thursday morning fire drill and reflected language that was discussed between all parties.

f. Upcoming Meeting with the Department on the PBM Bill

- i. The Department is meeting with industry today to discuss HB 4548. We will keep members informed of how that meeting goes.

g. Upcoming Subject Matter Hearing on PBMs

- i. There is a Subject Matter Hearing in Chicago on April 22nd at 10:00AM to discuss Pharmacy Benefit Managers. This is being held during the week that the House and Senate are not in Session.

h. SB 2641 Specialists Network Adequacy

- i. SB 2641 was heard on 3rd reading. It passed on the floor. The language:
 1. Removes the determination from the Department and requires the insurer to demonstrate to the Director that each in-network hospital and facility has enough hospital-based medical specialists.
 2. Requires a report of the process of monitoring health plan beneficiaries timely in network access to physician specialists' services.
 3. Establishes a reporting requirement to the Department that each plan shall submit a report for the number and percentage of under contract in each area of specialties listed in the bill.
- ii. The bills language is still problematic due to lack of authority as well as regulatory burden. This is one of the few bills that is passing to the House with much work to do yet. The Department also has concerns about how to regulate this bill if it were to pass.
- iii. The Sponsor mentioned that the Chicago Land Chamber and Illinois Chamber only opposes because Insurers are their members and tell them to oppose.
- iv. The bill passed on the floor and now heads to the House.

i. HB 4629 and SB 3331 Junk Fee Bill Update

- i. Representative Morgan and Senator Aquino circulated a new draft of their Junk Fee Bill that:
 1. A standalone act to remove any private right of action (enforcement is strictly limited to the A.G.)
 2. Preemption references
 3. Compliance with existing Illinois laws

- ii. The bill is drafted to lean into the hospitality/ food service industry. Although the language leans into these industries, financial transactions are currently not exempted.
- iii. The Council suggested to insert language into goods or services- “This term does not include goods or services provided by entities regulated under Chapter 205 or Chapter 215 of Illinois Compiled Statutes.” If this language is not acceptable due to the AG prohibiting specific exemptions, we did ask for legislative intent to be read indicating that the insurance industry is not intended to be included within this language.

4. Market Conduct Rumors

- a. We have heard that Market Conduct (agreed language) will move this Session and be amended to the original SB 1479. However, the bill is in assignments and no Amendment or extension has been filed. While this might not mean that the language will be on this bill, this does signal that the issue is not dead this session and could easily be included on another Senate bill or House Bill.

5. Regulatory Matters

- a. The following regulations were published in the Illinois Register dated April 5, 2024 and are scheduled for hearing at the **April 16 2024 JCAR Meeting at 10:30 a.m.**
 - i. **Supplier Diversity Reports (50 Ill. Adm. Code 910)**
 1. -First Notice Published: 47 Ill. Reg. 18845 – 12/26/23
 2. -Expiration of Second Notice: 4/18/24
 - ii. **Premium Increase Justification and Reporting (50 Ill. Adm. Code 2026)**
 1. -First Notice Published: 47 Ill. Reg. 19290 – 12/29/23
 2. -Expiration of Second Notice: 5/1/24

6. Next Week

- a. Both the Senate and House are in Springfield next week for more legislative work. The House has its 3rd Reading Deadline next week.

7. Important Dates

- i. Senate 3rd Reading Deadline- April 12th
- ii. House Bills 3rd Reading- April 19th
- iii. House and Senate Committee Deadline- May 3rd
- iv. House 3rd Reading Senate Bills- May 17th
- v. Adjournment- May 24th
- vi. Possible contingent session (May 25th- May 31st)