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 Overview**
    a. Absolute chaos is an understatement of how this week is going. The General Assembly is looking to wrap up the Spring Session by moving some last large priorities including, the Medicaid omnibus, cannabis omnibus, elections omnibus, chatter of a BIPA Bill (although the Senate Leadership said it was dead for the Spring), and of course, the Budget/BIMP bills. There is an agreement between leadership of the House, Senate, and the Governor's Office that once the budget is introduced, the Senate will pass the budget and the legislation would move through the House untouched. However, there are now some deep concerns with House membership regarding the lack of communication and transparency of some of the budget. These concerns are causing much strife within the House. The goal of the Senate on Wednesday night was to pass the budget to the House, but in a turn of events, the House's membership was infuriated they were not briefed on the budget and the Democratic Caucus ran past eleven, making it a "mechanical impossibility" to pass a budget before midnight on Wednesday. What does this mean? This means that the budget needs to be read on three separate days, and Session will bleed over to Saturday. The House could read the budget on Saturday at 12am. That plan looks likely. The House will not be in until 5pm tonight.
3. **Health Rate Review/Prior Approval**
    a. **RATE REVIEW/PRIOR APPROVAL(Health)**: As mentioned previously, the Council would be opposed to Rate Review if large group deemer language was absent from the language. Last night, the Department and Governor's Office agreed on accepting large group deemer language for form filings with the following language changes.

i. Maintains the initial 90 days but allows for a 30-day extension to provide for a 120 deemer option.

ii. Allows the Director to institute tolling of the filings for potential conflict with state or federal law if certain conditions are met.

iii. Clarifies that insurers still have an obligation to respond to objections and requests for additional information within the timeframe that is often identified in the communication sent back to the insurer for response or else the Director has the authority to disapprove the filing.

iv. One technical change to subsection (f) to add back in reference to that section applying for plan year 2026, which was included in previous drafts and also reflected in subsection (c).

b. As a refresher, below are the changes to Large Group Form Filings and Individual/ Small Group Rate Regulation within the Prior Approval Language.

i. **Large group form filings (beginning in 2025):**

1. Provides for a 90 day automatic deemed approved provision, with a 30-day extension allowed if the Department requests the additional 30-day extension prior to the close of the 90 days. For those policies that have an extension, a 120-day automatic deemer applies.

2. Allows the Director to toll filings if there is a conflict with federal or state law, but the tolling must apply uniformly to all applicable filings and the justification for that tolling, as well as the anticipated duration, must be communicated to the insurer and posted to the DOI's website.

3. Reinforces the Director's authority to disapprove a filing if the insurer fails to provide for a timely response to objections or request for additional information during the review process.

ii. **Individual and small group rate regulation (2025 and 2026):**

1. Beginning with Plan Year 2025 (file and use maintained): 1) requires the Department to post all rate filings and summaries to the website within 5 business days after the filing deadline, excluding information that is considered proprietary or confidential; and 2) requires the Department to open a 30-day public comment period following the posting of the rate summaries.

2. Beginning with Play Year 2026 (prior approval begins): 1) requires the Department to provide at least 30 days notice prior to the

deadline for filing the individual and small group health insurance rates; 2) requires the Department to approve, or disapprove or modify any rates deemed unreasonable or unjustified with 60 days following the close of the comment period or else the rate is automatically deemed approved in the absence of action; 3) any insurer whose rate has been disapproved or modified is allowed to appeal the decision within 10 days after the action take, subject to judicial review under the Administrative Review Law.

3. Beginning May 1, 2026 and each May 1 thereafter, requires the Department to publish an annual report summarizing information related to factors influencing the health insurance rates, including medical costs, benefit changes (new coverage mandates), and other factors.

c. Once the language was agreed to, the language was filed onto HB 2296. On Wednesday night there was a Subject Matter in Senate Execute on the Language. The talking points were similar to the previous Subject Matter in Senate Insurance, which expressed that Rate Review would establish affordability for small businesses. The Senate Republicans did a great job at noting some detrimental effects to issuing approval and the impacts on competition. The language was then filed as a floor amendment and heard in the Senate Wednesday night. Democrats praised Senator Fine on the legislation that she has been working on for over 10 years, and Republicans noted that while this may look good in the "large print," small print implementation concerns are serious and abundant. The bill passed in a partisan manner and was sent to the House. Leader Gabel will become the lead sponsor in the House. The language is currently in rules.

4. State Based Exchange

a. There were rumors flying that the State Based Exchange was dead because rate review was now tied to the State Based Exchange. Stakeholders had to be "good" on both pieces of the legislation for either of the bills to move. This had the Governor's Office in Panic Mode because they had made it crystal clear that they did not want Large Group Deemer language. However, after hearing that the State Based Exchange was likely to die with Rate Review if they didn't come to the table, their opposition softened, and an agreement was made. This agreement allowed the State Based Exchange Language to move again as well, after a slight resuscitation. Before the State Based Exchange was to move, there were some additional changes that had to be made in order for the bill to be called. They were:

i. The advisory board will now be appointed by the Senate. This will allow the legislators to be more involved in the process as well as keep a

balanced board. The language leaves the possibility of the Governor making a temporary appointment until the Senate may meet again. This is likely to be the case so the Department can get right to work with implementation.

ii. Requires the Department to adopt rules for operating the Illinois Health Benefits Exchange.

iii. Lowers assessment cap from 4.0% to 3.5%.

iv. Changes the appointment power from the Director of Insurance to the Governor.

b. The amendment was filed on the same vehicle (HB 579) and heard in Senate Executive, where there was no testimony and it moved out of Committee on a partisan roll call. HB 579 was then shortly heard on the floor, where republicans spoke of concerns that this is a step in the direction for a Medicaid for all policy. Republicans also expressed concerns that making plans like Medicaid would decimate the hospital systems and provider networks. After a short debate, the bill passed from the Senate to the House on a partisan Vote. The House assigned the bill to the Insurance Committee. We are unaware of when that Committee will take place today or if it will be reassigned to the floor.

5. Medicaid Omnibus

a. SB 1298 was filed late Thursday. The amendment included two provisions in the Insurance Code. The first provision states that without limiting the individual's eligibility under the Department Rules implementing federal regulations, for at least 63 days after an applicant loses benefits under the state medical assistance program, an insurer shall not deny or condition the issuance or effectiveness of any Medicare supplement policy or certificate that is offered and is available for issuance to new enrollees by the issuer. It also states that insurers shall not discriminate against the pricing of a med supp plan because of health status, claims experience, receipt of healthcare, or medical condition. Requires that Medicare supplement policy and certificate available from an insurer shall be made available to all applicants who qualify under the statute. This language corresponds with the recent rulemaking filed by the Department.

i. This portion of the bill in Amendment 1 did not have an immediate effective date when filed, which means that individuals coming off Medicaid on July 1st might not be able to qualify for enrollment without penalty. This was changed and is corrected in House Amendment #3.

b. The language also included the previous filed HB 757, which was a PBM audit bill language that was agreed to with PCMA, The Council, and Independent Pharmacists.

6. **BIMP**

    a. The industry received no surprises in the Budget Implementation Bill. The bill included a transfer (during the year of 2024 only) of 10 million dollars from the Insurance Producer Administration Fund to fund the Illinois Health Benefits Exchange Fund.

    b. ** Please note: The mandate for injectable medicine to improve glucose or weight loss was only applied to the State Employee Group Insurance Program. This was not placed in the Insurance Code.

7. **End of Session Summary**

    a. We are currently working on our End of Session Summary memo to members. This will be an all-encompassing memo of the issues, negotiations, and highlights from the Spring 2023 Session. We will distribute that to members via email next week along with the charts.