

# ILHIC Legislative Committee “Zoom” Call Summary

April 24, 2020

## **Executive Order/DOI Regulatory Updates – Producer Licensing & Premium Grace Period (Health Only)**

### **Producer Licenses:**

The Governor’s Office issued long-awaited producer licensing guidance on Monday via [Executive Order 2020-29](#). The EO addresses several areas of importance to ensuring that new applicants have a pathway towards obtaining a temporary license, limitations on temporary licenses are extended, and current licensed producers can still meet their continuing education requirements during this period of time.

As summarized in the EO, pre-licensure in-classroom requirements, along with the in-class continuing education requirements, are allowed to be achieved via webinar or other approved distance learning. *ILHIC distributed information earlier this week by the Independent Insurance Agents of IL who are offering virtual life and health pre-licensure courses in May at a discount to members.*

Once an applicant has completed their pre-licensure requirements, they can obtain a temporary producer license, which as outlined in IL statute, is limited to 90 days and cannot be extended, nor can an applicant obtain a second temporary producer license. The EO extends this 90-day limitation for the duration of the Disaster Proclamation for those with an existing temporary license, as well as those who may have had their temporary license expire during the proclamation period.

Finally, the EO suspends state requirements that the two-part producer examination must be passed within 90 days of each other for the duration of the Disaster Proclamation.

There is still some outstanding concern that with the closure of state licensure testing sites through the end of May, at the very least, temporary licensed producers may be unable to obtain a testing date before the end of the Disaster Proclamation, which may result in a disruption in their ability to continue serving customers until they can get seated for the examinations. Pearson Vue, the state’s testing vendor, has indicated that they are unable to accommodate virtual testing at this time.

ILHIC along with the other industry groups had hoped the guidance would allow some consideration of aligning the expiration of a temporary license with a confirmed testing date, but the Department, at this time, has declined to provide further guidance or amend the existing guidance to allow for that accommodation.

### **COVID-19 Premium Grace Period (Health), Group Coverage Extension Requirements, and Prescription Drug Supply Coverage Requirements**

The Department also issued [Bulletin 2020-11 and corresponding emergency rules](#) on Monday that apply only to health insurance coverage (excepted benefits are exempt) that address premium grace periods, extension of group coverage to employees who may have been furloughed, COBRA requirements, special enrollment period (SEP) accommodations, coverage of 90-days supply of maintenance medication, and required coverage of off-formulary prescriptions if a drug supply shortage exists.

The emergency rules vary in their application of the provisions to different health products/markets. Additionally, the emergency rules take effect immediately and remain in effect for 150 days; however, as noted

in the rules, the provisions appear to be tied to the Disaster Proclamation period and any accommodations requested during that time may be allowed to remain in place even if the proclamation is pulled back during that time. ILHIC is seeking clarification from the DOI regarding the effective period of the rules.

As summarized in the text of the bulletin, the rules outline the following requirements and our understanding of how these provisions are applied based on product/market are also highlighted below:

- Provide for up to a 60-day extension on the premium payment deadline, upon request of the insured (*individual coverage only*);
- Prohibit an issuer of group HMO coverage from interfering with an employer that wants to keep their employees on their existing health coverage despite a reduction in hours or temporary lay-off (*group HMO only – provisions do not speak to group participation requirements*);
- Restrict the ability of an issuer or group HMO coverage to prevent a person whose employment-based coverage was terminated from electing COBRA or state continuation coverage (*individual and group HMO coverage*);
- Allow persons who qualify for an SEP due to loss of employment to have their new coverage retroactively begin the day after their loss of the previous coverage (*individual coverage only*);
- Require coverage of off-formulary prescriptions if there is a shortage of a covered formulary drug (*individual and group coverage – PPO and HMO*); and
- Require coverage of a 90-day supply of covered maintenance medications, other than those prone to misuse (*group HMO coverage only*).

### **Stay at Home Order Extended through May**

The Governor announced yesterday he is extending the state's Stay at Home Order through May 31 with modifications that will allow some re-opening of outdoor recreation facilities, including state parks and golf facilities, as well as gardening-related businesses and pet-grooming services, and health care providers will be allowed to phase back in elective procedures. The order also mandates face masks be worn in public when social distancing is not feasible.

The official EO will be issued later today and ILHIC will distribute once that order has been signed.

### **Legislative Session Update**

The General Assembly still has no definitive plans to return to Springfield. Committee and Third Reading Deadlines continue to be extended into early and mid-May.

The Senate and House working group process discussed last week continues to move forward. The House working groups began meeting this week. As noted last week, the working group meetings are closed to the public and interested parties, but both chambers insist that the working groups are not actively discussing legislation that might otherwise violate the Open Meetings Act.

With the extension of the Governor's Stay at Home Order through the end of May, it is still conceivable that lawmakers could return in limited fashion in May, but it is becoming increasingly more likely they will have to convene in June.

## **Workers' Compensation Emergency Rule – TRO Granted until April 30**

A judge has granted a TRO against the [emergency rules](#) filed by the IL Workers' Compensation Committee last week until April 30 (when the state is to respond to the preliminary injunction), but the business groups believe it will be in place for 30 – 60 days.

The [lawsuit](#) seeking the TRO was filed by the IL Manufacturers' Association and the IL Retail Merchants Association on Tuesday and claimed that the IL WCC exceeded their authority by extending workers' compensation coverage to "essential" employees who have contracted COVID-19 with no proof that the illness was contracted at the workplace. The IL Chamber of Commerce and other business and industry groups also filed an Amicus Brief outlining the estimated cost impact of the emergency rule, that, based on NY and CA modeling, could extend upwards of \$30 billion.

In the meantime, a coalition of business and industry groups have drafted a letter to members of the legislative Joint Commission on Administrative Rules (JCAR) seeking an objection, or at the very least, a delay in the emergency rules if a permanent injunction is not granted.

JCAR was scheduled to meet on April 21, but that monthly meeting was cancelled, so the letter will be held to allow the TRO process to move forward. JCAR is not scheduled to reconvene until May 19.

ILHIC has agreed to be a signatory on the letter.

## **UPCOMING MEETINGS/IMPORTANT DATES:**

May 7 – Committee Deadline (Extension)

May 15 – Third Reading Deadline (bill crossover deadline)

May 31 – Scheduled Adjournment Date

***June 8-10 – ILHIC Annual Meeting – Lake Geneva - POSTPONED***

November 3, 2020 – General Election Day