

ILIC Legislative Committee – Call Summary

April 8, 2019

WEEK IN REVIEW:

Rate approval update: The House Insurance recommended adoption of [House Amendment #1 to HB 471 \(Morgan\)](#) on Thursday by a vote of 13-4. The amendment is identical to [House Amendment #3](#) to HB 815 to provide the Department with the authority to disapprove rates for individual and small group ACA compliant health insurance plans (removing language to also give them approval authority over the long-term care insurance rates).

Representative Morgan presented a draft of an amendment in committee that he believed addressed industry concerns that would add a definition of what rates are considered “reasonable,” as well as a 30-day time frame by which the Department has to approve/disapprove rates before they are automatically deemed approved. The Department did not testify in committee but indicated to the sponsor and ILIC that 30-days is not enough time for them to review the rates.

The sponsor introduced [House Amendment #2](#) on Friday, which gives the Department 60-days to review before the rates are automatically deemed approved. The sponsor has indicated that he would like to have the amendment go directly to the floor (circumventing committee) in order to get the bill out by this Friday, which is the House (and Senate) Third Reading deadline.

HOUSE and SENATE THIRD READING DEADLINE:

This Friday, April 12 marks the House and Senate Third Reading deadline by which bills that sponsors wish to advance before the end of the session have to cross over to the other chamber for action. Here is a rundown of bills currently pending House and Senate floor action this week:

Data Privacy Act: [HB 3358 \(Turner\), as amended by House Amendment #2](#) creates the Data Privacy Act, which contains many of the provisions put forward in previously introduced Right to Know bills (HB 2736 and SB 2149) to regulate how businesses collect, sell and/or share personal information. The proposed legislation addresses exemptions for those entities regulated by HIPAA and GLBA, but further clarification is needed to avoid conflicts with other state/federal privacy laws that govern insurance, as well as interaction with third party collection of data. The sponsor agreed to hold if on 2nd Reading to continue discussion with the opponents and bring back another amendment, but if that does happen, it may only provide for strengthened exemption of HIPAA-regulated entities to align with what is currently in place for GLBA-regulated entities.

Disability Income – Mental Health Coverage: [SB 1449 \(Morrison\)](#), as amended by [Senate Amendment #1](#), establishes a task force to study disability income policies and their coverage of mental health/substance use disorders. The underlying bill would have required parity in coverage for all disability income policies. ILIC has provided some suggested changes to the make-up and charges for the task force, which has been introduced in [Senate Amendment #4](#).

Readability Requirements: [HB 3451 \(Yednock\)](#) mandates all insurance policies shall be subject to certain readability standards, as determined by the Department of Insurance. The legislation faces heavy opposition from ILIC and other industry/business groups.

Health Insurer Liability - Coverage Denial: [HB 2435 \(Flowers\)](#) subjects health insurance carriers and their employees and other representatives to liability for damages for any harm to an enrollee proximately caused by their failure to exercise “ordinary care” (which could include denying coverage for care that the provider deems necessary). The sponsor agreed to hold the bill on Second Reading for an amendment; however, there is no agreement with the industry on ways to achieve a “compromise.”

Medicare for All: [HB 8 \(Flowers\)](#) creates the Medicare for All single payer health care program to be funded by a “progressive set of graduated income taxes.” Restructuring the state’s income tax to a graduated income tax will be a focus of budget/revenue discussions when legislators return after their two-week spring break, but it is unclear whether the sponsor will attempt to call this bill on the House floor later this week.

Pharmacy Benefit Management Regulation: [HB 465 \(Harris\) - House Amendment #1](#) mandates PBM transparency and licensure requirements. The amendment further requires an insurer to apply any third-party payment or financial assistance (coupons) to the insured’s deductible, co-pay, or cost sharing responsibility and out-of-pocket maximum. The sponsor is expected to release a new amendment that reflects input and suggested changes provided by the PBMs, the insurance industry, and other interested parties.

Prescription Drug Cost Reporting: [HB 156 \(Flowers\)](#) creates the Prescription Drug Pricing Transparency Act to mandate insurers to disclose certain rate, spending, and pricing information concerning prescription drugs to the Department of Public Health and the Attorney General. The sponsor agreed to hold the bill on Second Reading to work on a compromise; however, no compromise solution has yet been identified.

Prenatal/Postpartem Coverage: [SB 1909 \(Castro\)](#) mandates coverage for medically necessary services for women up to a year after giving birth, including behavioral health care. [Senate Amendment #4](#) reflects some of the discussions ILIC and the Chamber have had with the sponsor to restore utilization management tools to ensure pregnant/postpartum women receiving behavioral health services are in the most appropriate health care setting. Discussions will likely continue once the bill reaches the House.

UPCOMING DEADLINES:

Both the House and Senate 3rd Reading (crossover) deadlines are Friday, April 12. Lawmakers will be on their legislative spring break until Tuesday, April 30. Legislators involved in budget negotiations will likely meet over the break. ILIC will provide details on any emerging budget-related issues, including the MCO tax, as they come forward.

Lawmakers only have 2 weeks after their return before the next committee deadline of Friday, May 10.

If anyone has any feedback on any specific bills or any questions, please do not hesitate in reaching out to Laura at ilicminzer@gmail.com or Larry at ilicbarry@gmail.com.

UPCOMING MEETINGS:

June 24 - 26 – Annual Meeting – Lake Geneva