

ILHIC Legislative Committee – Call Summary

February 7, 2020

The General Assembly returned to Springfield for an abbreviated session week with all committees of interest – including the House and Senate Insurance Committees and the House Cybersecurity, Data Analytics & IT Committee– canceling their scheduled hearings. Consequently, [HB 2736 \(Buckner\)](#) creating the “Right to Know Act” requiring personal data privacy disclosures* and [SB 2457 \(Morrison\)](#) eliminating the age limit (18 or under) on the newly enacted law requiring coverage for medically necessary epinephrine injectors (P.A. 101-281) did not advance.

There is no session scheduled for next week, but the second-year new bill introduction deadline is next Friday, February 14. Legislators return on Tuesday, February 18.

**Last week’s notes erroneously indicated that HB 2736 does not include an exemption for entities subject to the GLBA. While the legislation does include an exemption for entities subject to GLBA in the Construction Section of the Act, it is less clear in its exemption for entities subject to HIPAA.*

LEGISLATIVE ISSUES OF INTEREST:

Medicare Supplement – Open Enrollment (Birthday Rule) UPDATE

ILHIC spoke with the sponsor of [SB 2501 \(Murphy\)](#) who indicated that the idea for the proposal came from a constituent familiar with the CA “birthday rule” law that creates a birthday-triggered annual open enrollment period with guaranteed issue for Medicare supplement policies. Senator Murphy was very receptive to concerns outlined with the proposal and will engage ILHIC and the industry if and when she decides to move forward with the legislation.

MEMBER FEEDBACK NEEDED:

Prohibition on Arbitration & Discretionary Clauses – Life, Health & Disability Insurance

[SB 2746 \(Morrison\)](#) prohibits mandatory arbitration and discretionary clauses in life, health, or disability insurance policies. Illinois Insurance regulations – [Section 2001.3](#) – already prohibit the use of discretionary clauses in these policies.

Incontestability Time Limit – Accident & Health Insurance Policies

[HB 4650 \(Bailey\)](#) seeks to reduce the time limit from 2 years to one year from date of issuance that an insurer can void an accident or health insurance policy or deny a claim for incurred or disability due to misstatements (other than fraudulent misstatements) made by the insured on the application.

Revised Uniform Unclaimed Property Act (RUUPA) – Tax-Exempt Retirement Accounts & New Corporate Reporting Threshold

[HB 4573 \(Zalewski\)](#)/ [SB 3153 \(Crowe\)](#) extends the provisions regarding when a tax-deferred retirement account is presumed abandoned to include tax-exempt retirement accounts. The provisions also require a business association that has NO reportable property to report to the Treasurer (in forms to be determined by the Treasurer) if the business association has: (1) annual sales of more than \$1 million; (2) securities that are publicly

traded; (3) a net worth of more than \$10 million; or (4) more than 100 employees. Under RUUPA, “business association” is defined as a corporation, joint stock company, investment company, unincorporated association, joint venture, limited liability company, business trust, trust company, land bank, safe deposit company, safekeeping depository, financial organization, insurance company, federally chartered entity, utility, sole proprietorship, or other business entity, whether or not for profit.

DOI Working Group Update – Medical Necessity Criteria (P.A. 101-0461) and Mental Health Parity Compliance Reporting (P.A. 100-1024)

The Department has posted a public [notice](#) of upcoming meetings of a new Working Group regarding the Development of Medical Necessity Criteria for new bundled treatment models for first episode psychosis treatment and assertive community treatment that insurers will be mandated to cover beginning January 1, 2021, required by [P.A. 101-0461](#). The Act also required the Department of Insurance to convene a working group to develop the criteria. The meetings are open to the public, but working group members appointed by the Department include representatives from BCBSIL, Thresholds, Sinnissippi Center, HFS, and DHS Division of Mental Health. ILHIC has inquired as to whether a conference line will be made available. The Council plans to attend the meetings scheduled later this month and will provide updates to health insurance members accordingly.

Additionally, the Working Group established under [P.A. 100-1024](#) that has been tasked with developing the mental health parity compliance reporting insurers will be required to provide annually to the Department of Insurance has been appointed and the Department is currently working on scheduling meeting dates for later this month. ILHIC and the IL Chamber have been appointed to represent the interest of the industry. Other Working Group appointees include the IL Association of Medicaid Health Plans, the IL Health and Hospital Association, the IL Association of Behavioral Health, the Kennedy Forum IL and representatives from Meridian Health Plan, BCBSIL, Haymarket Center, Turning Point, and Rosecrance.

UPCOMING MEETINGS/IMPORTANT DATES:

February 19, 2020 – Budget Address

March 17, 2020 – Primary Election Day

March 18 – Legislative Committee Meeting; Insurance Industry Legislative Day - Springfield

June 8-10 – ILHIC Annual Meeting – Lake Geneva

November 3, 2020 – General Election Day