ILHIC Legislative Committee Update

February 26, 2021

Spring Legislative Session Update

The House will begin virtual committee hearings this week. House Insurance is scheduled to convene on Monday, March 1 at 11 am with the following key bills posted:

- ***Risk-based pricing restrictions*** **-** HB 33 (Mason) (substance use recovery support) and HB 228 (Mayfield) (felony convictions)
- ***Prior approval – health insurance rates*** **-** HB 146 (Morgan)
- ***Producer pre-licensing via webinar*** **-** HB 241 (Jones)
    - Provisions of this bill are also included in the DOI's legislative initiative - HB 1957 (Jones)
- ***Irrevocable assignment – final expense for Medicaid eligibility*** **-** HB 295 (Manley)

Several other key bills have been posted for hearings in other committees next week:

- ***Paid Family Medical Leave (6 weeks)*** **-** HB 74 (Flowers) (House Labor & Commerce on Wed., Mar. 3 at noon)
- ***Health Care for All*** **–** HB 62 (Flowers) (House Health Care Availability & Accessibility on Tues., Mar. 2 at 9 am)
- ***Coverage for pharmacist patient care services related to contraceptive coverage*** **-** HB 135 (Mussman) (House Health Care Licenses, Wed., Mar. 3 at 9 am)

Senate Insurance is not scheduled to convene virtually next week and there are no key bills posted to any Senate committees scheduled to convene.

The Senate filing deadline is today. The key bill charts will be updated with newly introduced legislation and we will share updated charts early next week.

The House is also expected to return in-person the week of March 8, but lobbyists and members of the public will not have access to the Capitol or committee rooms during that time.

Other Legislative Updates

Secondary Notice – Life Insurance Lapse **-** NAIFA-IL will be re-introducing language prior to the Senate filing deadline today to require life insurers, for policies that have been in force for at least a year, to notify the policyholder, a specified secondary addressee (if one is designated) and an agent of record of an impending lapse in coverage at least 21 days before the effective date of lapse.

Paid Family Medical Leave (Healthy Workplace Act)– House Deputy Majority Leader Gordon Booth has re-introduced a PFML proposal that previously advanced in the 101st General Assembly - HB 3898 (Gordon Booth) – to require employers to provide a minimum of 40 hours of paid sick leave during a 12-month period for certain purposes.

Subject Matter Hearing – Medical Necessity Criteria (Mental Health)- The Senate Behavioral and Mental Health Committee and the House Mental Health and Addiction Committee are tentatively scheduled to hold a

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joint subject matter hearing on HB 2595 (Conroy)/ SB 697 (Fine) on March 12. The legislation is an initiative of Kennedy Forum IL (KFI) to require insurers to base medical necessity and utilization review for mental health and substance use on prescribed criteria. A similar law was enacted in CA and took effect for plans beginning January 1 of this year.

Subject Matter Hearing – DOI Insulin Pricing Report – The House Prescription Drug Affordability Committee is tentatively scheduled to hold a subject matter hearing on March 11 on the DOI's insulin pricing report released earlier this year. The report was conducted at the direction of P.A. 101-0625, which also applied out-of-pocket limits on a 30-day supply of insulin to $100.

DOI Pending Regulations Update

- **Proposed Amendment to Part 916 – Policy Form Filing Requirements** – the proposed amendment would require life and health insurance companies to submit complete policy forms for all products by prohibiting matrix pages, insert pages, or modular filings. ILHIC and ACLI joint comment letter is available HERE and DOI responses to questions is available HERE. ***Rule status: First Notice (published in April 24, 2020 IL Register, beginning on pg. 6211)***

- **Proposed Amendment to Part 2018 – Creating a Uniform Electronic Prior Authorization for Prescription Benefits** – the proposed amendment implements provisions set forth in P.A. 101-0463 that requires the Department to develop a uniform prior authorization form for prescription benefits based on input from interested parties, including the insurance industry, that beginning July 1, 2021, prescribing providers will be required to use and insurers will be required to accept. The proposed rule incorporated much of the feedback and input provided by ILHIC and member companies during the working group process. ***Rule status: First Notice (published in September 11, 2020 IL Register, beginning on pg. 14406)***

- **Proposed Amendment to Part 2019 – Applying a OOP Maximum on Cost-Sharing for Insulin** -the proposed amendment implements P.A. 101-0625 to apply a $100 maximum cap on cost-sharing for a 30-day supply of insulin. The proposed rule also clarifies that the coverage requirement applies to group POS plans offered by limited health services organizations, as well as group voluntary health services plans. ***Rule status: First Notice (published in September 11, 2020 IL Register, beginning on pg. 14416)***

- **Proposed Amendment to Part 2001- Extension of Corporate Name Disclosure Requirements to Excepted Benefits**- the proposed rule makes changes to allowable incentive for wellness programs, as well as extends corporate name disclosure requirements applied under Section 2001.13 to comprehensive medical policies (effective August 28, 2020) to excepted benefit policies and short-term limited duration policies. These changes include prohibiting reference to DBAs (Doing Business As) and providing the corporate name in the footer of every policy page. ILHIC submitted comments available HERE. ***Rule status: First Notice (published in November 6, 2020 IL Register, beginning on pg. 17603)***

The DOI has also published their 2021 regulatory agenda in the January 8, 2021 IL Register, beginning on pg. 819. The agenda includes a proposal to revisit Part 916 form filing requirements.

UPCOMING MEETINGS/IMPORTANT DATES:

February 26 – Senate Bill Introduction Deadline

April 6 – Consolidated Election

April 23 – Bill Crossover Deadline

April 26-27 – Insurance Industry "Virtual" Legislative Day *(held jointly with IIA, IIA of IL, NAIFA-IL, and IAMIC)*

May 31 - Adjournment