

ILHIC Legislative Committee Update

March 12, 2021

Committee Action Update

The House Insurance Committee unanimously passed [HB 241 \(Jones\)](#) to all producer prelicensure courses to be conducted via webinar. ILHIC supported the bill.

The House Human Services Committee also unanimously passed [HB 711 \(Harris\)](#), which proposes prior authorization restrictions and requirements on insurers, with the commitment of the sponsor to bring the bill back to committee with an amendment after stakeholder discussions are completed. ILHIC is opposed to the bill and submitted comments and proposed revisions along with IAMHP, PCMA, and AHIP to the House and Senate sponsors.

The House Prescription Drug Affordability Committee held subject matter hearing on “Insulin Price Cap Implementation Update”. The DOI presented their [insulin pricing report](#) released earlier this year that was conducted at the direction of [P.A. 101-0625](#). Witnesses representing the American Diabetes Association and parent advocates also testified about some of the affordability challenges that still exist and provided information on how Utah and Minnesota established programs designed to help those who are uninsured and other non-state-regulated plans to obtain affordable insulin. The Chairman also indicated that based on the DOI’s report, there is a likelihood of moving a bill that would reduce the current copay cap on insulin established under P.A. 101-0625 from \$100 to \$30 ([HB 3403 \(Ness\)](#)).

The Senate Behavioral and Mental Health Committee and the House Mental Health and Addiction Committee will hold a joint subject matter hearing on [HB 2595 \(Conroy\)](#)/ [SB 697 \(Fine\)](#) today at noon. 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. KFI will be testifying along with the National Council for Behavioral Health. ILHIC will also be testifying at the hearing.

The Senate Insurance committee did not convene this past week.

Key Bill Update

- **Risk-based pricing restrictions (SUD recovery support) - [HB 33 \(Mason\)](#)** : ILHIC is requesting input and feedback on language circulated that would prohibit discrimination “solely” on the basis of the risk classifications cited in the bills “and without sound actuarial principles or reasonable anticipated experience.” The language would also clarify that the individual is not currently in a treatment or recovery support program.
- **Risk-based pricing restrictions (felony conviction): [HB 228 \(Mayfield\)](#)** : The sponsor has indicated that she would not accept language that still gives some flexibility to ensure sound actuarial principles and reasonable anticipated experience. ILHIC is requesting feedback on language that would limit the application of the law to only those pre-need, final expense policies and those who have been convicted of a Class 2, 3, or 4 felony at least 10 years prior. Another consideration is to narrow the language to only denials and strike referencing to pricing.

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- **Irrevocable assignment – final expense for Medicaid eligibility - [HB 295 \(Manley\)](#)**: The sponsor will be moving the bill out of a committee with [House Amendment #1](#) to remove the Insurance Code provisions and continue discussions with the ILHIC. ILHIC has also discussed the bill with the Department of Insurance who is not aware of any concerns with the current process in place, but they will be involved in the negotiations over potential changes in the near future.
- **Civil Rights Violation – Mental Health Parity (Health Insurance & DI) - [SB 202 \(Morrison\)](#)** : ILHIC is scheduled to connect with Senator Morrison early next week to discuss concerns.
- **Secondary Notification – [SB 2407 \(Harris\)](#)**: ILHIC and ACLI met with IIA of IL to discuss concerns with the bill and we are currently working on language that would revise the provisions to align with secondary notification requirements in CT.
- **DOI Initiatives – Holding Company Act updates; Credit for Reinsurance & Group Capital Calculation, Pre-licensing webinars – [HB 1955 \(Jones\)](#), [HB 1956 \(Jones\)](#), and [HB 1957 \(Jones\)](#)**: Chairman Jones is expected to call the DOI initiative bills in committee next week. ILHIC will be filing in support of all three bills.
- **Annuity Non-Forfeiture Rate** – ILHIC is requesting feedback on the possibility of the Council introducing legislation this year that would amend Section 229.4a of the Insurance Code to reduce the minimum rate from 1% to 0.15% in line with the NAIC model. There is currently no legislation pending to make this change and the Department has indicated that the earliest they could move on this would be in the 2022 legislative session.
- **Telehealth** – ILHIC met with Representative Conroy, the sponsor of [HB 3498 \(Conroy\)](#), codifying portions of [Executive Order 2020-09](#) including payment parity. The bill is being pushed by a coalition of providers and patient groups led by the IL Health and Hospital Association. The Council is working on redline comments and revisions to the bill to provide to the sponsor early next week. Chairman Jones has also requested the bill be assigned to House Insurance.
- **Prior Approval – Health Insurance Rates** – ILHIC met with Senator Fine this past week to discuss concerns with [SB 1590 \(Fine\)](#) and [SB 1971 \(Fine\)](#) that require the Director to actively approve health insurance rates for individual and small group ACA plans. SB 1590 reflects language that was discussed in the 101st General Assembly while SB 1971 sets forth a public posting and public comment period before approval. The Senator has noted that this is her priority for this legislative session.
- **Prescription Drug Benefit Design – OOP Limitations** – ILHIC met with Leader Harris and proponents of [HB 1745 \(Harris\)](#) requiring at least 50% of individual and group plans offered within a service area and a level of coverage to apply either a flat dollar copayment amount, a limit on monthly OOP spending for prescription drugs, or a limit on annual OOP spending for prescription drugs. The sponsor has asked the industry to come back with alternative language by Tuesday of next week that addresses concerns, including the high percentage of plans that must comply and the implementation date (which is currently set for January 1, 2022).
- **Mid-Year Benefit Change Restrictions** – ILHIC spoke with Senator Murphy regarding [SB 1788 \(Murphy\)](#) that would prohibit health insurance plans from making any benefit, formulary, or provider changes in the middle of a plan year. The sponsor has indicated that all she wants to focus on is the provider provisions but was receptive to concerns relayed by the Council that provider contracting follows a different process than a contract for benefits and it would be difficult to control for situations in which the provider chooses not to contract with the insurer.
- **COVID Testing- Nursing Homes** – ILHIC is meeting later this afternoon with nursing home groups, the Department, Leader Harris and Senator Gillespie in the hopes of finalizing trailer language to address some concerns with [SB 1510 \(Steans/Harris\)](#) that is currently on the Governor’s desk. The Council sent a

letter to the Governor requesting he delay signing (or allow the 60-day clock to run its course on April 6) to give more time to negotiate changes needed to address implementation concerns.

Committee/Session Highlights – Next Week

The Senate will continue to meet as scheduled in-person. They have also indicated with the availability of a new rapid saliva-based COVID test, lobbyists may begin to enter the Capitol and participate in-person, but details will be forthcoming.

The House is only scheduled to return in-person on Thursday, March 18 and has indicated that they are unlikely to return regularly until after the legislative spring break in April. House Rules dictates stricter rules about lobbyist participation in-person, so it is unclear how access will look for the House once they begin to return as scheduled.

In the meantime, both House and Senate committees will still convene virtually. House Insurance will meet at 10 am on Monday, March 15, but Senate Insurance is not currently scheduled to meet next week.

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:

March 26 – Committee 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