

ILHIC Legislative Committee Update

March 5, 2021

Committee Action Update

House Insurance Committee convened for the first time this past Monday but did not take any action on bills posted for the hearing. Committee members introduced themselves, including new members of the committee, the Department of Insurance reviewed their legislative agenda for 2021, and the Chair created two new subcommittees: Special Issues and Insurance Review.

No other ILHIC key bills posted for a hearing in the House this week were called.

The Senate Insurance committee did not convene this past week.

Key Bill Update

- **Risk-based pricing restrictions** - [HB 33 \(Mason\)](#) (substance use recovery support) and [HB 228 \(Mayfield\)](#) (felony convictions): 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.*”
- **Irrevocable assignment – final expense for Medicaid eligibility** - [HB 295 \(Manley\)](#): ILHIC sent out a summary of a meeting with the proponents, HFS, and the Comptroller’s office along with proposed uniform forms for irrevocable assignment for feedback. The Comptroller’s office, along with HFS, are also working on some updated language to remove references to a trust. The Council will set up a separate call on this issue next week.
- **DOI Initiatives – Holding Company Act updates; Credit for Reinsurance & Group Capital Calculation –** [HB 1955 \(Jones\)](#)/[SB 2409 \(Harris\)](#) and [HB 1956 \(Jones\)](#)/[SB 2411 \(Harris\)](#): ILHIC is recommending that we support these bills, but if members have concerns with that approach, please let us know.
- **Medicare Supplement Birthday Rule** – [SB 147 \(Murphy\)](#): Leader Murphy has indicated that she intends to move this bill this year, but is open to further discussions about scaling the provisions back (limiting the age and/or reducing the time an individual has each year to change plans);
- **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.
- **Mandatory Supplemental Coverage of TMJ** - [HB 2649 \(Yednock\)](#) : ILHIC is requesting company input.
- **Group Life Replacement Coverage for Active Employees** [SB 1875 \(Syverson\)](#) : ILHIC is requesting company input.
- **Secondary Notification** – [SB 2407 \(Harris\)](#): NAIFA-IL and IIA of IL have reached out to ILHIC and ACLI to discuss concerns.

Committee Highlights – Next Week

The House has cancelled their in-person session days for next week, but committees will meet virtually as scheduled. The Senate is scheduled to return for in-person session days March 9 – 11, but committees will continue to meet virtually.

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- **Prior Authorization Reform - [HB 711 \(Harris\)](#)** – is posted for House Human Services on Tuesday. The sponsor has indicated that he intends to move it, but with the commitment that the bill will come back to committee with an amendment. ILHIC is finalizing comments and proposed revisions to submit to the sponsor.
- **Subject Matter Hearing – DOI Insulin Pricing Report** – the House Prescription Drug Affordability Committee is scheduled to hold a subject matter hearing on “Insulin Price Cap Implementation Update” on March 11 at noon. The DOI will be presenting their [insulin pricing report](#) released earlier this year that was conducted at the direction of [P.A. 101-0625](#).
- **Subject Matter Hearing – Medical Necessity Criteria (Mental Health)**- The Senate Behavioral and Mental Health Committee and the House Mental Health and Addiction Committee are scheduled to hold a joint subject matter hearing on [HB 2595 \(Conroy\)](#)/[SB 697 \(Fine\)](#) on March 12 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 has invited Joe Parks with the National Council for Behavioral Health to testify.

Other Legislative Updates

- **Producer Licensure Accommodations/Telehealth EO Extension** – DOI has indicated that [EO 2020-29](#) is expected to receive another 30-day extension. The current extension expires on March 7. The EO extensions are also expected to include [EO 2020-09](#) regarding telehealth coverage.
- **Health Care Affordability Feasibility Study** – HFS and DOI are finalizing a feasibility study conducted at the direction of [P.A. 101-0649](#). The Governor’s Office is currently working on creating a stakeholder outreach process after the study is released to collect feedback. A copy of ILHIC’s comment letter on the initial outline of the study proposals is [HERE](#).

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