

ILHIC Legislative Committee Update

April 9, 2021

Both the House and Senate are scheduled to return in-person next week for session. Legislative action in the House will largely consist of floor action, inclusive of amendments (committee deadline was March 26). The new Senate committee deadline is next Friday.

Key Bill Update – Senate Committees

The Senate Insurance Committee will convene on Wednesday, April 14 and the following key bills are posted for the hearing:

- **Civil Rights Violation – Mental Health Parity (Health Insurance & DI)** - [SB 202 \(Morrison\)](#) : ILHIC spoke with Senator Morrison regarding concerns with her bill including the latest [Senate Amendment #1](#) that would require health, accident, and disability income policies to apply equal terms of coverage to protected classes under the Act. The Council is still encouraging the sponsor to push for appointments and convening of a task force to study disability income insurance and parity for behavioral health conditions that ILHIC worked on with her in 2019 ([P.A. 101-0332](#)) in place of pursuing this bill.
- **PBM Restrictions** - [SB 2008 \(Koehler\)](#) imposes significant restrictions and reimbursement requirements on PBMs. ILHIC submitted comments to the sponsors and staff last week. A new amendment is expected that will remove many of the duplicative and conflicting provisions but will not address all concerns raised by ILHIC and other stakeholders. The sponsor is expected to convene another round of discussions on the forthcoming amendment.
- **Prior Approval and Public Comment on Health Insurance Rates** – [SB 1590 \(Fine\)](#) contains provisions included in legislation in the 101st General Assembly that requires the Director to approve or deny health insurance rates within 45 days (with a 30-day extension allowed). Proponents of the bill will likely seek to amend the bill with provisions currently included in [SB 1971 \(Fine\)](#) that sets forth a public posting and public comment period requirements before approval. ILHIC opposes both bills.
- **Vision Care Regulation** – The sponsor and proponents (IL Optometric Association) of [SB 2086 \(Castro\)](#) previously indicated that they do not intend to move the bill this session. However, ILHIC will follow-up with both parties to confirm and share concerns.
- Several bills are scheduled for committee that will be amended to remove ILHIC opposition:
 - [SB 332 \(Collins\)](#) – the amendment is expected to clarify that insurers are required to include telehealth service availability in their network directories if the provider supplies that information.
 - [Senate Amendment #1 to SB 471 \(Fine\)](#) – contains agreed language with ILHIC to establish behavioral health network adequacy standards.
 - [SB 679 \(Fine\)](#) – the amendment is expected to remove insurance coverage requirements for opioids (and hospital reimbursement requirements).
 - [SB 1592 \(Fine\)](#) – the amendment is expected to clarify that site of care denials cannot occur if the service is “clinically appropriate” for individuals with autism.
 - [Senate Amendment #1 to SB 1974 \(Fine\)](#) – reduces the period allowed for recoupment from 18 months to 12 months (instead of 6) and removes provisions that prohibited recoupment before the provider exhausted all appeals.

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Other Pending Legislation

- **Risk-based pricing restrictions (SUD recovery support) - [HB 33 \(Mason\)](#)** : ILHIC provided amendment language to the sponsor to prohibit discrimination solely *and without sound actuarial principles or reasonable anticipated experience* in addition to limiting the provisions to those individuals who have been out of a treatment or recovery support program for at least 5 years. The proposed language also includes agreed provisions introduced in the 101st General Assembly that apply similar restrictions on individuals who have obtained Narcan.
- **Risk-based pricing restrictions (felony conviction): [HB 228 \(Mayfield\)](#)** : The sponsor has not yet filed a new amendment, but ILHIC is continuing to work with staff, the sponsor and Senate staff on an advocacy strategy moving forward.
- **Irrevocable assignment – final expense for Medicaid eligibility - [HB 295 \(Manley\)](#)**: ILHIC met with the funeral directors, HFS, DOI, and the Comptrollers Office to discuss HB 295, which requires insurers to issue an irrevocable assignment of benefits to a funeral home in an amount not to exceed the purchase price of a funeral or burial expense policy. ILHIC provided a summary to HFS explaining that preneed and whole life products were different and the importance of excluding preneed companies who already utilize a form from being included from any created uniform form. The Department is working on drafting exclusion language. Once feedback from all parties have been received, the stakeholders are likely to reconvene and language will be amended.
- **Secondary Notification – Life Insurance - [SB 2112 \(Harris\)](#)**: ILHIC is working with the independent insurance agents and NAIFA-IL to amend the language to align secondary notification of impending lapse with current LTC secondary notification provisions, including allowing (rather than mandating) an applicant to select an agent of record as the secondary addressee.
- **Medigap – Birthday Rule- [SB 147 \(Murphy\)](#)**: The sponsor held a subject matter hearing on this bill, but it has not re-posted to committee for legislative action. ILHIC will reconnect with Senator Murphy to discuss her intentions and next steps (if she intends to amend another vehicle in the Senate).
- **Prior Authorization Reform –[HB 711 \(Harris\)](#)** The State Medical Society (SMS) met with ILHIC and the Medicaid Plans this afternoon to discuss the newly filed amendment 1 to HB 711. Many of the problematic provisions were still in the amendment. However, the SMS mentioned to ILHIC that the amendment is intended to be a jumping off place for negotiations. ILHIC will continue to work with SMS on the language. SMS does not intend to call the bill next week. However, they intend to move forward with the bill.
- **Telehealth Coverage and Reimbursement – ([HB 3498 \(Conroy\)](#), [HB 3308 \(Jones\)](#), as amended, and [HB 3759 \(Spain\)](#) with House Amendment #1)** ILHIC met with Stakeholders to discuss the various concerns and goals regarding telehealth. More specifically, comments provided by ILHIC. Much of the conversation was centered around parity. Stakeholders had a difficult time understanding that there are two different types of parity. One being parity of benefits. Meaning, copays, deductibles, and copayments for telehealth cannot be more than that of an in person visit. The other type of parity focuses on provider payment parity, which is the crux of the issue. ILHIC took the opportunity to explain that benefit parity was already covered under Illinois law. Stakeholders are taking information back to discuss with their respective clients. ILHIC sent around two different drafts of telehealth language for member feedback. There will be continued discussion around telehealth and its many components.

Other Legislative & Regulatory Updates

- **Health Care Feasibility Study** - On July 7, 2020, the Governor signed SB 1864, which instructed the Department of Healthcare and Family Services (HFS), in consultation with the Department of Insurance (DOI), to oversee a feasibility study that explores healthcare policy options for the state of Illinois. The policies selected for the study were: 1. Basic Health Plan; 2. State Premium and Cost Sharing Subsidies; 3. Public Option; 4. Medicaid Buy-In; 5. Moving to a State Based Marketplace; and 6. State-Supported Marketing and Outreach. Each policy was analyzed by looking at other states in addition to Illinois' healthcare landscape. Most policy analysis resulted in potential cost shifts for the consumer as well as large administrative costs. Due to the large cost considerations, the State does not plan to push any policy in the immediate future.
- **IL DOI – MHP NQTL Reporting (Phase I)** – The Department posted a [Company Bulletin 2021-03](#) earlier this week containing the official notice for mental health/substance use disorder parity reporting on NQTLs beginning July 1. The Phase I reporting [template](#) and [instructions](#) were developed by the MHP working group (per P.A. 100-1024) of which ILHIC is participating member.

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:

April 16 – NEW Senate Committee Deadline

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 – Scheduled Adjournment