



1. Current Regulatory Issues

a. July Regulatory Agenda

i. Best Interest

1. The Department will seek rules designed to strengthen the present regulation by requiring producers, as defined in this regulation, to act in the best interest of the consumer when making a recommendation of an annuity and to require insurers to establish and maintain a system to supervise recommendations so that the insurance needs and financial objectives of consumers at the time of the transaction are effectively addressed.
2. This item will be discussed at the Regulator Roundtable, to simply state that ILHIC will be supportive if it does align (as the Department suggests that it does) the NAIC regulation.

ii. HMO

1. The Department plans to implement a new section to address and further clarify the manner in which health insurers and HMOs are to demonstrate compliance to the Department with minimum requirements for prescription drug benefit plan designs as set forth in 215 ILCS 134/45.3 beginning 1/1/2023, and thereafter.
2. For a brief refresher, 215 ILCS 134/45.3 of HB 1745 (Carried by Leader Greg Harris) As amended by HA #1, beginning 1/1/23, requires health insurance carriers that provide coverage for prescription drugs to ensure that, within service areas and levels of coverage specified by federal law, at least 10% of individual health plans (and at least 1 group plan) apply a pre-deductible flat-dollar copayment structure to the entire drug benefit and beginning 1/1/24, at least 25% of individual health plans (and at least 2 group plans) apply a pre-deductible flat-dollar copayment structure to the entire drug benefit. Effective Jan 1, 2023.

iii. Improper Claims Practice

1. Amendments are needed to remove out of date references as well as address new instances of identified improper claims practices to ensure the rule is up to date with the ever-evolving insurance industry.

2. Section 926.20(The purpose of this Part is to establish guidelines for the handling of complaints received by the Department of Insurance against insurers, insurance producers or any other entity licensed, registered or granted a Certificate of Authority as described in this Section. This Part also sets forth minimum complaint record keeping requirements. This part needs to be expanded to apply to all individuals who are licensed by the Department.) Currently the rule applies to all entities and insurance producers, but there are other individual licenses granted by the Department for which we may receive consumer complaints, such as public adjusters, navigators, and pharmacy benefit managers

b. Infertility

- i. ILHIC submitted a comment letter for Proposed Amendment to Part 2015- Infertility Coverage on February 9th. The rule was published for first notice on December 27, 2021. The First Notice period must continue for at least 45 days, but agencies may continue to accept public comment for a longer period.
- ii. When an agency is ready to submit a rulemaking for JCAR review, it files Second Notice documents. These documents include a summary of the rulemaking and any changes the agency made to its proposed during First Notice; an estimate of the rulemaking's impact on State finances (e.g., how much will it cost, or save, the agency annually); a final regulatory flexibility analysis (i.e., the economic impact on the regulated parties); and a summary of public comment received during First Notice, along with the agency's responses to these comments. After JCAR accepts a Second Notice, the rulemaking is scheduled for consideration at a JCAR meeting within the next 45 days (the Second Notice period). This can be a quick turn around.
- iii. JCAR and the affected agency may agree to extend the Second Notice period for that rulemaking for an additional 45 days to resolve remaining issues. The rulemaking will be reconsidered at a subsequent meeting. Once Second Notice has begun, no further changes may be made to a proposed rulemaking unless agreed to by both JCAR and the agency. For this reason, public comments on a rulemaking that has been moved to Second Notice should be submitted to JCAR via letter, fax, phone or e-mail.

c. Network Adequacy

- i. ILHIC submitted a comment letter for Proposed Part 4540- Network Adequacy and Transparency on first notice on May 25th. Like the Infertility Rule, we have not heard of any response from the Department yet.

2. Legislation

a. Abortion

- i. The Department met with the Council with the goal of discussing potential abortion legislation. During the meeting, the Department brought up key issues they are trying to solve, which is 1. Access and 2. Transparency of services. They mentioned ideas of establishing a list of abortion providers so consumers would know which OBGYNs performed abortion related services. The Council did point out that many ideas had a strong provider focus, and that the Medical Society would have to be a key stakeholder in those conversations. The Department did also state that they are planning to issue a bulletin on separate billing for abortion services. They did not get into specifics. The Department did not bring up Extraterritorial Jurisdiction as a policy item they were looking at but mentioned that nothing is off the table. A Special Session is rumored to be held in September to address abortion related legislation.

b. Upcoming Legislative Issues

i. Domestic Violence

1. Representative Cassidy and Representative Hirschauer ran bills in the Spring that would mandate coverage for reconstructive surgery when the source of the injury was caused by domestic violence. The Council did meet with both representatives and discuss that insurers do not insure by source of injury. The bills were stalled last session and the Medical Society met with the Council this week to revive the issue. They did agree that they do not want to mandate coverage on the source of the injury. The language they submitted does meet ILHIC's mandate standards of 1. Medical Necessity, 2. Effective date of 2025.
2. **CURRENT BILL LANGUAGE:** A group or individual policy of accident and health insurance is amended, delivered, issued or renewed on or after **January 1, 2025, may** not deny coverage for **medical necessary** reconstructive services that are intended to restore physical appearance. Reconstructive treatments are treatments performed on structures of the body damaged by trauma to restore physical appearance.

3. Upcoming Regulator Roundtable Discussion with the Department

- a. Friday, August 19th the Department and the Council will have their first Regulator Roundtable Meeting. The Department agreed to hold these meetings on a quarterly basis. The Department will send out a Webex as soon as they receive the agenda.
- b. Current items up for discussion on the agenda are Market Conduct Exams and Legislation, Discretionary Clauses, Extension of eAPTC's and Department Implementation, Clarifying guidance regarding segregated premium for abortion for exchange plan (how carriers should handle non-payment approval of rate filings), and timeline of approval of rate filings. If you submitted an agenda item, please reach out to me elaborating on your agenda item. This will help me facilitate the meeting. Additionally, this meeting will be most productive with robust participation from our members. I invite you all to have an open conversation with the Department. This will ensure that the Department will continue to hold these meetings with the Council.

4. eAPTCs and rate filings

- a. The Department met with the Department on the reality of Congress authorizing an extension of the enhanced APTC's. Specifically, what is required of rate filings should Congress extend the APTCs. We asked the Department the following questions and received the following answers.
- b. Will the DOI issue guidance *requiring* a rate filing to account for the passage of eAPTCs?
 - i. DOI **will not** require a rate filing to account for the passage of eAPTCs. They have been asking companies for assumptions on rates if there is an extension of EAPTCs. Because DOI is asking for assumptions now, they **will not** require a rate filing to account for the extension.
- c. If not *required*, will DOIs *allow* a rate filing?
 - i. Yes. DOI will allow an adjusted rate filing if eAPTCs are extended.
- d. If yes to either, what is the timeline for issuers to resubmit a revised rate filing?
 - i. For voluntary rate filings, should the eAPTCs get extended, DOI did not provide a solidified timeline. However, they did state that they will at least need a couple of days to a week. They requested that companies not submit rate filings the day before August 17th (when rates are locked in).

5. Annual Meeting

- a. The Annual Meeting will be held on August 31st through September 1st. You should all have a tentative agenda in your email. If you do not, please reach out to me and we can provide you with one. As you can see, we are taking the feedback you provided from last year and separating the agenda. The first day will be our "member day." Member day will consist of educational

presentations and insurance fundamentals to legislators. Our members are more than welcome to come to this day. That evening we will have some fun mixer competitions and a night of bowling, networking, and dinner (and we will ensure there will be desserts present). The next day will consist of our member day, where we will be discussing legislative outlooks, presentations on how to interact with your legislator, as well as an industry outlook for 2023. We will be one of the first audiences to see this information! Our member day will give members the ability to discuss openly on the topics provided throughout the day without legislator interaction.

- b. We look forward to seeing you there. If you have any questions, please reach out to us. If you haven't turned in your registration form, please do so. This will ensure that we have enough rooms.