

ILIC Legislative Committee – Call Summary

March 15, 2019

LEGISLATIVE COMMITTEE MEETING – 3-12-19 - SUMMARY:

Thank you to all of those that were able to attend, and for those that couldn't make the meeting in Springfield on Tuesday, we look forward to seeing you soon! In the meantime, here is a quick re-cap (the handouts from the meeting were previously circulated on Thursday).

House Democrat Majority Leader Greg Harris and House Deputy Republican Leader Tom Demmer kicked the meeting off with an overview of the proposed Fiscal Year 2020 budget process, including the new revenue sources proposed by Governor Pritzker during his February budget address.

At the request of ILIC, Leader Harris addressed the proposed MCO tax, which would bring in additional state and federal revenues for the state's Medicaid program. Both leaders acknowledged that discussions around how this new tax will be structured will be ongoing and details have not yet been provided, but they are looking at OH, CA, and MI's new insurance provider assessment tax structures (which replaced their health insurance claims assessment late last year) as the model.

Under these models, Medicaid MCOs are assessed at a higher per member, per month rate while non-Medicaid MCOs are assessed at a much lower per member, per month rate. The non-Medicaid MCO lines are needed for the assessment in order to win approval from federal CMS. ILIC members raised retaliatory tax considerations, which was not previously on their radar. ILIC will be following up with the legislators with more information on how retaliatory taxes are triggered/applied.

Senate Insurance Minority Spokesman and Deputy Republican Leader Dave Syverson and Senate Vice-Chair Senator John Mulroe also addressed the group, outlining some of the insurance-related policy issues for this session.

DOI Deputy Director Kevin Fry introduced newly appointed Director Robert Muriel, who provided a few brief remarks regarding his background. Director Muriel officially started on March 11. The Director and Deputy Director also provided a few comments/thoughts regarding the Insurance Business Transfer model (information included in the packet) and the proposed rate regulation bills that establish a politically-appointed quasi-judicial health insurance rate review board to approve rates (more on that below).

WEEK IN REVIEW:

The House Insurance Committee took the following bill action this week:

The committee passed [HB 889 \(Swanson\)](#), which mandates health insurance coverage of long-term intravenous antibiotic treatment for tick-borne diseases, which is currently considered experimental treatment. The committee previously held subject matter testimony in late February. ILIC testified in opposition to the bill.

The committee also passed [HB 2189 \(Manley\)](#), as amended by [House Amendment #1](#). The amendment was offered and supported by ILIC to replace the underlying language and make it clear that a commercial company providing direct-to-consumer genetic tests cannot provide results or other information to a health and life insurance company without written consent from the consumer.

The Health Insurance Subcommittee also passed [HB 2847 \(Conroy\)](#), which prohibits LTC, life, and disability insurance policies from denying or discriminating on the basis of someone's living donor status. The sponsor, however, agreed to hold the bill in the main committee until next week when she will amend it with language ([House Amendment #1](#)) offered by ILIC to clarify that these policies can still appropriately rate on all other conditions for living donors as they would for those who are not.

The committee passed [HB 3435 \(Carroll\)](#) mandating health insurance coverage for epinephrine injectors (brand and generic) for all children aged 18. The provisions are not currently tied to medical necessity, but the sponsor agreed to amend the bill on the House floor to include that reference.

The Senate Insurance Committee took the following bill action this week:

The committee passed [SB 162 \(Holmes\)](#), which eliminates cost sharing on diagnostic mammograms. ILIC testified in opposition to the bill. The committee asked the sponsor to hold the bill on 2nd reading for an amendment (to come back to the committee) that would narrow the scope of diagnostic mammograms that qualify for the no cost-share and further add language to protect HDHP/HSA tax advantages should the IRS rule these benefits ineligible for first dollar coverage.

The committee also passed [HB 2085 \(Fine\)](#) mandates health insurance coverage for reimbursement of benefits that are delivered through a psychiatric Collaborative Care Model. ILIC did not weigh in on this particular measure, but the sponsor agreed to hold the bill on 2nd reading in order to answer several questions raised by Senate Insurance Committee members.

Other committee action of note:

The House Cybersecurity, Data Analytics and IT- Broadband Access & IT Assurance Subcommittee held a subject matter hearing on [HB 2829 \(Stava-Murray\)](#), which creates the Financial Institution Cybersecurity Act, which places entities subject to the Insurance Code under the jurisdiction of the Department of Financial and Professional Regulation. ILIC testified in opposition to the bill, noting the work that has been ongoing at the NAIC on the cybersecurity model legislation that should serve as the model for any state legislation on this issue (once finalized).

IL HOUSE and SENATE – NEXT WEEK (HIGHLIGHTED BILLS):

Rate Regulation: [HB 815 \(Morgan\)](#)/[SB 1419 \(Fine\)](#) – Representative Morgan, House Chairman Jones, ILIC, the Chamber, and the Independent Insurance Agents met with the Department on Wednesday to review DOI's feedback/comments on the proposed legislation. The Department has stated that they have concerns with the current structure of the bill, which would take their rate review authority and place it with a board that has no authority/jurisdiction over a company's financial solvency standards (or the policy filings). DOI is working on getting their feedback and suggested changes to the sponsor to prepare an amendment, which may include giving the Department (rather than an independent board) greater authority over the approval of the rates, as well as some consumer transparency provisions (a public hearing option appears to be off the table, but could include a consumer hotline). The House sponsor wants to reach an agreement with the Department (not necessarily the opponents) on language before the committee deadline on March 29. The Senate sponsor (Laura Fine) has indicated she may hold her bill, but that depends on the House bill coming over.

Life insurance/felony discrimination: [HB 2644 \(Mayfield\)](#)- Prohibits insurers (including supplemental policies) from discriminating in their underwriting on the basis of a felony conviction. ILIC is continuing to work with the

Independent Insurance Agents and underwriters to try and address her specific constituent's issue in lieu of pursuing legislation. The bill is currently in subcommittee in House Insurance.

MH Parity - Disability income policies: [SB 1449 \(Morrison\)](#) – Applies mental health parity coverage requirements to disability and disability income policies. Senator Morrison reached back out through staff to ask ILIC to participate in a conference call with the attorney who drafted the legislation later this morning.

If anyone has any feedback on any specific bills or any questions, please do not hesitate in reaching out to Laura at ilicminzer@gmail.com or Larry at ilicbarry@gmail.com.

UPCOMING MEETINGS:

March 21 – Legislative insurance 101 education event - Katie School of Insurance for members of the House and Senate Insurance Committees

June 24 - 26 – Annual Meeting – Lake Geneva