

ILIC Legislative Committee – Call Summary

March 22, 2019

WEEK IN REVIEW:

Update on HB 815 – Rate Regulation:

The Department of Insurance unveiled an alternative proposal to [HB 815 \(Morgan\)](#) in the House Insurance Committee that gives the Department (rather than a quasi-judicial politically-appointed board) explicit authority over the approval and disapproval of individual and small group health plans. Additionally, the Department proposed adding rate approval authority for long-term care policies, which was not included in the underlying bill.

The Department’s proposed language has since been introduced in [House Amendment #2](#).

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

Bills that passed committee this week:

- [House Amendment #1](#) to [HB 3435 \(Carroll\)](#), which adds “medically necessary” to the mandate to cover epinephrine injectors for all children aged 18 and younger.
- [HB 3471 \(Bristow\), as amended](#), mandates coverage for medically necessary cardiopulmonary monitors for all children aged 18 and younger who have had a “cardiopulmonary event.”
- [HB 3673 \(Harper\)](#) requires coverage of an emergency medical condition regardless of final diagnosis.
- [HB 3700 \(Costa Howard\)](#) mandates coverage for prescription inhalants for children aged 18 or younger. The sponsor agreed to hold the bill on 2nd reading to amend the provisions and tie them to “medical necessity.”

The committee also held subject matter hearing on [HB 3509 \(Stuart\)](#), which mandates coverage for pasteurized human breast milk, when prescribed by a licensed physician. The sponsor is expected to call the bill for a vote next week.

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

The committee passed several bills that did not have any opposition out on an agreed bill list.

Other committee action of note:

The House Human Services Appropriations Committee passed [HB 2572 \(Feigenholtz\)](#), which is an omnibus Medicaid youth mental health bill that also contains mandated health insurance coverage for coordinated specialty care for first episode psychosis treatment and assertive community treatment. The sponsor has agreed to hold it on 2nd reading to continue discussions with the opponents, including ILIC.

The Senate Public Health passed [SB 1909 \(Castro\)](#), which includes mandated health insurance coverage for medically necessary services for women up to a year after giving birth, including unlimited coverage for behavioral health services for pregnant and postpartum women with a 28-day restriction on applying any concurrent review. ILIC continues to work with the sponsor to try and address concerns related to the limitations on concurrent review.

The Senate Labor Committee held SB 1723 (Villivalam), which establishes a state-run Family and Medical Leave program with no opt-out for employers who already provide disability income policies for paid leave purposes.

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

Organ Donor protections: The sponsor of [HB 2847 \(Conroy\)](#), which, as introduced, prohibits LTC, life, and disability insurance policies from denying or discriminating on the basis of someone’s living donor status is expected to adopt [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.

Life insurance/felony discrimination: [HB 2644 \(Mayfield\)](#)- Prohibits insurers (including supplemental policies) from discriminating in their underwriting on the basis of a felony conviction. The sponsor has indicated that she is not anticipating calling the bill this session, but would like to revisit the bill (and concerns raised by ILIC and the Independent Insurance Agents) later.

MH Parity - Disability income policies: [SB 1449 \(Morrison\)](#) – As introduced, the bill applies mental health parity coverage requirements to disability and disability income policies. ILIC spoke with Senator Morrison and an attorney who drafted the legislation last Friday to discuss points of opposition. The Senator has since attempted to broach the issue from another angle by offering to set up a task force ([Senate Amendment #1](#)) to study disability income policies and their treatment of behavioral health limitations.

Pharmacy Benefit Manager regulation/transparency: [HB 465 \(Harris\)](#) - [House Amendment #1](#) – As amended, the bill mandates PBM transparency and licensure, and also contains requirements on insurers to apply any third-party payment or financial assistance (coupons) for prescriptions to the insured’s deductible, co-pay, or cost sharing responsibility and out-of-pocket maximum. The provisions also prohibit insurers from denying claims for an emergency medical conditions based on the use of diagnosis or procedure codes without basing those denials on the prudent layperson standard at the time the insured sought emergency evaluation and treatment. The House and Senate sponsors held a meeting on Thursday with interested parties, including PCMA (PBMs) and ILIC and the insurance industry, to discuss concerns. The House sponsor requested suggested language changes/edits by Thursday, March 28 and he will call the bill in committee next week with the understanding that he will hold the bill on 2nd reading for an amendment.

NEW AMENDMENTS FILED:

In addition to those previously highlighted (HB 815 and SB 1449), several new amendments have been filed that may be of interest to members:

- [House Amendment #1 to HB 466 \(Scherer\)](#)– Mandates health insurance coverage of all treatment of substance use disorders or conditions that are equivalent to those covered by Medicaid.
- [House Amendment #1 to HB 122 \(Kalish\)](#) – includes a provision requiring the Department of Insurance to submit an annual report (beginning March 1, 2020) outlining the methodology by which the Department enforces mental health parity compliance, as well as identifying any new/completed market conduct examinations regarding compliance with mental health parity laws and any educational or corrective actions the Department has taken to enforce insurer compliance with mental health parity laws.
- [Senate Amendment #1 to SB 650 \(Gillespie\)](#) – creates the Outpatient Dialysis Payer Transparency Act to place certain restrictions on outpatient dialysis centers who maybe providing or receiving direct or indirect financial assistance for third-party health insurance premium payments on behalf of insureds.

UPCOMING DEADLINES/EXTENSIONS:

The Senate Committee deadline is today (March 22); however, several bills still in committee are expected to receive deadline extensions. The House Committee deadline is next Friday, March 27.

Both the House and Senate 3rd Reading (crossover) deadlines are Friday, April 12.

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:

June 24 - 26 – Annual Meeting – Lake Geneva