

## ILIC Legislative Committee – Call Summary

March 29, 2019

### WEEK IN REVIEW:

The House passed [HB 1639 \(DeLuca\)](#) by a vote of 74-30 to clarify current federal/state law that supplemental policies are not comprehensive medical and hospitalization coverage and should therefore not be subject to any “Section 356” health coverage mandates that are otherwise intended for comprehensive health insurance. The bill now goes to the Senate for action.

A previous version of the bill - [SB 2444 \(Haine\)](#)- passed out of the Senate unanimously last year, but never received a vote in the House.

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

Bills that passed committee this week:

- [HB 466 \(Scherer\), as amended](#), mandates commercial health insurance coverage for all substance use services/treatments currently covered under Medicaid.
- [HB 2847 \(Conroy\), as amended](#) prohibits LTC, life, and disability insurance policies from denying or discriminating on the basis of someone’s living donor status while also clarifying that these policies can still appropriately rate on all other conditions for living donors as they would for those who are not.
- [HB 3113 \(Cassidy\), as amended](#) mandates coverage for only medically necessary annual preventive skin cancer screening at no cost share. The bill, as amended, also provides an exception from application to HDHP/HSAs.
- [HB 3451 \(Yednock\)](#) mandates all insurance policies shall be subject to certain readability standards, as determined by the Department of Insurance.
- [HB 3503 \(Manley\), as amended](#), requires health insurers to offer coverage (subject to an additional premium) for hearing aids and repairs up to \$2,500 per ear every 24 months.
- [HB 3509 \(Stuart\)](#) mandates coverage for pasteurized human breast milk, when prescribed by a licensed physician.

The committee also held a subject matter hearing on [HB 2375 \(Batinick\)](#), which proposes removing the current 181-day, nonrenewable restrictions enacted last year on short-term limited duration plans.

**Rate approval update:** The sponsor of [HB 815 \(Morgan\)](#), which proposes rate approval authority over health insurance rates through a quasi-judicial independent board (as introduced), did not call the bill for a vote. [House Amendment #2](#), which was introduced last week, contains the Department of Insurance’s proposal to give the Director (rather than an independent board) explicit authority over the approval and disapproval of individual and small group health plan rates, as well as long-term care policy rates. The sponsor introduced [House Amendment #3](#) on Monday to remove the rate approval language pertaining to long-term care policies. ILIC has learned that there will likely be a new amendment filed on another vehicle (shell bill) to give the Department explicit rate approval authority over individual/small group health insurance rates, while also providing more definition/terms around what rates should be considered “reasonable,” as well as transparency provisions requested by some consumer groups.

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

The committee passed [SB 1449 \(Morrison\)](#), as amended by [Senate Amendment #1](#), which establishes a task force to study disability income policies and their coverage of mental health/substance use disorders. ILIC has provided some suggested changes to the make-up and charges for the task force, which will be addressed in another amendment on the Senate floor.

The committee also held a subject matter hearing on [Senate Amendment #1 to SB 650 \(Gillespie\)](#), which creates the Outpatient Dialysis Payer Transparency Act to place certain restrictions and disclosure requirements 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.

***Other committee action of note:***

The House Prescription Drug Affordability and Accessibility Committee passed [HB 465 \(Harris\) - House Amendment #1](#) that, as amended, 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. Leader Harris has agreed to hold the bill on 2<sup>nd</sup> reading for an amendment, as he agreed to do in a meeting last week with interested stakeholders. ILIC has submitted comments and proposed changes to House and Senate staff for consideration in the forthcoming amendment. The committee also passed [HB 156 \(Flowers\)](#) that, as amended, creates the Prescription Drug Pricing Transparency Act to mandate insurers to disclose certain rate, spending, and pricing information concerning prescription drugs to the Department of Public Health (IDPH) and the Attorney General. The sponsor has agreed to work on an amendment to narrow the scope to require IDPH to identify the top ten costliest drugs in the state.

The House Executive Committee passed [HB 3358 \(Turner\), as amended by House Amendment #2](#) creating the Data Privacy Act, which contains many of the provisions put forward in previously introduced Right to Know bills (HB 2736 and SB 2149) to regulate how businesses collect, sell and/or share personal information. The proposed legislation addresses exemptions for those entities regulated by HIPAA and GLBA, but further clarification is needed to avoid conflicts with other state/federal privacy laws that govern insurance, as well as interaction with third party collection of data. The sponsor agreed to hold if on 2<sup>nd</sup> Reading to continue discussion with the opponents and bring back another amendment.

The House Cybersecurity, Data Analytics & IT Committee held an identical version of the bill - [HB 3357 \(Turner\) - House Amendment #1](#).

The House Judiciary – Civil Law Committee held [HB 469 \(Hoffman\) - House Amendment #1](#) to enhance oversight of sellers of pre-need contracts, including a requirement that a licensed funeral director ratify a contract within 10 business days.

The House Judiciary – Civil Law Committee passed [HB 2435 \(Flowers\)](#) to hold a health insurance carrier and its employees and other representatives liable for damages for harm to an enrollee proximately caused by their failure to exercise “ordinary care” (which could include denying coverage for care that the provider deems necessary). The sponsor agreed to hold the bill on 2<sup>nd</sup> Reading to try and work out an agreement with the industry.

**MCO TAX UPDATE:**

Public details have yet to emerge on the proposed structure of the MCO tax, but ILIC has learned that there are discussions proposing a range of \$1.50 to \$2.40 per member/per month for non-Medicaid HMOs, which would generate approximately \$20 - \$28 million. Medicaid MCOs would be assessed at a much higher per member/per month range in order to generate the federal match for Medicaid. A bipartisan, bicameral legislative working group (under the legislative Medicaid Working Group) is starting to meet on this topic, but details will likely remain fluid as discussions continue over the next two months. ILIC will distribute further information as more details/proposals come forward.

**UPCOMING DEADLINES/EXTENSIONS:**

The House Committee deadline was today (March 29). Both the House and Senate 3<sup>rd</sup> Reading (crossover) deadlines are Friday, April 12.

There are and will continue to be a number of amendments filed between now and then, so as key issues arise, we will send those out as soon as possible.

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](mailto:ilicminzer@gmail.com) or Larry at [ilicbarry@gmail.com](mailto:ilicbarry@gmail.com).

**UPCOMING MEETINGS:**

June 24 - 26 – Annual Meeting – Lake Geneva