

ILHIC Legislative Committee Update

May 22, 2020

Legislative Session – Special Session Update

Legislators returned to Springfield as planned on Wednesday afternoon to kick-off a three-day special session per the [joint proclamation](#) issued last week. At this time, they are still continuing to meet and it remains to be seen if they will be able to get through their special session agenda items by later today or if they will extend their time in Springfield into the weekend.

Telehealth and other insurance-related measures: The House filed [House Amendment #5 to SB 1864 \(Harris\)](#), which contains omnibus health care provisions, including codification of the Governor's [EO 2020-09](#) (and related insurance guidance (DOI [Bulletin 2020-04](#)) and the HFS [telehealth emergency rule](#)) through May 1, 2021). The provisions proposed in the amendment requiring insurers to keep reimbursement parity and removal of cost-sharing for telehealth services through that period of time, but benefits for individual and small group marketplace plans would have to remove cost-sharing for telehealth services for the full 2021 benefit policy year.

ILHIC and other members of the business community opposed the amendment and pushed for the removal of the telehealth provisions from the omnibus package in favor of agreed language that we have been working on in the Senate.

Leader Greg Harris, the sponsor the health care omnibus package, has since agreed to do that.

With the removal of the telehealth provisions, the remaining provisions of the package largely impact Medicaid, but the language does include provisions originally proposed under [House Amendment #1 to HB 5442 \(Harris\)](#) directing DOI and HFS to conduct a study of the private and public health insurance market to explore options to make health insurance more affordable for low- and middle-income Illinoisans. The language also calls for the study to make policy recommendations, by February 28, 2021, about expanding coverage options moving forward.

While ILHIC would prefer to address that study in separate legislation outside of the special session, the Council will work with the Administration to address components of the study that ensure a balanced approach that incorporates impact analysis of policy options, including the possibility of a public and/or Medicaid Buy-in option.

The Senate is still working on putting the final touches on agreed telehealth language that is to be amended on to [HB 823 \(Willis/Hunter\)](#). The agreed language is expected to:

- Encompass an agreement between the insurance industry and the proponents of SB 2561 (Fine) to prohibit insurers from denying medically necessary services simply because they were delivered via telehealth.
- For COVID-19 specific telehealth services, providers may continue to treat those patients through virtual means at the same rate of reimbursement that they would have otherwise received if that care were provided in-person.
- ***The provisions of this legislation do NOT replace the existing EO 2020-09 for telehealth coverage, which still allows patients to access telehealth services at no cost-share and providers to be paid at parity for the duration of the public health emergency.***

- Finally, the legislation directs insurers to post information on their provider directories regarding whether a provider offers telehealth services, what modalities of telehealth offers, and whether a family caregiver, upon patient consent, is allowed to be present when the provider informs the insurers of this information.

Workers' Compensation: As expected the General Assembly took up legislation dealing with workers' compensation after the IL Workers' Compensation Commission pulled a controversial emergency rule last month that would have created a rebuttable presumption for all essential workers who contract COVID-19 that the virus was contracted in the workplace.

The House just concurred on agreed language between business and labor groups to address workers' compensation coverage related to COVID-19. [HB 2455 \(Hoffman/Holmes\)](#), as amended, preserves current rebuttable presumption standards set forth in an appellate court decision, as well as certain parameters under which a presumption could be made, including a positive test or diagnosis. The language also defines to whom the provisions apply, including front-line providers and first responders (which are defined in the bill) and excludes those who may work from home from eligibility.

The measure now goes to the Governor, who is expected to sign the bill.

FY 2021 Budget: The House Executive Committee advanced a couple of amendments to bills that are expected to make up the new FY 2021 budget: 1) [House Amendment #1 to SB 264 \(Harris\)](#) contains the FY 2021 spending plan that essentially holds funding level, but with the anticipation that the state may receive additional federal funding tied to COVID-19 relief; and 2) [House Amendment #2 to SB 1805 \(Harris\)](#) contains the budget implementation language that gives the Administration more authority to address budget shortfalls. There are also other bills moving that allow the state to borrow up to \$5 billion from the federal government to address fiscal challenges related to COVID ([House Amendment #3 to SB 2099 \(Zalewski\)](#)).

Vote by Mail Election Changes/Graduated Income Tax Ballot Measure: The House spent most of the session day yesterday debating a new election reform bill that will expand the state's vote by mail program for the November 3, 2020 election. [SB 1863 \(Morrison/Burke\)](#), as amended, will require a vote by mail ballot application to be automatically sent to all voters who have cast a ballot since 2018. The provisions also declare the General Election a state holiday, but this will not apply to private businesses. The measure is currently being debated in the Senate and is expected to pass along party lines.

Additionally, [Senate Joint Resolution 1](#) passed the Senate and is pending in the House, which contains the wording for a graduated income tax ballot question that will also be mailed to voters ahead of the November election. The language of the ballot question was approved by the Senate and is currently before the House.

Per the resolution, the language will include a background explanation to voters, along with presentations of the arguments for and against. The question to voters will be presented as follows:

"The proposed amendment grants the State authority to impose higher income tax rates on higher income levels, which is how the federal government and a majority of other states do it. The amendment would remove the portion of the Revenue Article of the Illinois Constitution that is sometimes referred to as the "flat tax," that requires all taxes on income to be at the same rate. The amendment does not itself change tax rates. It gives the State the ability to impose higher tax rates on those with higher income levels and lower income tax rates on those with middle or lower income levels. You are asked to decide whether the proposed amendment should become a part of the Illinois Constitution."

Business Interruption Insurance – Task Force:

The House Executive Committee also advanced [House Amendment #4 to SB 2135 \(Burke\)](#) that contains provisions establishing a task force appointed by DOI to look at business interruption insurance policies to study the impacts of COVID-19 on business, as well as explore options and recommendations for changing business interruption policies based on those impacts. The task force is to conclude their work and make their recommendations by December 31, 2020.

IL DOI – Regulatory Update

Proposed Rule – Life & Health Policy Filing Requirements

ILHIC and ACLI spoke with Department staff on Monday - Assistant General Counsel Robert Planthold, Deputy Director of Health Products Ryan Gillespie and Chief Deputy Director of Product Lines Mike Chrysler - to discuss several questions and points of clarification as to the Department's intent and rationale for the proposed restrictions set forth in Part 916.40 regarding policy filing procedures for life, accident and health policies.

Unfortunately, we did not gain a great deal of insight as to their rationale for the proposed changes that significantly limit variability for life, accident and health policies; however, they did confirm that the rule as currently drafted applies to all PROSPECTIVE policy filings, including individual/group life, individual/group health, disability income, long-term care, and excepted benefits.

The Council and ACLI submitted the list of written questions previously circulated to the Department to obtain written responses, but we are still waiting on those responses. In the meantime, we will proceed with developing written comments to the Department to submit by June 8.

As a reminder, the [Notice of Proposed Rule](#) regarding the policy filing changes was first published in the April 24 Register and begins on pg. 6211 with the text of the proposed rule beginning on pg. 6213.

UPCOMING MEETINGS/IMPORTANT DATES:

May 20-22 – Special Legislative Session

May 28 – Virtual Fundraiser for House Insurance Chairman Jones (e-mail jonescalumetcity@aol.com to RSVP)

May 31 – Scheduled Adjournment Date

June 8-10 – ILHIC Annual Meeting – Lake Geneva - POSTPONED

November 3, 2020 – General Election Day