

ILIC Legislative Committee – Call Summary

May 24, 2019

WEEK IN REVIEW:

Health Insurance Rate Approval Authority: The Senate Insurance Committee held a subject matter hearing on [HB 471 \(Morgan/Fine\)](#), which gives the Department authority to disapprove rates for individual and small group ACA compliant health insurance plans. The Department testified in support of the measure along with a representative of a coalition of consumer advocate groups called the Protect Our Care Coalition. ILIC testified in opposition. Democrat and Republican committee members questioned the Department and the sponsor's need for this legislation after the Department admitted that they have never had a carrier move forward with the sale of plans without the Department first determining that the rates were reasonable. Additionally, the Department also acknowledged that rates have decreased over the past year or two, which raised concerns among committee members as to why they would advocate for changing the process when the marketplace appears to be adjusting on its own. Senate Democrat staff has confirmed that the sponsor is no longer pursuing the measure this session, but she would like to continue discussions over the summer/fall to try and revisit the issue next year.

Cleft Lip/Palate Coverage: The Senate Insurance Committee also held a subject matter hearing on [SB 2255 \(Fine\)](#), which seeks to mandate coverage for cleft palate corrective surgery, including necessary dental procedures related to the cleft palate for the duration the correction is required. The measure is an initiative of the IL State Dental Society, which only introduced the proposed mandate recently. Identical language advanced out of the House Health Care Licenses Committee on Monday - [House Amendment #1 to SB 659 \(Aquino/Willis\)](#) – with both the House and Senate sponsors, as well as the proponents, indicating their desire to find a compromise with the industry before the end of session on May 31, which appears unlikely. ILIC testified in opposition in both the House and Senate.

Time-Based Billing: The House Insurance Committee took action on a measure introduced late last week - [House Amendment #1 to SB 653 \(Sandoval/Jones\)](#) – that would require carriers to use the American Medical Association's standards for time-based billing. The measure is an initiative of the Illinois Physical Therapy Association in response to action taken by BCBSIL in 2017 to hire a third-party audit firm, which they claim has resulted in denials of claims that were previously paid using the AMA's time-based billing guidelines. ILIC did not weigh in but agreed with the sentiments expressed by several committee members that the measure set a concerning precedent of dictating business practices typically governed by contracts in statute. The measure passed committee; however, it is not likely to advance this session.

Guaranty Fund – Division Bill Correction: The House Insurance Committee also approved [House Amendment #1](#) filed to [SB 1377 \(Mulroe/Jones\)](#) that contains agreed language put forward by the IL Life and Health Insurance Guaranty Association to correct language enacted last year in IL's Division Law ([P.A. 100-1118](#)) to ensure that the Association/member companies are only exposed to the obligations of policyholders located in the state of IL and not to those policyholders in all 50 states. The proposed language requires a new company created under the Division Law to be licensed in all of the same states that the original dividing company is licensed in with respect to the policies transferred to the new company.

OTHER BILL UPDATES:

Excepted Benefits: [HB 1639 \(DeLuca/Mulroe\)](#) remains on Senate Third Reading. Senate staff is holding the bill back as a possible vehicle for certain to-be-identified measures in need of a possible legislative vehicle in the final days of session; however, ILIC believes, based on conversations with staff, that the measure will eventually advance to the Governor's desk before May 31. ILIC will remain engaged on this to push for final passage.

Data Privacy: [HB 3358 \(Turner/T. Cullerton\)](#) creating the Data Privacy Act is still pending in the Senate. The sponsor met with opponents of the bill last week (namely, representatives of the tech industry) in anticipation of working on a new amendment that has not yet been filed. ILIC has confirmed with Senate staff that the blanket exceptions for HIPAA and GLBA will remain; however, the sponsor has indicated that those entities exempted from the bill will likely have to defend those exemptions in future legislation (next session and beyond). ILIC continues to monitor activity on the bill in partnership with the IL Chamber, which is taking the lead on the measure.

BUDGET/MCO TAX UPDATE:

ILIC met with HFS this week to receive a briefing on the details of the proposed MCO assessment model that is expected to be unveiled in the legislation next week. The proposed assessment will impact the Medicaid and non-Medicaid lines only. The non-Medicaid HMO assessment amounts to approximately \$26 million (based on a \$2.40 per member per month), which accounts for 3% of the overall assessment amount that is estimated to bring in \$1.2 billion. The assessment is intended to provide a significant funding stream to support the Medicaid program as part of the final budget package, but the assessment will also be subject to federal CMS approval.

The Administration has noted that BCBSIL has pushed for an alternative assessment structure that would apply a larger assessment amount to competitor health insurance plans in the commercial market; however, the Administration maintains that the alternative proposal is not a viable option at this time.

ILIC continues to work with legislators to push for certain policy considerations in the final budget package to try and mitigate costs on the private marketplace, including a proposal that would require all future proposed health insurance mandates to be applied first to the State Employee Group Health Insurance program as is the current process in other states, including KS, MD, and ND.

NEXT WEEK:

The House and Senate will adjourn today with the House returning late Sunday and the Senate returning on Monday. Both chambers are expected to be in session until the scheduled adjournment next Friday. ILIC will hold a regular legislative call next Friday at 9 am and will also be preparing an end of session wrap-up report to share with members the following week.

UPCOMING MEETINGS:

There is still time to register for ILIC's annual meeting June 24 – 26 in Lake Geneva! ILIC has also secured approval to offer CLEs for the annual meeting sessions. We are currently working to finalize the agenda and will circulate 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 or Larry at ilicbarry@gmail.com.