

ILIC Legislative Committee – Call Summary

November 15, 2019

After what proved to be an active fall veto session, legislators concluded their 2019 legislative session on Thursday, capped off by a surprise announcement that Senate President John Cullerton will retire at the end of this year. The General Assembly took action on a number of weighty issues, including pension fund consolidation, ethics reform, axing daylight savings, and two key issues of importance to ILIC: corporate annual disclosures for domestic insurers and new caps on insulin copayments for major medical policies sold/renewed on or after January 1, 2021.

Corporate Governance Annual Disclosure

The House unanimously approved [SB 670 \(Munoz/Jones\)](#), as amended, on Wednesday after the House Insurance Committee approved a technical amendment to the legislation. The Senate quickly concurred on the amendment on Thursday, sending the bill to the Governor’s desk where he is expected to sign it.

ILIC registered in support of the bill and will work on follow-up with the Department on the promulgation of rules and the time frame expected for that rulemaking.

Insulin Copay Caps

The House also approved [SB 667 \(Manar/Guzzardi\)](#) to apply a \$100 copayment cap on insulin products after the House sponsor [amended](#) the bill in the House Prescription Drug Affordability & Accessibility Committee on Wednesday with language offered by ILIC to tighten up application of the cap to a 30-day supply of insulin and subject the cap to an annual medical CPI inflator in 2022 and beyond.

The amendment also struck the provisions giving the AG investigative authority over the price of insulin products and instead directed the Departments of Insurance, Human Services, and Healthcare and Family Services to issue a report next year outlining factors contributing to the increase of insulin drug prices.

The Senate concurred on the amendment on Thursday and the bill now goes to the Governor, who is expected to sign the bill (Governor Pritzker and the Department of Insurance publicly supported the legislation).

DOI – PBM Licensure/MCO Assessment Law Changes

The General Assembly also approved another bill pushed by the Department - [SB 1756 \(Manar/Morgan\)](#) – that, as amended, makes clean-up changes to a new [PBM licensure/transparency law](#) and the [MCO assessment law](#) enacted earlier this year. The changes include correcting an oversight in the application of a requirement that insurers accept third-party payments or financial assistance as part of an insured’s deductible, co-pay, or cost-sharing responsibility and out-of-pocket maximum to PPOs (and not just HMOs) and clarifying the Department of Insurance’s role and responsibilities with respect to calculation of the new MCO assessment for Medicaid (new per member per month assessment to comprehensive medical HMOs to help fund Medicaid).

Rate Approval Authority

The Senate did NOT take another floor vote on [SB 665 \(Fine\)](#), which, as amended, gives the Director of Insurance the authority to disapprove unreasonable or inadequate rate increases for all ACA-compliant individual and small group accident and health insurance policies. The Senate sponsor, however, has indicated that she is interested in revisiting the issue next session.

Procedurally, the legislation will carry over until next session, but could also be re-introduced as a new bill.

New Diversity Reporting Legislation Introduced:

Representative Chris Welch has introduced new legislation - [HB 3965 \(Welch\)](#) – requiring IL insurers with assets of \$50 million or more to submit an annual report on their voluntary supplier diversity program with the Department. The legislation has been introduced in the past by Senator Martin Sandoval, but Representative Welch has been especially active on corporate diversity issues over the last few years. Most recently, he was the sponsor of a [new law](#) that requires publicly-traded companies in IL to report the number of women and minorities on their corporate boards, as well as plans to promote diversity.

The legislation can not to advance procedurally until 2020.

Legislative Leadership Changes & 2020 Session Calendar:

Senate President John Cullerton announced he will retire at the end of this year, which not only sets in motion a succession fight for the next President, but also opens his seat up in 2020. Several Democrat senators currently in leadership have expressed interest and while no date has been officially set to appoint his successor, there may be a special date announced in January ahead of the start of the next 2020 spring legislative session on January 28.

The new 2020 spring session calendars may be accessed at the following links:

[Senate calendar](#)

[House calendar](#)

UPCOMING MEETINGS/IMPORTANT DATES:

November 21 – Data Privacy & Cybersecurity meeting with DOI

January 28 – May 31, 2020 – 2020 spring legislative session

January 29, 2020– State of the State Address

February 19, 2020 – Budget Address

March 17, 2020 – Primary Election Day

November 3, 2020 – General Election Day

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.