Illinois Department of Insurance

To: JB Pritzker, Governor
Dana Popish Severinghaus, Director
Honorable Members of the General Assembly

From: The Office of Consumer Health Insurance

Re: The Office of Consumer Health Insurance 2022 Annual Report

Date: January 31, 2023

The Office of Consumer Health Insurance (OCHI) is pleased to submit its 2022 Annual Report as required by the Managed Care Reform and Patient Rights Act (215 ILCS 134/90).

OCHI is a consumer assistance office within IDOI dedicated to responding to consumer questions about health insurance issues and assisting consumers with complaints against insurers. Staff are familiar with relevant health insurance regulations and laws, including the Illinois Insurance Code and Illinois Administrative Code, to provide accurate information to consumers.

OCHI's work results in a positive outcome for many Illinois health insurance consumers who may have otherwise gone without health insurance coverage, been denied services or payment, or had their complaints unanswered.

We anticipate continued success in the upcoming years and value any comments or suggestions you may have.

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Executive Summary

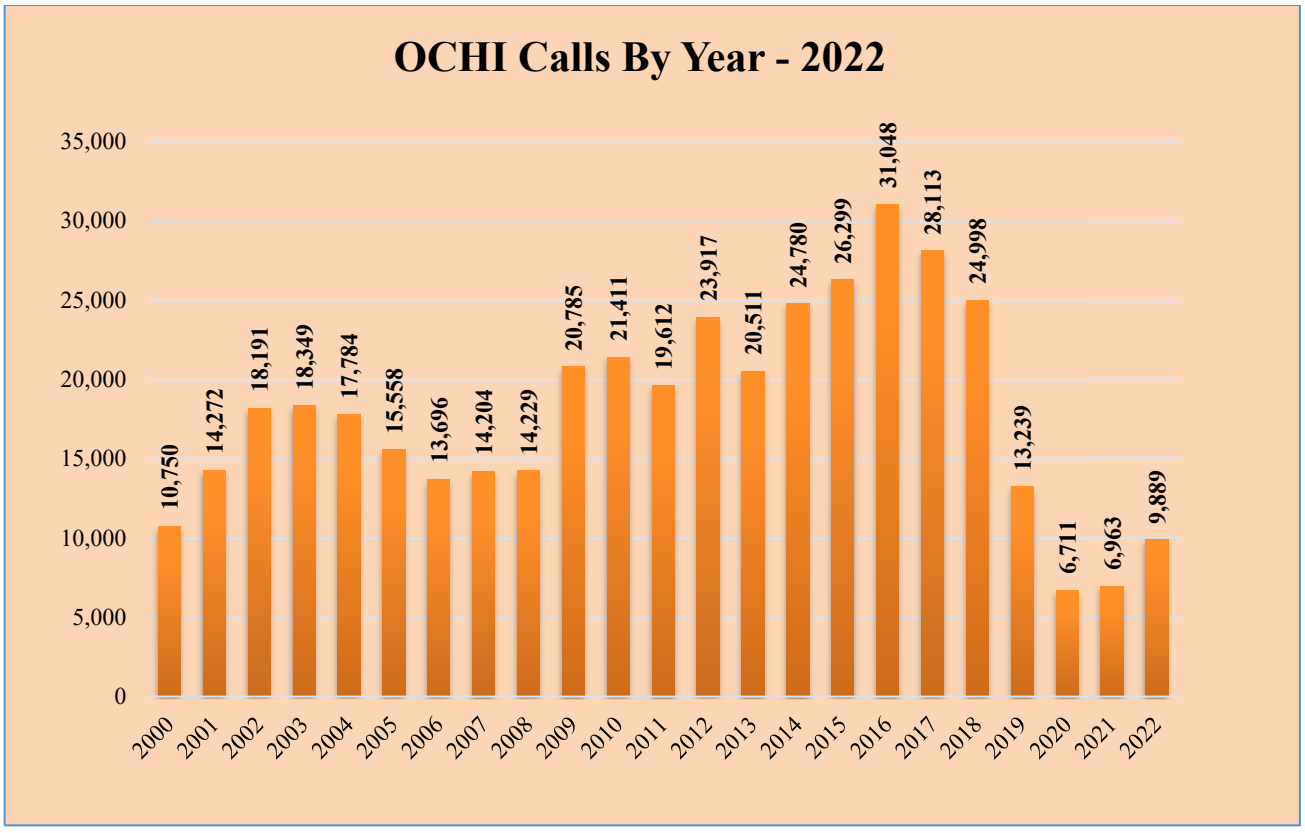
The Managed Care Reform and Patient Rights Act (215 ILCS 134/1 *et seq*.) established the Office of Consumer Health Insurance (OCHI), effective January 1, 2000.

Dedicated OCHI analysts help consumers understand their health insurance coverage; inform consumers of their rights under health insurance policies; help consumers file complaints, internal appeals, and requests for external reviews for denied claims; and connect Illinois residents with appropriate resources based on their needs.

OCHI staff respond to assistance requests about health insurance issues from a variety of individuals and groups, including consumers, employers, agents, associations, attorneys, health care providers, and advocates.

In addition to responding to consumer hotline inquiries, OCHI staff process and respond to all written health insurance related complaints, external reviews, and inquiries.

OCHI staff is available Monday through Friday, 8:00 a.m. – 5:00 p.m. at (877) 527-9431. External Review staff is available seven days a week at (877) 850-4740. External Review is dedicated to expediting external review requests outside of normal office hours, including weekends and holidays.



Educating Consumers about Health Insurance Rights and Options

In 2022 OCHI staff answered 9,889 calls to our consumer hotline. The staff helped callers understand their health insurance coverage, provided information and education to Illinois consumers with complaints and inquiries regarding health insurance matters, and assisted the consumer in determining the appropriate course of action to resolve their issue.

When necessary, OCHI staff directed consumers to the appropriate resource to obtain coverage, such as, the federal Affordable Care Act (ACA) Health Insurance Marketplace, the Illinois Department of Healthcare and Family Services (HFS) for Medicaid and All Kids, or the Department on Aging Senior Health Insurance Program (SHIP) for Medicare. OCHI also refers consumers to information available on the Department's website (http://www.insurance.illinois.gov) and other websites, as appropriate.

Throughout 2022, OCHI provided information and education to help consumers understand their health insurance needs and benefits, the differences between those benefits (individual, small group, and large group insurance products), and related rights guaranteed under federal and state laws.

OCHI informed consumers about how to locate available health plans, when to enroll, and how to obtain detailed assistance in selecting a plan, including website and telephone information for the federal ACA Health Insurance Marketplace (www.healthcare.gov; (800) 318-2596). OCHI also coordinated communication with insurance issuers and provided Medicare and Medicaid related resources where appropriate.

During 2022, Illinois had issuers available in all 102 counties within the state, while Blue Cross Blue Shield of Illinois remained the only issuer to cover the entire state. The following 11 issuers offered individual qualified health plans (QHPs) through the federal ACA Marketplace to Illinois consumers:

1. Bright Health Insurance Company
2. Celtic Insurance Company
3. CIGNA HealthCare of Illinois, Inc.
4. Health Care Service Corporation, a Mutual Legal Reserve Company (Blue Cross Blue Shield of IL)
5. Health Alliance Medical Plans, Inc. (HAMP)
6. MercyCare HMO, Inc.
7. Molina Healthcare of Illinois, Inc.
8. Oscar Health Plan, Inc.
9. Quartz Health Benefit Plans Corporation
10. SSM Health Plan
11. UnitedHealthcare of Illinois, Inc.

Click here for analysis of 2022 plan information

The Department is pleased to announce that 11 issuers are offering individual QHPs for 2023, including 1 new ACA Marketplace entrant. The Department released the Plan Analysis for 2023 coverage identifying the 2023 issuers:

1. Aetna Health Inc.
2. Celtic Insurance Company
3. CIGNA HealthCare of Illinois, Inc.
4. Health Care Service Corporation, a Mutual Legal Reserve Company (Blue Cross Blue Shield of IL)
5. Health Alliance Medical Plans, Inc. (HAMP)
6. MercyCare HMO, Inc.
7. Molina Healthcare of Illinois, Inc.
8. Oscar Health Plan, Inc.
9. Quartz Health Benefit Plans Corporation
10. SSM Health Plan
11. UnitedHealthcare of Illinois, Inc.

Click here for analysis of 2023 plan information

OCHI connected consumers with ACA Marketplace and/or Illinois Department of Healthcare and Family Services (HFS) staff who could help, depending on the consumer's situation. In circumstances where a person needed medicine or treatment, OCHI acted as liaison and sent expedited inquiries to the ACA Marketplace, Illinois HFS and/or the carrier and then followed up with them to ensure resolution.

In addition to the ACA Marketplace and/or Illinois HFS related calls, OCHI continued to answer calls from consumers, providers, and other stakeholders requesting information on many other topics including:

Call Topics

Health Insurance Related Inquiries

- COVID-19 testing, treatment, and vaccination coverage requirements
- Mental health and substance use disorder coverage, including parity requirements
- Contact information for appropriate regulatory body for plans not regulated by the Department
- Network adequacy requirements and how to navigate provider network changes
- Short-Term Limited Duration plans – questions and concerns about benefits and consumer rights under these policies
- Marketing issues – questions and concerns about how carriers, producers and the ACA Marketplace marketed coverage

Appeals, Complaints, and External Reviews

- Preauthorization issues
- Information on how to file an internal appeal with the insurance carrier
- How and when to file a complaint with the Department
- How and when to file a request for external review

Insurance Law

OCHI investigates all complaints, working with the insurance company and the consumer to determine the appropriate course of action, in accordance with state and federal laws. This includes complaints regarding:

- Continuation of coverage rights under state and federal laws
- Health carrier compliance with Illinois statutes, regulations, and policy requirements
- Effects of enacted legislation

Additionally, the Department continues to provide specialized training for OCHI staff on Illinois mandates, including federal mental health and substance use disorder parity laws.

Consumer Assistance and Education

Many consumers contact OCHI for assistance that does not relate directly to insurance plans regulated by the Department. However, OCHI's mission includes referring consumers to the proper resource for assistance. Examples of consumer referrals include calls about self-insured plans, Medicaid and Medicare questions, ACA Marketplace escalations, other state and federal agencies, licensed Illinois insurance companies, and other areas within the Department. OCHI helped callers by listening to their needs and guiding them to the appropriate place for help.

General Company Information

OCHI received questions from consumers seeking general information about issuers. Many of the callers requested address and phone numbers for insurance companies. OCHI also provided callers with the complaint history of specific carriers and rating information accessed at A.M. Best Rating Services which rates companies based on their financial status and ability to pay claims.

Shopping for Coverage

OCHI spoke to consumers about resources available for low cost or subsidized medical services and shopping for insurance coverage. OCHI used available agency resources to help uninsured callers and direct them to the Illinois HFS for Medicaid and All Kids, or the Department on Aging SHIP for Medicare, Get Covered Illinois for information on ACA Marketplace Health Insurance plans, medical clinics, pharmaceutical companies, and other entities that provide medical care for a discounted rate. For those looking for other types of coverage, OCHI answered questions or directed consumers to appropriate resources regarding available options.

Helping Consumers Navigate Appeals, Complaints and External Reviews

OCHI is committed to supplying prompt and accurate information to consumers needing help navigating appeals, complaints, and external reviews. In 2022, OCHI staff received requests for various claim-related topics:

- COVID-19 testing, treatment, and vaccination
- Claim denial and delay
- Unsatisfactory claim payments
- Out of network payments
- Contract exclusions
- Balance billing disputes "surprise billing"
- Usual and Customary payments
- Emergency Care
- Medical necessity
- Experimental and/or investigational services
- Rescission of coverage
- Pre-existing conditions
- Drug Formulary issues
- Network Adequacy

OCHI provided guidance to consumers by explaining their consumer rights and responsibilities under Illinois law and the specific provisions of their policy. Staff provided guidance to consumers by researching and resolving concerns with their health plans including appeals and external review requests, and situations that called for filing a complaint with the Department.

Consumers with questions regarding denials of coverage based on medical necessity, rescission of coverage, pre-existing conditions, or denials for experimental and/or investigational services are advised that their claim denials may warrant filing an external review request with the Department. Urgent matters such as claims involving pre-service authorization; medication or treatment denials; and appeals are immediately reviewed to determine the best and most expedient handling approach. In most cases, staff contacts the insurer and reaches out to the consumer with guidance.

Complaints

Consumers have a right to file a complaint against an insurance company, health maintenance organization (HMO), insurance agents and other entities that are licensed with the Illinois Department of Insurance. Additionally, health care providers also seek assistance from IDOI when health claims are delayed, denied, or unsatisfactorily settled by insurance companies and HMOs, and IDOI assists providers to the extent of our authority allowed under Illinois law and regulations.

The Department reviews each complaint individually to make sure that claims are not denied in violation of the policy's terms of coverage or in violation of applicable insurance laws for insurance plans regulated by the Department.

When a consumer complaint is filed about a health insurance plan regulated by the Illinois Department of Insurance, the Department submits the consumer complaint to the applicable insurer for a response. When a response is received, the Department reviews the response for compliance with Illinois statutes, regulations, and policy provisions. If the complaint has been resolved, the complaint is closed. If an insurance law has been violated or the company is not abiding by the policy, corrective action is taken by the Department.

The Department requires the insurer to respond to all questions and investigate the complaint. If no violation of Illinois insurance law is found, notice is sent that the Department investigation is being closed. A copy of the written response from the insurance company, along with an explanation of the results of the Department's investigation is provided to the complainant.

Internal Appeals

Under Illinois law, two classifications of health claim denials exist: adverse determinations and administrative determinations. First, an adverse determination relates to claims that involve medical judgment for which a carrier has found a service, supply, drug, or procedure not medically necessary and not covered by the plan. Adverse determinations include claims, services, supplies, drugs, or procedures denied as being experimental/investigational. Second, administrative determinations include all other types of denials, delays, unsatisfactory payments, referral issues, and contract disputes.

Health carriers must have appeal procedures in place for both adverse and administrative determinations. Consumers, or their authorized representatives, may file an internal appeal with the carrier for reconsideration. Depending on the type of appeal (pre-service, concurrent service or post-service), the time frames for resolving the appeal vary. Additionally, if the medical condition of the patient is urgent, the time frames are expedited.

For both administrative and adverse determinations, a consumer may file a complaint with the Department at any time. OCHI staff provides access to the Department's complaint form (online and by mail) and explains both the complaint and the internal appeal process to the consumer.

External Reviews

External Review is an additional type of relief available for adverse determinations after the consumer exhausts his/her internal appeal rights with the carrier. For urgent situations, the consumer may file an expedited internal appeal and/or an expedited external review request. OCHI analysts speak with callers about the patient's medical situation and counsel callers about the various appeal options available to them. OCHI analysts monitor complaints where external review rights may apply, and guide consumers through the internal appeal process and to the external review process without delay.

In addition to medical necessity and experimental/investigational adverse determinations, a consumer may request external review when carriers deny claims due to pre-existing conditions or when a policy has been rescinded.

OCHI assisted consumers faced with adverse determinations through internal appeal procedures (mandated by the Managed Care Reform and Patient Rights Act 215 ILCS 134/45) and the external independent review process (mandated by the Health Care External Review Act 215 ILCS 180/et. Al). Under the External Review Act, the Department receives requests for external review; and, after the carrier and the Department confirm eligibility, the Department randomly assigns a registered Independent Review Organization (IRO) to review the request.

Illinois consumers submitted 3,818 external review requests in 2022. Many of these (2,865) were not eligible for external review for a variety of reasons – consumer failure to exhaust internal appeal rights prior to the external review request and submitting requests ineligible for external review pursuant to statutory requirements, are the two most common reasons for ineligibility. The 953 external reviews that were eligible under Illinois law in 2022, resulted in the following determinations:

- 378 adverse determinations were overturned in favor of the consumer
- 563 adverse determinations upheld the carriers' original adverse determinations
- 12 adverse determinations were partially overturned in favor of the consumer

These results provided a positive outcome for many Illinois health insurance consumers who would have otherwise been denied services or payment.

Additional Services Provided By OCHI

OCHI staff also responded to consumer concerns and inquires received in writing to ensure consumers received the guidance and help necessary to navigate the increasingly complex realm of health insurance. OCHI provided a brief evaluation of all incoming complaints and inquiries to effectively address requests of an urgent nature and promptly provide information to consumers to resolve their issue.

Written Inquiries

OCHI staff review and respond to written inquiries from consumers. In 2022, OCHI staff replied to written inquiries sent to the Department. Written inquiries consist of correspondence that does not constitute a complaint based on one or more of the following reasons:

- a letter from a consumer addressed to an insurer with a copy to the Department
- a letter of complaint that does not contain enough information for the Department to begin a formal investigation
- a general question about insurance or insurance law
- a letter requesting assistance on a matter that is not within the jurisdiction of the Department

Emails

OCHI staff members respond to inquiries sent to the Department's general email address (DOI.InfoDesk@illinois.gov) available on the Department's website for the public. In 2022, OCHI replied to 393 consumer inquiries sent to the general email address.

IDOI Website

Frequently Asked Questions (FAQs), which explain complex insurance issues important to consumers, are available on the Department website to provide response to questions received from Illinois consumers. For callers who are unable to access this information via the website, OCHI staff mails the requested material. The Department continuously updates the consumer FAQs as part of our ongoing mission to provide consumer outreach and education to Illinois consumers. Additionally, the Department created a webpage dedicated to resources related to COVID-19 and loss of employer-based insurance to provide valuable information to Illinois consumers.

Trends, recommendations, and solutions

OCHI continued to focus on its mission of providing assistance and information to all health insurance consumers within the State and the mission of the Department of Insurance: ***"To protect consumers by providing assistance and information, by efficiently regulating the insurance industry's market behavior and financial solvency, and by fostering a competitive insurance marketplace."***

The cost of coverage and low health insurance literacy remain a significant barrier to enrollment for many consumers. It is critical that the OCHI team continues educating consumers about the benefits of obtaining health insurance coverage and providing valuable information to help consumers better evaluate their coverage options.

For many consumers, health insurance is a complicated subject, and many are challenged with understanding how to resolve issues and how the regulatory process for insurance works. The OCHI staff has several resources to help consumers understand their health insurance coverage, and our primary goal is to be a trusted source of insurance information for Illinois consumers.

OCHI staff is continuously working to improve the consumer assistance they provide based on the changing landscape of the health insurance market. OCHI has the invaluable opportunity of providing recommendations for improvement in regulation and consumer assistance from its frequent interactions with consumers.

1. **ID Cards transparency requirement**

In last year's OCHI report, the Department sought legislation action that would require issuers of health coverage to disclose the regulatory entity who held purview over the plan be disclosed on all member ID cards to better assist consumers and the Department with efficiently navigating complaints filed with the Department. The Department's efforts came to fruition with the passing of Public Act 102-902. Effective January 1, 2024, issuers of health coverage are now required to disclose the regulatory entity with purview over the plan. Additionally, ID cards must disclose applicable maximum out-of-pocket and deductible amounts for the plan and include toll-free telephone number and Internet website address through which the cardholder may seek consumer assistance information to align with requirements of the federal No Surprises Act.

2. **Revision to the definition of "Adverse Determination"**

The Department seeks to address issues regarding reduction in services, treatment and/or medications during the precertification process, which is not expressly addressed under the utilization review program and external review rights found in statute.

Remedy

This may be addressed through the expansion of definitions and utilization review registration requirements in order to protect consumers and assist them in receiving the care they require in the most efficient and expedient manner. Considerations include requiring utilization review organizations (UROs) to be accredited by URAC so the clinical evaluations at the issuer are more closely aligned to the external review criteria used by independent review organizations (IROs).