



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB3509

by Rep. Greg Harris

SYNOPSIS AS INTRODUCED:

215 ILCS 5/368b

Amends the Illinois Insurance Code. Provides that contracts between insurers and health care professionals or providers for the provision of health care to the insured shall not contain terms allowing the plan to change a material term of the contract or a term affecting reimbursement rates established in the contract unless the term has been negotiated and agreed to or the change is necessary to comply with State or federal law or regulations or accreditation requirements. Effective immediately.

LRB099 09196 MLM 29399 b

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Insurance Code is amended by
5 changing Section 368b as follows:

6 (215 ILCS 5/368b)

7 Sec. 368b. Contracting procedures.

8 (a) A health care professional or health care provider
9 offered a contract by an insurer, health maintenance
10 organization, independent practice association, or physician
11 hospital organization for signature after the effective date of
12 this amendatory Act of the 93rd General Assembly shall be
13 provided with a proposed health care professional or health
14 care provider services contract including, if any, exhibits and
15 attachments that the contract indicates are to be attached.
16 Within 35 days after a written request, the health care
17 professional or health care provider offered a contract shall
18 be given the opportunity to review and obtain a copy of the
19 following: a specialty-specific fee schedule sample based on a
20 minimum of the 50 highest volume fee schedule codes with the
21 rates applicable to the health care professional or health care
22 provider to whom the contract is offered, the network provider
23 administration manual, and a summary capitation schedule, if

1 payment is made on a capitation basis. If 50 codes do not exist
2 for a particular specialty, the health care professional or
3 health care provider offered a contract shall be given the
4 opportunity to review or obtain a copy of a fee schedule sample
5 with the codes applicable to that particular specialty. This
6 information may be provided electronically. An insurer, health
7 maintenance organization, independent practice association, or
8 physician hospital organization may substitute the fee
9 schedule sample with a document providing reference to the
10 information needed to calculate the fee schedule that is
11 available to the public at no charge and the percentage or
12 conversion factor at which the insurer, health maintenance
13 organization, preferred provider organization, independent
14 practice association, or physician hospital organization sets
15 its rates.

16 (b) The fee schedule, the capitation schedule, and the
17 network provider administration manual constitute
18 confidential, proprietary, and trade secret information and
19 are subject to the provisions of the Illinois Trade Secrets
20 Act. The health care professional or health care provider
21 receiving such protected information may disclose the
22 information on a need to know basis and only to individuals and
23 entities that provide services directly related to the health
24 care professional's or health care provider's decision to enter
25 into the contract or keep the contract in force. Any person or
26 entity receiving or reviewing such protected information

1 pursuant to this Section shall not disclose the information to
2 any other person, organization, or entity, unless the
3 disclosure is requested pursuant to a valid court order or
4 required by a state or federal government agency. Individuals
5 or entities receiving such information from a health care
6 professional or health care provider as delineated in this
7 subsection are subject to the provisions of the Illinois Trade
8 Secrets Act.

9 (c) The health care professional or health care provider
10 shall be allowed at least 30 days to review the health care
11 professional or health care provider services contract,
12 including exhibits and attachments, if any, before signing. The
13 30-day review period begins upon receipt of the health care
14 professional or health care provider services contract, unless
15 the information available upon request in subsection (a) is not
16 included. If information is not included in the professional
17 services contract and is requested pursuant to subsection (a),
18 the 30-day review period begins on the date of receipt of the
19 information. Nothing in this subsection shall prohibit a health
20 care professional or health care provider from signing a
21 contract prior to the expiration of the 30-day review period.

22 (d) The insurer, health maintenance organization,
23 independent practice association, or physician hospital
24 organization shall provide all contracted health care
25 professionals or health care providers with any changes to the
26 fee schedule provided under subsection (a) not later than 35

1 days after the effective date of the changes, unless such
2 changes are specified in the contract and the health care
3 professional or health care provider is able to calculate the
4 changed rates based on information in the contract and
5 information available to the public at no charge. For the
6 purposes of this subsection, "changes" means an increase or
7 decrease in the fee schedule referred to in subsection (a).
8 This information may be made available by mail, e-mail,
9 newsletter, website listing, or other reasonable method. Upon
10 request, a health care professional or health care provider may
11 request an updated copy of the fee schedule referred to in
12 subsection (a) every calendar quarter.

13 (e) Upon termination of a contract with an insurer, health
14 maintenance organization, independent practice association, or
15 physician hospital organization and at the request of the
16 patient, a health care professional or health care provider
17 shall transfer copies of the patient's medical records. Any
18 other provision of law notwithstanding, the costs for copying
19 and transferring copies of medical records shall be assigned
20 per the arrangements agreed upon, if any, in the health care
21 professional or health care provider services contract.

22 (f) No contract between an insurer, health maintenance
23 organization, managed care plan, health care plan, preferred
24 provider organization, third party administrator, independent
25 practice association, or physician-hospital organization and a
26 health care provider or health care professional for the

1 provision of health care services to an insured, enrollee,
2 beneficiary, or subscriber shall contain terms allowing the
3 plan to change a material term of the contract or a term
4 affecting reimbursement rates established in the contract,
5 including changes made by amending a manual, policy, procedure
6 document, or other document referenced in the contract, unless
7 the change has first been negotiated and agreed to by the
8 provider or professional and the plan or the change is
9 necessary to comply with State or federal law or regulations or
10 any accreditation requirements of a private sector
11 accreditation organization.

12 (Source: P.A. 93-261, eff. 1-1-04.)

13 Section 99. Effective date. This Act takes effect upon
14 becoming law.