



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB0146

Introduced 1/14/2021, by Rep. Bob Morgan

SYNOPSIS AS INTRODUCED:

215 ILCS 5/355

from Ch. 73, par. 967

215 ILCS 125/4-12

from Ch. 111 1/2, par. 1409.5

Amends the Illinois Insurance Code and the Health Maintenance Organization Act. Provides that all individual and small group accident and health policies written in compliance with the Patient Protection and Affordable Care Act must file rates with the Department of Insurance for approval. Provides that rate increases found to be unreasonable rate increases in relation to benefits under the policy provided shall be disapproved. Requires the Department to provide a report to the General Assembly after January 1, 2023 regarding both on and off exchange individual and small group rates in the Illinois market. Requires that the Department approve or deny rate increases within 60 calendar days after the rate increase is filed with the Department. Provides that a rate increase that is not approved or denied by the Department on the 61st calendar day shall be automatically approved on that day. Provides that no less than 30 days after the federal Centers for Medicare and Medicaid Services has certified the plans described in this Section for the upcoming plan year, the Department shall publish on its website a report explaining the rates for the subsequent calendar year's certified policies. Defines "unreasonable rate increase".

LRB102 04400 BMS 14418 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 355 as follows:

6 (215 ILCS 5/355) (from Ch. 73, par. 967)

7 Sec. 355. Accident and health policies; provisions.
8 ~~policies-Provisions.)~~

9 (a) As used in this Section, "unreasonable rate increase"
10 means a rate increase that the Director determines to be
11 excessive, unjustified, or unfairly discriminatory in
12 accordance with 45 CFR 154.205.

13 (b) No policy of insurance against loss or damage from the
14 sickness, or from the bodily injury or death of the insured by
15 accident shall be issued or delivered to any person in this
16 State until a copy of the form thereof and of the
17 classification of risks and the premium rates pertaining
18 thereto have been filed with the Director; nor shall it be so
19 issued or delivered until the Director shall have approved
20 such policy pursuant to the provisions of Section 143. If the
21 Director disapproves the policy form he shall make a written
22 decision stating the respects in which such form does not
23 comply with the requirements of law and shall deliver a copy

1 thereof to the company and it shall be unlawful thereafter for
2 any such company to issue any policy in such form.

3 (c) All individual and small group accident and health
4 policies written in compliance with the Patient Protection and
5 Affordable Care Act must file rates with the Department for
6 approval. Rate increases found to be unreasonable rate
7 increases in relation to benefits under the policy provided
8 shall be disapproved. The Department shall provide a report to
9 the General Assembly on or after January 1, 2023, regarding
10 both on and off exchange individual and small group rates in
11 the Illinois market.

12 (d) A rate increase filed under this Section must be
13 approved or denied within 60 calendar days after the date the
14 rate increase is filed with the Department. Any rate increase
15 that is not approved or denied by the Department shall
16 automatically be approved on the 61st calendar day.

17 (e) No less than 30 days after the federal Centers for
18 Medicare and Medicaid Services has certified the policies
19 described in this Section for the upcoming plan year, the
20 Department shall publish on its website a report explaining
21 the rates for the subsequent calendar year's certified
22 policies.

23 (Source: P.A. 79-777.)

24 Section 10. The Health Maintenance Organization Act is
25 amended by changing Section 4-12 as follows:

1 (215 ILCS 125/4-12) (from Ch. 111 1/2, par. 1409.5)

2 Sec. 4-12. Changes in Rate Methodology and Benefits,
3 Material Modifications. A health maintenance organization
4 shall file with the Director, prior to use, a notice of any
5 change in rate methodology, or benefits and of any material
6 modification of any matter or document furnished pursuant to
7 Section 2-1, together with such supporting documents as are
8 necessary to fully explain the change or modification.

9 (a) Contract modifications described in subsections
10 (c)(5), (c)(6) and (c)(7) of Section 2-1 shall include all
11 form agreements between the organization and enrollees,
12 providers, administrators of services and insurers of health
13 maintenance organizations.

14 (b) Material transactions or series of transactions other
15 than those described in subsection (a) of this Section, the
16 total annual value of which exceeds the greater of \$100,000 or
17 5% of net earned subscription revenue for the most current
18 twelve month period as determined from filed financial
19 statements.

20 (c) Any agreement between the organization and an insurer
21 shall be subject to the provisions of the laws of this State
22 regarding reinsurance as provided in Article XI of the
23 Illinois Insurance Code. All reinsurance agreements must be
24 filed. Approval of the Director is required for all agreements
25 except the following: individual stop loss, aggregate excess,

1 hospitalization benefits or out-of-area of the participating
2 providers unless 20% or more of the organization's total risk
3 is reinsured, in which case all reinsurance agreements require
4 approval.

5 (d) All individual and small group accident and health
6 policies written in compliance with the Patient Protection and
7 Affordable Care Act must file rates with the Department for
8 approval. Rate increases found to be unreasonable rate
9 increases in relation to benefits under the policy provided
10 shall be disapproved. The Department shall provide a report to
11 the General Assembly on or after January 1, 2023, regarding
12 both on and off exchange individual and small group rates in
13 the Illinois market.

14 (e) A rate increase filed under this Section must be
15 approved or denied within 60 calendar days after the date the
16 rate increase is filed with the Department. Any rate increase
17 that is not approved or denied by the Department shall
18 automatically be approved on the 61st calendar day.

19 (f) No less than 30 days after the federal Centers for
20 Medicare and Medicaid Services has certified the policies
21 described in this Section for the upcoming plan year, the
22 Department shall publish on its website a report explaining
23 the rates for the subsequent calendar year's certified
24 policies.

25 (g) As used in this Section, "unreasonable rate increase"
26 means a rate increase that the Director determines to be

1 excessive, unjustified, or unfairly discriminatory in
2 accordance with 45 CFR 154.205.

3 (Source: P.A. 86-620.)