1 AN ACT concerning provider billing.

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 adding Section 368b as follows:

6 (215 ILCS 5/368b new)
7 Sec. 368b. Requirements to enable electronic exchange of
8 information.
9 (a) An accident and health insurer licensed in Illinois
10 shall have the ability to accept health claims or equivalent
11 encounter information, referral certification, authorization,
12 and eligibility transactions electronically and shall utilize
13 the federal standards for these electronic transactions
14 established by the Department of Health and Human Services
15 pursuant to Section 262 of Pub.L. 104-191 (42 U.S.C. 1320d et
16 seq.) and Part 162 of Title 45, Code of Federal Regulations.
17 A health care professional or health care facility that
18 is licensed to provide health care services in Illinois and
19 that accepts patients who are enrolled in an individual
20 health plan or a group health plan, including a health
21 insurance issuer offering coverage through the group health
22 plan, Medicaid, or the State employee health plan shall
23 submit health claims or equivalent encounter information,
24 referral certification, authorization, and eligibility
25 transactions electronically and shall utilize the federal
26 standards for these electronic transactions established by
27 the Department of Health and Human Services pursuant to
28 Section 262 of Pub.L. 104-191 (42 U.S.C. 1320d et seq.) and
29 Part 162 of Title 45, Code of Federal Regulations.
30 (b) The Department shall establish a timetable for
31 implementation of the electronic transmission of health care

1 transactions. The timetable shall not require implementation
2 prior to the compliance date set forth by the U.S. Department
3 of Health and Human Services for federal standards for
4 electronic health care transactions pursuant to Section 262
5 of Pub.L. 104-191 (42 U.S.C. 1320d et seq.) and Part 162 of
6 Title 45, Code of Federal Regulations or any extension
7 granted by the Secretary of Health and Human Services to
8 comply with the federal standards.
9 (c) The Director may temporarily waive the application
10 of this Section in cases in which:
11 (1) there is no method available for the submission
12 of claims in an electronic form; or
13 (2) the entity submitting the claim is a small
14 health care professional or health care facility with
15 fewer than 10 full-time equivalent employees that has
16 demonstrated that compliance with this Act will result in
17 an undue hardship or other special circumstance on the
18 health care professional or health care facility.
19 (d) The Department shall establish an application and
20 review process for health care professionals and health care
21 facilities with identified special circumstances no later
22 than 6 months prior to the effective date of implementation
23 as determined under subsection (b).
24 (e) The Department shall report to the Governor and the
25 General Assembly within one year after establishing the
26 timetable pursuant to this Section, and at least annually
27 thereafter, on the number of extensions or temporary waivers
28 of the implementation requirement that it has granted
29 pursuant to subsection (c), the reasons therefor, and
30 recommendations to overcome obstacles to full compliance by
31 affected health care professionals and health care
32 facilities.
33 (f) Beginning January 1, 2004, an individual health plan
34 or a group health plan, including a health insurance issuer

1 offering coverage through the group health plan, or a state
2 agency administering a government health plan, may not deduct
3 more than a $2 per claim service fee for adjudication of any
4 paper health claims.
5 (g) This Section does not apply to long-term care
6 facilities.

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.