

1 AN ACT concerning insurance.

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 368c as follows:

6 (215 ILCS 5/368c new)

7 Sec. 368c. Payment rates.

8 (a) Health care professionals or health care providers
9 offered a contract by an insurer, health maintenance
10 organization, independent practice association, or
11 physician-hospital organization shall be allowed to ascertain
12 the payment amounts for each health care service to be
13 provided under the contract prior to signing the contract. If
14 the health care professional or health care provider is not
15 paid on a service by service basis, the amounts payable and
16 terms of payment under that alternative payment system shall
17 be stated or ascertainable.

18 (b) Payments under a contract with a health care
19 professional or health care provider shall not be based upon
20 rates agreed to by the professional or provider in another
21 contract.

22 (c) Payment to a professional or provider for services
23 provided may not be reduced using an amount, discount, or
24 payment reduction formula or methodology that the
25 professional or provider has not directly and specifically
26 agreed upon and is not included in the written contract as
27 applying to the service in question.

28 (d) A payment statement shall be furnished to a health
29 care professional or health care provider for services
30 provided under the contract that identifies the disposition
31 of each claim, including services billed, the contracted

1 payment rates, and the actual payment, if any, for the
2 services billed by CPT or other appropriate code, the reason
3 for any payment reduction to the claim submitted, including
4 any withholds and the reason for denial of any claim. Nothing
5 in this Section requires that a health care professional or
6 health care provider be paid on a service by service basis.
7 Payments may be made based on capitation and other payment
8 arrangements. Health care professionals and health care
9 providers shall be allowed to collect any difference between
10 the amount paid and the amount due under the contract between
11 the company and the health care professional or health care
12 provider, except as otherwise provided by law.

13 Section 99. Effective date. This Act takes effect on
14 December 1, 2003.