



**93RD GENERAL ASSEMBLY**  
**State of Illinois**  
**2003 and 2004**

Introduced 02/09/04, by Kenneth Dunkin

**SYNOPSIS AS INTRODUCED:**

215 ILCS 5/368f new

Amends the Illinois Insurance Code. Provides that accident and health insurers and health care professionals and health care providers shall have the ability to accept and submit claims electronically in accordance with federal standards. Provides for the Department of Insurance to establish a timetable for compliance. Establishes an exemption for long term care facilities and community-integrated living arrangements. Effective immediately.

LRB093 15407 SAS 41010 b

FISCAL NOTE ACT  
MAY APPLY

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 adding  
5 Section 368f as follows:

6 (215 ILCS 5/368f new)

7 Sec. 368f. Requirement 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 is  
18 licensed to provide health care services in Illinois and that  
19 accepts patients who are enrolled in an individual health plan  
20 or a group health plan, including a health insurance issuer  
21 offering coverage through the group health plan, Medicaid, or  
22 the State employee health plan shall submit health claims or  
23 equivalent encounter information, referral certification,  
24 authorization, and eligibility transactions electronically and  
25 shall utilize the federal standards for these electronic  
26 transactions established by the Department of Health and Human  
27 Services pursuant to Section 262 of Pub.L. 104-191 (42 U.S.C.  
28 1320d et seq.) and Part 162 of Title 45, Code of Federal  
29 Regulations.

30 (b) The Department shall establish a timetable for  
31 implementation of the electronic transmission of health care  
32 transactions. The timetable shall not require implementation

1 prior to the compliance date set forth by the U.S. Department  
2 of Health and Human Services for federal standards for  
3 electronic health care transactions pursuant to Section 262 of  
4 Pub.L. 104-191 (42 U.S.C. 1320d et seq.) and Part 162 of Title  
5 45, Code of Federal Regulations or any extension granted by the  
6 Secretary of Health and Human Services to comply with the  
7 federal standards.

8 (c) The Director may temporarily waive the application of  
9 this Section in cases in which:

10 (1) there is no method available for the submission of  
11 claims in an electronic form; or

12 (2) the entity submitting the claim is a small health  
13 care professional or health care facility with fewer than  
14 10 full-time equivalent employees that has demonstrated  
15 that compliance with this Act will result in an undue  
16 hardship or other special circumstance on the health care  
17 professional or health care facility.

18 (d) The Department shall establish an application and  
19 review process for health care professionals and health care  
20 facilities with identified special circumstances no later than  
21 6 months prior to the effective date of implementation as  
22 determined under subsection (b).

23 (e) The Department shall report to the Governor and the  
24 General Assembly within one year after establishing the  
25 timetable pursuant to this Section, and at least annually  
26 thereafter, on the number of extensions or temporary waivers of  
27 the implementation requirement that it has granted pursuant to  
28 subsection (c), the reasons therefor, and recommendations to  
29 overcome obstacles to full compliance by affected health care  
30 professionals and health care facilities.

31 (f) Beginning January 1, 2005, an individual health plan or  
32 a group health plan, including a health insurance issuer  
33 offering coverage through the group health plan, or a state  
34 agency administering a government health plan, may not deduct  
35 more than a \$2 per claim service fee for adjudication of any  
36 paper health claims.

1       (g) This Section does not apply to long-term care  
2       facilities licensed under the Nursing Home Care Act or to  
3       community-integrated living arrangements operated under the  
4       Community-Integrated Living Arrangements Licensure and  
5       Certification Act.

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