

HB1075



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB1075

Introduced 1/30/2013, by Rep. Lou Lang

SYNOPSIS AS INTRODUCED:

215 ILCS 5/370c.1

Amends the Illinois Insurance Code. Makes a technical change in a Section concerning mental health parity.

LRB098 02723 RPM 32731 b

A BILL FOR

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 370c.1 as follows:

6 (215 ILCS 5/370c.1)

7 Sec. 370c.1. Mental health parity.

8 (a) On and after the ~~the~~ effective date of this amendatory
9 Act of the 97th General Assembly, every insurer that amends,
10 delivers, issues, or renews a group policy of accident and
11 health insurance in this State providing coverage for hospital
12 or medical treatment and for the treatment of mental,
13 emotional, nervous, or substance use disorders or conditions
14 shall ensure that:

15 (1) the financial requirements applicable to such
16 mental, emotional, nervous, or substance use disorder or
17 condition benefits are no more restrictive than the
18 predominant financial requirements applied to
19 substantially all hospital and medical benefits covered by
20 the policy and that there are no separate cost-sharing
21 requirements that are applicable only with respect to
22 mental, emotional, nervous, or substance use disorder or
23 condition benefits; and

1 (2) the treatment limitations applicable to such
2 mental, emotional, nervous, or substance use disorder or
3 condition benefits are no more restrictive than the
4 predominant treatment limitations applied to substantially
5 all hospital and medical benefits covered by the policy and
6 that there are no separate treatment limitations that are
7 applicable only with respect to mental, emotional,
8 nervous, or substance use disorder or condition benefits.

9 (b) The following provisions shall apply concerning
10 aggregate lifetime limits:

11 (1) In the case of a group policy of accident and
12 health insurance amended, delivered, issued, or renewed in
13 this State on or after the effective date of this
14 amendatory Act of the 97th General Assembly that provides
15 coverage for hospital or medical treatment and for the
16 treatment of mental, emotional, nervous, or substance use
17 disorders or conditions the following provisions shall
18 apply:

19 (A) if the policy does not include an aggregate
20 lifetime limit on substantially all hospital and
21 medical benefits, then the policy may not impose any
22 aggregate lifetime limit on mental, emotional,
23 nervous, or substance use disorder or condition
24 benefits; or

25 (B) if the policy includes an aggregate lifetime
26 limit on substantially all hospital and medical

1 benefits (in this subsection referred to as the
2 "applicable lifetime limit"), then the policy shall
3 either:

4 (i) apply the applicable lifetime limit both
5 to the hospital and medical benefits to which it
6 otherwise would apply and to mental, emotional,
7 nervous, or substance use disorder or condition
8 benefits and not distinguish in the application of
9 the limit between the hospital and medical
10 benefits and mental, emotional, nervous, or
11 substance use disorder or condition benefits; or

12 (ii) not include any aggregate lifetime limit
13 on mental, emotional, nervous, or substance use
14 disorder or condition benefits that is less than
15 the applicable lifetime limit.

16 (2) In the case of a policy that is not described in
17 paragraph (1) of subsection (b) of this Section and that
18 includes no or different aggregate lifetime limits on
19 different categories of hospital and medical benefits, the
20 Director shall establish rules under which subparagraph
21 (B) of paragraph (1) of subsection (b) of this Section is
22 applied to such policy with respect to mental, emotional,
23 nervous, or substance use disorder or condition benefits by
24 substituting for the applicable lifetime limit an average
25 aggregate lifetime limit that is computed taking into
26 account the weighted average of the aggregate lifetime

1 limits applicable to such categories.

2 (c) The following provisions shall apply concerning annual
3 limits:

4 (1) In the case of a group policy of accident and
5 health insurance amended, delivered, issued, or renewed in
6 this State on or after the effective date of this
7 amendatory Act of the 97th General Assembly that provides
8 coverage for hospital or medical treatment and for the
9 treatment of mental, emotional, nervous, or substance use
10 disorders or conditions the following provisions shall
11 apply:

12 (A) if the policy does not include an annual limit
13 on substantially all hospital and medical benefits,
14 then the policy may not impose any annual limits on
15 mental, emotional, nervous, or substance use disorder
16 or condition benefits; or

17 (B) if the policy includes an annual limit on
18 substantially all hospital and medical benefits (in
19 this subsection referred to as the "applicable annual
20 limit"), then the policy shall either:

21 (i) apply the applicable annual limit both to
22 the hospital and medical benefits to which it
23 otherwise would apply and to mental, emotional,
24 nervous, or substance use disorder or condition
25 benefits and not distinguish in the application of
26 the limit between the hospital and medical

1 benefits and mental, emotional, nervous, or
2 substance use disorder or condition benefits; or

3 (ii) not include any annual limit on mental,
4 emotional, nervous, or substance use disorder or
5 condition benefits that is less than the
6 applicable annual limit.

7 (2) In the case of a policy that is not described in
8 paragraph (1) of subsection (c) of this Section and that
9 includes no or different annual limits on different
10 categories of hospital and medical benefits, the Director
11 shall establish rules under which subparagraph (B) of
12 paragraph (1) of subsection (c) of this Section is applied
13 to such policy with respect to mental, emotional, nervous,
14 or substance use disorder or condition benefits by
15 substituting for the applicable annual limit an average
16 annual limit that is computed taking into account the
17 weighted average of the annual limits applicable to such
18 categories.

19 (d) This Section shall be interpreted in a manner
20 consistent with the interim final regulations promulgated by
21 the U.S. Department of Health and Human Services at 75 FR 5410,
22 including the prohibition against applying a cumulative
23 financial requirement or cumulative quantitative treatment
24 limitation for mental, emotional, nervous, or substance use
25 disorder benefits that accumulates separately from any
26 cumulative financial requirement or cumulative quantitative

1 treatment limitation established for hospital and medical
2 benefits in the same classification.

3 (e) The provisions of subsections (b) and (c) of this
4 Section shall not be interpreted to allow the use of lifetime
5 or annual limits otherwise prohibited by State or federal law.

6 (f) This Section shall not apply to individual health
7 insurance coverage as defined in Section 5 of the Illinois
8 Health Insurance Portability and Accountability Act.

9 (g) As used in this Section:

10 "Financial requirement" includes deductibles, copayments,
11 coinsurance, and out-of-pocket maximums, but does not include
12 an aggregate lifetime limit or an annual limit subject to
13 subsections (b) and (c).

14 "Treatment limitation" includes limits on benefits based
15 on the frequency of treatment, number of visits, days of
16 coverage, days in a waiting period, or other similar limits on
17 the scope or duration of treatment. "Treatment limitation"
18 includes both quantitative treatment limitations, which are
19 expressed numerically (such as 50 outpatient visits per year),
20 and nonquantitative treatment limitations, which otherwise
21 limit the scope or duration of treatment. A permanent exclusion
22 of all benefits for a particular condition or disorder shall
23 not be considered a treatment limitation.

24 (Source: P.A. 97-437, eff. 8-18-11.)