



Sen. Laura Fine

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LRB101 04426 SMS 61348 a

1 AMENDMENT TO SENATE BILL 665

2 AMENDMENT NO. _____. Amend Senate Bill 665 by replacing
3 everything after the enacting clause with the following:

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:

10 "Inadequate rate" means a rate:

11 (1) that is insufficient to sustain projected losses
12 and expenses to which the rate applies; and

13 (2) the continued use of which endangers the solvency
14 of an insurer using that rate.

15 "Unreasonable rate increase" means a rate increase that the
16 Director determines to be excessive, unjustified, or unfairly

1 discriminatory in accordance with 45 CFR 154.205.

2 (b) No policy of insurance against loss or damage from the
3 sickness, or from the bodily injury or death of the insured by
4 accident shall be issued or delivered to any person in this
5 State until a copy of the form thereof and of the
6 classification of risks and the premium rates pertaining
7 thereto have been filed with the Director; nor shall it be so
8 issued or delivered until the Director shall have approved such
9 policy pursuant to the provisions of Section 143. If the
10 Director disapproves the policy form he shall make a written
11 decision stating the respects in which such form does not
12 comply with the requirements of law and shall deliver a copy
13 thereof to the company and it shall be unlawful thereafter for
14 any such company to issue any policy in such form.

15 (c) Rate increases for all individual and small group
16 accident and health insurance policies subject to the standards
17 of 45 CFR Part 154 must be filed with the Department for
18 approval. Unreasonable rate increases or inadequate rates
19 shall be disapproved. The Department shall provide a report to
20 the General Assembly on or after January 1, 2021 regarding both
21 on and off exchange individual and small group rates in the
22 Illinois market.

23 (d) In all cases the Director shall approve or disapprove a
24 rate filing under subsection (c) within 45 calendar days of
25 submission unless the Director extends, by not more than an
26 additional 30 days, the period within which he or she shall

1 approve or disapprove any such filing by giving written notice
2 to the insurer of such extension before expiration of the
3 initial 45-day period. Rates not approved or disapproved by the
4 applicable deadline shall be deemed approved on the following
5 calendar day.

6 (e) No less than 30 days after the federal Centers for
7 Medicare and Medicaid Services has certified the policies
8 described in subsection (c) for the upcoming plan year, the
9 Department shall publish on its website a report explaining the
10 rates for that plan year's certified policies.

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

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

14 (215 ILCS 125/4-12) (from Ch. 111 1/2, par. 1409.5)

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

22 (a) Contract modifications described in subsections
23 (c) (5), (c) (6) and (c) (7) of Section 2-1 shall include all form
24 agreements between the organization and enrollees, providers,

1 administrators of services and insurers of health maintenance
2 organizations.

3 (b) Material transactions or series of transactions other
4 than those described in subsection (a) of this Section, the
5 total annual value of which exceeds the greater of \$100,000 or
6 5% of net earned subscription revenue for the most current
7 twelve month period as determined from filed financial
8 statements.

9 (c) Any agreement between the organization and an insurer
10 shall be subject to the provisions of the laws of this State
11 regarding reinsurance as provided in Article XI of the Illinois
12 Insurance Code. All reinsurance agreements must be filed.
13 Approval of the Director is required for all agreements except
14 the following: individual stop loss, aggregate excess,
15 hospitalization benefits or out-of-area of the participating
16 providers unless 20% or more of the organization's total risk
17 is reinsured, in which case all reinsurance agreements require
18 approval.

19 (d) Rate increases for all individual and small group
20 health care plans subject to the standards of 45 CFR Part 154
21 must be filed with the Department for approval. Unreasonable
22 rate increases in relation to benefits under the policy
23 provided or inadequate rates shall be disapproved. The
24 Department shall provide a report to the General Assembly on or
25 after January 1, 2021 regarding both on and off exchange
26 individual and small group rates in the Illinois market.

1 (e) In all cases the Director shall approve or disapprove a
2 rate filing under subsection (d) within 45 calendar days of
3 submission unless the Director extends, by not more than an
4 additional 30 days, the period within which he or she shall
5 approve or disapprove any such filing by giving written notice
6 to the insurer of such extension before expiration of the
7 initial 45-day period. Rates not approved or disapproved by the
8 applicable deadline shall be deemed approved on the following
9 calendar day.

10 (f) No less than 30 days after the federal Centers for
11 Medicare and Medicaid Services has certified the health care
12 plans described in subsection (d) for the upcoming plan year,
13 the Department shall publish on its website a report explaining
14 the rates for that plan year's certified health care plans.

15 (g) As used in this Section:

16 "Inadequate rate" means a rate:

17 (1) that is insufficient to sustain projected losses
18 and expenses to which the rate applies; and

19 (2) the continued use of which endangers the solvency
20 of an insurer using that rate.

21 "Unreasonable rate increase" means a rate increase that the
22 Director determines to be excessive, unjustified, or unfairly
23 discriminatory in accordance with 45 CFR 154.205.

24 (Source: P.A. 86-620.)".