

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 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, "unreasonable rate increase"
10 means a rate increase that the Director determines to be
11 excessive, unjustified, or unfairly discriminatory in
12 accordance with 45 CFR 154.205.

13 (b) No policy of insurance against loss or damage from the
14 sickness, or from the bodily injury or death of the insured by
15 accident shall be issued or delivered to any person in this
16 State until a copy of the form thereof and of the
17 classification of risks and the premium rates pertaining
18 thereto have been filed with the Director; nor shall it be so
19 issued or delivered until the Director shall have approved such
20 policy pursuant to the provisions of Section 143. If the
21 Director disapproves the policy form he shall make a written
22 decision stating the respects in which such form does not
23 comply with the requirements of law and shall deliver a copy

1 thereof to the company and it shall be unlawful thereafter for
2 any such company to issue any policy in such form.

3 (c) All individual and small group accident and health
4 policies written in compliance with the Patient Protection and
5 Affordable Care Act must file rates with the Department for
6 approval. Rate increases found to be unreasonable rate
7 increases in relation to benefits under the policy provided
8 shall be disapproved. The Department shall provide a report to
9 the General Assembly on or after January 1, 2021, regarding
10 both on and off exchange individual and small group rates in
11 the Illinois market.

12 (d) A rate increase filed under this Section must be
13 approved or denied within 60 calendar days after the date the
14 rate increase is filed with the Department. Any rate increase
15 that is not approved or denied by the Department shall
16 automatically be approved on the 61st calendar day.

17 (e) No less than 30 days after the federal Centers for
18 Medicare and Medicaid Services has certified the policies
19 described in this Section for the upcoming plan year, the
20 Department shall publish on its website a report explaining the
21 rates for the subsequent calendar year's certified policies.

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

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

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

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

9 (a) Contract modifications described in subsections
10 (c) (5), (c) (6) and (c) (7) of Section 2-1 shall include all form
11 agreements between the organization and enrollees, providers,
12 administrators of services and insurers of health maintenance
13 organizations.

14 (b) Material transactions or series of transactions other
15 than those described in subsection (a) of this Section, the
16 total annual value of which exceeds the greater of \$100,000 or
17 5% of net earned subscription revenue for the most current
18 twelve month period as determined from filed financial
19 statements.

20 (c) Any agreement between the organization and an insurer
21 shall be subject to the provisions of the laws of this State
22 regarding reinsurance as provided in Article XI of the Illinois
23 Insurance Code. All reinsurance agreements must be filed.
24 Approval of the Director is required for all agreements except
25 the following: individual stop loss, aggregate excess,
26 hospitalization benefits or out-of-area of the participating

1 providers unless 20% or more of the organization's total risk
2 is reinsured, in which case all reinsurance agreements require
3 approval.

4 (d) All individual and small group accident and health
5 policies written in compliance with the Patient Protection and
6 Affordable Care Act must file rates with the Department for
7 approval. Rate increases found to be unreasonable rate
8 increases in relation to benefits under the policy provided
9 shall be disapproved. The Department shall provide a report to
10 the General Assembly on or after January 1, 2021, regarding
11 both on and off exchange individual and small group rates in
12 the Illinois market.

13 (e) A rate increase filed under this Section must be
14 approved or denied within 60 calendar days after the date the
15 rate increase is filed with the Department. Any rate increase
16 that is not approved or denied by the Department shall
17 automatically be approved on the 61st calendar day.

18 (f) No less than 30 days after the federal Centers for
19 Medicare and Medicaid Services has certified the policies
20 described in this Section for the upcoming plan year, the
21 Department shall publish on its website a report explaining the
22 rates for the subsequent calendar year's certified policies.

23 (g) As used in this Section, "unreasonable rate increase"
24 means a rate increase that the Director determines to be
25 excessive, unjustified, or unfairly discriminatory in
26 accordance with 45 CFR 154.205.

1 (Source: P.A. 86-620.)