



Rep. Bob Morgan

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10100HB0471ham002

LRB101 03392 SMS 59377 a

1 AMENDMENT TO HOUSE BILL 471

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 471 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, "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

1 classification of risks and the premium rates pertaining  
2 thereto have been filed with the Director; nor shall it be so  
3 issued or delivered until the Director shall have approved such  
4 policy pursuant to the provisions of Section 143. If the  
5 Director disapproves the policy form he shall make a written  
6 decision stating the respects in which such form does not  
7 comply with the requirements of law and shall deliver a copy  
8 thereof to the company and it shall be unlawful thereafter for  
9 any such company to issue any policy in such form.

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

19 (d) A rate increase filed under this Section must be  
20 approved or denied within 60 calendar days after the date the  
21 rate increase is filed with the Department. Any rate increase  
22 that is not approved or denied by the Department shall  
23 automatically be approved on the 61st calendar day.

24 (e) No less than 30 days after the federal Centers for  
25 Medicare and Medicaid Services has certified the policies  
26 described in this Section for the upcoming plan year, the

1 Department shall publish on its website a report explaining the  
2 rates for the subsequent calendar year's certified policies.

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

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

6 (215 ILCS 125/4-12) (from Ch. 111 1/2, par. 1409.5)

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

14 (a) Contract modifications described in subsections  
15 (c) (5), (c) (6) and (c) (7) of Section 2-1 shall include all form  
16 agreements between the organization and enrollees, providers,  
17 administrators of services and insurers of health maintenance  
18 organizations.

19 (b) Material transactions or series of transactions other  
20 than those described in subsection (a) of this Section, the  
21 total annual value of which exceeds the greater of \$100,000 or  
22 5% of net earned subscription revenue for the most current  
23 twelve month period as determined from filed financial  
24 statements.

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

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

20 (e) A rate increase filed under this Section must be  
21 approved or denied within 60 calendar days after the date the  
22 rate increase is filed with the Department. Any rate increase  
23 that is not approved or denied by the Department shall  
24 automatically be approved on the 61st calendar day.

25 (f) No less than 30 days after the federal Centers for  
26 Medicare and Medicaid Services has certified the policies

1 described in this Section for the upcoming plan year, the  
2 Department shall publish on its website a report explaining the  
3 rates for the subsequent calendar year's certified policies.

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

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