



Sen. Laura Fine

Filed: 5/17/2019

10100HB0471sam001

LRB101 03392 SMS 60844 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) Rate increases for all individual and small group
11 accident and health insurance policies subject to the standards
12 of 45 CFR Part 154 must be filed with the Department for
13 approval. Unreasonable rate increases shall be disapproved.
14 The Department shall provide a report to the General Assembly
15 on or after January 1, 2021, regarding both on and off exchange
16 individual and small group rates in the Illinois market.

17 (d) In all cases the Director shall approve or disapprove a
18 rate filing under subsection (c) within 60 calendar days of
19 submission unless the Director extends, by not more than an
20 additional 30 days, the period within which he or she shall
21 approve or disapprove any such filing by giving written notice
22 to the insurer of such extension before expiration of the
23 initial 60-day period. Rates not approved or disapproved by the
24 applicable deadline shall be deemed approved on the following
25 calendar day.

26 (e) No less than 30 days after the federal Centers for

1 Medicare and Medicaid Services has certified the policies
2 described in subsection (c) for the upcoming plan year, the
3 Department shall publish on its website a report explaining the
4 rates for that plan year's certified policies.

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

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

8 (215 ILCS 125/4-12) (from Ch. 111 1/2, par. 1409.5)

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

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

21 (b) Material transactions or series of transactions other
22 than those described in subsection (a) of this Section, the
23 total annual value of which exceeds the greater of \$100,000 or
24 5% of net earned subscription revenue for the most current

1 twelve month period as determined from filed financial
2 statements.

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

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

21 (e) In all cases the Director shall approve or disapprove a
22 rate filing under subsection (d) within 60 calendar days of
23 submission unless the Director extends, by not more than an
24 additional 30 days, the period within which he or she shall
25 approve or disapprove any such filing by giving written notice
26 to the insurer of such extension before expiration of the

1 initial 60-day period. Rates not approved or disapproved by the
2 applicable deadline shall be deemed approved on the following
3 calendar day.

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

9 (g) 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 (Source: P.A. 86-620.)".