



Rep. Bob Morgan

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LRB101 05000 RAB 58220 a

1 AMENDMENT TO HOUSE BILL 815

2 AMENDMENT NO. _____. Amend House Bill 815 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 and by adding Section 351A-7.5 as follows:

6 (215 ILCS 5/351A-7.5 new)

7 Sec. 351A-7.5. Rate approval; rate transparency.

8 (a) All long-term care policies issued, amended, renewed,
9 or delivered on or after the effective date of this amendatory
10 Act of the 101st General Assembly must submit for Director
11 approval of all proposed rate changes. Rate increases not found
12 to be reasonable in relation to benefits under the policy
13 provided shall be disapproved. Additionally, all rates are
14 subject to all minimum loss ratio requirements as outlined in
15 the Illinois Administrative Code pursuant to Section 351A-11 of
16 this Code.

1 (b) The Department shall accept comments on all rates as
2 defined in this Code and shall deliver an annual report to the
3 General Assembly beginning on or after January 1, 2021,
4 regarding long-term rate changes in the Illinois market.

5 (215 ILCS 5/355) (from Ch. 73, par. 967)

6 Sec. 355. Accident and health policies-Provisions.)

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

20 (b) All individual and small group accident and health
21 policies written in compliance with the Patient Protection and
22 Affordable Care Act must file rates for approval. Rate
23 increases not found to be reasonable in relation to benefits
24 under the policy provided shall be disapproved. The Department
25 shall provide a report to the General Assembly on or after

1 January 1, 2021, regarding both on and off exchange individual
2 and small group rates in the Illinois market.

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 health plans written in
12 compliance with the Patient Protection and Affordable Care Act
13 must file rates for approval. Rate increases not found to be
14 reasonable 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 (Source: P.A. 86-620.)".