



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB4941

Introduced 1/27/2022, by Rep. Theresa Mah

SYNOPSIS AS INTRODUCED:

215 ILCS 5/368b

Amends the Accident and Health Insurance Article of the Illinois Insurance Code. In provisions concerning contracting procedures, replaces language concerning changes to the fee schedule with language providing that an insurer, health maintenance organization, independent practice association, or physician hospital organization shall provide all contracted health care professionals or health care providers with notice of any changes to the fee schedule at least 90 days before the effective date of the change, that the right to advance notice of changes to the fee schedule cannot be waived by the health care professional or provider, and that changes to the fee schedule cannot be applied retroactively from the effective date of the changes. Provides that if the changes to the fee schedule include a reduction in fees greater than 3% of the Medicare rate established for the current calendar year, the health care professional or health care provider may propose alternative changes to the fee schedule. Provides that any changes to the fee schedule must be final at least 30 days before the effective date of the changes. Provides that fee schedule information must be provided directly to the contracted health care professional or health care provider (rather than may be made available) by mail, e-mail, or telephone, and that this information may also be provided by newsletter, website listing, or other reasonable method.

LRB102 22842 BMS 34494 b

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 368b as follows:

6 (215 ILCS 5/368b)

7 Sec. 368b. Contracting procedures.

8 (a) A health care professional or health care provider
9 offered a contract by an insurer, health maintenance
10 organization, independent practice association, or physician
11 hospital organization for signature after the effective date
12 of this amendatory Act of the 93rd General Assembly shall be
13 provided with a proposed health care professional or health
14 care provider services contract including, if any, exhibits
15 and attachments that the contract indicates are to be
16 attached. Within 35 days after a written request, the health
17 care professional or health care provider offered a contract
18 shall be given the opportunity to review and obtain a copy of
19 the following: a specialty-specific fee schedule sample based
20 on a minimum of the 50 highest volume fee schedule codes with
21 the rates applicable to the health care professional or health
22 care provider to whom the contract is offered, the network
23 provider administration manual, and a summary capitation

1 schedule, if payment is made on a capitation basis. If 50 codes
2 do not exist for a particular specialty, the health care
3 professional or health care provider offered a contract shall
4 be given the opportunity to review or obtain a copy of a fee
5 schedule sample with the codes applicable to that particular
6 specialty. This information may be provided electronically. An
7 insurer, health maintenance organization, independent practice
8 association, or physician hospital organization may substitute
9 the fee schedule sample with a document providing reference to
10 the information needed to calculate the fee schedule that is
11 available to the public at no charge and the percentage or
12 conversion factor at which the insurer, health maintenance
13 organization, preferred provider organization, independent
14 practice association, or physician hospital organization sets
15 its rates.

16 (b) The fee schedule, the capitation schedule, and the
17 network provider administration manual constitute
18 confidential, proprietary, and trade secret information and
19 are subject to the provisions of the Illinois Trade Secrets
20 Act. The health care professional or health care provider
21 receiving such protected information may disclose the
22 information on a need to know basis and only to individuals and
23 entities that provide services directly related to the health
24 care professional's or health care provider's decision to
25 enter into the contract or keep the contract in force. Any
26 person or entity receiving or reviewing such protected

1 information pursuant to this Section shall not disclose the
2 information to any other person, organization, or entity,
3 unless the disclosure is requested pursuant to a valid court
4 order or required by a state or federal government agency.
5 Individuals or entities receiving such information from a
6 health care professional or health care provider as delineated
7 in this subsection are subject to the provisions of the
8 Illinois Trade Secrets Act.

9 (c) The health care professional or health care provider
10 shall be allowed at least 30 days to review the health care
11 professional or health care provider services contract,
12 including exhibits and attachments, if any, before signing.
13 The 30-day review period begins upon receipt of the health
14 care professional or health care provider services contract,
15 unless the information available upon request in subsection
16 (a) is not included. If information is not included in the
17 professional services contract and is requested pursuant to
18 subsection (a), the 30-day review period begins on the date of
19 receipt of the information. Nothing in this subsection shall
20 prohibit a health care professional or health care provider
21 from signing a contract prior to the expiration of the 30-day
22 review period.

23 (d) The insurer, health maintenance organization,
24 independent practice association, or physician hospital
25 organization shall provide all contracted health care
26 professionals or health care providers with notice of any

1 changes to the fee schedule provided under subsection (a) at
2 least 90 days before the effective date of the changes. The
3 right to advance notice of changes to the fee schedule cannot
4 be waived by the health care professional or provider. Changes
5 to the fee schedule cannot be applied retroactively from the
6 effective date of the changes. If the changes to the fee
7 schedule include a reduction in fees greater than 3% of the
8 Medicare rate established for the current calendar year, the
9 health care professional or health care provider may propose
10 alternative changes to the fee schedule to the insurer, health
11 maintenance organization, independent practice association, or
12 physician hospital organization. Any changes to the fee
13 schedule must be final at least 30 days before the effective
14 date of the changes. ~~The insurer, health maintenance~~
15 ~~organization, independent practice association, or physician~~
16 ~~hospital organization shall provide all contracted health care~~
17 ~~professionals or health care providers with any changes to the~~
18 ~~fee schedule provided under subsection (a) not later than 35~~
19 ~~days after the effective date of the changes, unless such~~
20 ~~changes are specified in the contract and the health care~~
21 ~~professional or health care provider is able to calculate the~~
22 ~~changed rates based on information in the contract and~~
23 ~~information available to the public at no charge.~~

24 For the purposes of this subsection, "changes" means an
25 increase or decrease in the fee schedule referred to in
26 subsection (a). This information must be provided directly to

1 the contracted health care professional or health care
2 provider ~~may be made available~~ by mail, e-mail, or telephone.

3 In addition to communicating directly with the contracted
4 health care professional or health care provider, this
5 information may also be provided by newsletter, website
6 listing, or other reasonable method. Upon request, a health
7 care professional or health care provider may request an
8 updated copy of the fee schedule referred to in subsection (a)
9 every calendar quarter.

10 (e) Upon termination of a contract with an insurer, health
11 maintenance organization, independent practice association, or
12 physician hospital organization and at the request of the
13 patient, a health care professional or health care provider
14 shall transfer copies of the patient's medical records. Any
15 other provision of law notwithstanding, the costs for copying
16 and transferring copies of medical records shall be assigned
17 per the arrangements agreed upon, if any, in the health care
18 professional or health care provider services contract.

19 (Source: P.A. 93-261, eff. 1-1-04.)