



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB5580

Introduced 2/9/2024, by Rep. Hoan Huynh

#### SYNOPSIS AS INTRODUCED:

215 ILCS 134/20  
215 ILCS 134/62 new

Amends the Managed Care Reform and Patient Rights Act. Sets forth requirements for carriers that offer a provider panel. Requires notice of the development of a provider panel to be filed with Department of Public Health prior to establishment. Provides that a carrier that uses a provider panel shall establish procedure for notifying an enrollee of the termination of a health care provider. Sets forth provisions permitting, under certain circumstances, a health care provider to continue to render health care services following termination from the carrier's provider panel. Requires a carrier to provide a list of members in the carrier's provider panel. Establishes notice requirements for benefit reductions and termination of health care providers from the carrier's provider panel. Requires any carrier requiring preauthorization for medical treatment to have personnel available to provide preauthorization at all times when the preauthorization is required. Provides that no contract between a health care provider and a carrier shall include provisions that require a health care provider to deny covered services that the provider knows to be medically necessary and appropriate that are provided with respect to a specific enrollee or group of enrollees with similar medical conditions. Sets forth prohibited provisions in a contract between a carrier and a health care provider. Defines terms. Makes other and conforming changes.

LRB103 38270 RPS 68405 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 Managed Care Reform and Patient Rights Act  
5 is amended by changing Section 20 and by adding Section 62 as  
6 follows:

7 (215 ILCS 134/20)

8 Sec. 20. Notice of nonrenewal or termination. A health  
9 care plan must give at least 60 days' ~~days~~ notice of nonrenewal  
10 or termination of a health care provider from the health care  
11 plan's provider panel or termination of any other contractual  
12 relationship to the health care provider and to the enrollees  
13 served by the health care provider. The notice shall include a  
14 name and address to which an enrollee or health care provider  
15 may direct comments and concerns regarding the nonrenewal or  
16 termination. Immediate written notice may be provided without  
17 60 days' ~~days~~ notice when a health care provider's license has  
18 been disciplined by a State licensing board.

19 (Source: P.A. 91-617, eff. 1-1-00.)

20 (215 ILCS 134/62 new)

21 Sec. 62. Provider panels.

22 (a) In this Section:

1 "Carrier" means:

2 (1) any insurer proposing to issue or that issues  
3 individual or group policies of accident and health  
4 insurance providing hospital, medical, surgical, or other  
5 major medical coverage on an expense-incurred basis;

6 (2) any corporation providing individual or group  
7 health or accident subscription contracts;

8 (3) any health maintenance organization providing  
9 health care plans or health care services;

10 (4) any corporation offering or providing prepaid  
11 dental or optometric services plans; or

12 (5) any other person or organization that provides  
13 health benefit plans subject to State regulation.

14 "Carrier" includes an entity that arranges a provider  
15 panel for compensation.

16 "Provider panel" means the health care providers with  
17 which a carrier contracts to provide health care services to  
18 the carrier's enrollees under the carrier's health care or  
19 health benefit plan. "Provider panel" does not include an  
20 arrangement between a carrier and providers in which any  
21 provider may participate solely on the basis of the provider's  
22 contracting with the carrier to provide services at a  
23 discounted fee-for-service rate.

24 (b) Any carrier that offers a provider panel shall  
25 establish and use the provider panel according to the  
26 following requirements:

1           (1) Notice of the development of a provider panel  
2           servicing residents of the State must be filed with the  
3           Department of Public Health prior to establishment.

4           (2) Carriers shall provide a provider application and  
5           the relevant terms and conditions to a health care  
6           provider upon request.

7           (c) A carrier that uses a provider panel shall establish  
8           procedures for:

9           (1) notifying an enrollee of:

10           (A) the termination or nonrenewal from the  
11           carrier's provider panel of a health care provider who  
12           was furnishing health care services to the enrollee or  
13           furnished health care services to the enrollee in the  
14           6 months prior to the notice; and

15           (B) the right of an enrollee to continue to  
16           receive health care services, as provided in  
17           subsection (e), following the health care provider's  
18           termination from a carrier's provider panel, except  
19           when a health care provider is terminated for cause.  
20           The notice required under this paragraph (1) shall be  
21           provided at least 60 days prior to the date of  
22           termination of the health care provider from a  
23           carrier's provider panel in accordance with Section  
24           20; and

25           (2) notifying a health care provider at least 60 days  
26           prior to the termination of the health care provider from

1 a carrier's provider panel in accordance with Section 20.

2 (d) A carrier may not deny an application for  
3 participation or terminate participation on its provider panel  
4 on the basis of gender, race, age, sexual orientation, gender  
5 identity, religion, or national origin.

6 (e) (1) A health care provider shall be permitted by the  
7 carrier to render health care services to any of the carrier's  
8 enrollees for a period of at least 90 days from the date of the  
9 health care provider's termination from the carrier's provider  
10 panel, except when a health care provider is terminated for  
11 cause.

12 (2) Notwithstanding paragraph (1) of this subsection, any  
13 health care provider shall be permitted by the carrier to  
14 continue rendering health services to any enrollee who has  
15 been medically confirmed to be pregnant at the time of a  
16 provider's termination of participation, except when a health  
17 care provider is terminated for cause. That treatment shall,  
18 at the enrollee's option, continue through the provision of  
19 postpartum care directly relating to the delivery.

20 (3) Notwithstanding paragraph (1) of this subsection, any  
21 health care provider shall be permitted by the carrier to  
22 continue rendering health services to any enrollee who is  
23 determined to be terminally ill, as defined under Section  
24 1861(dd) (3) (A) of the Social Security Act, at the time of a  
25 health care provider's termination of participation, except  
26 when a health care provider is terminated for cause. The

1 treatment shall, at the enrollee's option, continue for the  
2 remainder of the enrollee's life for care directly related to  
3 the treatment of the terminal illness.

4 (4) Notwithstanding paragraph (1) of this subsection, any  
5 health care provider shall be permitted by the carrier to  
6 continue rendering health services to any enrollee who has  
7 been determined by a medical professional to have a  
8 life-threatening condition at the time of a health care  
9 provider's termination of participation. The treatment shall,  
10 at the enrollee's option, continue for up to 180 days for care  
11 directly related to the life-threatening condition.

12 (5) Notwithstanding paragraph (1) of this subsection, any  
13 health care provider shall be permitted by the carrier to  
14 continue rendering health services to any enrollee who is  
15 admitted to and receiving treatment in any inpatient facility  
16 at the time of a health care provider's termination of  
17 participation. Such admission and treatment shall continue  
18 until the enrollee is discharged from the inpatient facility.

19 (f) For any health care services received by an enrollee  
20 from a provider after the date the provider has been  
21 terminated from the carrier's provider panel:

22 (1) the carrier shall reimburse a health care provider  
23 under this subsection in accordance with the carrier's  
24 agreement with the health care provider existing  
25 immediately before the health care provider's termination  
26 of participation;

1           (2) the health care provider shall accept such  
2           reimbursement from the carrier and any cost-sharing  
3           payment from the enrollee for items and services as  
4           payment in full; and

5           (3) the health care provider shall continue to adhere  
6           to all policies and procedures and quality standards  
7           imposed by the carrier for an enrollee that were required  
8           of the provider immediately before the provider's  
9           termination of participation.

10          (g) A carrier shall provide to a purchaser upon enrollment  
11          and make available to existing enrollees at least once a year a  
12          list of members in its provider panel, which list shall also  
13          indicate those providers who are not currently accepting new  
14          patients. This list shall also include all the information  
15          specified in subsection (a) of Section 15. This list may be  
16          made available in a form other than a printed document if the  
17          purchaser or existing enrollee is given the means to request  
18          and receive a printed copy of the list. If this information is  
19          provided in paper form, it shall be updated at least once a  
20          year. If this information is provided in electronic form, it  
21          shall be updated monthly.

22          (h) No contract between a carrier and a health care  
23          provider may require that the health care provider indemnify  
24          the carrier for the carrier's negligence, willful misconduct,  
25          or breach of contract, if any.

26          (i) No contract between a carrier and a health care

1 provider shall require a provider, as a condition of  
2 participation on the panel, to waive any right to seek legal  
3 redress against the carrier.

4 (j) No contract between a carrier and a health care  
5 provider shall prohibit, impede, or interfere in the  
6 discussion of medical treatment options between a patient and  
7 a health care provider.

8 (k) Any carrier requiring preauthorization for medical  
9 treatment shall have personnel available to provide  
10 preauthorization at all times when the preauthorization is  
11 required.

12 (l) Carriers shall provide to their group policyholders  
13 written notice of any benefit reductions during the contract  
14 period at least 60 days before the benefit reductions take  
15 effect. Thereafter, group policyholders shall provide to their  
16 enrollees written notice of any benefit reductions during the  
17 contract period at least 30 days before the benefit reductions  
18 take effect. The notice shall be provided to the group  
19 policyholder as a separate distinct notification and may not  
20 be combined with any other notification or marketing  
21 materials.

22 (m) No contract between a health care provider and a  
23 carrier shall include provisions that require a health care  
24 provider to deny covered services that the provider knows to  
25 be medically necessary and appropriate that are provided with  
26 respect to a specific enrollee or group of enrollees with



1 similar medical conditions.

2 (n) If a provider panel contract between a health care  
3 provider and a carrier, or other entity that provides  
4 hospital, physician, or other health care services to a  
5 carrier, includes provisions that require a provider, as a  
6 condition of participating in one of the carrier's or other  
7 entity's provider panels, to participate in any other provider  
8 panel owned or operated by that carrier or other entity, the  
9 contract shall contain a provision permitting the health care  
10 provider to refuse participation in one or more such other  
11 provider panels at the time the contract is executed. If a  
12 health care provider contracts with a carrier or other entity  
13 that subsequently contracts with one or more unaffiliated  
14 carriers to include the health care provider in the provider  
15 panels of the unaffiliated carriers, and the contract permits  
16 an unaffiliated carrier to impose participation terms with  
17 respect to the health care provider that differ materially in  
18 reimbursement rates or in managed care procedures, such as  
19 conducting economic profiling or requiring a patient to obtain  
20 primary care physician referral to a specialist, from the  
21 terms agreed to by the provider in the original contract, the  
22 provider panel contract shall contain a provision permitting  
23 the health care provider to refuse participation with any such  
24 unaffiliated carrier.

25 (o) A carrier that rents or leases its provider panel to  
26 unaffiliated carriers shall make available, upon request, to

1 its health care providers a list of unaffiliated carriers that  
2 rent or lease its provider panel. If the list is provided in  
3 electronic form, the list shall be updated monthly. The health  
4 care provider shall be given the means to request and receive a  
5 printed copy of the list.