



Sen. Laura Fine

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10300SB1912sam001

LRB103 25851 BMS 59254 a

1 AMENDMENT TO SENATE BILL 1912

2 AMENDMENT NO. _____. Amend Senate Bill 1912 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Department of Insurance Law is amended by
5 adding Section 1405-26 as follows:

6 (20 ILCS 1405/1405-26 new)

7 Sec. 1405-26. Office of the Healthcare Advocate.

8 (a) The Department of Insurance shall establish the Office
9 of the Healthcare Advocate within the State health benefits
10 exchange established by the State of Illinois in accordance
11 with Section 1311 of the federal Patient Protection and
12 Affordable Care Act. The Office shall be administered by the
13 Chief Health Care Advocate, who shall report to the Director.
14 The Advocate shall be an individual with expertise and
15 experience in the fields of health insurance and consumer
16 advocacy. The Advocate may employ legal counsel, independent

1 actuaries, and other employees and contractors as needed to
2 carry out the duties of the Office.

3 (b) The Advocate shall evaluate data, in consultation with
4 an actuary, to assess individual and small group health
5 benefit plan rate filings, networks, and affordability; and
6 represent the interests of individuals and small business
7 owners in public hearings held pursuant to subsection (e) of
8 Section 355 of the Illinois Insurance Code and subsection (f)
9 of Section 4-12 of the Health Maintenance Organization Act.

10 (c) The Advocate shall have access to the unredacted
11 actuarial memos that insurers send to the Department as part
12 of the rate filings.

13 (d) The Advocate shall develop and recommend affordability
14 standards that must be considered by the Director in any
15 decision to approve, disapprove, or modify rates. These
16 affordability standards include, but are not limited to, the
17 following:

18 (1) trends, including historical rates for existing
19 products and national and regional medical and health
20 insurance trends;

21 (2) inflation;

22 (3) price comparisons to other market rates for
23 similar products;

24 (4) the ability of low-income individuals to pay for
25 health insurance;

26 (5) the ability of small businesses to pay for health

1 insurance;

2 (6) health insurers' efforts to control administrative
3 costs; and

4 (7) effective strategies implemented by health
5 insurers to increase affordability, including payment
6 reform across the delivery system.

7 (e) In the performance of the Advocate's duties, the
8 Advocate shall act independently of the Department. Any
9 recommendations made or positions taken by the Advocate do not
10 reflect those of the Department.

11 (f) The Department may adopt reasonable rules necessary to
12 implement this Section.

13 Section 10. The Illinois Insurance Code is amended by
14 changing Section 355 as follows:

15 (215 ILCS 5/355) (from Ch. 73, par. 967)

16 Sec. 355. Accident and health policies; provisions.
17 ~~policies Provisions.)~~

18 (a) As used in this Section:

19 "Inadequate rate" means a rate:

20 (1) that is insufficient to sustain projected losses
21 and expenses to which the rate applies; and

22 (2) the continued use of which endangers the solvency
23 of an insurer using that rate.

24 "Plain language" shall have the same meaning as "plain

1 writing" as used in the federal Plain Writing Act of 2010, and
2 subsequent guidance documents, including the Federal Plain
3 Language Guidelines.

4 "Unreasonable rate increase" means a rate increase that
5 the Director determines to be excessive, unjustified, or
6 unfairly discriminatory in accordance with 45 CFR 154.205.

7 (b) 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
14 such 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 (c) Beginning for plan year 2026, rate increases for all
21 individual and small group accident and health insurance
22 policies subject to the standards of 45 CFR Part 154 must be
23 filed with the Department for approval. Unreasonable rate
24 increases or inadequate rates shall be modified or
25 disapproved.

26 (d) Beginning for plan year 2025, when an insurer files a

1 schedule or table of premium rates for individual or small
2 group health benefit plans, the insurer shall post notice of
3 the rate filing and a filing summary in plain language on the
4 insurer's website. The Department shall post all insurers'
5 rate filings and summaries on the Department's website. All
6 summaries shall include a brief justification of any rate
7 increase or decrease requested, including the number of
8 individual members, the medical loss ratio, medical trend,
9 administrative costs, and any other information requested by
10 the Director. The plain language summary shall include
11 notification of the public comment period established in
12 subsection (e).

13 (e) The Department shall open a 30-day public comment
14 period on the rate filings beginning on the date that all of
15 the rate filings are posted on the website. The Department
16 shall post all of the comments received to the Department's
17 website within 5 business days after the comment period ends.

18 (f) The Department shall hold a public hearing within 10
19 days after the public comments are posted on the Department's
20 website. All insurers and health maintenance organizations
21 selling plans in the individual and small group markets shall
22 appear at the public hearing to explain their rate filings and
23 justifications.

24 (g) After the close of the public comment period described
25 in subsection (e), the Department shall issue a decision to
26 approve, disapprove, or modify a rate filing. The Department

1 shall notify the insurer of the decision, make the decision
2 available to the public by posting it on the Department's
3 website, and include an explanation of the findings and
4 rationale that are the basis for the decision.

5 (h) If, following the issuance of a decision but before
6 the effective date of the premium rates approved by the
7 decision, an event occurs that materially affects the
8 Director's decision to approve, deny, or modify the rates, the
9 Director may consider supplemental facts or data reasonably
10 related to the event.

11 (i) The Department shall adopt rules implementing the
12 procedures described in subsections (d) through (h).

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

14 Section 15. The Health Maintenance Organization Act is
15 amended by changing Section 4-12 as follows:

16 (215 ILCS 125/4-12) (from Ch. 111 1/2, par. 1409.5)

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

24 (a) Contract modifications described in subsections

1 (c) (5), (c) (6) and (c) (7) of Section 2-1 shall include all
2 form agreements between the organization and enrollees,
3 providers, administrators of services and insurers of health
4 maintenance organizations.

5 (b) Material transactions or series of transactions other
6 than those described in subsection (a) of this Section, the
7 total annual value of which exceeds the greater of \$100,000 or
8 5% of net earned subscription revenue for the most current
9 twelve month period as determined from filed financial
10 statements.

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

21 (d) Beginning for plan year 2026, rate increases for all
22 individual and small group accident and health insurance
23 policies subject to the standards of 45 CFR Part 154 must be
24 filed with the Department for approval. Unreasonable rate
25 increases in relation to benefits under the policy provided or
26 inadequate rates shall be modified or disapproved.

1 (e) Beginning for plan year 2025, when a health
2 maintenance organization files a schedule or table of premium
3 rates for individual or small group health benefit plans, the
4 health maintenance organization shall post notice of the rate
5 filing and a filing summary in plain language on the
6 organization's website. The Department shall post all
7 insurers' rate filings and summaries on the Department's
8 website. All summaries shall include a brief justification of
9 any rate increase or decrease requested, including the number
10 of individual members, the medical loss ratio, medical trend,
11 administrative costs, and any other information requested by
12 the Director. The plain language summary shall include
13 notification of the public comment period established in
14 subsection (f).

15 (f) The Department shall open a 30-day public comment
16 period on the rate filings beginning on the date that all of
17 the rate filings are posted on the website. The Department
18 shall post all of the comments received to the Department's
19 website within 5 business days after the comment period ends.

20 (g) The Department shall hold a public hearing within 10
21 days after the public comments are posted on the Department's
22 website. All insurers and health maintenance organizations
23 selling plans in the individual and small group markets shall
24 appear at the public hearing to explain their rate filings and
25 justifications.

26 (h) After the close of the public comment period described

1 in subsection (f), the Department shall issue a decision to
2 approve, disapprove, or modify a rate filing. The Department
3 shall notify the health maintenance organization of the
4 decision, make the decision available to the public by posting
5 it on the Department's website, and include an explanation of
6 the findings and rationale that are the basis for the
7 decision.

8 (i) If, following the issuance of a decision but before
9 the effective date of the premium rates approved by the
10 decision, an event occurs that materially affects the
11 Director's decision to approve, deny, or modify the rates, the
12 Director may consider supplemental facts or data reasonably
13 related to the event.

14 (j) The Department shall adopt rules implementing the
15 procedures described in subsections (e) through (i).

16 (k) As used in this Section:

17 "Inadequate rate" means a rate:

18 (1) that is insufficient to sustain projected losses
19 and expenses to which the rate applies; and

20 (2) the continued use of which endangers the solvency
21 of an insurer using that rate.

22 "Plain language" shall have the same meaning as "plain
23 writing" as used in the federal Plain Writing Act of 2010, and
24 subsequent guidance documents, including the Federal Plain
25 Language Guidelines.

26 "Unreasonable rate increase" means a rate increase that

1 the Director determines to be excessive, unjustified, or
2 unfairly discriminatory in accordance with 45 CFR 154.205.
3 (Source: P.A. 86-620.)".