



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB3773

Introduced 2/25/2009, by Rep. Patricia R. Bellock

SYNOPSIS AS INTRODUCED:

New Act
815 ILCS 510/4

from Ch. 121 1/2, par. 314

Creates the Affordable Health Insurance Act. Provides that insurers that include and operate wellness and health promotion programs, disease and condition management programs, health risk appraisal programs, and similar provisions in their high deductible health policies in keeping with federal requirements shall not be considered to be engaging in unfair trade practices under the Uniform Deceptive Trade Practices Act. Sets forth requirements for preferred provider and nonpreferred provider plan reimbursements for Health Savings Account-eligible, high-deductible plans using nonpreferred provider reimbursements. Provides that Health Reimbursement Arrangement-only plans that are not sold in connection with or packaged with individual health insurance policies shall not be considered insurance under the laws of this State. Provides that individual health insurance policies offered or funded through Health Reimbursement Arrangement-only plans shall not be considered employer sponsored or group coverage under the laws of this State. Amends the Uniform Deceptive Trade Practices Act to provide that the Act does not apply to insurers that operate programs in keeping with federal requirements and the Affordable Health Insurance Act. Makes other changes.

LRB096 08460 RPM 18579 b

1 AN ACT concerning insurance.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Affordable Health Insurance Act.

6 Section 5. Purpose. It is the intent of the legislature to:

7 (1) authorize the Director of Insurance to establish
8 flexible guidelines for Health Savings Account eligible
9 high deductible plan designs which will be affordable to
10 citizens of this State and to increase the availability of
11 these types of plans by accident and sickness insurers
12 licensed to transact such insurance in this State;

13 (2) encourage the offering of affordable Health
14 Savings Account eligible high deductible plans, as
15 required under the rules of the federal Internal Revenue
16 Service related to the establishment of Health Savings
17 Accounts, with the specific intent of reaching many
18 otherwise uninsured citizens of this State and the general
19 intent of creating affordable comprehensive health
20 insurance for all citizens of this State; and

21 (3) enhance the affordability of insurance with the
22 flexible Health Savings Account eligible high deductible
23 plans by allowing rewards and incentives for participation

1 in and adherence to health behaviors that recognize the
2 value of the personal responsibility of each citizen to
3 maintain good health, seek preventive care services, and
4 comply with approved treatments.

5 Section 10. Unfair trade practices. Insurers that include
6 and operate wellness and health promotion programs, disease and
7 condition management programs, health risk appraisal programs,
8 and similar provisions in their high deductible health policies
9 in keeping with federal requirements shall not be considered to
10 be engaging in unfair trade practices under the Uniform
11 Deceptive Trade Practices Act with respect to references to the
12 practices of illegal inducements, unfair discrimination, and
13 rebating.

14 Section 15. Health Saving Account-eligible,
15 high-deductible plans. There shall be no required relationship
16 between preferred provider and nonpreferred provider plan
17 reimbursements for Health Savings Account-eligible,
18 high-deductible plans using nonpreferred provider
19 reimbursements. Such plans, however, shall not:

20 (1) unfairly deny health benefits for medically
21 necessary covered services;

22 (2) have differences in benefit levels payable to
23 preferred providers compared to other providers that
24 unfairly deny benefits for covered services;

1 (3) have a plan coinsurance percentage applicable to
2 benefit levels for services provided by nonpreferred
3 providers that is less than 60% of the benefit levels under
4 the policy for such services; or

5 (4) have an adverse effect on the availability or the
6 quality of services.

7 Section 20. Health Reimbursement Arrangement-only plans.

8 (a) The Director of Insurance shall be authorized to allow
9 Health Reimbursement Arrangement-only plans that encourage
10 employer financial support of health insurance or health
11 related expenses recognized under the rules of the federal
12 Internal Revenue Service to be approved for sale in connection
13 with or packaged with individual health insurance policies
14 otherwise approved by the Director.

15 (b) Health Reimbursement Arrangement-only plans that are
16 not sold in connection with or packaged with individual health
17 insurance policies shall not be considered insurance under the
18 laws of this State.

19 (c) Individual health insurance policies offered or funded
20 through Health Reimbursement Arrangement-only plans shall not
21 be considered employer sponsored or group coverage under the
22 laws of this State. Nothing in this Section shall be
23 interpreted to require an insurer to offer an individual health
24 insurance policy for sale in connection with or packaged with a
25 Health Reimbursement Arrangement-only plan or to accept

1 premiums from Health Reimbursement Arrangement-only plans for
2 individual health insurance policies.

3 Section 25. Coverage and approval.

4 (a) The Director of Insurance shall develop flexible
5 guidelines for coverage and approval of Health Savings
6 Account-eligible, high-deductible plans that are designed to
7 qualify under federal and State requirements as
8 high-deductible health plans for use with Health Savings
9 Accounts that comply with federal requirements under the
10 applicable provisions of the federal Internal Revenue Code for
11 high-deductible health plans sold in connection with Health
12 Savings Accounts.

13 (b) The Director of Insurance is authorized to do the
14 following:

15 (1) Encourage and promote the marketing of Health
16 Savings Account-eligible, high-deductible plans by
17 accident and sickness insurers in this State; provided,
18 however, that nothing in this Section shall be construed to
19 authorize the sale of insurance in violation of the
20 requirements of law relating to the transaction of
21 insurance in this State or prohibiting the interstate sale
22 of insurance.

23 (2) Conduct a national study of Health Savings
24 Account-eligible high deductible plans available in other
25 states and determine if and how these products serve the

1 uninsured and if they should be made available to the
2 citizens of this State.

3 (3) Develop an automatic or fast track approval process
4 for Health Savings Account-eligible, high-deductible plans
5 already approved under the laws and regulations of this
6 State or other states.

7 (4) Adopt such rules as he or she deems necessary and
8 appropriate for the design, promotion, and regulation of
9 Health Savings Account-eligible, high-deductible plans,
10 including rules for the expedited review of standardized
11 policies, advertisements and solicitations, and other
12 matters deemed relevant by the Director.

13 Section 30. The Uniform Deceptive Trade Practices Act is
14 amended by changing Section 4 as follows:

15 (815 ILCS 510/4) (from Ch. 121 1/2, par. 314)

16 Sec. 4. This Act does not apply to:

17 (1) conduct in compliance with the orders or rules of
18 or a statute administered by a Federal, state or local
19 governmental agency;

20 (2) publishers, broadcasters, printers or other
21 persons engaged in the dissemination of information or
22 reproduction of printed or pictorial matter who publish,
23 broadcast or reproduce material without knowledge of its
24 deceptive character; ~~or~~

1 (3) actions or appeals pending on the effective date of
2 this Act; or -

3 (4) insurers that include and operate wellness and
4 health promotion programs, disease and condition
5 management programs, health risk appraisal programs, and
6 similar provisions in their high deductible health
7 policies in keeping with federal requirements and the
8 Affordable Health Insurance Act.

9 Subsections (2) and (3) of Section 2 do not apply to the
10 use of a service mark, trademark, certification mark,
11 collective mark, trade name or other trade identification that
12 was used and not abandoned before the effective date of this
13 Act, if the use was in good faith and is otherwise lawful
14 except for this Act.

15 (Source: Laws 1965, p. 2647.)