

HB0072



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB0072

by Rep. Lou Lang

SYNOPSIS AS INTRODUCED:

215 ILCS 5/370c.1

Amends the Illinois Insurance Code. Makes a technical change in a Section concerning mental health parity.

LRB100 03763 RPS 13768 b

A BILL FOR

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 370c.1 as follows:

6 (215 ILCS 5/370c.1)

7 Sec. 370c.1. Mental health and addiction parity.

8 (a) On and after the ~~the~~ effective date of this amendatory
9 Act of the 99th General Assembly, every insurer that amends,
10 delivers, issues, or renews a group or individual policy of
11 accident and health insurance or a qualified health plan
12 offered through the Health Insurance Marketplace in this State
13 providing coverage for hospital or medical treatment and for
14 the treatment of mental, emotional, nervous, or substance use
15 disorders or conditions shall ensure that:

16 (1) the financial requirements applicable to such
17 mental, emotional, nervous, or substance use disorder or
18 condition benefits are no more restrictive than the
19 predominant financial requirements applied to
20 substantially all hospital and medical benefits covered by
21 the policy and that there are no separate cost-sharing
22 requirements that are applicable only with respect to
23 mental, emotional, nervous, or substance use disorder or

1 condition benefits; and

2 (2) the treatment limitations applicable to such
3 mental, emotional, nervous, or substance use disorder or
4 condition benefits are no more restrictive than the
5 predominant treatment limitations applied to substantially
6 all hospital and medical benefits covered by the policy and
7 that there are no separate treatment limitations that are
8 applicable only with respect to mental, emotional,
9 nervous, or substance use disorder or condition benefits.

10 (b) The following provisions shall apply concerning
11 aggregate lifetime limits:

12 (1) In the case of a group or individual policy of
13 accident and health insurance or a qualified health plan
14 offered through the Health Insurance Marketplace amended,
15 delivered, issued, or renewed in this State on or after the
16 effective date of this amendatory Act of the 99th General
17 Assembly that provides coverage for hospital or medical
18 treatment and for the treatment of mental, emotional,
19 nervous, or substance use disorders or conditions the
20 following provisions shall apply:

21 (A) if the policy does not include an aggregate
22 lifetime limit on substantially all hospital and
23 medical benefits, then the policy may not impose any
24 aggregate lifetime limit on mental, emotional,
25 nervous, or substance use disorder or condition
26 benefits; or

1 (B) if the policy includes an aggregate lifetime
2 limit on substantially all hospital and medical
3 benefits (in this subsection referred to as the
4 "applicable lifetime limit"), then the policy shall
5 either:

6 (i) apply the applicable lifetime limit both
7 to the hospital and medical benefits to which it
8 otherwise would apply and to mental, emotional,
9 nervous, or substance use disorder or condition
10 benefits and not distinguish in the application of
11 the limit between the hospital and medical
12 benefits and mental, emotional, nervous, or
13 substance use disorder or condition benefits; or

14 (ii) not include any aggregate lifetime limit
15 on mental, emotional, nervous, or substance use
16 disorder or condition benefits that is less than
17 the applicable lifetime limit.

18 (2) In the case of a policy that is not described in
19 paragraph (1) of subsection (b) of this Section and that
20 includes no or different aggregate lifetime limits on
21 different categories of hospital and medical benefits, the
22 Director shall establish rules under which subparagraph
23 (B) of paragraph (1) of subsection (b) of this Section is
24 applied to such policy with respect to mental, emotional,
25 nervous, or substance use disorder or condition benefits by
26 substituting for the applicable lifetime limit an average

1 aggregate lifetime limit that is computed taking into
2 account the weighted average of the aggregate lifetime
3 limits applicable to such categories.

4 (c) The following provisions shall apply concerning annual
5 limits:

6 (1) In the case of a group or individual policy of
7 accident and health insurance or a qualified health plan
8 offered through the Health Insurance Marketplace amended,
9 delivered, issued, or renewed in this State on or after the
10 effective date of this amendatory Act of the 99th General
11 Assembly that provides coverage for hospital or medical
12 treatment and for the treatment of mental, emotional,
13 nervous, or substance use disorders or conditions the
14 following provisions shall apply:

15 (A) if the policy does not include an annual limit
16 on substantially all hospital and medical benefits,
17 then the policy may not impose any annual limits on
18 mental, emotional, nervous, or substance use disorder
19 or condition benefits; or

20 (B) if the policy includes an annual limit on
21 substantially all hospital and medical benefits (in
22 this subsection referred to as the "applicable annual
23 limit"), then the policy shall either:

24 (i) apply the applicable annual limit both to
25 the hospital and medical benefits to which it
26 otherwise would apply and to mental, emotional,

1 nervous, or substance use disorder or condition
2 benefits and not distinguish in the application of
3 the limit between the hospital and medical
4 benefits and mental, emotional, nervous, or
5 substance use disorder or condition benefits; or

6 (ii) not include any annual limit on mental,
7 emotional, nervous, or substance use disorder or
8 condition benefits that is less than the
9 applicable annual limit.

10 (2) In the case of a policy that is not described in
11 paragraph (1) of subsection (c) of this Section and that
12 includes no or different annual limits on different
13 categories of hospital and medical benefits, the Director
14 shall establish rules under which subparagraph (B) of
15 paragraph (1) of subsection (c) of this Section is applied
16 to such policy with respect to mental, emotional, nervous,
17 or substance use disorder or condition benefits by
18 substituting for the applicable annual limit an average
19 annual limit that is computed taking into account the
20 weighted average of the annual limits applicable to such
21 categories.

22 (d) With respect to substance use disorders, an insurer
23 shall use policies and procedures for the election and
24 placement of substance abuse treatment drugs on their formulary
25 that are no less favorable to the insured as those policies and
26 procedures the insurer uses for the selection and placement of

1 other drugs and shall follow the expedited coverage
2 determination requirements for substance abuse treatment drugs
3 set forth in Section 45.2 of the Managed Care Reform and
4 Patient Rights Act.

5 (e) This Section shall be interpreted in a manner
6 consistent with all applicable federal parity regulations
7 including, but not limited to, the Mental Health Parity and
8 Addiction Equity Act of 2008 at 78 FR 68240.

9 (f) The provisions of subsections (b) and (c) of this
10 Section shall not be interpreted to allow the use of lifetime
11 or annual limits otherwise prohibited by State or federal law.

12 (g) As used in this Section:

13 "Financial requirement" includes deductibles, copayments,
14 coinsurance, and out-of-pocket maximums, but does not include
15 an aggregate lifetime limit or an annual limit subject to
16 subsections (b) and (c).

17 "Treatment limitation" includes limits on benefits based
18 on the frequency of treatment, number of visits, days of
19 coverage, days in a waiting period, or other similar limits on
20 the scope or duration of treatment. "Treatment limitation"
21 includes both quantitative treatment limitations, which are
22 expressed numerically (such as 50 outpatient visits per year),
23 and nonquantitative treatment limitations, which otherwise
24 limit the scope or duration of treatment. A permanent exclusion
25 of all benefits for a particular condition or disorder shall
26 not be considered a treatment limitation. "Nonquantitative

1 treatment" means those limitations as described under federal
2 regulations (26 CFR 54.9812-1).

3 (h) The Department of Insurance shall implement the
4 following education initiatives:

5 (1) By January 1, 2016, the Department shall develop a
6 plan for a Consumer Education Campaign on parity. The
7 Consumer Education Campaign shall focus its efforts
8 throughout the State and include trainings in the northern,
9 southern, and central regions of the State, as defined by
10 the Department, as well as each of the 5 managed care
11 regions of the State as identified by the Department of
12 Healthcare and Family Services. Under this Consumer
13 Education Campaign, the Department shall: (1) by January 1,
14 2017, provide at least one live training in each region on
15 parity for consumers and providers and one webinar training
16 to be posted on the Department website and (2) establish a
17 consumer hotline to assist consumers in navigating the
18 parity process by March 1, 2016. By January 1, 2018 the
19 Department shall issue a report to the General Assembly on
20 the success of the Consumer Education Campaign, which shall
21 indicate whether additional training is necessary or would
22 be recommended.

23 (2) The Department, in coordination with the
24 Department of Human Services and the Department of
25 Healthcare and Family Services, shall convene a working
26 group of health care insurance carriers, mental health

1 advocacy groups, substance abuse patient advocacy groups,
2 and mental health physician groups for the purpose of
3 discussing issues related to the treatment and coverage of
4 substance abuse disorders and mental illness. The working
5 group shall meet once before January 1, 2016 and shall meet
6 semiannually thereafter. The Department shall issue an
7 annual report to the General Assembly that includes a list
8 of the health care insurance carriers, mental health
9 advocacy groups, substance abuse patient advocacy groups,
10 and mental health physician groups that participated in the
11 working group meetings, details on the issues and topics
12 covered, and any legislative recommendations.

13 (i) The Parity Education Fund is created as a special fund
14 in the State treasury. Moneys deposited into the Fund for
15 appropriation by the General Assembly to the Department of
16 Insurance shall be used for the purpose of providing financial
17 support of the Consumer Education Campaign.

18 (Source: P.A. 99-480, eff. 9-9-15.)