



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB3018

by Rep. David Reis

SYNOPSIS AS INTRODUCED:

215 ILCS 5/368b

Amends the Illinois Insurance Code. With regard to a health care professional or health care provider offered a contract by an insurer, health maintenance organization, independent practice association, or physician hospital organization, provides that the insurer, health maintenance organization, independent practice association, physician hospital organization, or preferred provider organization shall provide health care professional applicants who are denied participation in any panel of in-network health care professionals with a specific reason for the denial. Provides that any participating health care professional must be provided 60 days' notice and an opportunity to initiate corrective action prior to the initiation of any attempts to terminate or otherwise remove the health care professional from a panel of in-network health care professionals and that the required notice shall include specific reasons for the proposed termination or removal. Provides that any participating health care professional terminated or removed from an in-network panel by his or her own written request must be provided an opportunity to appeal the decision. Provides that immediate written notice may be provided without 60 days' notice when a health care professional's license has been disciplined by a State licensing or disciplinary board.

LRB098 04025 RPM 34045 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 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 of
12 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 and
15 attachments that the contract indicates are to be attached.
16 Within 35 days after a written request, the health care
17 professional or health care provider offered a contract shall
18 be given the opportunity to review and obtain a copy of the
19 following: a specialty-specific fee schedule sample based on a
20 minimum of the 50 highest volume fee schedule codes with the
21 rates applicable to the health care professional or health care
22 provider to whom the contract is offered, the network provider
23 administration manual, and a summary capitation schedule, if

1 payment is made on a capitation basis. If 50 codes do not exist
2 for a particular specialty, the health care professional or
3 health care provider offered a contract shall be given the
4 opportunity to review or obtain a copy of a fee schedule sample
5 with the codes applicable to that particular specialty. This
6 information may be provided electronically. An insurer, health
7 maintenance organization, independent practice association, or
8 physician hospital organization may substitute the fee
9 schedule sample with a document providing reference to the
10 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 enter
25 into the contract or keep the contract in force. Any person or
26 entity receiving or reviewing such protected information

1 pursuant to this Section shall not disclose the information to
2 any other person, organization, or entity, unless the
3 disclosure is requested pursuant to a valid court order or
4 required by a state or federal government agency. Individuals
5 or entities receiving such information from a health care
6 professional or health care provider as delineated in this
7 subsection are subject to the provisions of the Illinois Trade
8 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. The
13 30-day review period begins upon receipt of the health care
14 professional or health care provider services contract, unless
15 the information available upon request in subsection (a) is not
16 included. If information is not included in the professional
17 services contract and is requested pursuant to subsection (a),
18 the 30-day review period begins on the date of receipt of the
19 information. Nothing in this subsection shall prohibit a health
20 care professional or health care provider from signing a
21 contract prior to the expiration of the 30-day review period.

22 (d) The insurer, health maintenance organization,
23 independent practice association, or physician hospital
24 organization shall provide all contracted health care
25 professionals or health care providers with any changes to the
26 fee schedule provided under subsection (a) not later than 35

1 days after the effective date of the changes, unless such
2 changes are specified in the contract and the health care
3 professional or health care provider is able to calculate the
4 changed rates based on information in the contract and
5 information available to the public at no charge. For the
6 purposes of this subsection, "changes" means an increase or
7 decrease in the fee schedule referred to in subsection (a).
8 This information may be made available by mail, e-mail,
9 newsletter, website listing, or other reasonable method. Upon
10 request, a health care professional or health care provider may
11 request an updated copy of the fee schedule referred to in
12 subsection (a) every calendar quarter.

13 (d-5) The insurer, health maintenance organization,
14 independent practice association, physician hospital
15 organization, or preferred provider organization shall provide
16 health care professional applicants who are denied
17 participation in any panel of in-network health care
18 professionals with a specific reason for the denial. In
19 addition, any participating health care professional must be
20 provided 60 days' notice and an opportunity to initiate
21 corrective action prior to the initiation of any attempts to
22 terminate or otherwise remove the health care professional from
23 a panel of in-network health care professionals. The required
24 notice shall include specific reasons for the proposed
25 termination or removal. Any participating health care
26 professional terminated or removed from an in-network panel by

1 his or her own written request must be provided an opportunity
2 to appeal the decision. Immediate written notice may be
3 provided without 60 days' notice when a health care
4 professional's license has been disciplined by a State
5 licensing or disciplinary board.

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

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