

# SB2353



## 104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB2353

Introduced 2/7/2025, by Sen. Mike Simmons

### SYNOPSIS AS INTRODUCED:

215 ILCS 5/370c.1

Amends the Illinois Insurance Code. In a provision concerning coverage for the treatment of mental, emotional, nervous, or substance use disorders or conditions, requires certain insurers to ensure, prior to policy issuance, that there is no limit on the number of visits per week for outpatient mental health treatment.

LRB104 10556 BAB 20632 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, emotional, nervous, or substance use  
8 disorder or condition parity.

9 (a) On and after July 23, 2021 (the effective date of  
10 Public Act 102-135), every insurer that amends, delivers,  
11 issues, or renews a group or individual policy of accident and  
12 health insurance or a qualified health plan offered through  
13 the Health Insurance Marketplace in this State providing  
14 coverage for hospital or medical treatment and for the  
15 treatment of mental, emotional, nervous, or substance use  
16 disorders or conditions shall ensure prior to policy issuance  
17 that:

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

1 requirements that are applicable only with respect to  
2 mental, emotional, nervous, or substance use disorder or  
3 condition benefits; ~~and~~

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

13 (3) there is no limit on the number of visits per week  
14 for outpatient mental health treatment.

15 (b) The following provisions shall apply concerning  
16 aggregate lifetime limits:

17 (1) In the case of a group or individual policy of  
18 accident and health insurance or a qualified health plan  
19 offered through the Health Insurance Marketplace amended,  
20 delivered, issued, or renewed in this State on or after  
21 September 9, 2015 (the effective date of Public Act  
22 99-480) that provides coverage for hospital or medical  
23 treatment and for the treatment of mental, emotional,  
24 nervous, or substance use disorders or conditions the  
25 following provisions shall apply:

26 (A) if the policy does not include an aggregate

1 lifetime limit on substantially all hospital and  
2 medical benefits, then the policy may not impose any  
3 aggregate lifetime limit on mental, emotional,  
4 nervous, or substance use disorder or condition  
5 benefits; or

6 (B) if the policy includes an aggregate lifetime  
7 limit on substantially all hospital and medical  
8 benefits (in this subsection referred to as the  
9 "applicable lifetime limit"), then the policy shall  
10 either:

11 (i) apply the applicable lifetime limit both  
12 to the hospital and medical benefits to which it  
13 otherwise would apply and to mental, emotional,  
14 nervous, or substance use disorder or condition  
15 benefits and not distinguish in the application of  
16 the limit between the hospital and medical  
17 benefits and mental, emotional, nervous, or  
18 substance use disorder or condition benefits; or

19 (ii) not include any aggregate lifetime limit  
20 on mental, emotional, nervous, or substance use  
21 disorder or condition benefits that is less than  
22 the applicable lifetime limit.

23 (2) In the case of a policy that is not described in  
24 paragraph (1) of subsection (b) of this Section and that  
25 includes no or different aggregate lifetime limits on  
26 different categories of hospital and medical benefits, the

1 Director shall establish rules under which subparagraph  
2 (B) of paragraph (1) of subsection (b) of this Section is  
3 applied to such policy with respect to mental, emotional,  
4 nervous, or substance use disorder or condition benefits  
5 by substituting for the applicable lifetime limit an  
6 average aggregate lifetime limit that is computed taking  
7 into account the weighted average of the aggregate  
8 lifetime limits applicable to such categories.

9 (c) The following provisions shall apply concerning annual  
10 limits:

11 (1) In the case of a group or individual policy of  
12 accident and health insurance or a qualified health plan  
13 offered through the Health Insurance Marketplace amended,  
14 delivered, issued, or renewed in this State on or after  
15 September 9, 2015 (the effective date of Public Act  
16 99-480) that provides coverage for hospital or medical  
17 treatment and for the treatment of mental, emotional,  
18 nervous, or substance use disorders or conditions the  
19 following provisions shall apply:

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

25 (B) if the policy includes an annual limit on  
26 substantially all hospital and medical benefits (in

1           this subsection referred to as the "applicable annual  
2           limit"), then the policy shall either:

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

11                   (ii) not include any annual limit on mental,  
12                   emotional, nervous, or substance use disorder or  
13                   condition benefits that is less than the  
14                   applicable annual limit.

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

1           (d) With respect to mental, emotional, nervous, or  
2 substance use disorders or conditions, an insurer shall use  
3 policies and procedures for the election and placement of  
4 mental, emotional, nervous, or substance use disorder or  
5 condition treatment drugs on their formulary that are no less  
6 favorable to the insured as those policies and procedures the  
7 insurer uses for the selection and placement of drugs for  
8 medical or surgical conditions and shall follow the expedited  
9 coverage determination requirements for substance abuse  
10 treatment drugs set forth in Section 45.2 of the Managed Care  
11 Reform and Patient Rights Act.

12           (e) This Section shall be interpreted in a manner  
13 consistent with all applicable federal parity regulations  
14 including, but not limited to, the Paul Wellstone and Pete  
15 Domenici Mental Health Parity and Addiction Equity Act of  
16 2008, final regulations issued under the Paul Wellstone and  
17 Pete Domenici Mental Health Parity and Addiction Equity Act of  
18 2008 and final regulations applying the Paul Wellstone and  
19 Pete Domenici Mental Health Parity and Addiction Equity Act of  
20 2008 to Medicaid managed care organizations, the Children's  
21 Health Insurance Program, and alternative benefit plans.

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

25           (g) As used in this Section:

26           "Financial requirement" includes deductibles, copayments,

1 coinsurance, and out-of-pocket maximums, but does not include  
2 an aggregate lifetime limit or an annual limit subject to  
3 subsections (b) and (c).

4 "Mental, emotional, nervous, or substance use disorder or  
5 condition" means a condition or disorder that involves a  
6 mental health condition or substance use disorder that falls  
7 under any of the diagnostic categories listed in the mental  
8 and behavioral disorders chapter of the current edition of the  
9 International Classification of Disease or that is listed in  
10 the most recent version of the Diagnostic and Statistical  
11 Manual of Mental Disorders.

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

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

24 "Nonquantitative treatment limitations" include, but are not  
25 limited to, those limitations described under federal  
26 regulations 26 CFR 54.9812-1, 29 CFR 2590.712, and 45 CFR

1 146.136.

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

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

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

1 and mental health physician groups for the purpose of  
2 discussing issues related to the treatment and coverage of  
3 mental, emotional, nervous, or substance use disorders or  
4 conditions and compliance with parity obligations under  
5 State and federal law. Compliance shall be measured,  
6 tracked, and shared during the meetings of the working  
7 group. The working group shall meet once before January 1,  
8 2016 and shall meet semiannually thereafter. The  
9 Department shall issue an annual report to the General  
10 Assembly that includes a list of the health care insurance  
11 carriers, mental health advocacy groups, substance abuse  
12 patient advocacy groups, and mental health physician  
13 groups that participated in the working group meetings,  
14 details on the issues and topics covered, and any  
15 legislative recommendations developed by the working  
16 group.

17 (3) Not later than January 1 of each year, the  
18 Department, in conjunction with the Department of  
19 Healthcare and Family Services, shall issue a joint report  
20 to the General Assembly and provide an educational  
21 presentation to the General Assembly. The report and  
22 presentation shall:

23 (A) Cover the methodology the Departments use to  
24 check for compliance with the federal Paul Wellstone  
25 and Pete Domenici Mental Health Parity and Addiction  
26 Equity Act of 2008, 42 U.S.C. 18031(j), and any

1 federal regulations or guidance relating to the  
2 compliance and oversight of the federal Paul Wellstone  
3 and Pete Domenici Mental Health Parity and Addiction  
4 Equity Act of 2008 and 42 U.S.C. 18031(j).

5 (B) Cover the methodology the Departments use to  
6 check for compliance with this Section and Sections  
7 356z.23 and 370c of this Code.

8 (C) Identify market conduct examinations or, in  
9 the case of the Department of Healthcare and Family  
10 Services, audits conducted or completed during the  
11 preceding 12-month period regarding compliance with  
12 parity in mental, emotional, nervous, and substance  
13 use disorder or condition benefits under State and  
14 federal laws and summarize the results of such market  
15 conduct examinations and audits. This shall include:

16 (i) the number of market conduct examinations  
17 and audits initiated and completed;

18 (ii) the benefit classifications examined by  
19 each market conduct examination and audit;

20 (iii) the subject matter of each market  
21 conduct examination and audit, including  
22 quantitative and nonquantitative treatment  
23 limitations; and

24 (iv) a summary of the basis for the final  
25 decision rendered in each market conduct  
26 examination and audit.

1 Individually identifiable information shall be  
2 excluded from the reports consistent with federal  
3 privacy protections.

4 (D) Detail any educational or corrective actions  
5 the Departments have taken to ensure compliance with  
6 the federal Paul Wellstone and Pete Domenici Mental  
7 Health Parity and Addiction Equity Act of 2008, 42  
8 U.S.C. 18031(j), this Section, and Sections 356z.23  
9 and 370c of this Code.

10 (E) The report must be written in non-technical,  
11 readily understandable language and shall be made  
12 available to the public by, among such other means as  
13 the Departments find appropriate, posting the report  
14 on the Departments' websites.

15 (i) The Parity Advancement Fund is created as a special  
16 fund in the State treasury. Moneys from fines and penalties  
17 collected from insurers for violations of this Section shall  
18 be deposited into the Fund. Moneys deposited into the Fund for  
19 appropriation by the General Assembly to the Department shall  
20 be used for the purpose of providing financial support of the  
21 Consumer Education Campaign, parity compliance advocacy, and  
22 other initiatives that support parity implementation and  
23 enforcement on behalf of consumers.

24 (j) (Blank).

25 (j-5) The Department of Insurance shall collect the  
26 following information:

1           (1) The number of employment disability insurance  
2 plans offered in this State, including, but not limited  
3 to:

4                   (A) individual short-term policies;

5                   (B) individual long-term policies;

6                   (C) group short-term policies; and

7                   (D) group long-term policies.

8           (2) The number of policies referenced in paragraph (1)  
9 of this subsection that limit mental health and substance  
10 use disorder benefits.

11           (3) The average defined benefit period for the  
12 policies referenced in paragraph (1) of this subsection,  
13 both for those policies that limit and those policies that  
14 have no limitation on mental health and substance use  
15 disorder benefits.

16           (4) Whether the policies referenced in paragraph (1)  
17 of this subsection are purchased on a voluntary or  
18 non-voluntary basis.

19           (5) The identities of the individuals, entities, or a  
20 combination of the 2 that assume the cost associated with  
21 covering the policies referenced in paragraph (1) of this  
22 subsection.

23           (6) The average defined benefit period for plans that  
24 cover physical disability and mental health and substance  
25 abuse without limitation, including, but not limited to:

26                   (A) individual short-term policies;

1 (B) individual long-term policies;

2 (C) group short-term policies; and

3 (D) group long-term policies.

4 (7) The average premiums for disability income  
5 insurance issued in this State for:

6 (A) individual short-term policies that limit  
7 mental health and substance use disorder benefits;

8 (B) individual long-term policies that limit  
9 mental health and substance use disorder benefits;

10 (C) group short-term policies that limit mental  
11 health and substance use disorder benefits;

12 (D) group long-term policies that limit mental  
13 health and substance use disorder benefits;

14 (E) individual short-term policies that include  
15 mental health and substance use disorder benefits  
16 without limitation;

17 (F) individual long-term policies that include  
18 mental health and substance use disorder benefits  
19 without limitation;

20 (G) group short-term policies that include mental  
21 health and substance use disorder benefits without  
22 limitation; and

23 (H) group long-term policies that include mental  
24 health and substance use disorder benefits without  
25 limitation.

26 The Department shall present its findings regarding

1 information collected under this subsection (j-5) to the  
2 General Assembly no later than April 30, 2024. Information  
3 regarding a specific insurance provider's contributions to the  
4 Department's report shall be exempt from disclosure under  
5 paragraph (t) of subsection (1) of Section 7 of the Freedom of  
6 Information Act. The aggregated information gathered by the  
7 Department shall not be exempt from disclosure under paragraph  
8 (t) of subsection (1) of Section 7 of the Freedom of  
9 Information Act.

10 (k) An insurer that amends, delivers, issues, or renews a  
11 group or individual policy of accident and health insurance or  
12 a qualified health plan offered through the health insurance  
13 marketplace in this State providing coverage for hospital or  
14 medical treatment and for the treatment of mental, emotional,  
15 nervous, or substance use disorders or conditions shall submit  
16 an annual report, the format and definitions for which will be  
17 determined by the Department and the Department of Healthcare  
18 and Family Services and posted on their respective websites,  
19 starting on September 1, 2023 and annually thereafter, that  
20 contains the following information separately for inpatient  
21 in-network benefits, inpatient out-of-network benefits,  
22 outpatient in-network benefits, outpatient out-of-network  
23 benefits, emergency care benefits, and prescription drug  
24 benefits in the case of accident and health insurance or  
25 qualified health plans, or inpatient, outpatient, emergency  
26 care, and prescription drug benefits in the case of medical

1 assistance:

2 (1) A summary of the plan's pharmacy management  
3 processes for mental, emotional, nervous, or substance use  
4 disorder or condition benefits compared to those for other  
5 medical benefits.

6 (2) A summary of the internal processes of review for  
7 experimental benefits and unproven technology for mental,  
8 emotional, nervous, or substance use disorder or condition  
9 benefits and those for other medical benefits.

10 (3) A summary of how the plan's policies and  
11 procedures for utilization management for mental,  
12 emotional, nervous, or substance use disorder or condition  
13 benefits compare to those for other medical benefits.

14 (4) A description of the process used to develop or  
15 select the medical necessity criteria for mental,  
16 emotional, nervous, or substance use disorder or condition  
17 benefits and the process used to develop or select the  
18 medical necessity criteria for medical and surgical  
19 benefits.

20 (5) Identification of all nonquantitative treatment  
21 limitations that are applied to both mental, emotional,  
22 nervous, or substance use disorder or condition benefits  
23 and medical and surgical benefits within each  
24 classification of benefits.

25 (6) The results of an analysis that demonstrates that  
26 for the medical necessity criteria described in

1           subparagraph (A) and for each nonquantitative treatment  
2           limitation identified in subparagraph (B), as written and  
3           in operation, the processes, strategies, evidentiary  
4           standards, or other factors used in applying the medical  
5           necessity criteria and each nonquantitative treatment  
6           limitation to mental, emotional, nervous, or substance use  
7           disorder or condition benefits within each classification  
8           of benefits are comparable to, and are applied no more  
9           stringently than, the processes, strategies, evidentiary  
10          standards, or other factors used in applying the medical  
11          necessity criteria and each nonquantitative treatment  
12          limitation to medical and surgical benefits within the  
13          corresponding classification of benefits; at a minimum,  
14          the results of the analysis shall:

15                 (A) identify the factors used to determine that a  
16                 nonquantitative treatment limitation applies to a  
17                 benefit, including factors that were considered but  
18                 rejected;

19                 (B) identify and define the specific evidentiary  
20                 standards used to define the factors and any other  
21                 evidence relied upon in designing each nonquantitative  
22                 treatment limitation;

23                 (C) provide the comparative analyses, including  
24                 the results of the analyses, performed to determine  
25                 that the processes and strategies used to design each  
26                 nonquantitative treatment limitation, as written, for

1 mental, emotional, nervous, or substance use disorder  
2 or condition benefits are comparable to, and are  
3 applied no more stringently than, the processes and  
4 strategies used to design each nonquantitative  
5 treatment limitation, as written, for medical and  
6 surgical benefits;

7 (D) provide the comparative analyses, including  
8 the results of the analyses, performed to determine  
9 that the processes and strategies used to apply each  
10 nonquantitative treatment limitation, in operation,  
11 for mental, emotional, nervous, or substance use  
12 disorder or condition benefits are comparable to, and  
13 applied no more stringently than, the processes or  
14 strategies used to apply each nonquantitative  
15 treatment limitation, in operation, for medical and  
16 surgical benefits; and

17 (E) disclose the specific findings and conclusions  
18 reached by the insurer that the results of the  
19 analyses described in subparagraphs (C) and (D)  
20 indicate that the insurer is in compliance with this  
21 Section and the Mental Health Parity and Addiction  
22 Equity Act of 2008 and its implementing regulations,  
23 which includes 42 CFR Parts 438, 440, and 457 and 45  
24 CFR 146.136 and any other related federal regulations  
25 found in the Code of Federal Regulations.

26 (7) Any other information necessary to clarify data

1 provided in accordance with this Section requested by the  
2 Director, including information that may be proprietary or  
3 have commercial value, under the requirements of Section  
4 30 of the Viatical Settlements Act of 2009.

5 (l) An insurer that amends, delivers, issues, or renews a  
6 group or individual policy of accident and health insurance or  
7 a qualified health plan offered through the health insurance  
8 marketplace in this State providing coverage for hospital or  
9 medical treatment and for the treatment of mental, emotional,  
10 nervous, or substance use disorders or conditions on or after  
11 January 1, 2019 (the effective date of Public Act 100-1024)  
12 shall, in advance of the plan year, make available to the  
13 Department or, with respect to medical assistance, the  
14 Department of Healthcare and Family Services and to all plan  
15 participants and beneficiaries the information required in  
16 subparagraphs (C) through (E) of paragraph (6) of subsection  
17 (k). For plan participants and medical assistance  
18 beneficiaries, the information required in subparagraphs (C)  
19 through (E) of paragraph (6) of subsection (k) shall be made  
20 available on a publicly available website whose web address is  
21 prominently displayed in plan and managed care organization  
22 informational and marketing materials.

23 (m) In conjunction with its compliance examination program  
24 conducted in accordance with the Illinois State Auditing Act,  
25 the Auditor General shall undertake a review of compliance by  
26 the Department and the Department of Healthcare and Family

1 Services with Section 370c and this Section. Any findings  
2 resulting from the review conducted under this Section shall  
3 be included in the applicable State agency's compliance  
4 examination report. Each compliance examination report shall  
5 be issued in accordance with Section 3-14 of the Illinois  
6 State Auditing Act. A copy of each report shall also be  
7 delivered to the head of the applicable State agency and  
8 posted on the Auditor General's website.

9 (Source: P.A. 102-135, eff. 7-23-21; 102-579, eff. 8-25-21;  
10 102-813, eff. 5-13-22; 103-94, eff. 1-1-24; 103-105, eff.  
11 6-27-23; 103-605, eff. 7-1-24.)