



Rep. Bob Morgan

Filed: 3/26/2019

10100HB0815ham003

LRB101 05000 RAB 58533 a

1 AMENDMENT TO HOUSE BILL 815

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 815 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Insurance Code is amended by  
5 changing Section 355 as follows:

6 (215 ILCS 5/355) (from Ch. 73, par. 967)

7 Sec. 355. Accident and health policies-Provisions.)

8 (a) No policy of insurance against loss or damage from the  
9 sickness, or from the bodily injury or death of the insured by  
10 accident shall be issued or delivered to any person in this  
11 State until a copy of the form thereof and of the  
12 classification of risks and the premium rates pertaining  
13 thereto have been filed with the Director; nor shall it be so  
14 issued or delivered until the Director shall have approved such  
15 policy pursuant to the provisions of Section 143. If the  
16 Director disapproves the policy form he shall make a written

1 decision stating the respects in which such form does not  
2 comply with the requirements of law and shall deliver a copy  
3 thereof to the company and it shall be unlawful thereafter for  
4 any such company to issue any policy in such form.

5 (b) All individual and small group accident and health  
6 policies written in compliance with the Patient Protection and  
7 Affordable Care Act must file rates for approval. Rate  
8 increases not found to be reasonable in relation to benefits  
9 under the policy provided shall be disapproved. The Department  
10 shall provide a report to the General Assembly on or after  
11 January 1, 2021, regarding both on and off exchange individual  
12 and small group rates in the Illinois market.

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

14 Section 10. 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 form  
2 agreements between the organization and enrollees, providers,  
3 administrators of services and insurers of health maintenance  
4 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 Illinois  
14 Insurance Code. All reinsurance agreements must be filed.  
15 Approval of the Director is required for all agreements except  
16 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) All individual and small group health plans written in  
22 compliance with the Patient Protection and Affordable Care Act  
23 must file rates for approval. Rate increases not found to be  
24 reasonable in relation to benefits under the policy provided  
25 shall be disapproved. The Department shall provide a report to  
26 the General Assembly on or after January 1, 2021, regarding

1 both on and off exchange individual and small group rates in  
2 the Illinois market.  
3 (Source: P.A. 86-620.)".