

SB3735



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB3735

Introduced 2/14/2020, by Sen. Andy Manar

SYNOPSIS AS INTRODUCED:

215 ILCS 5/370i

from Ch. 73, par. 982i

Amends the Illinois Insurance Code. Provides that an insurer shall apply any third-party payment, financial assistance, discount, patient voucher, or other reduction in out-of-pocket expenses made by or on behalf of an insured for prescription drugs toward the insured's deductible, copay, cost-sharing responsibility, or out-of-pocket maximum associated with the insured's policy. Effective January 1, 2021.

LRB101 19649 BMS 69137 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 370i as follows:

6 (215 ILCS 5/370i) (from Ch. 73, par. 982i)

7 Sec. 370i. Policies, agreements or arrangements with
8 incentives or limits on reimbursement authorized.

9 (a) Policies, agreements or arrangements issued under this
10 Article may not contain terms or conditions that would operate
11 unreasonably to restrict the access and availability of health
12 care services for the insured.

13 (b) An insurer or administrator may:

14 (1) enter into agreements with certain providers of its
15 choice relating to health care services which may be
16 rendered to insureds or beneficiaries of the insurer or
17 administrator, including agreements relating to the
18 amounts to be charged the insureds or beneficiaries for
19 services rendered;

20 (2) issue or administer programs, policies or
21 subscriber contracts in this State that include incentives
22 for the insured or beneficiary to utilize the services of a
23 provider which has entered into an agreement with the

1 insurer or administrator pursuant to paragraph (1) above.

2 (c) After the effective date of this amendatory Act of the
3 92nd General Assembly, any insurer that arranges, contracts
4 with, or administers contracts with a provider whereby
5 beneficiaries are provided an incentive to use the services of
6 such provider must include the following disclosure on its
7 contracts and evidences of coverage: "WARNING, LIMITED
8 BENEFITS WILL BE PAID WHEN NON-PARTICIPATING PROVIDERS ARE
9 USED. You should be aware that when you elect to utilize the
10 services of a non-participating provider for a covered service
11 in non-emergency situations, benefit payments to such
12 non-participating provider are not based upon the amount
13 billed. The basis of your benefit payment will be determined
14 according to your policy's fee schedule, usual and customary
15 charge (which is determined by comparing charges for similar
16 services adjusted to the geographical area where the services
17 are performed), or other method as defined by the policy. YOU
18 CAN EXPECT TO PAY MORE THAN THE COINSURANCE AMOUNT DEFINED IN
19 THE POLICY AFTER THE PLAN HAS PAID ITS REQUIRED PORTION.
20 Non-participating providers may bill members for any amount up
21 to the billed charge after the plan has paid its portion of the
22 bill. Participating providers have agreed to accept discounted
23 payments for services with no additional billing to the member
24 other than co-insurance and deductible amounts. You may obtain
25 further information about the participating status of
26 professional providers and information on out-of-pocket

1 expenses by calling the toll free telephone number on your
2 identification card.".

3 (d) Notwithstanding any other provision in this Article, an
4 insurer shall apply any third-party payment, financial
5 assistance, discount, patient voucher, or other reduction in
6 out-of-pocket expenses made by or on behalf of an insured for
7 prescription drugs toward the insured's deductible, copay,
8 cost-sharing responsibility, or out-of-pocket maximum
9 associated with the insured's policy.

10 (Source: P.A. 92-579, eff. 1-1-03.)

11 Section 99. Effective date. This Act takes effect January
12 1, 2021.