



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB4175

Introduced 10/19/2021, by Rep. Thaddeus Jones

SYNOPSIS AS INTRODUCED:

215 ILCS 122/5-5
215 ILCS 122/5-30 new
215 ILCS 122/5-35 new
215 ILCS 122/5-40 new
215 ILCS 122/5-45 new

Amends the Illinois Health Benefits Exchange Law. Provides that the Department of Insurance has the authority to operate the Illinois Health Benefits Exchange. Provides that the Director of Insurance may require plans in the individual market to be made available for comparison on the exchange, but may not require all plans be purchased exclusively on the exchange. Provides that the Director may require that plans offered on the exchange conform with standardized plan designs. Provides that the Director may apply a monthly assessment to each health benefits plan sold in the Illinois Health Benefits Exchange according to specified rates. Provides that the Director shall establish an advisory committee to provide advice to the Director concerning the operation of the exchange and that the advisory committee shall include specified members. Provides that the Department shall also have the authority to coordinate the operations of the exchange with the operations of the State Medicaid program and the FamilyCare Program to determine eligibility for those programs as soon as practicable. Provides that the Department shall adopt rules. Removes provisions concerning small employer health insurance coverage and markets. Makes other changes. Effective January 1, 2023.

LRB102 20089 BMS 29425 b

FISCAL NOTE ACT
MAY APPLY

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 Health Benefits Exchange Law is
5 amended by changing Section 5-5 and by adding Sections 5-30,
6 5-35, 5-40, and 5-45 as follows:

7 (215 ILCS 122/5-5)

8 Sec. 5-5. State health benefits exchange. It is declared
9 that this State, beginning October 1, 2013, in accordance with
10 Section 1311 of the federal Patient Protection and Affordable
11 Care Act, shall establish a State health benefits exchange to
12 be known as the Illinois Health Benefits Exchange in order to
13 help individuals ~~and small employers with no more than 50~~
14 ~~employees~~ shop for, select, and enroll in qualified,
15 affordable private health plans that fit their needs at
16 competitive prices. The Exchange ~~shall separate coverage pools~~
17 ~~for individuals and small employers~~ and shall supplement and
18 not supplant any existing private health insurance market for
19 individuals ~~and small employers~~. The Department of Insurance
20 has the authority to operate the Illinois Health Benefits
21 Exchange. The Director of Insurance may require that all plans
22 in the individual market be made available for comparison on
23 the Illinois Health Benefits Exchange, but may not require

1 that all plans in the individual market be purchased
2 exclusively on the Illinois Health Benefits Exchange. The
3 Director of Insurance has the authority to require that plans
4 offered on the exchange conform with standardized plan designs
5 that provide for standardized cost-sharing for covered health
6 services.

7 (Source: P.A. 97-142, eff. 7-14-11.)

8 (215 ILCS 122/5-30 new)

9 Sec. 5-30. Monthly assessments.

10 (a) The Director of Insurance may apply a monthly
11 assessment to each health benefits plan sold in the Illinois
12 Health Benefits Exchange. The assessment shall be paid by the
13 insurer and to the Department of Insurance and shall be used
14 only for the purpose of supporting the exchange through
15 exchange operations, outreach, enrollment, and other means of
16 supporting the exchange, including any efforts that can
17 increase market stabilization and that may result in a net
18 benefit to policyholders. The assessment may be applied at a
19 rate of:

20 (1) 1% of the total monthly premium charged by an
21 insurer for each health benefits plan during any period
22 that the State is on a State-based exchange using the
23 federal platform; or

24 (2) 2.75% of the total monthly premium charged by an
25 insurer for each health benefits plan during any period

1 that the State is on the Illinois Health Benefits
2 Exchange. The Director of Insurance may adjust this rate
3 to ensure that the Illinois Health Benefits Exchange is
4 fully funded, but shall not apply the assessment at a rate
5 that exceeds 4% of the total monthly premium charged by an
6 insurer. If the Director of Insurance determines it is
7 necessary to adjust the rate above 2.75% pursuant to this
8 paragraph (2), the Director of Insurance shall, in advance
9 of the adjustment, post on the Department of Insurance's
10 website a report describing the reasons and justifications
11 for the adjustment, which shall be consistent with the
12 purposes of supporting the exchange as provided in this
13 Section.

14 (b) The Director of Insurance shall notify an insurer of
15 its assessment rate for the subsequent year at least 20 days
16 before the date the insurer is required to file its rate filing
17 with the Department of Insurance. In the case of an assessment
18 for the 2022 plan year, the Director of Insurance shall notify
19 insurers as soon as is practicable of the assessment amount.

20 (c) The Director of Insurance shall consider any amount of
21 assessments unexpended from a previous year when calculating
22 the monthly assessment.

23 (215 ILCS 122/5-35 new)

24 Sec. 5-35. Health benefits exchange advisory committee.
25 The Director of Insurance shall establish an advisory

1 committee to provide advice to the Director of Insurance
2 concerning the operation of the exchange. The advisory
3 committee shall include at least 9 members, as follows:

4 (1) The Director of Insurance, or a designee, who
5 shall serve ex officio.

6 (2) The Director of Healthcare and Family Services, or
7 a designee, who shall serve ex officio.

8 (3) The Director of Public Health, or a designee, who
9 shall serve ex officio.

10 (4) Six public members, who shall be residents of the
11 State, appointed by the Director of Insurance. Each public
12 member shall have demonstrated experience in one or more
13 of the following areas: health insurance consumer
14 advocacy, individual health insurance coverage, health
15 benefits plan marketing, the provision of health care
16 services, or academic or professional research relating to
17 health insurance.

18 (215 ILCS 122/5-40 new)

19 Sec. 5-40. State Medicaid program coordination. The
20 Department of Insurance shall also have the authority to
21 coordinate the operations of the exchange with the operations
22 of the State Medicaid program and the FamilyCare Program to
23 determine eligibility for those programs as soon as
24 practicable.

1 (215 ILCS 122/5-45 new)

2 Sec. 5-45. Rulemaking. The Department of Insurance shall
3 adopt rules implementing this Law.

4 Section 99. Effective date. This Act takes effect January
5 1, 2023.