



THE HEALTH INSURANCE PROTECTION ACT: WHAT SMALL BUSINESS OWNERS SHOULD KNOW ABOUT THE BILL

HB 5395 & SB 3739

Illinois policymakers have introduced the Health Care Protection Act, and this legislation was recently passed by the Illinois House of Representatives. Health insurance is an important issue for small businesses and their employees. Here are some things the legislation will do:

Mental Health Prior Authorization

This legislation prohibits insurance companies from requiring prior authorization before policyholders can receive inpatient hospital-setting mental health treatment.

Network Transparency

Network plan directories are used by policyholders to identify healthcare providers in their network. This bill will require health insurance companies to audit their online network plan directory every 90 days and require that providers inform insurers when they are no longer accepting patients.

Drug Formulary Transparency

This legislation will require health insurance companies to provide a list of prescription drugs that are covered by insurance plans on their website, in a manner that is easily accessible to the public.

Banning Step Therapy

Step therapy requires lower-cost drugs and treatments to be utilized before higher-cost drugs are prescribed or more costly treatments are used. This bill bans this practice, requiring insurance companies to cover drugs and treatments recommended by doctors even if lower-priced options have not been explored.

Ban Short-Term Limited Duration Health Insurance Plans

Short-term limited-duration health plans offer coverage to policyholders for short periods of time. These short-term plans, meant to bridge the gap for individuals without coverage, are not required to cover basic ACA-required treatments, including mental health services and pre-existing conditions. This legislation will ban short-term, limited-duration plans.

Prior Authorization Publication

The bill requires insurance companies to provide a publicly available list of treatments for which prior authorization is required.

Premium Realignment

The bill implements the findings of a recent study conducted by the Department of Insurance actuaries showing that realigning Illinois Marketplace premiums with coverage generosity can help Marketplace enrollees afford to purchase a better benefit package, at no cost to themselves or to the State.

Rate Review for Large Groups

Last year, the General Assembly passed legislation requiring individual and small-group insurance plans to get approval from the Department of Insurance before raising their rates. This bill would extend those protections to over 1.7 million Illinoisans enrolled in large group plans.