



# HB 5395: THE HEALTHCARE PROTECTION ACT

## WHAT SMALL BUSINESS OWNERS SHOULD KNOW

Illinois policymakers have enacted the Healthcare Protection Act. Health insurance is an important issue for small businesses and their employees. Here are some things the legislation addresses:

### **Mental Health Prior Authorization**

The 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 legislation requires 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 requires 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 legislation bans this practice, requiring insurance companies to cover drugs and treatments recommended by doctors even if lower-priced options have not been explored.

### **Prior Authorization Publication**

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

### **Premium Realignment**

The legislation 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 legislation extends those protections to over 1.7 million Illinoisans enrolled in large group plans.