



Illinois Department of Insurance

JB PRITZKER
Governor

DANA POPISH SEVERINGHAUS
Director

FOR IMMEDIATE RELEASE

January 11, 2023

MEDIA CONTACT

Caron.Brookens@Illinois.gov

Pritzker Administration Announces a \$500,000 fine for Quartz Health Insurance Corporation for Violation of the Mental Health Parity and Addiction Equity Act

Chicago – The Illinois Department of Insurance (IDOI) announced today a \$500,000 fine for Quartz Health Insurance Corporation for violating the Mental Health Parity and Addiction Equity Act (MHPAEA) as revealed in the Department's comprehensive market conduct examination of the company.

MHPAEA is the federal law requiring health insurance plans to have equivalent levels of coverage for mental health and substance use disorder care as for medical or surgical care, and Illinois law further expands upon those requirements.

"With so many of us focused on health and wellness at the beginning of the new year, this is an ideal time to remind health insurance companies about the importance of access to care, particularly for people struggling and seeking treatment for mental health and substance use disorder," **said Governor JB Pritzker**. "The \$500,000 fine signifies our ongoing commitment to protect Illinoisans' rights to equitable healthcare coverage and our intent to hold companies accountable when they violate state and federal laws protecting those rights."

"Creating barriers to mental health and substance use disorder treatment places an additional burden on our fellow Illinoisans who are already struggling," **said IDOI Director Dana Popish Severinghaus**. "The Department regularly examines the practices of health insurance companies, including adherence to parity laws, and we take seriously any violations. We will not allow companies to jeopardize access to treatment for those in need."

Springfield Office
320 W. Washington Street
Springfield, Illinois 62767
(217) 782-4515

Chicago Office
122 S. Michigan Ave., 19th Floor
Chicago, Illinois 60603
(312) 814-2420

The Department's comprehensive market conduct examinations focus on a wide scope of issues that may include consumer complaints, claims practices, rating of policies, underwriting of policies for acceptability, and marketing for all areas of the company's operations.

The comprehensive market conduct exam, performed from 2021-2022 and posted on January 11, 2023, revealed that Quartz had the following violations involving parity.

The company:

- Failed to utilize statutory and American Society of Addiction Medicine (ASAM) requirements by imposing prior authorization on substance use disorder claims.
- Failed to include all FDA-approved substance use disorder medications on the formulary which is the list of generic and brand-name prescription drugs covered by a specific health insurance plan. The company did not include brand-name prescription drugs on its list.
- Created consumer access barriers (prior authorization) to Naltrexone (a craving reduction medicine for alcohol and opioid use disorder).
- Created a consumer access limitation to prescription inhalants for members who suffer from asthma or other life-threatening bronchial ailments. The company did not allow members to refill a prescription for inhalants just a few days in advance, instead deeming it as a "refill too soon."
- Created a barrier to access without disruption to anti-anxiety and antipsychotic medications by limiting maximum fill to 30 days. Typically, fill allotment for anti-anxiety and antipsychotic medications is up to 90 days to avoid disruption of treatment.
- Created a barrier to treatment for consumer to continue use of previously successful prescriptions, by improperly imposing step therapy. When consumers are already on a prescription drug and can demonstrate stability, the company cannot require the consumer to begin step therapy all over again.

Quartz paid the fine and agreed to take corrective action based on the findings of the exam. IDOI will conduct follow up exams to ensure the company remains in compliance. The Market Conduct Examination Report can be found [here](#).