




Illinois Department of Insurance

JB PRITZKER
Governor

ROBERT H. MURIEL
Director

MEMORANDUM

TO: All Health Insurance Issuers

FROM: Robert H. Muriel, Director of Insurance 

DATE: May 22, 2020

RE: Company Bulletin 2020-14 Implementation of the Hearing Aid Benefit Requirements under 215 ILCS 5/356z.30a

Pub. Act 101-0393 added a new Section 356z.30a to the Illinois Insurance Code (the Code) (215 ILCS 5/356z.30a), which requires individual and group accident and health insurance policies, HMO health care plans, LHSO limited health care plans, and voluntary health services plans that are issued, delivered, amended, or renewed after January 1, 2020, to offer, for an additional premium, optional coverage or optional reimbursement for hearing instruments and related services for all individuals when prescribed. Pursuant to Section 352b of the Code (215 ILCS 5/352b), this provision does not apply to most excepted benefit policies, including Medicare supplement policies. *See also* 215 ILCS 5/363(7)(a).

This bulletin provides guidance for compliance per plan type.

Individual and Small Group ACA plans offered both on and off the Federal Exchange:

Issuers in the ACA individual and small group markets, whether offering on or off of the Federal Exchange, may offer enrollees an excepted benefit policy specifically for the wearable hearing aid benefit as required in section 356z.30a of the Code (215 ILCS 5/356z.30a) (hereinafter “Section 356z.30a”). Such policy should charge its own premium separate from the premium for the ACA compliant individual or small group single-risk pool plan in conjunction with which the excepted benefit policy is offered. If an entity’s certificate of authority does not allow it to offer a single-benefit policy, as is the case for an HMO, a voluntary health service (VHSO?) plan, or limited health service organizations, the entity must make arrangements with a health insurance company holding an active certificate of authority under the Illinois Insurance Code to offer such an excepted benefit policy to its enrollees.

Issuers may also choose to embed the benefit as defined in Section 356z.30a in the ACA policy document with additional premium reflected in the rate filing associated with the plan. Issuers offering plans in these markets may also offer an excepted benefit policy as described above as a means of providing the optional coverage to individuals who do not purchase one of the ACA plans with the wearable hearing aid benefit already embedded.

Individual and small group ACA plans offered on and off the Federal Exchange may not offer the option to add a wearable hearing aid benefit for an additional premium. For health insurance coverage offered in the ACA compliant individual and small group markets, federal law only allows premium rates to vary based on whether the coverage covers an individual or family, on the rating area, on age, and on tobacco use. 42 U.S.C. § 300gg(a)(1); 45 C.F.R. § 147.102(a). The addition of a new benefit to an approved policy is not one of these permissible bases. Federal law also requires all claims experience within the individual and small group markets to be considered within single risk pools, which have specific limitations as to the timing and extent for changes in the index rate. 45 C.F.R. § 156.80. Raising the premium based on the addition of an optional benefit does not comport with those single risk pool requirements.

Large Group insurance, HMO and VHSO plans, as well as grandfathered and transitional individual or small group plans:

Federal rating restrictions do not apply to large group insurance, HMO or VHSO markets. In these markets, an additional premium may be charged to enrollees for the optional addition of a wearable hearing aid benefit rider to underlying coverage. Issuers may alternatively choose to embed the benefit as defined in Section 356z.30a in the policy document with additional premium reflected in the rate filing associated with the plan. Additionally, issuers offering plans in these markets may choose to offer an excepted benefit policy as described above as a means of providing the optional coverage.

For all plans in all markets, any change to the rates or policy forms must be filed with the Department before use, and all policy forms are subject to the Director's approval.

Questions regarding this bulletin should be directed to DOI.InfoDesk@illinois.gov