



Bruce Rauner
Governor

Illinois Department of Insurance

Anne Melissa Dowling
Acting Director

To: Bruce Rauner, Governor
Anne Melissa Dowling, Acting Director of Insurance
Honorable Members of the General Assembly

From: The Office of Consumer Health Insurance/Uninsured Ombudsman

Re: The Office of Consumer Health Insurance 2015 Annual Report

The Office of Consumer Health Insurance (OCHI) is pleased to submit its 2015 Annual Report as required by the Managed Care Reform and Patient Rights Act (215 ILCS 134/90).

OCHI has completed fifteen full years of operation within the Department of Insurance. OCHI is an essential resource for consumers with health insurance questions and as a valuable ally for individuals and businesses seeking health insurance.

We anticipate continued success in the upcoming years and value any comments or suggestions you may have.

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EXHIBITS:

1. OCHI Calls by Year
2. OCHI Calls by Category (Top 14)
3. Metal Level Actuarial Value
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Executive Summary

The Managed Care Reform and Patient Rights Act (215 ILCS 134/1 *et seq.*) established the Office of Consumer Health Insurance (OCHI) effective January 1, 2000. OCHI operates within the Illinois Department of Insurance (Department) and serves Illinois residents by responding to health insurance related inquiries. Since its inception, OCHI has fielded more than 292,350 calls through the OCHI toll-free number and the External Review Hotline number. (Exhibit 1)

The responsibilities of OCHI, as set forth by the Managed Care Reform and Patient Rights Act, have not changed since its inception, but activities have intensified due to the rapidly changing health insurance environment and the increasing number of individuals who lack employer sponsored health care. OCHI provides assistance to Illinois consumers through two toll-free consumer inquiry telephone numbers and through other outreach mechanisms including participation at Rapid Response meetings for dislocated workers, health fairs, and the development and distribution of consumer-friendly brochures and fact sheets. Through this media, OCHI helps consumers understand their insurance coverage, advises consumers of their rights under insurance policies, assists insureds in filing appeals and complaints, and provides appropriate resources to Illinois residents who need assistance.

In 2002, the Department expanded the OCHI mission to include the administration of the Uninsured Ombudsman Program (Ombudsman) (20 ILCS 1405/1405-25). The Ombudsman is responsible for providing assistance and education to individuals regarding health insurance benefit options and rights under state and federal laws. The Ombudsman also counsels uninsured individuals on shopping for insurance, including evaluating and comparing insurance products, and provides information on non-insurance resources available throughout the state.

In 2012, the federal Centers for Medicare & Medicaid Services awarded the Department a Consumer Assistance Program Grant (CAP Grant) to improve the assistance provided to Illinois consumers who are looking for health insurance or have questions, concerns or complaints regarding their health insurance. The Department received a no-cost extension of the grant through August 2016. Under the CAP grant, the Department made many improvements and launched initiatives enabling OCHI staff to assist consumers during a very exciting and confusing period.

The second year of health insurance marketplace coverage began effective January 1, 2015. OCHI assisted consumers with questions and concerns regarding the Marketplace, Qualified Health Plans (QHP), Minimum Essential Coverage requirements, the Shared Responsibility mandate and many other topics related to the Affordable Care Act throughout the year. Open enrollment for 2015 ended on February 15, 2015. Open enrollment for 2016 coverage began on November 1, 2015, and continued through January 31, 2016. During open enrollment, people with Marketplace policies had the opportunity to review their coverage options and enroll in other plans, and consumers without coverage were able to enroll. While still assisting consumers with problems related to 2014 and 2015 coverage, OCHI also assisted consumers evaluating coverage decisions and choices for 2016.

As of February 15, 2015, 347,000 Illinoisans had enrolled or re-enrolled in a health care plan during open enrollment for the second year. As part of the implementation of the Patient Protection and Affordable Care Act (ACA), Illinois expanded Medicaid to provide coverage for low-income adults

ages 19-64. Expanded Medicaid enrollments totaled 572,112 as of January 2015, bringing total Illinois ACA enrollments to 919,412.

In assessing the overall state of the health insurance marketplace in Illinois, OCHI continually monitors state and federal legislation, regulations and bulletins; identifies significant trends and specific problems affecting health coverage for Illinois citizens; and sets forth specific recommendations to address those problems.

Callers continued to reach OCHI through a world-wide toll-free telephone number, (877) 527-9431, and reach the External Review Hotline through a separate number, (877) 850-4740. In 2015, the OCHI toll free number received 17,406 calls and placed 5,599 outgoing calls, for a total of 23,405. The External Review Hotline received 2,500 calls and placed more than 404 outgoing calls for a total of 2,904. OCHI received approximately 280 calls directly from Spanish speakers. Those calls were transferred to one of three fluent Spanish speakers within the Department. The total number of calls recorded for the OCHI toll-free number for 2015 was 26,299. This is an increase from 24,780 in 2014.

OCHI staff continued to track the call topics via the Phone Inquiry and Response Tracking System (PIRT), a project funded under the Consumer Assistance Program (CAP) Grant. OCHI staff tracked 24,122 topics and sub-topics in 2015 in the PIRT system. The system also tracks resources used by OCHI staff, referrals to other entities for assistance, and the action taken to resolve the call.

In 2014, the Department added On-line Agency Resources (OAR) to the PIRT system. The Uninsured Ombudsman Service Finder Database was integrated with OAR and many other resources such as Fact Sheets, websites and company specific information have been added. OAR was continually updated during 2015 and now contains nearly 1,000 resources. This information is at the OCHI analysts fingertips while they are on a call and can be sent to the consumer via email, fax or U.S. mail.

In July 2015, Get Covered Illinois, the Official Health Marketplace (GCI) moved to the Department of Insurance. OCHI worked closely with GCI during 2015 to assist consumers with Marketplace questions and concerns.

Section 1 of this Report describes how OCHI educates consumers about their health insurance rights and options.

Section 2 describes how OCHI helps consumers navigate appeals, complaints and external reviews.

Section 3 describes other services provided by OCHI.

Section 4 documents efforts to expand public awareness of OCHI through various avenues, including media, brochures, fact sheets and outreach.

Section 5 provides information on the Uninsured Ombudsman Program.

Section 6 contains information about market status, trends, and recommendations.

Section 1 - Educating Consumers about Their Health Insurance Rights and Options

In 2015, OCHI experienced the highest annual call volume since its inception – OCHI staff handled over 26,299 calls (Exhibit 1). Staff managed calls from a variety of individuals and groups, including consumers, employers, agents, associations, attorneys, health care providers, and advocates. Exhibit 2 contains a breakout of the top fourteen topics in 2015.

OCHI provides information and education that assists consumers in understanding their health insurance needs and benefits. OCHI staff often helps consumers define, in practical terms, the specific challenges they are experiencing. OCHI explains differences between benefits available in individual, small group, and large group insurance products, and related rights guaranteed by the Health Insurance Portability and Accountability Act (HIPAA)(215 ILCS 97/1 *et seq.*) and the ACA. In addition to discussing issues with consumers by phone and in person, OCHI refers consumers to the Department's internet site (<http://www.insurance.illinois.gov>) and outside websites (such as healthcare.gov, GetCoveredIllinois.gov and many others).

Health Insurance Marketplace

In 2015, OCHI responded to calls regarding the ACA, the Marketplace and related topics. These calls increased during the second annual open enrollment which ended in February 2015 and again when the third annual open enrollment for 2016 began in November 2015.

Throughout 2015, OCHI staff participated in numerous training sessions, including an on-line refresher training session for Illinois navigators. Navigators are certified by the federal and state government and registered with the Department. OCHI employees are not certified as navigators, nor do they assist with completing forms or actually enrolling consumers; however, this training enabled them to better answer questions and direct consumers to the appropriate place for assistance.

OCHI fielded nearly 2,400 calls from Illinois residents who needed assistance or had questions regarding the Marketplace.

Marketplace related questions included the following topics:

1) Enrollment and Eligibility

Consumers could apply for coverage on-line at www.healthcare.gov, telephone at (866) 311-1119, or in person with a registered navigator, certified application counselor, or an in-person counselor. OCHI assisted callers by providing websites and phone numbers for the Marketplace. OCHI also provided names and telephone numbers of registered navigators, consumer assistance counselors and in-person counselors.

OCHI assisted with eligibility related problems by providing information and referring consumers to the Marketplace, Medicaid or the carrier. When warranted, OCHI contacted the Marketplace or the carrier directly to connect a consumer who needed assistance with a specific issue.

2) Essential Health Benefits

Under the ACA, beginning January 1, 2014, insurance coverage offered in the individual and small group markets (both inside and outside of the Marketplace) is required to provide coverage for essential health benefits. Essential Health Benefits (EHB) must include items and services within at least the following ten categories:

- Ambulatory Service
- Emergency Room Services
- Hospitalization
- Maternity/Newborn
- Mental Health and Substance Use
- Prescription Drugs
- Rehabilitative and Habilitative Services
- Laboratory
- Preventive Services
- Pediatric Services

Essential Health Benefits in Illinois are based on a benchmark plan (Blue Cross Blue Shield of Illinois Blue Advantage Plan) and include state mandates. Insurance policies must cover Essential Health Benefits in order to be certified and offered in the Marketplace.

The ACA requires that pediatric dental services be a part of the Essential Benefit Coverage. The dental plans may be purchased as a part of a Qualified Health Plan or may be purchased as a stand-alone plan.

Adult dental coverage is not a requirement of the law and is not generally provided with Qualified Health Plan coverage but may be purchased as a stand-alone plan.

OCHI addressed questions regarding Essential Health Benefits, required by Illinois, by accessing the checklists provided on the Department's website at <http://insurance.illinois.gov/Main/industry.asp>.

3) Premium Tax Credits and Cost Sharing Reductions

OCHI analysts answered questions regarding premium tax credits and cost sharing reductions in 2015. OCHI advised consumers that individuals who purchase Qualified Health Plans in the Marketplace may qualify for federal premium tax credits and cost sharing reductions that would help lower premiums for individuals with household incomes between 100 percent and 400 percent of the federal poverty level.

Premium tax credits help consumers afford health coverage purchased through the Marketplace by lowering their monthly premium costs. Advance payments of the tax credit can be used to lower monthly premium costs or they may be refunded at the end of the year through federal income tax returns.

<u>Income Level</u>	<u>Premium as a Percent of Income</u>
Up to 133% FPL	2% of income
133 - 150% FPL	3 - 4% of income
150 - 200% FPL	4 - 6.3% of income
200 - 250% FPL	6.3 - 8.05% of income
250 - 300% FPL	8.05 - 9.5% of income
300 - 400% FPL	9.5% of income

Consumers who purchase a Silver Plan on the Marketplace may also be eligible for Cost Sharing Reductions, which may lower their out-of-pocket costs by reducing deductibles, coinsurance, and copayments, or similar charges. Cost Sharing Reductions do not affect premiums, balance billing amounts for out-of-network providers, or the cost of non-covered services.

4) Qualified Health Plans

Under the ACA, beginning in 2014, insurance plans that provide Essential Health Benefits and follow the established limits on cost sharing (such as deductibles, copayments, and out-of-pocket amounts), along with other requirements, are certified by the Federal Marketplace and Illinois Marketplace as Qualified Health Plans (QHP). Qualified Health Plans must be sold by an insurance company or Consumer Operated and Oriented Plan (CO-OP) and must offer at least one Silver Metal and one Gold Metal plan.

During 2015, ten carriers offered Qualified Health Plans in Illinois:

- a. Illini Care Health Plan, Inc.*
- b. United HealthCare of the Midwest, Inc.*
- c. Time Insurance Company*
- d. Coventry Health and Life Insurance Company
- e. Coventry Health Care of Illinois
- f. Health Alliance Medical Plans
- g. Humana Health Plan, Inc.
- h. Humana Insurance Company
- i. Land of Lincoln Mutual Health Insurance Company
- j. Health Care Service Corporation (Blue Cross Blue Shield of Illinois)

*New to Marketplace for 2015

**Aetna Life Insurance Company exited the Marketplace in 2015.

The individual and small group market coverage for Essential Health Benefits is determined by each state's Benchmark Plan – a health insurance plan offered in the state and identified by the state as including the required EHB. The Blue Advantage Entrepreneur Participating Provider Option plan is the Benchmark Plan for Illinois that sets the standards for the Marketplace plans.

OCHI also answered questions relating to deductibles and out-of-pocket maximum costs for each plan (the total amount an individual or employee must pay out-of-pocket for Essential

Health Benefits in 2015). The deductible amounts for 2015 were limited to \$6,600 for individual coverage and \$13,200 for family coverage. The maximum out-of-pocket limits apply to all markets including self-insured group plans.

Metal Levels (Exhibit 3) on the Marketplace are separated into four health plan categories based on the plan's Actuarial Value (AV). The AV is the proportion of medical expenses an insurance plan is expected to cover. For example, an AV of 60 percent means that on average across all services for all consumers the plan would pay 60% of medical expenses. Depending on the services obtained, some consumers will pay more than 40 percent of medical expenses and others will pay less.

Companies offer several plans under each metal level. (Exhibit 3) The AV for each plan is shown below:

- Bronze – 60% AV – the QHP issuer pays, on average, 60% of the cost of the EHB Coverage
- Silver – 70% AV – the QHP issuer pays on average, 70% of the cost of the EHB coverage
- Gold – 80% AV – the QHP issuer pays on average, 80% of the cost of the EHB coverage
- Platinum – 90% AV – the QHP issuer pays on average, 90% of the cost of the EHB coverage

In addition to the metal level plans, catastrophic plans are available for young adults under age 30 or for individuals for whom metal plans are unaffordable or have obtained a hardship waiver from the Marketplace. These plans have high deductibles and lower premiums, include coverage for three primary care visits and preventive services with no out-of-pocket costs, and protect consumers from catastrophic expense.

5) Provider Network Changes

For 2015, some QHPs narrowed provider networks in order to keep premium increases down. The largest carrier in the Illinois Marketplace, Health Care Service Corporation (Blue Cross Blue Shield of Illinois) discontinued its “state-wide” individual PPO Marketplace plans. This change impacted 22 plans and 250,329 insureds plus dependents. OCHI fielded hundreds of calls from these members who were searching for QHPs which included their health care providers and who needed assistance with transition of care benefits.

6) CO-OP

Beginning October 1, 2013, the ACA gave consumers and small businesses the option of choosing a Consumer Operated and Oriented Plan (CO-OP). Co-OPs are private not-for-profit insurers governed by their members to provide consumer-friendly health insurance options. These plans use any profits to benefit members giving them more control over their coverage through actions to lower premiums, improve health benefits, improve the quality of their members' health care and contribute to the stability of coverage. The first and only federally approved CO-OP in Illinois is Land of Lincoln Mutual Health Insurance Company.

7) Individual Share Responsibility Provision

Beginning in 2014, the ACA required individuals to:

- have health coverage (which provides minimum essential coverage) through an employer, directly from an insurance company, or through the Marketplace; or
- qualify for an exemption; or
- make a payment when filing their federal tax return.

In 2015, the shared responsibility fee was 2% of income (or \$325 per adult, whichever is higher). The fee for children is half the adult amount.

There are statutory exemptions to this requirement for the following situations:

- Religious conscience;
- Members of a health care sharing ministry;
- Indian tribes;
- Income below the income tax return filing requirement;
- Short coverage gap;
- Affordability;
- Incarceration; or
- Not lawfully present.

More specific information regarding the statutory exemptions may be found at <https://www.irs.gov/affordable-care-act/individuals-and-families/aca-individual-shared-responsibility-provision-calculating-the-payment>.

8) Small Business Health Options Program (SHOP) and Small Business Tax Credits

OCHI received 119 calls regarding this topic. OCHI analysts provided callers with information regarding the availability of the SHOP Marketplace where small businesses with fewer than 50 employees could purchase coverage.

Small businesses with fewer than 25 full-time equivalent employees making an average of \$50,000 or less, per year, may qualify for the small business health care tax credit worth up to 50% of the employer's contribution toward employee premium costs. This tax credit is available only if coverage is purchased through SHOP.

For 2015, Health Alliance Medical Plans, Inc., Health Care Service Corporation, and Land of Lincoln Mutual Health Insurance Company sold plans on SHOP.

Health Related Issues - other than Marketplace

In addition to the ACA-related calls, OCHI continued to receive calls requesting information on many other topics including the following:

- How to file for an independent review of a claim or service denied for medical necessity, pre-existing, or rescission;
- How to file a complaint with the Department regarding administrative denials or unsatisfactory payments;
- How to navigate provider network changes;
- How to contact an insurance company directly;
- Questions regarding state health insurance laws and rules;
- Questions regarding rate increases; and
- How to continue coverage upon losing employment or having a change in family dynamic such as birth, death, divorce or legal separation.

OCHI continues to provide services to Illinois consumers who experience problems with insurance carriers, have questions about Illinois insurance laws and the impact of the new federal law, have concerns regarding rate increases, and are unable to find coverage due to cost or access.

1) Claim-Related Appeals

Claim-related appeals continue to be one of the top reasons for calls coming to OCHI. OCHI spoke to 5,245 callers regarding this topic. Questions included claim denials, unsatisfactory claim payments, and contract exclusions. OCHI responded to callers by explaining the internal appeal process and explaining situations that warrant filing a complaint with the Department.

Some callers were advised that their claim denials might warrant filing an external review request with the Department. According to the Health Carrier External Review Act, consumers have the right to file an external review request for denial of coverage on the basis of medical necessity, rescission of coverage, preexisting conditions and/or if the service or treatment is believed to be experimental and/or investigational. OCHI and the external review staff handled more than 3,500 calls from and to consumers, health care providers, carriers, Independent Review Organizations (IROs) and authorized representatives regarding this topic.

2) Non-OCHI Calls

Many calls coming into the OCHI toll-free numbers do not fall under the jurisdiction of the Department of Insurance or within the scope of OCHI's mission. For example, calls related to self-insured employer plans and Medicaid plans, calls intended for other state agencies, calls for the carriers, and calls for other areas within the Department. OCHI assisted nearly 7,500 callers by navigating them to the appropriate place for assistance.

3) Insurance Law

In 2015, OCHI talked to 1,531 callers about various state and federal insurance laws. As in past years, questions regarding federal and state continuation laws accounted for the majority of these questions (619). Other laws of special interest included questions about the:

- i) Standardized Health Application law;
- ii) Infertility mandate;
- iii) Autism mandates; and
- iv) Coordination of Benefits.

4) General Company Information

OCHI received 1,488 questions from consumers seeking general information about a carrier. Many of the callers requested address and phone numbers for companies. OCHI also provided callers with the complaint history of specific carriers and rating information accessed at A.M. Best Rating Services which rates companies based on their financial status and ability to pay claims.

5) Internal Appeals/External Review

OCHI noted 1,014 entries into the PIRT system regarding callers with questions about how to file internal appeals and external reviews. In addition to the callers to the OCHI hot-line; the external review hot-line received more than 2,500 calls related to this topic. Detailed information regarding external review activity for 2015 is included in Section 2 of this report.

6) Uninsured Ombudsman and Shopping for Coverage

OCHI spoke to nearly 800 callers regarding resources available through the Uninsured Ombudsman or for assistance in shopping for coverage such as long-term care coverage and Medicare Supplement coverage. OCHI used the resources from OAR to assist uninsured callers and direct them to medical clinics, pharmaceutical companies, and other entities that provide medical care for free or at a discounted rate. For those looking for other types of coverage, OCHI was able to provide complaint history information and answer questions about the coverages sought. Additional information regarding the activities of the Uninsured Ombudsman is included in Section 5 of this report.

7) Premium Billing Problems and Rates

OCHI spoke to 647 callers regarding billing problems with insurance carriers. This was a major problem again in 2015 due to the confusion that existed between the federal Marketplace, which controls the eligibility and advance tax credits, and the carriers who actually bill the consumers for coverage.

In 2015, OCHI received a large number of calls relating to escalating insurance rates for health insurance coverage. Illinois is divided into 13 Health Plan Rating Areas (Exhibit 4). For 2016 plans, rate changes for the lowest Silver Plan in the majority of counties in Illinois were in the 5% to 10% range. However, there was a wide range in rate changes by area. For example, Rating

Area 1 (Cook County) had an 8% decrease while Rating Area 5 experienced up to a 28% increase. (Exhibit 5) OCHI staff handled 237 calls from consumers regarding rates, premium increases and premium billing.

The ACA requires the Secretary of the U.S. Department of Health and Human Services and the States to establish a premium reporting and review process that allows state insurance departments to review rate increases before insurance companies can apply them. It further requires all health insurance issuers to disclose and justify any unreasonable premium increase prior to the increase. In compliance with the ACA, the Department created the [Department's rate review web page](#) which includes the most recent information and offers consumers the opportunity to submit questions and comments. The Department's rate review web page may be reviewed at: <http://insurance.illinois.gov/hiric/rate-filings.asp>.

Consumers also called regarding long-term care coverage rate increases. Some consumers experienced rate increase in excess of 100% for their long-term care coverage. OCHI explained how rates are filed with the Department and encouraged consumers to file complaints in order to shed more light on this situation.

- 8) Other topics explored by callers to OCHI during 2015 included:
- a) Shopping for Coverage – questions regarding the types of products available and asking for information regarding those products in order to make an informed decision;
 - b) Disability insurance – questions and concerns regarding problems with disability insurance; and
 - c) Marketing issues – questions and concerns regarding how carriers, producers and the Marketplace marketed coverage.

Referrals

One of the primary functions of OCHI is to triage calls in order to determine if the information requested is related to a health insurance issue that can be resolved by OCHI or if the caller needs to be directed elsewhere for assistance. In 2015, OCHI referred a wide array of individuals to other agencies or areas within the Department including the following:

- 1) Marketplace – OCHI referred more than 2,733 calls regarding the Marketplace to Get Covered Illinois at the toll-free number (866) 311-1119 or the website at getcoveredillinois.gov and to the federal Health Insurance Marketplace toll-free number (800) 318-2596 or to a navigator/assister for help with signing up for the Marketplace coverage. Many of these calls were from consumers who encountered problems with enrollment, eligibility, and premium problems. These issues caused claim denials and unsatisfactory claim payments which could not be resolved by the Department or the carrier until the core issue was resolved at the Marketplace level.
- 2) Department of Healthcare and Family Services – In 2013, the State of Illinois Department of Healthcare and Family Services (DHFS) partnered with the federal Health Insurance Marketplace to expand its Medicaid coverage beginning January 1, 2014 to include very low-income people, pregnant women and adults with dependent children through family care and the All Kids program.

DHFS also expanded its Medicaid coverage to individuals between the ages of 19 and 64 and to persons with disabilities who are U.S. citizens with annual incomes up to 138% of the Federal Poverty Level. OCHI referred callers with questions regarding their application and coverage to the DHFS for assistance at (800) 843-6154 or www.abe.illinois.gov. OCHI referred 696 callers to DHFS in 2015.

- 3) Carrier/TPA – OCHI referred 3,746 callers directly to their insurance carriers. OCHI advised callers to first contact their carrier for assistance with questions or concerns; but also provided those callers with information regarding how to file an internal appeal, an external review request or a complaint with the Department, depending on the situation.
- 4) United States Department of Labor – OCHI often receives calls regarding self-insured employer benefit or health and welfare plans. These plans are usually sponsored by large employers, municipalities, school districts, church groups or unions. Employers and unions who offer self-insured plans often contract for services such as enrollment, claims processing, and provider networks with a third party administrator (who may also be an Illinois-licensed health carrier or HMO). Self-insured health plans are regulated by the U.S. Department of Labor, Employee Benefits Security Administration under the federal Employment Retirement Income Security Act (ERISA). Although the Department of Insurance has no regulatory authority over self-insured plans, OCHI staff assists callers by explaining how to find appeal rights in plan documents and by referring them to the U.S. Department of Labor for assistance. The telephone number for that agency is (866) 444-3272. In 2015, OCHI referred 622 callers to the U.S. Department of Labor.
- 5) Senior Health Insurance Program (SHIP) – OCHI works with SHIP, located within the Illinois Department on Aging, on a routine basis to provide answers to questions and resolve complaints regarding Medicare products. Many callers are shopping for products such as Medicare Supplement (Medigap) policies, Medicare Advantage Plans or Medicare Part D (prescription drug) plans. OCHI referred 635 callers to SHIP in 2015. Complaints about Medicare Supplement policies are handled by the Department of Insurance.
- 6) Federal Centers for Medicare & Medicaid Services (CMS) – Callers with concerns about Medicare coverage are directed to the federal CMS for assistance. OCHI referred 296 callers to federal CMS during 2015.
- 7) Other State Departments of Insurance – OCHI receives calls from consumers whose insurance is governed under another state's laws and regulations. For example, an Illinois resident may have health insurance coverage provided by an employer located in another state. Generally speaking, the state where the employer is corporately located is the governing jurisdiction over the group insurance contract. OCHI referred 155 callers to other state Departments of Insurance in 2015.

Fact Sheets

OCHI, in conjunction with the Department, continues to create and provide fact sheets in response to questions received from Illinois consumers. These fact sheets, which effectively explain complex insurance issues, are available on the Department of Insurance website at http://insurance.illinois.gov/Main/Consumer_Facts.asp.

Section 2 - Helping Consumers Navigate Appeals, Complaints and External Reviews

Appeal Rights

The Office of Consumer Health Insurance (OCHI) responded to many callers who had concerns regarding the Health Insurance Marketplace. Concerns from callers included:

- a) Marketplace determinations that some or all children of a household were potentially eligible for Public Aid causing the application to be transferred to the DHFS (causing a delay in coverage) although parent's income was over the minimum threshold;
- b) Denials of advance tax credits and/or cost sharing reductions which they believed they should have qualified for;
- c) Miscalculation of advance premium tax credits;
- d) Denials of coverage due to other reasons;
- e) Inability to qualify for Special Enrollment Periods or to get coverage once qualified;
- f) Miscommunication between the carriers and the Marketplace regarding payment of premiums and effectuation of coverage;
- g) Delays receiving insurance id cards and policies;
- h) Misunderstanding, by consumers, of distinct provider networks associated with specific plans, even if offered by the same carrier; and
- i) Plans being discontinued for 2016 causing many consumers to search for new coverage.

OCHI assisted callers with all mentioned problems and many others. OCHI helped consumers file appeals of the Marketplace determinations. OCHI also connected consumers with Marketplace and/or DHFS staff that could assist depending on the situation. OCHI helped consumers file complaints with the Department when a carrier's action or inaction was in question. In circumstances where a person needed medicine or treatment, OCHI acted as liaison and sent expedited inquiries to the Marketplace, DHFS and/or the carrier and then followed up with the consumer to ensure resolution.

OCHI explained Special Enrollment Rights to consumers and explained how they could exercise those rights.

As OCHI continued to assist consumers with problems from the 2015 Open Enrollment period, new challenges arose with the start of the 2016 Open Enrollment period which began on November 1, 2015. Three carriers (Humana Insurance Company, IlliniCare Health Plan, Inc. and Time Insurance Company) discontinued offering coverage on the Marketplace for 2016. Three new carriers entered the Marketplace (Aetna Health, Inc., Celtic Insurance Company and Harken Health Insurance Company). The most notable disruption for 2016 was the decision by Health Care Service Corporation (Blue Cross Blue Shield of Illinois) to discontinue offering its broad provider network on the individual Marketplace for 2016. This decision impacted more than 250,000 covered insureds plus their dependents, causing thousands of Illinois residents to search for coverage options that included their health care providers or to change providers. OCHI assisted those individuals who had questions and concerns about this change in the Marketplace.

Internal Appeals

Under Illinois law, there are two kinds of denials for health claims. An adverse determination relates to claims that involve medical judgment for which a carrier has found a service, supply, drug or procedure not medically necessary and thus not covered by the plan. An adverse determination includes claims, services, supplies, drugs or procedures denied as being experimental/investigational. All other types of denials, delays, unsatisfactory payments, referral issues, and contract disputes are considered administrative determinations.

Health carriers must have internal appeal procedures in place for both administrative and adverse determinations. Consumers, or their authorized representative, may file an internal appeal with the carrier within 180 days after receiving an explanation of benefits (EOB) that is a denial or partial denial of a claim or request for coverage. There may be one or two levels of appeals; however, if there are two levels of appeals, both must be completed within the time frames set within the law. Depending on the type of appeal (pre-service, concurrent service or post-service) the time frames for resolving the appeal vary. Additionally, if the medical condition of the patient is urgent, the time frames are expedited.

For administrative determinations, a consumer may file a complaint with the Department at any time. OCHI explains the internal appeal process to the consumer and also explains the complaint process and provides access to the Department's complaint form.

For adverse determinations, a consumer must first exhaust their internal appeal rights with the carrier. For urgent situations, the consumer may file an expedited internal appeal and/or an expedited external review request. OCHI analysts talk with callers regarding the patient's medical situation and advise callers about the different routes available for filing an appeal. Complaints regarding administrative denials are closely monitored in case external review rights apply so OCHI can guide those consumers through the internal appeal process and then to the external review process without delay.

External Reviews

As indicated earlier, adverse determinations may be handled via the external review process. In addition to medical necessity and investigation/experimental adverse determinations, a consumer may request external review when claims have been denied due to pre-existing conditions limitations and when a policy has been rescinded.

OCHI assisted consumers faced with adverse determinations through internal appeal procedures (mandated by the Managed Care Reform and Patient Rights Act 215 ILCS 134/45) and the external independent review process (mandated by the Health Care External Review Act 215 ILCS 180). Under the External Review Act, the Department receives requests for external review. After eligibility confirmation by the carrier and Department, the Department randomly assigns a registered IRO to review the request.

In 2015, OCHI staff talked to consumers, health care providers, authorized representatives, insurance carriers, and IROs regarding external review. The number of calls totaled more than 3,500. Among other issues, OCHI staff explained the information needed for the request, the relevant time periods, and the role played by the patient's health care provider. OCHI also directed individuals to the on-line external review form.

OCHI responded to and closed a total of 1,888 external review requests in 2015, increased from 1,411 in 2014. Approximately 19 requests did not qualify for external review under state law, but qualified under federal law, and OCHI staff provided information to those requestors about how and where to obtain review pursuant to federal law. Others (838) were not eligible for external review for a variety of reasons, including not exhausting internal appeals, and administrative denials which did not fit within the external review criteria. Of the 622 external independent reviews completed in 2015:

- 232 adverse determinations were overturned;
- 373 adverse determinations were upheld; and
- 17 adverse determinations were partially overturned.

The volume increased from 488 external reviews completed in 2014. In 2015, 146 reviews resulted from services initially denied as experimental/investigational, and 476 were for services denied as not medically necessary. 156 reviews were handled on an expedited basis, and the remaining 466 were handled via standard time-frames.

The 622 completed reviews were conducted for services under the following categories:

- 50 Durable Medical Equipment;
- 6 Emergency Services, including air ambulance;
- 11 Hospital Inpatient Medical;
- 43 Imaging;
- 80 Lab;
- 43 Mental Health;
- 14 Oncology
- 36 Other Services, including skilled nursing care and facilities;
- 183 Prescription Drugs;
- 20 Substance Abuse;
- 102 Surgical;
- 20 Testing; and
- 14 Therapy, including physical therapy.

Complaints

The Department investigated 10,098 complaints in 2015. Of those, 3,155 (31%) were related to individual and group, accident and health insurance and HMO products.

The following information provides summary statistics of reconciled accident and health and HMO complaints investigated by the Department for 2015, compared to 2014:

Coverage	2015 Complaint Count	2014 Complaint Count	% change from prior year
Individual Accident & Health	568	883	-35.7%
Group Accident & Health	2,042	2,493	-18.1%
HMOs	545	502	8.6%

Section 3 - Additional Services Provided By OCHI

During the early years of OCHI, the Department established benchmarks for staff to ensure prompt consumer assistance. For example, OCHI staff immediately responds to approximately 90% of incoming calls; OCHI returns more than 99% of all voicemail messages within one hour of receipt; OCHI strives to directly answer the consumer's questions while on the phone or researches the issue of concern and responds to the consumer within 24 hours. OCHI continues to meet all its consumer assistance benchmarks despite the increased volume and complexity of the calls.

In addition to meeting those benchmarks, OCHI staff has taken on additional duties over the past several years.

1) Written Inquiries

In 2015, OCHI staff continued to assist the Department's Consumer Services division in reviewing and responding to written inquiries from consumers. Written inquiries consist of correspondence that does not constitute a complaint based on one or more of the following reasons: (i) a letter from a consumer addressed to an insurer with a copy to the Department; (ii) a letter of complaint that does not contain enough information for the Department to begin a formal investigation; (iii) a general question about insurance or insurance law; or (iv) a letter requesting assistance on a matter that is not within the jurisdiction of the Department.

2) Complaints

In 2015, OCHI staff assisted the Accident and Health Complaint Unit with written consumer complaints. OCHI staff, time permitting, assisted with complaints that were straight forward and could be closed without delay or further investigation, such as complaints for self-insured plans or for out-of-state policies.

An OCHI analyst is responsible for written complaints that contain potential external review issues. Analysts must handle these complaints in a timely manner to ensure the consumer does not lose external review rights which must be exercised within four months of the date of the adverse determination.

3) Writing Fact Sheets

OCHI staff assisted with reviewing and re-writing the numerous Fact Sheets located on the Department's website. The following Fact Sheets were revised in 2015:

- a. Breast Conditions
- b. Contact the Proper Agency
- c. HIPAA – Pre-existing conditions

4) External Reviews

OCHI staff members handle external review requests from consumers and authorized representatives. For most of 2015, four OCHI analysts, including a licensed practical nurse (LPN), handled those reviews. The Department averaged nearly 160 external review requests per month in 2015. These requests are time-sensitive and must be handled immediately if the patient's condition is urgent or within one business day for all other requests. OCHI staff spends hours on the phone with consumers, authorized representatives, and health care providers navigating them through the process. OCHI staff members take turns handling external review requests which require work on the weekends and holidays.

5) Emails

OCHI staff members respond to inquiries sent to the Department's general email address. This email address, DOI.InfoDesk@illinois.gov, is posted on the Department's website for consumers to send insurance questions. One OCHI analyst is assigned to provide responses to these emails. In 2015, OCHI staff replied to nearly 250 consumer inquiries sent to the email address.

Section 4 - Expanding Public Awareness of OCHI

During 2015, OCHI used various methods to expand public knowledge about the services it provides to Illinois consumers.

1) Brochures

In 2015, the Department of Insurance revised the following tri-fold brochures for consumers:

- a) We Are Here For You – Reflects the Department’s mission and provides important health insurance telephone numbers and websites for state resources.
- b) Uninsured Ombudsman Brochure – Provides information for uninsured Illinoisans including websites and telephone numbers for state and federal agencies and programs that provide services to help consumers find qualified health plans. The brochure was recently updated to reflect aspects of Marketplace plans including information on tax credits, discounts on out-of-pocket costs, low cost or free health coverage through Medicaid and information on finding Navigators or Assisters and licensed agents who are reliable and available to explain and help explore options for purchasing health care coverage through the Marketplace.
- c) Premium Rate Review Brochures – Provides information regarding premiums, medical loss ratios and the rate review process.

All three brochures are available in several languages, including Korean, Polish and Spanish.

The Department also developed an external review brochure to be distributed to consumers and health care providers throughout the state. This brochure is available in English, Spanish and Polish.

2) Fact Sheets

OCHI, in conjunction with the Department, continues to create and provide Fact Sheets in response to questions received from Illinois consumers. These Fact Sheets, which effectively explain complex insurance issues important to consumers, are available on the Department website at the following web address: (http://insurance.illinois.gov/Main/Consumer_Facts.asp). For callers who are unable to access this information via internet, requested material is mailed.

3) Rapid Response Meetings for Dislocated Workers

An OCHI staff representative participated in several Rapid Response Meetings for dislocated workers in 2015. These meetings are scheduled when an employer reports lay-offs or will close a business. More information regarding Rapid Response Meetings can be found in Section 5.

4) Job Fairs and Health Fairs

An OCHI staff representative participated in Job Fairs and Transition Center events for dislocated workers at the Mitsubishi Motors North America, Inc. plant in Bloomington, IL, the Greene County Health Fair, and a retirement workshop. More information about these events can be found in Section 5 of this report.

Section 5 - Uninsured Ombudsman Program

OCHI established the Uninsured Ombudsman Program (Ombudsman) in 2002 to educate uninsured and underinsured Illinois residents about health insurance options and benefits, including rights guaranteed by state and federal law. The Ombudsman also informs uninsured and underinsured consumers about available resources for low-cost or subsidized medical services. As in previous years, calls came from the uninsured, concerned advocates, organizations providing assistance to the uninsured, other state agencies, legislators, insurance agents, and families. Since its inception, the Ombudsman staff has continued to work with various state and local agencies to locate resources that provide medical services to the uninsured and underinsured populations.

In 2015, OCHI staff continued to receive calls from consumers regarding the entire spectrum of health coverage issues, often concerning specific diseases or conditions and the related financial burdens faced by those who are uninsured or underinsured. To provide answers to consumer questions, the Department trains OCHI staff on the relevant sections of the Illinois Insurance Code and the Illinois Administrative Code. General familiarity with certain federal laws and regulations (e.g., ERISA and COBRA (Consolidated Omnibus Budget Reconciliation Act – continuation of coverage)) is also required. Given the unique coverage questions and challenges faced by consumers, particularly relating to disease specific mandates, OCHI staff used additional resources, including the internet, as well as information from other state and local agencies (e.g., state and local public health departments), to provide clear and helpful answers. In many cases, OCHI directs uninsured and underinsured consumers to providers of low-cost or subsidized medical services.

2015 Rapid Response Workshops for Dislocated Workers

As in previous years, Ombudsman staff actively participated on the Rapid Response Team for Dislocated Workers. At meetings, team members from various agencies answered questions and provided the most current information about local resources and services for dislocated workers. The Ombudsman staff provided critical information about continuation rights available through the former employer's group health insurance; and information regarding special enrollment rights under HIPAA which allows dislocated workers to enroll on a spouse's employer group health plan.

The Rapid Response Team distributed OCHI folders which include the Ombudsman brochures along with other documents to help consumers through the period of transition after job loss. The Rapid Response Team attended the following workshops and outreach events in 2015:

Outreach Event	Location
LRU Seminar for Legislators District Office Staff	Springfield
Greene County Health Fair	Carrolton
Job Fair Mitsubishi Motors North America, Inc.	Bloomington
Job Fair Workforce Investment	Decatur
Naperville Retirement Workshop	Naperville
Richland Community College Health Fair	Decatur
Transition Center for Mitsubishi Motors North America, Inc. (2 events) for Dislocated Workers	Bloomington
TAA Trade Workshop for Mitsubishi Motors North America, Inc. Dislocated Workers	Bloomington
Onsite Preparation for Layoff Vuteq USA, Inc.	Normal

Rapid Response Meetings - Employer	Workshop Location	Number of Employees Impacted
American Coal	Harrisburg (5 events)	452
Auto Warehousing Co	Normal	35
Bloomington Seating Co	Normal	84
Caterpillar	Decatur (3 events)	250
Caterpillar	Peoria	150
Country Financial	Bloomington	50
Cub Foods	Bloomington	75
Eagle River	Harrisburg	19
Mitsubishi Motors North America, Inc.	Normal (9 events)	1235
MPW Industrial Services	Bloomington (2 events)	28
Nutrition	Marion	66
Olin Winchester	Alton (2 events)	60
Rex Energy	Lawrenceville	13
Richland Manufacturing	Olney	34

Section 6 - Market Status, Trends and Recommendations

Market Status

1) Discontinued Products

The Illinois Health Insurance Portability and Accountability Act (HIPAA) of 1997 (P.A. 90-0030) requires that health insurance companies seeking to discontinue the sale of all health insurance products in the individual, small employer, and large employer markets provide proper notification to the Department and their insureds. The law also requires carriers to provide notice of a uniform modification to any policy, when identical changes are made to all policies of a certain type. Frequently, consumers who receive a discontinuance or modification notice contact OCHI for guidance.

Activity in 2015 included the following:

Company	Action	# Impacted	Effective Date
State Farm Mutual Automobile Insurance Company	Discontinuance of individual hospital/surgical plans	149 policies, 167 covered lives	12/31/2015
Health Care Service Corp. (Blue Cross Blue Shield of IL)	Discontinuance of state wide PPO network plans for individual plans	250,329 insureds plus dependents	12/31/2015
Dentegra Insurance Company	Uniform Termination – Small Group Dental	0	12/31/2015
Dentegra Insurance Company	Uniform Termination Individual Dental	30 covered lives	12/31/2015
United Healthcare Insurance Company	Individual Medicare Supplement withdrawal	uncertain	5/1/2015
Standard Security Life Insurance Company	Individual Medicare Supplement withdrawal	Product never sold	3/1/2015
United Healthcare Insurance Company	Uniform Modification – Individual PPO	1,218 covered lives	12/31/2015
Aetna Life Insurance Company	Uniform Modification – Individual PPO	2,296 covered lives	12/31/2015
Coventry Health & Life Insurance Company	Uniform Modification – Individual PPO	ON Marketplace: 3270 Subscribers, 4290 Covered lives OFF Marketplace: 1279 Subscribers, 1924 Covered Lives	12/31/2015

Coventry Health Care of Illinois, Inc.	Uniform Modification – Individual PPO	ON- Marketplace: 6606 subscribers, 8964 covered lives OFF Marketplace: 2091 subscribers, 3149 covered lives	12/31/2015
Humana Insurance Company	Uniform Modification – Small Group PPO	345 groups, 3,446 members	12/31/2015
Humana Health Plan Inc.	Uniform Modification – Individual HMO	1,122 members	12/31/2015
Humana Insurance Company	Uniform Modification – Individual PPO	2,247 members	12/31/2015
Health Care Service Corp. (Blue Cross Blue Shield of IL)	Uniform Modification – Large Group PPO Non-Grandfathered	284,419 covered lives	12/31/2015
Health Care Service Corp. (Blue Cross Blue Shield of IL)	Uniform Modification – Large Group PPO Non-Grandfathered	82,704 covered lives	12/31/2015
United Healthcare Insurance Company, United Healthcare Insurance Company of Illinois	Uniform Modification – Large Group Major Medical	100,341 covered lives	12/31/2015
United Healthcare Insurance Company, United Healthcare Insurance Company of Illinois	Uniform Modification – Small Group Major Medical	15,426 covered lives	12/31/2015
United Healthcare of Illinois, Inc.	Uniform Modification – Small Group HMO	897 covered Lives	12/31/2015
Humana Insurance Company	Uniform Modification – Large Group PPO	27 groups 1,808 members	12/31/2015
Health Care Service Corp. (Blue Cross Blue Shield of IL)	Uniform Modification – Small Group HMO	87,697 insureds, plus dependents	12/31/2015
Health Care Service Corp. (Blue Cross Blue Shield of IL)	Uniform Modification – Small Group HMO	3,521 insureds, plus dependents	12/31/2015
Humana Health Plan, Inc.	Uniform Modification – Small Group HMO	345 groups 3,446 insureds, plus dependents	12/31/2015
Health Care Service Corp. (Blue Cross Blue Shield of IL)	Uniform Modification – Large Group HMO	82,704 insureds plus dependents	12/31/2015

2) Transitional Plans

The federal government used its regulatory discretion to allow a number of health plans that did not meet the ACA requirements in the individual and small group markets. The Department, on November 25, 2013, initially announced that Illinois would allow transitional or “grandmothered” plans if carriers wanted to keep them. Several carriers opted to continue those policies for their customers. In 2015, the federal Department of Health & Human Services announced an extension allowing State authorities and health insurance issuers to continue transitional policies through December 31, 2017. Illinois decided to allow this option for health insurance issuers and their insureds. Information regarding the Illinois determination is located at <http://insurance.illinois.gov/cb/2015/CB2015-06.pdf>.

3) Qualified Health Plans (QHPs) on the Marketplace

All Marketplace coverage is provided by QHPs. To be a QHP, plans must meet a number of requirements, including offering Essential Health Benefits and meeting network adequacy requirements.

For 2015 coverage, there was a choice of small group and individual plans in all counties, with at least 56 plans available in all counties. There were Gold, Silver, Bronze and Catastrophic plans available in all counties. There were 17 individual plans and 13 small group plans available statewide. Detailed information regarding the QHPs for 2015 can be found at <http://insurance.illinois.gov/HealthInsurance/IllinoisRateAndPlanAnalysis2015.pdf>

For plan year 2015, ten companies offered QHPs through the Illinois Marketplace:

- Coventry Health and Life Insurance Company
- Coventry Health Care of Illinois, Inc.
- Health Alliance Medical Plans, Inc.
- Health Care Service Corporation (Blue Cross Blue Shield of Illinois)
- Humana Health Plan, Inc.
- Humana Insurance Company
- IlliniCare Health Plan, Inc.*
- Land of Lincoln Mutual Health Insurance Company
- Time Insurance Company*
- United Healthcare of the Midwest, Inc.*

*New to Marketplace in 2015

During spring 2015, carriers submitted QHPs to the Department for plan year 2016. At the beginning of plan year 2016 open enrollment (November 1, 2015), ten carriers offered QHPs on the individual Marketplace:

- Aetna Health, Inc.
- Celtic Insurance Company
- Coventry Health Care of Illinois, Inc.
- Coventry Health & Life Insurance Company
- Harken Health Insurance Company
- Health Alliance Medical Plans, Inc.
- Health Care Service Corporation (Blue Cross Blue Shield of Illinois)
- Humana Health Plan, Inc.
- Land of Lincoln Mutual Health Insurance Company
- United Healthcare of the Midwest, Inc.

Aetna Life Insurance Company, Humana Insurance Company, IlliniCare Health Plan, Inc. and Time Insurance Company dropped from the Marketplace for 2016. New carriers for 2016 were Aetna Health, Inc., Celtic Insurance Company and Harken Health Insurance Company.

There are 480 plan offerings in Illinois for 2016 Marketplace coverage. Residents in all counties have a minimum of 37 plan choices in the Individual Marketplace. All counties have Gold, Silver, Bronze and Catastrophic plans available; however, there are no Platinum plans offered.

Three carriers offered coverage on the Small Group Marketplace for 2016:

- Health Alliance Medical Plan, Inc.
- Health Care Service Corporation (Blue Cross Blue Shield of Illinois)
- Land of Lincoln Mutual Health Insurance Company

Qualified Health Plans – Dental

Pediatric dental services are an Essential Health Benefit under the ACA and must be provided either as part of the health plan, or as a stand-alone dental plan.

During 2015, the following QHPs offered stand-alone dental coverage on the individual Marketplace:

- a. Best Life & Health Insurance Company
- b. Health Care Service Corporation (Blue Cross Blue Shield of Illinois)
- c. Delta Dental of Illinois
- d. Dentegra Insurance Company
- e. First Commonwealth Insurance Company
- f. Humana Insurance Company.
- g. The Guardian Life Insurance Company of America
- h. Metropolitan Life Insurance Company

During 2015, the following QHPs offered dental coverage on the SHOP Marketplace:

- a. Best Life & Health Insurance Company
- b. Dentegra Insurance Company
- c. First Commonwealth Insurance Company
- d. The Guardian Life Insurance Company of America
- e. Metropolitan Life Insurance Company

The following QHPs offered stand-alone dental coverage on the individual Marketplace for 2016:

- a. Best Life & Health Insurance Company
- b. Health Care Service Corporation (Blue Cross Blue Shield of Illinois)
- c. Delta Dental of Illinois
- d. Dentegra Insurance Company
- e. DSM USA Insurance Company, Inc.
- f. First Commonwealth Insurance Company
- g. Humana Insurance Company
- h. The Guardian Life Insurance Company
- i. Metropolitan Life Insurance Company

The following QHPs offered stand-alone dental coverage on the SHOP Marketplace for 2016:

- a. Dentegra Insurance Company
- b. DSM USA Insurance Company, Inc.
- c. First Commonwealth Insurance Company
- d. Metropolitan Life Insurance Company
- e. The Guardian Life Insurance Company

Some plans offer adult dental coverage in addition to the required pediatric coverage.

4) Grandfathered Plans

Plans in existence on March 23, 2010 (effective date of the ACA) are referred to as grandfathered plans. These plans may remain in effect without meeting the minimal essential benefit requirements as long as there are no substantial changes to benefits, cost sharing, employer contributions or annual limits. Grandfathered plans are impacted by some portions of the ACA such as prohibition of lifetime limits; prohibition on rescission except for fraud; coverage of dependents until age 26; and appeal and external review rights. OCHI received many calls regarding grandfathered plans and questions regarding applicability of the various federal and state laws to those plans.

5) Large Employer Groups

For 2015 and after, under the ACA, large employer groups (50 or more full-time employees) are subject to the Employer Shared Responsibility provisions under section 4980H of the IRS Code, as added by the ACA, if they do not offer affordable health coverage that provides a minimum level of coverage to their full-time employees and their dependents, and if at least one of its full-time employees receives a premium tax credit for purchasing individual coverage on the Marketplace. For 2015, the IRS offered transition relief for employers who experienced specific situations. The eight forms of transition relief for 2015 are described briefly at

<https://www.irs.gov/affordable-care-act/employers/transition-relief>.

Employer sponsored coverage remains the largest segment of the health insurance marketplace, with a large portion being self-insured. OCHI continues to assist consumers who have questions and concerns regarding their employer-based coverage. Some of the ACA protections extend to this market including prohibition of limits on annual benefits, prohibition of lifetime benefits, prohibition on pre-existing conditions, coverage of dependents until age 26, coverage of preventive care, and appeal and external review rights. Various provisions apply to the self-insured employer groups depending on whether they are grandfathered or not.

6) Small Employer Groups

Small employer groups were eligible to purchase coverage on the SHOP Marketplace beginning October 1, 2013 for coverage beginning January 1, 2014. Small employers, if they choose to purchase coverage for employees, must buy a plan that covers Essential Health Benefits. Small employers may be eligible for a tax credit if they provide coverage for employees.

For 2015, SHOP was to provide “employee choice” which would give the employer the opportunity to allow employees to choose any health plan at the actuarial value or “metal” level selected by the employer. In May 2014, the federal Department of Health and Human Services published a final rule within which it provided states with additional flexibility by allowing State Insurance Commissioners to request that the SHOP in their state not implement employee choice in 2015. Illinois requested that employee choice not be implemented in 2015.

7) Other Health Coverage

There are many other types of plans still being marketed, including Medicare Supplement policies, Medicare Advantage products, Medicare Part D products, disability income insurance, long-term care insurance, specified disease coverage such as cancer coverage, fixed indemnity policies, short-term health policies, accident-only policies, and credit policies. Many of these plans are supplemental to other coverage and are not considered minimum essential coverage under the ACA. They are considered excepted benefits under the ACA. Others, such as disability coverage and long-term care coverage are policies that consumers buy to fit a different need in the market. These products are still prevalent on the market and have a niche. OCHI continues to assist consumers who have questions, concerns and complaints with these products.

Trends and Recommendations

1) Disability Claims Denied

OCHI continued to receive calls in 2015 regarding denied disability claims. Many were the subject of complaints submitted to the Department.

Under the terms of the policies, insurance companies are permitted to make decisions involving medical judgments that may result in a reduction or denial of benefits for disability claims. Since the Department has limited authority over these decisions, our ability to assist is limited.

Possible Remedy

Legislation making disability claim denials based on medical judgment subject to independent external review.

2) Independent Reviewer Organization Pricing

In 2015, the Department continued to receive complaints from carriers regarding excessive charges by IROs. The law does not address this matter; therefore the Department has no regulatory authority to require the IROs to reduce those charges.

Possible Remedy

Other states such as Washington, Maine, New Hampshire, Delaware, North Carolina, Arizona, Kentucky, Oklahoma, and Indiana have devised various ways of controlling this problem including regulations and statutes that include restrictions or caps on fees charged for review. Illinois continues to consider legislation to correct this problem.

3) Provider Networks – Out-of-network benefits:

As mentioned earlier in this report, Health Care Service Corporation (HCSC) discontinued its statewide PPO network for the Individual Marketplace for 2016; however, continued to offer its narrow network plans. This change impacted more than 250,000 members. Carriers are narrowing PPO networks to help control costs. While PPO plans make it possible to seek services outside the network, the out-of-pocket costs to the consumer may be cost prohibitive. The narrow networks present concerns surrounding adequacy. OCHI received numerous calls regarding availability of appropriate providers within the networks.

PPO out of network charges are paid at a percentage of the “maximum allowable charge” or “eligible expense”. This is generally defined within the policy as a percentage of Medicare reimbursement rates, for example 110%. This result is a severe reduction of the billed charge, leaving the consumer responsible for much more than the “Out-of-network benefit” that is advertised on the marketing materials. The balance billed amount does not accrue to the maximum out of pocket amount. Illinois law requires carriers to disclose the out-of-network benefit as being very limited; however, most consumers still do not understand the consequences of going out of network.

Possible Remedy

The Department increased its review of the provider networks for plans marketed in 2016. Two Fact Sheets explaining how provider networks work (Provider Network Fact Sheet) and the ramifications of going out of network (Out-of-Network Benefits) are posted on the Department's website at <http://insurance.illinois.gov/HealthInsurance/HealthInsurance.asp>.

Other states such as New York and New Jersey are addressing this issue. New York passed a law in August 2015 that requires carriers to provide examples of how much they will pay for common medical procedures out-of-network and how those amounts compare to typical charges. The law also requires that the carriers provide accurate information when members call and that they make information available in writing and on their websites that reasonably permits a subscriber or prospective subscriber to estimate the anticipated out-of-pocket cost for out-of-network health care services.

OCHI recommends amending 215 ILCS 5/356z.3 to require full disclosure to callers or written pre-certification requests determining if the anticipated provider is in- or out-of-network and advising the insured of the estimated amount that will be paid. Also incorporate portions of the New York law that would make it easier for the consumer to access this information.

4) Mental Health/Substance Use Disorders

The external review team received 64 external review requests for services involving mental health and substance use disorders. Many of the requests involved level of care (such as residential care or inpatient care) and many were expedited. Mental Health/Substance Use Disorder providers have reached out to the Department with the belief that many carriers are not covering medically necessary treatment; however, providers are reluctant to file external review requests via the formal process. Additionally, the limited availability of partial hospitalization and outpatient treatment programs can cause issues for patients who enter a facility for detoxification and then need immediate rehabilitation treatment but are denied inpatient or residential care by the insurer. In several instances, patients have been discharged from inpatient care and are unable to access partial hospitalization or outpatient treatment in a timely manner, making it more likely that they will relapse.

Possible Remedy

The Department continues to encourage mental health and substance use disorder providers to file external review requests on behalf of their patients. The Department has developed an external review brochure to be distributed to health care providers throughout the state. The Department will continue to work with providers, patients, authorized representatives, and carriers in an effort to bridge the gap between inpatient/residential care and partial hospitalization/outpatient treatment; however, this issue needs to be addressed globally.

Exhibit 1

OCHI Calls by Year

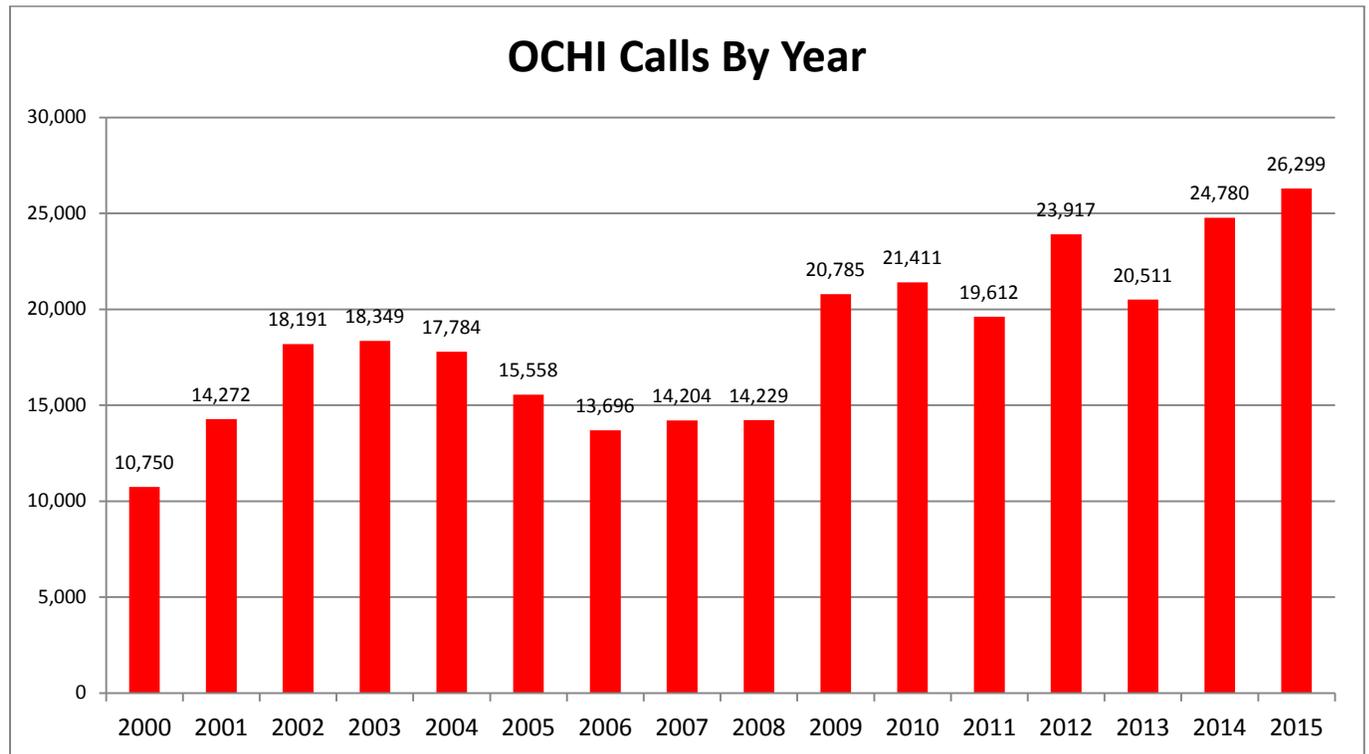


Exhibit 2

OCHI Calls by Category

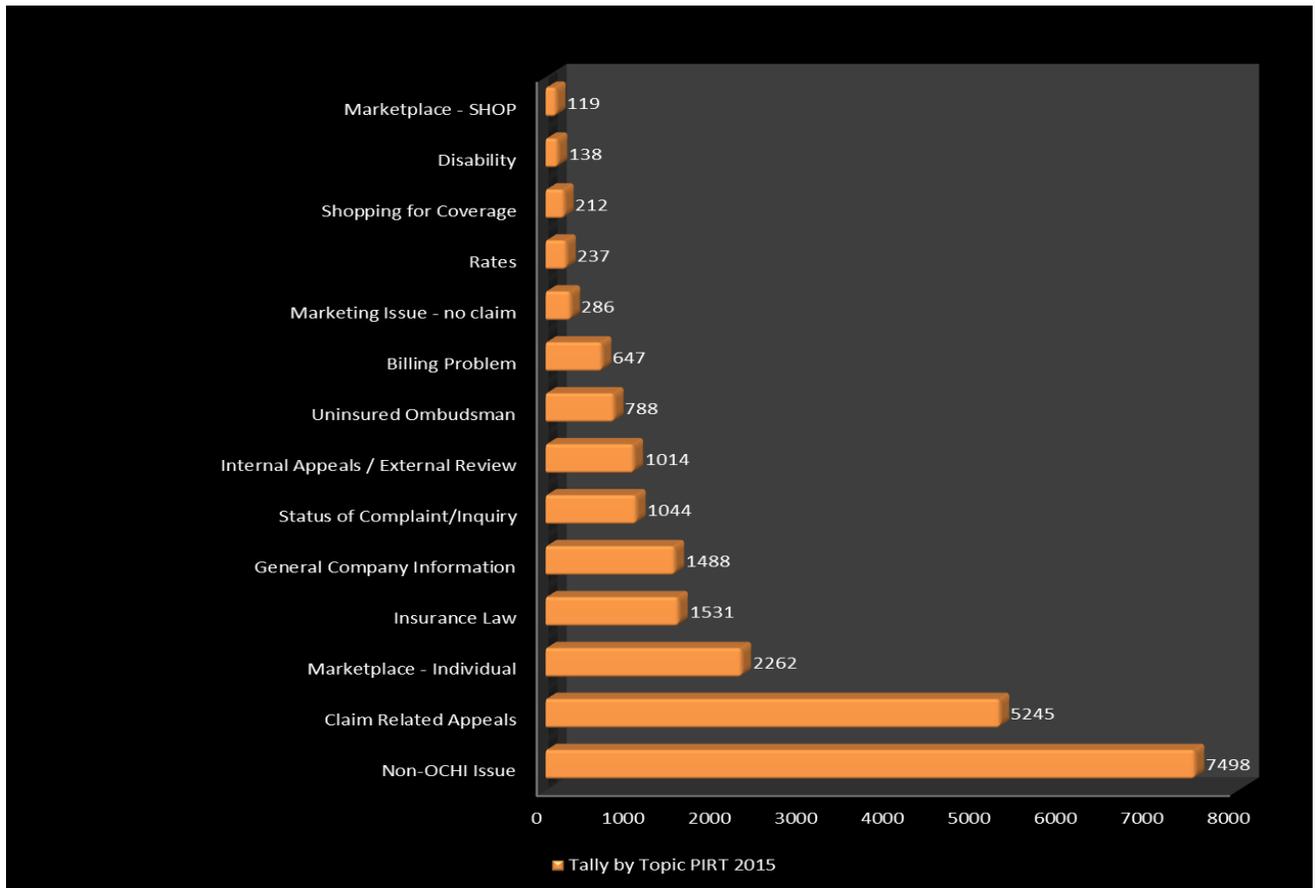


Exhibit 3

Metal Level Actuarial Value

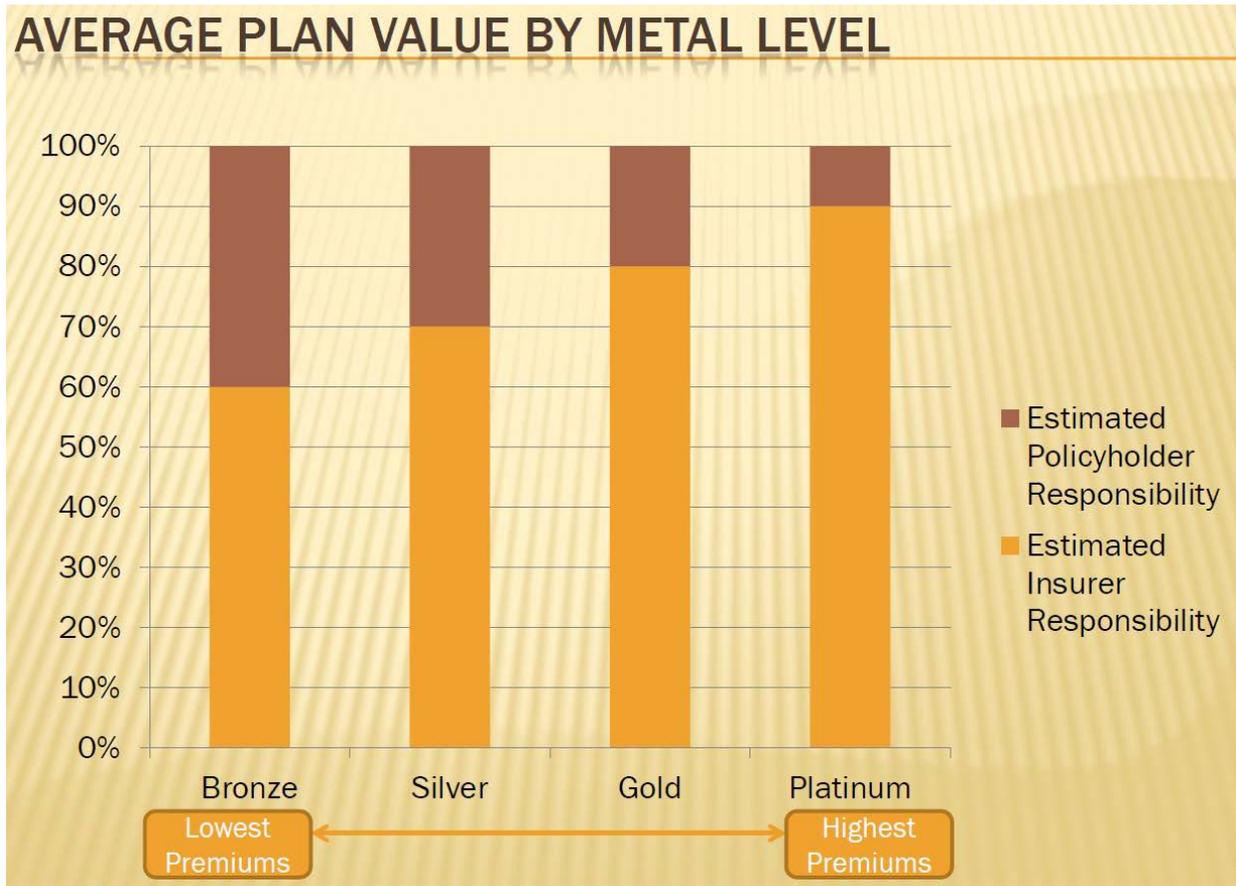


Exhibit 4

Qualified Health Plan Rating Areas

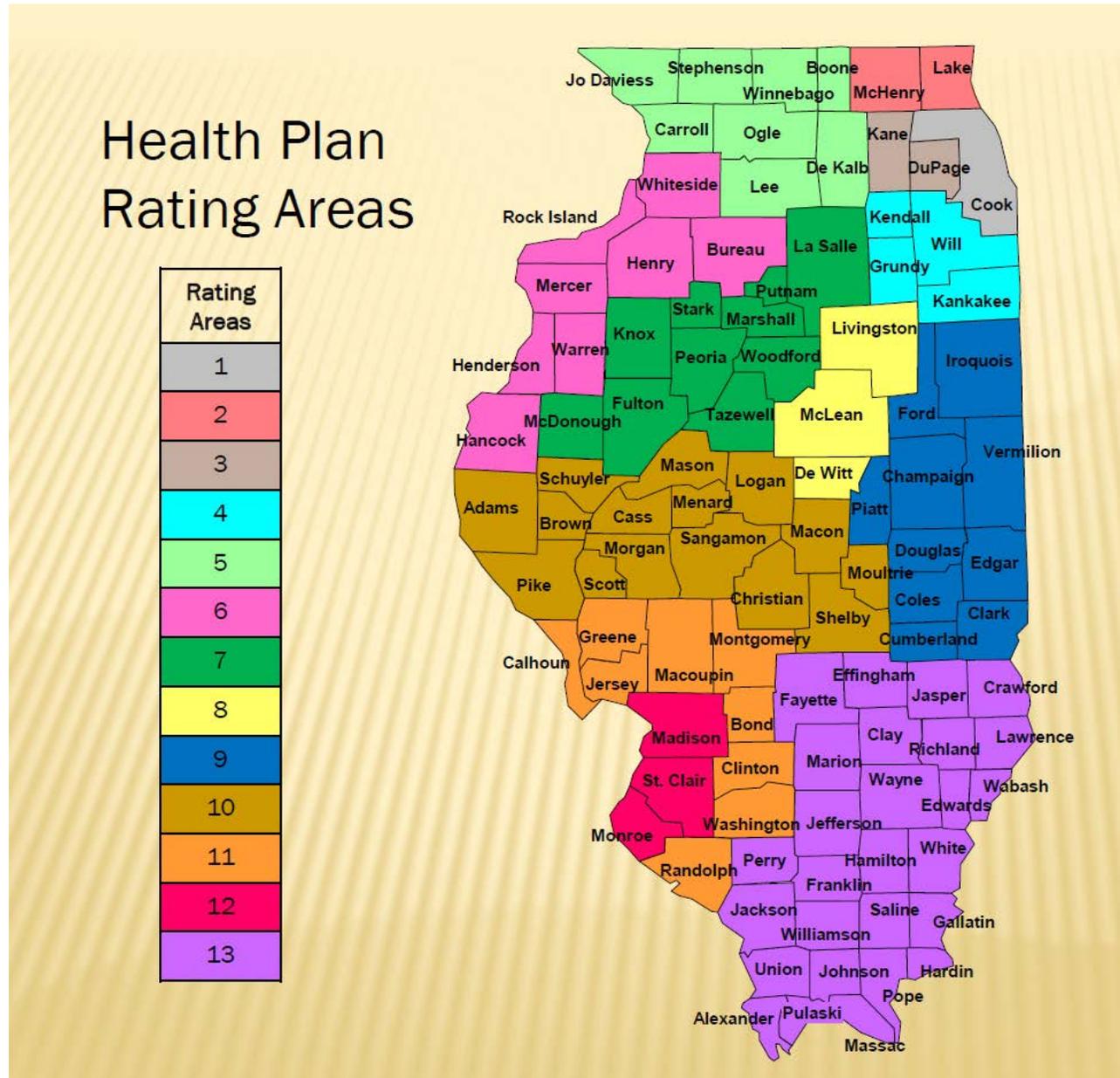


Exhibit 5

Rate Change of Lowest Silver Plan - Individual Market 2016

Individual Market – Rate Change of Lowest Silver

- Rate changes in the majority of counties are in the 5% to 10% range
- However, a wide range in rate changes –
 - Rating Area 1 (Cook county) has an 8% **decrease** (entrance of new issuer Celtic)
 - Rating Area 5 has 28% increase

