




Illinois Department of Insurance

PAT QUINN
Governor

MICHAEL T. McRAITH
Director

To: All Insurance Companies and Utilization Review Organizations

From: Michael T. McRaith, Director of Insurance 

Date: May 27, 2010

Matter: The Health Carrier External Review Act

Re: INDUSTRY ADVISORY BULLETIN – Registration of External Independent Review Organizations

Effective January 1, 2010, the Illinois General Assembly passed and the Governor signed the Health Carrier External Review Act, PA 96-0857 (the “Act”). One purpose of the Act is to provide uniform standards for the establishment and maintenance of a procedure of the Act whereby every covered person receives the opportunity for an external independent review by an Independent Review Organization.

The Health Carrier External Review Act states that on and after July 1, 2010, a health carrier may not reduce or deny the provision of or payment for health care services based upon a covered benefit not meeting the health carrier's requirements for medical necessity and appropriateness unless the carrier first notifies the covered person and the covered person's health care provider, in writing, of the covered person's right to request and receive an external independent review.

All external independent reviews of an adverse coverage decision can only be conducted by an Independent Review Organization that is URAC accredited and approved by the Director of Insurance under the standards set forth within the Department's proposed rule, 50 IAC 5430 as contained in 34 ILL Reg. 5952, published on April 30, 2010. A copy may be obtained at the following link:

www.cyberdriveillinois.com/departments/index/register/register_volume34_issue18.pdf

While this rule has not yet been adopted, the Department intends to ensure Illinois consumers receive the opportunities and protections contained in the Health Carrier External Review Act. Until such time as the rule is adopted, we will use the proposed rule's language as guidance in registering External Review Organizations.

For questions or more information, please contact Mrs. Kelly Smith, Insurance Analyst, Utilization Review/Managed Care Compliance Unit at (217) 558-2309 or via email at kelly.smith@Illinois.gov.