



# Illinois Department of Insurance

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**BRUCE RAUNER**  
Governor

**JENNIFER HAMMER**  
Director

**To:** Bruce Rauner, Governor  
Jennifer Hammer, 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 2016 Annual Report

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The Office of Consumer Health Insurance (OCHI) is pleased to submit its 2016 Annual Report as required by the Managed Care Reform and Patient Rights Act (215 ILCS 134/90).

OCHI is an essential resource for consumers with health insurance questions and serves as an advocate for individuals and businesses seeking health insurance information.

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

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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 fielded more than 328,397 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 these avenues, OCHI helps consumers understand their insurance coverage, advises consumers of their rights under insurance policies, assists insureds with filing appeals and complaints, and locates appropriate resources for 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 provides 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 third year of Health Insurance Marketplace coverage began effective January 1, 2016. OCHI assisted consumers with questions and concerns regarding the Marketplace, Qualified Health Plans (QHPs), Minimum Essential Coverage requirements, the Shared Responsibility mandate and many other topics related to the Patient Protection and Affordable Care Act (ACA) throughout the year. Open enrollment for 2017 coverage began on November 1, 2016, and continued through January 31, 2017. During open enrollment, people with Marketplace policies can review their coverage options and enroll in other plans, and consumers without coverage can enroll. While continuing to assist consumers with questions related to 2016 coverage, OCHI also assisted consumers evaluating coverage decisions and choices for 2017.

As of February 15, 2016, 388,179 Illinoisans enrolled or re-enrolled in a health plan during open enrollment. Under the ACA, Illinois expanded Medicaid to provide coverage for low-income adults ages 19-64. Expanded Medicaid enrollments totaled 626,248 as of January 2016, bringing total Illinois ACA enrollments to 1,014,427. The uninsured rate continues to improve in Illinois. Since

2013 the uninsured rate has dropped from 17.8% to the current 9% (as of January 2017). This 8.8% drop is one of the largest in the nation.

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.

OCHI and External Review staff is available to consumers Monday through Friday, 8:00 a.m. – 5:00 p.m. at (877) 527-9431 and (877) 850-4740 respectively. External review staff is also available during weekends to handle external review requests. In 2016, the OCHI toll-free number received 27,124 calls and placed 3,924 outgoing calls, for a total of 31,048. The External Review Hotline received 4,332 calls and placed 667 outgoing calls for a total of 4,999. OCHI received approximately 981 calls from consumers requesting to speak Spanish. Those calls were transferred to one of three Department employees fluent in Spanish. This represents an increase from 26,299 in 2015.

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 topics and sub-topics 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.

The Department continues to maintain the On-line Agency Resources (OAR) to the PIRT system. Resources such as the Uninsured Ombudsman Service Finder Database, Fact Sheets, websites, telephone numbers and company-specific information are maintained for easy access by the OCHI staff. The OAR contains 1,000 plus resources. This allows for efficient call times with consistent and accurate information for consumers. This information is also available to send to consumers via email, fax or U.S. mail, as appropriate.

In July 2016, the Department transitioned Get Covered Illinois help desk functions from an outside vendor to Department staff, primarily OCHI. The call volume significantly increased during that transition. To support the increased volume and maintain efficient call performance, the Department added additional temporary contractual staff until open enrollment ended using approved vendors. After open enrollment, OCHI can manage the remaining call volume independently. OCHI staff refers callers in need of assistance for the Marketplace, Medicaid or other related topics to the appropriate area.

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

In 2016, OCHI experienced the highest annual call volume since its inception. OCHI staff handled more than 31,048 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 ten categories recorded in 2016.

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](http://healthcare.gov), [GetCoveredIllinois.gov](http://GetCoveredIllinois.gov) and many others). OCHI staff listens to the needs of the consumer and provides the resource that best meets those needs.

### **Health Insurance Marketplace**

In 2016, OCHI responded to calls regarding the ACA, the Marketplace and related topics. These calls increased during the annual open enrollment which ended on January 31, 2016.

Throughout 2016, OCHI staff participated in numerous training sessions on topics including mental health parity, updates regarding the ACA, resources available to consumers, effective letter writing, and other topics to aid them in providing consumer assistance.

OCHI responded to more than 2,600 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 may apply for coverage on-line at [www.healthcare.gov](http://www.healthcare.gov) or by telephone at (800) 318-2596. Get Covered Illinois, The Official Health Marketplace provides guidance and information on locating in-person assistance, on-line at [www.getcoveredillinois.gov](http://www.getcoveredillinois.gov) and by telephone at (866) 311-1119. Registered navigators and certified application counselors provide in-person assistance at locations throughout Illinois. OCHI assisted callers by providing the option that best met the consumer's specific communication needs.

OCHI assisted with eligibility-related questions or concerns by providing information and referring consumers to the Marketplace, Medicaid or the health insurance 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 (EHB)

Under the ACA, beginning January 1, 2014, health insurance offered in the individual and small group markets (both inside and outside of the Marketplace) must provide coverage for essential health benefits 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

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

The ACA requires coverage for pediatric dental services. The pediatric dental plans may be purchased as a part of a QHP or may be purchased as a stand-alone plan.

Adult dental coverage is not required by the ACA and is not generally provided with a QHP, but may be purchased as a stand-alone plan.

OCHI addressed questions regarding Illinois EHB requirements by accessing Department checklists on-line 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 2016. OCHI advised consumers that individuals who purchase a QHP 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 (FPL). Based on income information provided, OCHI staff directed consumers to the appropriate resource to obtain coverage (the Marketplace or the Illinois Department of Health Care and Family Services (HFS) for Medicaid and All Kids enrollment).

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.

Income Level	Premium as a Percent of Income
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 (QHPs)

Under the ACA, beginning in 2014, the Federal Marketplace and Illinois Marketplace certifies as QHPs insurance plans that provide EHB and follow the established limits on cost sharing (such as deductibles, copayments, and out-of-pocket amounts), along with other requirements. Only an insurance company or consumer operated and oriented plan (CO-OP) may sell QHPs and they must offer at least one silver and one gold plan.

During 2016, ten carriers offered QHPs in Illinois:

1. Aetna Health Inc.
2. Celtic Insurance Company (Subsidiary of Centene Corporation)\*
3. Coventry Health Care of Illinois, Inc. (Subsidiary of Aetna Inc.)
4. Coventry Health and Life Insurance Company (Subsidiary of Aetna Inc.)
5. Harken Health Insurance Company (Subsidiary of United Healthcare, Inc.)
6. Health Alliance Medical Plans, Inc.
7. Health Care Service Corporation, a Mutual Legal Reserve Company (Blue Cross and Blue Shield of Illinois)
8. Humana Health Plan, Inc.
9. Land of Lincoln Mutual Health Insurance Company
10. United Healthcare of the Midwest, Inc.

\*New to Marketplace for 2016

A majority of counties showed an increase in plan choices compared to 2015. The number of plans increased to 480 choices in 2016 from 410 in 2015. Residents in all counties had a minimum of 37 plans choices, reduced from 56 in 2015 in the Individual Marketplace. All counties had gold, silver, bronze and catastrophic plans available for purchase in the Individual Marketplace.

In 2016, Illinois certified five issuers to sell plans on the Marketplace for 2017 coverage.

<http://insurance.illinois.gov/HealthInsurance/IllinoisRateAndPlanAnalysis2016.pdf>

Nine dental carriers offered plans on exchange for individuals and small groups.

1. Best Life and Health Insurance Company
2. DSM USA Insurance Company, Inc.
3. Dentegra Insurance Company
4. Delta Dental of Illinois
5. Guardian Life Insurance Company of America
6. First Commonwealth Insurance Company (Subsidiary of Guardian Life)
7. Humana Insurance Company
8. Health Care Service Corporation, A Mutual Legal Reserve Company (Blue Cross and Blue Shield of Illinois)
9. Metropolitan Life Insurance Company

Note: Twelve carriers offered plans off exchange for 2016.

## 5. Provider Network Changes

For 2016, some issuers submitted QHPs with narrowed provider networks in order to minimize premium increases.

## 6. Consumer Operated and Oriented Plan (CO-OP)

The ACA gave consumers and small businesses the option of choosing a health plan offered by a 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 was Land of Lincoln Mutual Health Insurance Company (LLH).

In July 2016, the Department announced a decision based on LLH's financial position after the federal Centers for Medicare and Medicaid Services (CMS) did not allow the suspension of the LLH's federal Risk Adjustment Program liability to place the CO-OP in the rehabilitation process to protect Illinois consumers. This decision resulted in a Special Enrollment Period (SEP) for LLH members to purchase coverage from other issuers prior to the deadline of September 30, 2016. As of July 2016, LLH provided health insurance to approximately 49,000 Illinois residents.

## 7. Individual Share Responsibility Provision

The ACA requires 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.

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

OCHI received only 62 calls regarding this topic, a 50% reduction from 2015. OCHI staff 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.

In 2016 SHOP offered three plans.

1. Health Alliance Medical Plan, Inc.
2. Health Care Service Corporation, a Mutual Legal Reserve Company (BCBSIL)
3. Land of Lincoln Mutual Health Insurance Company

In 2017 SHOP offered two plans.

1. Health Alliance Medical Plan, Inc.
2. Health Care Service Corporation, a Mutual Legal Reserve Company (Blue Cross and Blue Shield of Illinois)

## **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 condition, 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; including mental health parity
- Questions regarding rate increases; and
- How to continue coverage upon loss of employment or 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 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. OCHI spoke to 5,267 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. OCHI staff participated in specialized training to assist with identification of mental health parity claim denials.

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 nearly 5,000 calls from and to consumers, health care providers, carriers, Independent Review Organizations (IROs) and authorized representatives regarding this topic.

## **2. Consumer Assistance and Education**

Many calls to the OCHI toll-free numbers do not fall under the jurisdiction of the Department of Insurance. However, OCHI's mission includes referring consumers to the appropriate resource for assistance. Those referrals account for a significant volume of calls. Examples of consumer referrals include: calls related to self-insured plans, Medicaid questions, Marketplace escalations, calls intended for other state agencies, calls for the carriers, and calls for other areas within the Department. OCHI assisted nearly 23,000 callers by listening to their needs and guiding them to the appropriate place for assistance.

## **3. Insurance Law**

In 2016, OCHI assisted 1,552 callers about various state and federal insurance laws. As in past years, questions regarding federal and state continuation of coverage laws accounted for the majority of these questions. Other laws of special interest included questions about the:

- a. Infertility coverage mandate;
- b. Autism coverage mandates;
- c. Coordination of benefits and
- d. Mental health parity.

## **4. General Company Information**

OCHI received 1,619 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 981 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 4,332 calls related to this topic.

## **6. Uninsured Ombudsman and Shopping for Coverage**

OCHI spoke to nearly 1,116 consumers regarding resources available through the Uninsured Ombudsman or for assistance in shopping for coverage such as long-term care coverage and Medicare Supplement (Medigap) 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 provided complaint history information and answered questions about the options available to the consumer. 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 526 callers regarding billing problems with insurance carriers. The OCHI team assisted consumers having difficulty with effective dates, premiums, billing or other similar issues.

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 2016 included:**

- Shopping for Coverage – questions regarding the types of products available and asking for information regarding those products in order to make an informed decision;
- Disability insurance – questions and concerns regarding problems with disability insurance;
- Marketing issues – questions and concerns regarding how carriers, producers and the Marketplace marketed coverage;
- Confirming status of complaints made against carriers; and
- Impacts of the Land of Lincoln Co-op receivership and Special Enrollment Period.

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

### **Appeal Rights**

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 HFS (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. Coverage denials 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 identification 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 2017 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 HFS 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, HFS 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 work with consumers throughout the year a new development brought challenges for Illinois health insurance consumers and OCHI staff. The Department of Insurance issued a release in mid-July requesting an Order of Rehabilitation for Land of Lincoln Mutual Health Insurance Company. The Department based this decision on LLH's current financial position after federal CMS did not allow suspension of LLH's federal risk adjustment program liability.

This decision caused a sharp increase of calls to the OCHI toll free number. Consumers were directed to the Marketplace to shop for a new plan and were granted a Special Enrollment Period. Consumers were notably upset due to the challenges this change presented in finding a new health plan, new doctors and the financial impacts.

## **Internal Appeals**

Under Illinois law, two classifications of health claim denials exist. First, 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. Adverse determinations include claims, services, supplies, drugs or procedures denied as being experimental/investigational. Second, administrative determinations include all other types of denials, delays, unsatisfactory payments, referral issues, and contract disputes.

Health carriers must have internal appeal procedures in place for both adverse and administrative 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 contains a denial or partial denial of a claim or request for coverage. A carrier may require one or two levels of appeals. In a two appeal level situation, both must be completed within the time frames set forth in the law. Depending on the type of appeal (pre-service, concurrent service or post-service), the time frame 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 staff provides access to the Department's complaint form and explains both the complaint and the internal appeal process to the consumer.

For adverse determinations, a consumer must first exhaust his/her 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 speak with callers regarding the patient's medical situation and counsel callers regarding the various appeal routes available to them. OCHI analysts closely monitor administrative denial complaints in case external review rights apply. If so, OCHI staff can guide those consumers through the internal appeal process and to the external review process without delay.

## **External Reviews**

As indicated previously, 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 carriers deny claims 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 the carrier and the Department confirm eligibility, the Department randomly assigns a registered IRO to review the request.

In 2016, OCHI staff spoke to consumers, health care providers, authorized representatives, insurance carriers, and IROs regarding external review. More than 4,300 calls dealt with the external review process. Among other issues, OCHI staff explained the information needed for the request, the

relevant time periods, and the patient's health care provider's role in the process. OCHI staff also directed individuals to the on-line external review form.

OCHI staff responded to and closed a total of 2,600 external review requests in 2016. Only five requests did not qualify for external review under state law, but qualified under federal law, and OCHI staff provided information to those requestors regarding how and where to obtain review pursuant to federal law. Others callers (1,800) were not eligible for external review for a variety of reasons including: not exhausting internal appeals, and administrative denials by the issuers which do not meet the statutory external review criteria. The decisions for the 785 external independent reviews completed in 2016 were:

- 297 adverse determinations were overturned;
- 470 adverse determinations were upheld; and
- 18 adverse determinations were partially overturned.

These results provided a positive outcome for many Illinois health insurance consumers who would have otherwise been denied services or payment.

The 785 completed reviews were conducted for services under the following categories:

- 220 Prescription Drugs
- 129 Laboratory
- 96 Surgical
- 74 Other Services, including skilled nursing care and facilities
- 61 Mental Health
- 52 Durable Medical Equipment
- 46 Imaging
- 28 Testing
- 26 Substance Use
- 24 Oncology
- 15 Therapy, including physical therapy
- 7 Emergency Services, including air ambulance
- 7 Hospital, including inpatient services

## **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 responsibilities over the past several years.

### **1. Written Inquiries**

In 2016, OCHI staff continued to assist 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 2016, OCHI staff assisted the Health Complaint Unit with written consumer complaints. OCHI staff, time permitting, assisted with complaints and had a direct impact on the responsiveness of the unit for Illinois consumers. For example, OCHI analysts are 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. Emails**

OCHI staff members respond to inquiries sent to the Department's general email address ([DOI.InfoDesk@illinois.gov](mailto:DOI.InfoDesk@illinois.gov)) available on the Department's website for the public. One OCHI analyst drafts responses to these emails. In 2016, OCHI staff replied to approximately 250 consumer inquiries sent to the general email address.

## **Section 4 - Expanding Public Awareness of OCHI**

During 2016, OCHI used various methods to expand public knowledge about the services it provides to Illinois consumers.

### **1. Brochures**

In 2016, the Department of Insurance published the following brochures for Illinois consumers, providers, other agencies and agents/brokers.

- a. Consumer Toolkit for Navigating Behavioral Health and Substance Use Disorder– Aids consumers in navigating mental health and substance use disorder (MH/SUD) care through their health insurance plans.
- b. We Are Here For You – Reflects the Department’s mission and provides important health insurance telephone numbers and websites for state resources.
- c. 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 Assistors and licensed agents who are reliable and available to explain and help explore options for purchasing health care coverage through the Marketplace.
- d. Premium Rate Review Brochure – Provides information regarding premiums, medical loss ratios and the rate review process.
- e. External Review Brochure – Provides important information on consumer rights and guidelines.

➤ Most brochures are available in multiple languages including English, Spanish, Korean 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](http://insurance.illinois.gov/Main/Consumer_Facts.asp)). For callers who are unable to access this information via the internet, OCHI staff sends the requested material via U.S. mail.

In 2016, the Department enhanced the Mental Health & Substance Use Disorder Coverage Fact Sheet. This Fact Sheet aids consumers in understanding their rights under the law and the resources available to them including the OCHI Hotline for MH/SUD questions and concerns.

### **3. Rapid Response Meetings for Dislocated Workers**

An OCHI staff representative participated in more than 40 Rapid Response meetings providing in-person assistance for more than 5,300 dislocated workers in 2016. The Illinois Department of Commerce and Economic Opportunity schedules these meetings when an employer reports layoffs 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, Green County Health Fair in Carrollton, the Career Fair in Decatur and the Workforce Investment Job Fair in Decatur, this effort provided in person assistance to more than 1,000 Illinois consumers. 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 following: uninsured persons, advocates, organizations that provide 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 2016, 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 (Employee Retirement Income Security Act) 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 uses 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.

### **2016 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 2016:

<b>Outreach Event</b>	<b>Location</b>
Richland Community College	Decatur
Mitsubishi Motors North America	Bloomington
Lincoln Community Health Fair, Logan County	Lincoln
Green County Health Fair	Carrollton
Workforce Investment Job Fair	Decatur
Resource Fair for Steelworkers	Granite City
Rapid Response Roundtable	Springfield

<b>Rapid Response Meetings</b>		
<b>Employer</b>	<b>Workshop Location</b>	<b>Number of Employees Impacted</b>
AIG	Springfield	70
Airtex Products, LP (4 events)	Fairfield	146
Alton Steele/U.S. Steel	Woodriver	62
Amsted rail Co., Inc. (4 events)	Granite City	505
Cellular One	Danville/Paris	81
Deer Run Mine	Litchfield	130
Dynegy (3 events)	Alton/Baldwin	240
Empire Dock	Harrisburg	26
Fiskars (2 events)	Peoria	36
Freight Car America, Inc	Danville	180
Haag Foods	Breese	54
ITT Technical Institute	Springfield	45
K-Mart	Morton/Canton/Pekin/Decatur	200
LaFarge Corporation	Grand Chain	25
Macy's	Peoria	90
Mining Industry-Coal (3 events)	McLeansboro/Harrisburg/ Marion	750
Mitsubishi Motors N.A.	Normal	153
Olin Corp. Winchester Division	Wood River	20
Newton Power Plant	Newton	50
Pacific Cycle	Olney	35
Rexx Energy-Bridgeport	Lawrenceville	27
Rush Truck Center (2 events)	Decatur/Mt. Vernon	60
Shop-n-Save	Peoria	70
Stein Steel	Wood River	33
US Steele	Granite City	1835
Vigo Coal Company	Mt. Carmel	36
Vuteq and Auto Warehousing	Normal	320
White County Coal	Carmi	35

## **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 an insurer to provide notice of a uniform modification to any policy when it makes identical changes to all policies of a certain type. Frequently, consumers who receive a discontinuance or modification notice contact OCHI for guidance.

Activity in 2016 is provided as exhibit 4.

#### 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 (HHS) 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 insured. Information regarding the Illinois determination is located at <http://insurance.illinois.gov/cb/2015/CB2015-06.pdf>.

#### 3. 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. Some portions of the ACA impact grandfathered plans such as a 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.

#### 4. Large Employer Groups

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. The IRS offered transition relief for employers who experienced specific situations.

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.

#### 5. Small Employer Groups

Small employer groups were eligible to purchase coverage on the (Small Business Health Options Program) SHOP Marketplace beginning October 1, 2013 and that continues today. 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.

#### 6. Other Health Coverage

Insurers continue to market many other types of plans including: Medicare Supplement policies, Medicare Advantage products, Medicare Part D products, disability income insurance, long-term care insurance, and 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. OCHI continues to assist consumers who have questions, concerns and complaints with these products and works with other agencies to provide the appropriate referrals and consumer support.

### **Trends and Recommendations**

#### 1. Consumer Education for Department of Insurance Jurisdiction

OCHI receives thousands of calls each year that are outside of Department of Insurance jurisdiction. OCHI analysts work with the consumer to educate them on the resources available to them and the appropriate agency with the authority to assist and resolve their issue. The primary source of consumer confusion is the respective roles of HFS/Medicaid, the Marketplace and the Department of Insurance.

##### *Possible Remedy*

An ongoing educational campaign for consumers would increase awareness of OCHI and the role of Medicaid within the State of Illinois. Another option would be to create a statewide combined health plan consumer resource with shared access to Medicaid and commercial insurance information.

## 2. Prescription Drugs; Understanding your Benefits

In 2016, the Department continued to receive complaints from consumers regarding the availability of prescriptions drugs and the cost of those drugs. Consumers did not understand the tiered approach for co-payments, the ability of carriers to exclude specific drugs and overall drug costs created concerns. The number one external review request category dealt with prescription drug benefits when a patient could not take the “suggested” drug, for example a generic vs. brand. Many cases result in a significant out-of-pocket cost difference for the consumer.

### *Possible Remedy*

The Department and OCHI staff works to explain the importance of reviewing plans carefully prior to purchasing, but this continues to be an escalating issue for Illinois consumers.

## 3. Provider Networks – Out-of-network benefits

With the cost of healthcare premiums and out-of-pocket expenses rising, many carriers have narrowed their network selection and offer managed care/HMO (health maintenance organization) products versus the open access of a broad PPO (preferred provider organization) product. Consumers have expressed concerns over this trend, the limited choices available to them and the high out-of-pocket costs when going out-of-network.

### *Possible Remedy*

The Department increased its review of the provider networks for plans marketed in 2016. 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 policyholder or prospective policyholder to estimate the anticipated out-of-pocket cost for out-of-network 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 the insurer will pay. 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 (MH/SUD)

The external review team received more than 80 external review requests for services involving MH/SUD. Many of the requests involved level of care (such as residential care or inpatient care) and some were expedited. MH/SUD providers 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 their insurer denies inpatient or residential care. 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 MH/SUD 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 held several meetings in 2016 to increase awareness of mental health parity and the availability of OCHI to assist in documenting those concerns. A list of the meeting locations are below. The Department also participates in a working group, and has engaged with advocacy groups to assess trends and possible solutions for Illinois consumers. 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. Additional information is available on the DOI internet site, [http://insurance.illinois.gov/HealthInsurance/mental\\_hlth.asp](http://insurance.illinois.gov/HealthInsurance/mental_hlth.asp)

2016 MH/SUD Parity Meeting Locations (Chicago, Collinsville, Moline, Normal, Rockford)

#### 5. The Health Carrier External Review Act (215 ILCS 180)

The statistics reflect a high level of misunderstanding among consumers in the use of the external review process. The Department received 2,600 requests for an external review with only 30% of those meeting the statutory qualifications – primarily administrative denials from carriers. The statute allows external reviews for medical necessity and experimental denials but not denials listed as exclusions by the carrier. Examples include: seeking assistance for out-of-network costs, not obtaining a referral or eligibility prior to service.

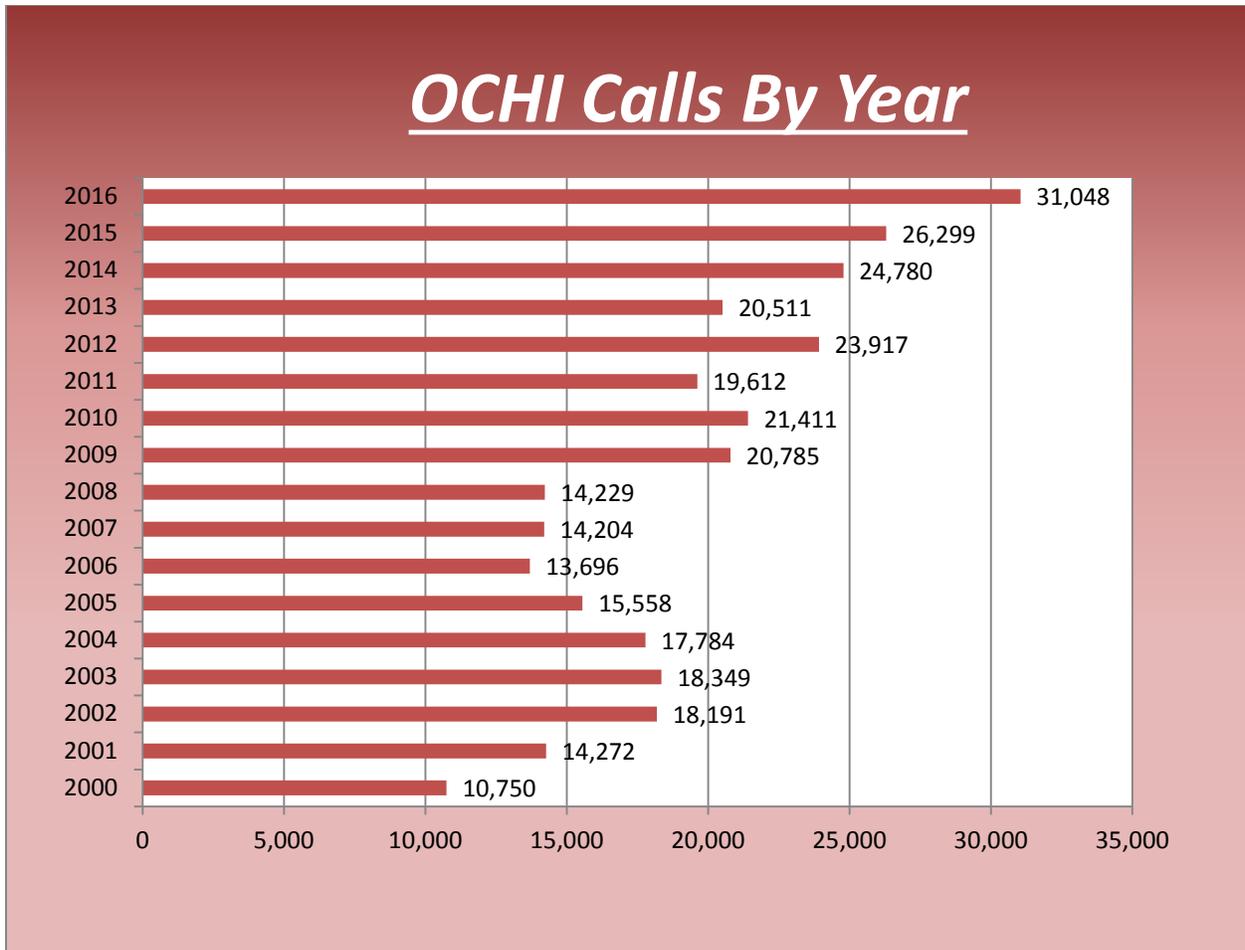
##### *Remedy*

The Department has educational resources available for consumers and carriers online and in its External Review Fact Sheet ([http://insurance.illinois.gov/ExternalReview/Fact\\_sheet.pdf](http://insurance.illinois.gov/ExternalReview/Fact_sheet.pdf)).

Continued focus in this area with consumers and working with carriers to be sure their letters accurately reflect the Health Carrier External Review Act language appropriately in their communications would allow OCHI staff to be available for those in need of assistance under the law.

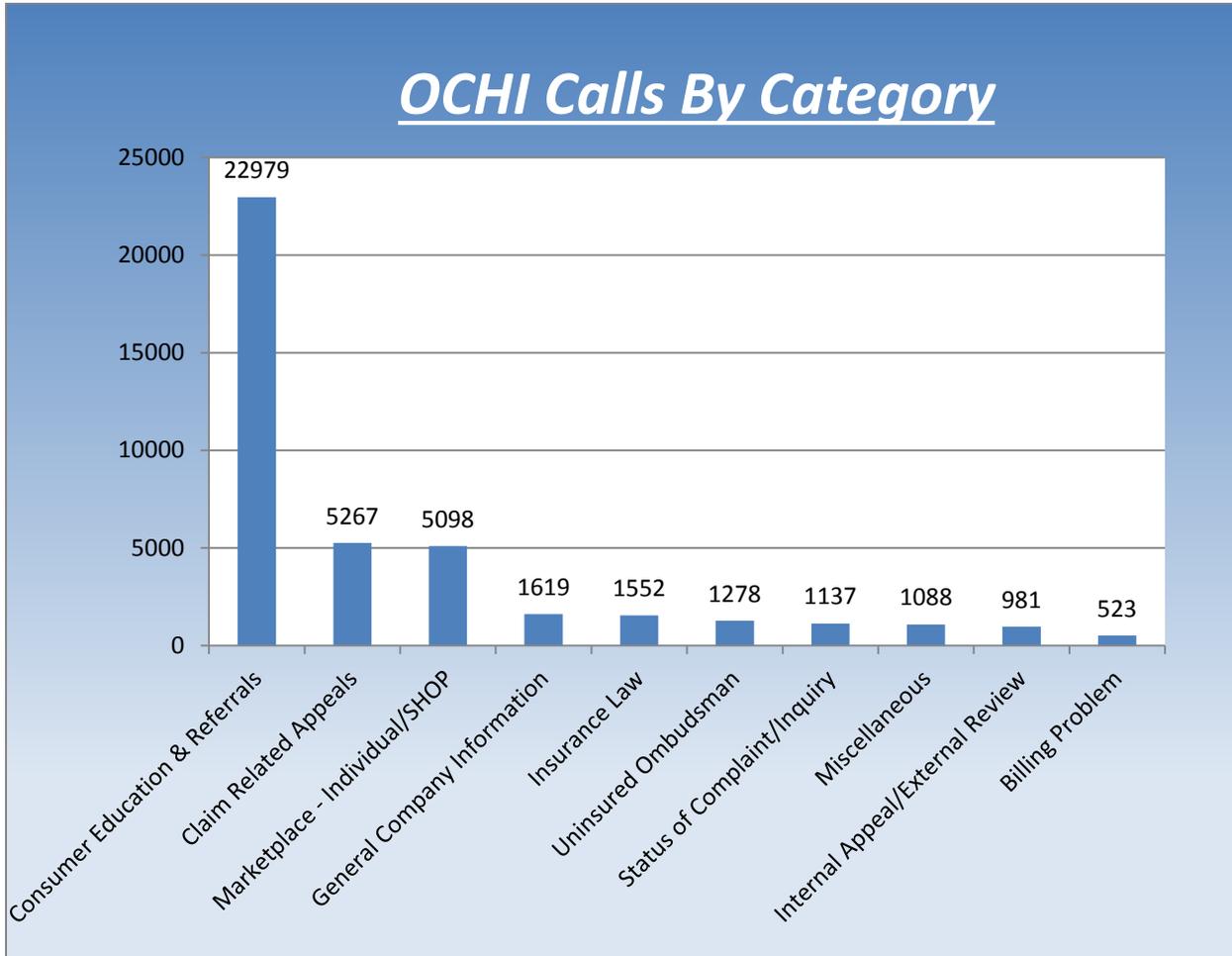
## Exhibit 1

### OCHI Calls by Year



## Exhibit 2

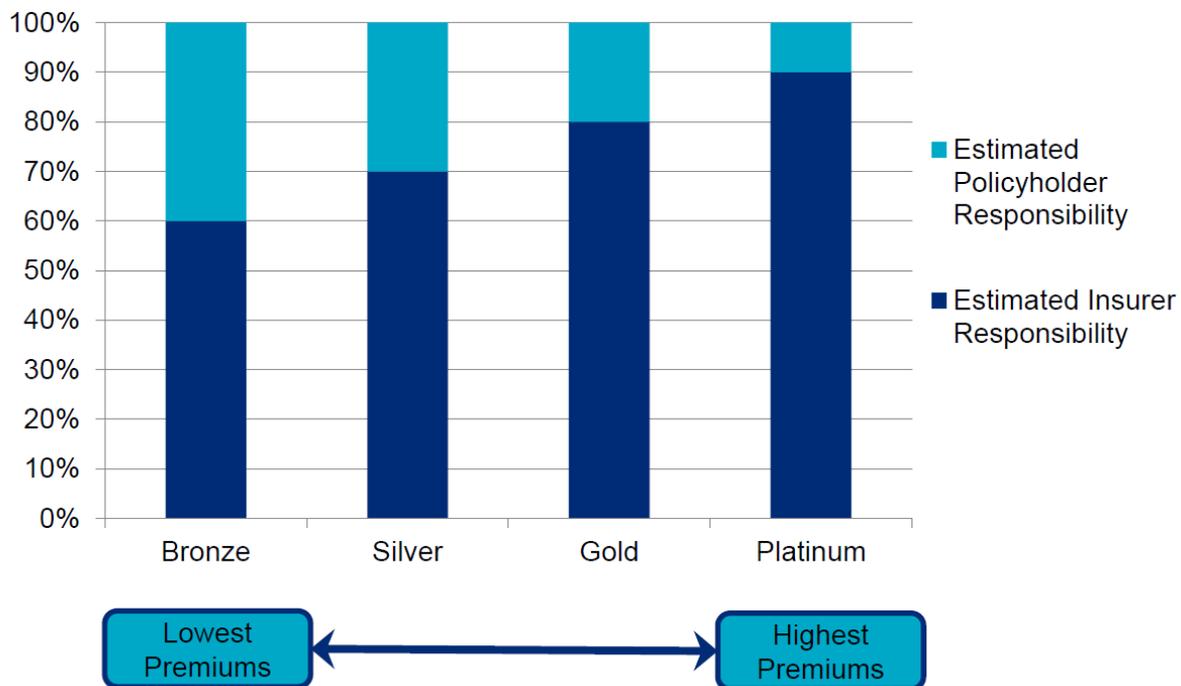
### OCHI Calls by Category



### Exhibit 3

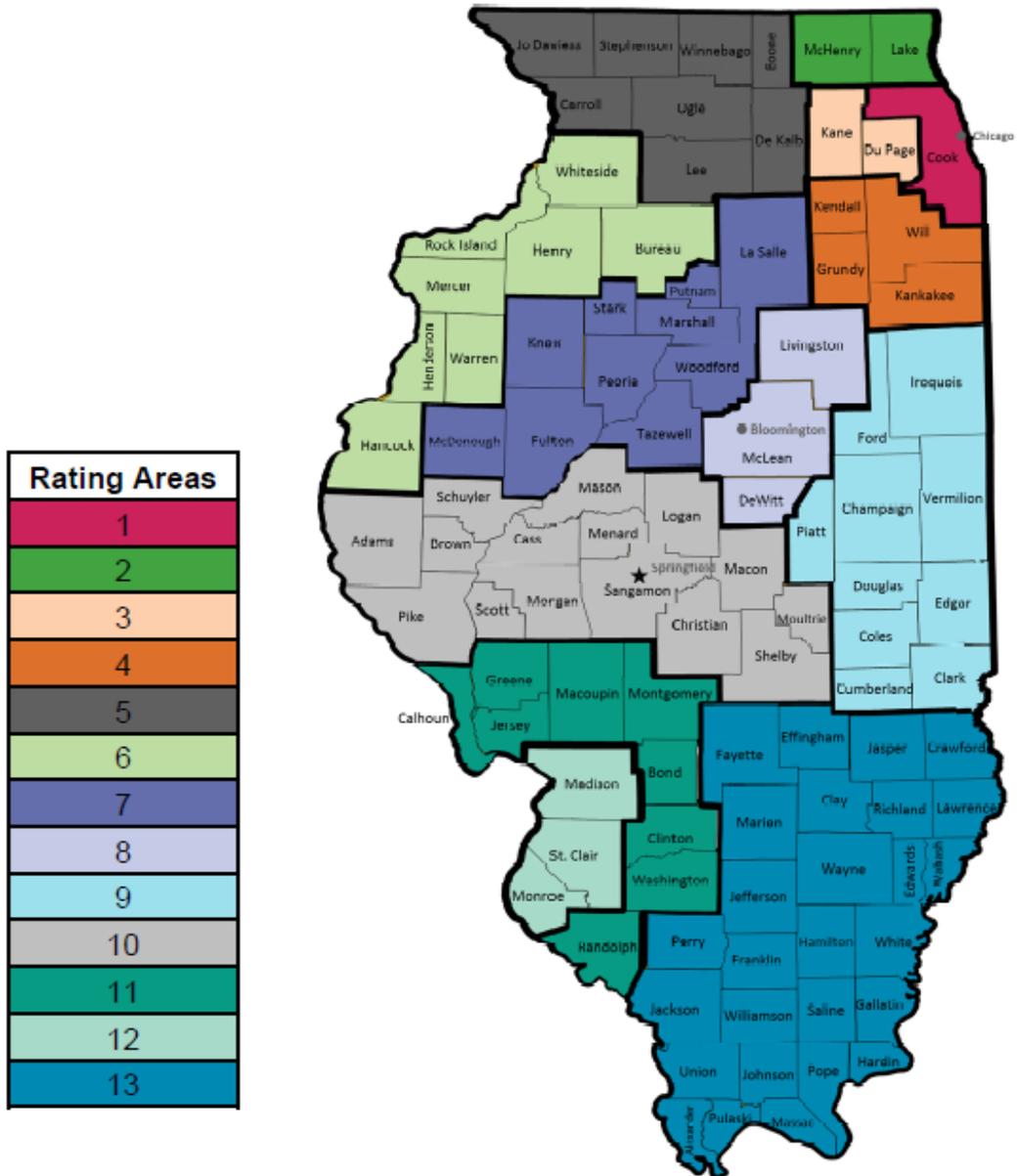
#### Metal Level Actuarial Value

Average Plan Value by Metal Level



**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 greater than 40%
- Lowest increases are in Central Illinois and the areas surrounding Cook county
- Number of Issuers offering the lowest cost silver greatly decreased from 2016 to 2017
  - HAMP in seven Rating Areas
  - HCSC in three Rating Areas
  - Celtic in one Rating Area
  - Cigna in two Rating Areas
- HCSC offers a silver multi-state plan in all counties which is not included in this analysis
  - Multi-state plan rates will be available on Healthcare.gov

