



Illinois Department of Insurance

JB PRITZKER
Governor

DANA POPISH SEVERINGHAUS
Director

TO: All Health Maintenance Organizations (HMOs)
FROM: Dana Popish Severinghaus, Director *dps*
DATE: July 7, 2023
RE: Company Bulletin 2023-07
Re: Public Act 103-0104 – HMO Participating Provider Referral Systems

This Company Bulletin is issued by the Department to notify HMO issuers of the recent change to HMO requirements in Illinois. Public Act 103-0104 was signed into law on June 27, 2023.

Specifically, P.A. 103-0104 amends the Health Maintenance Organization Act at 215 ILCS 125/1-2 and 215 ILCS 125/2-3 to provide that the powers of an HMO include the voluntary use of a referral system for enrollees to access providers under contract with or employed by the HMO. P.A. 103-0104 provides that this shall not be construed as requiring the use of a referral system with the HMO's contracted or employed providers to obtain a certificate of authority. The amendments become effective January 1, 2024. Therefore, the Department will no longer object to HMO policy form filings that do not contain a referral mechanism for contracted or employed providers beginning with Plan Year 2024 form filings. The amendments do not affect the requirement for HMOs to use a referral system to cover services from a nonparticipating provider, and the Department will continue to enforce that requirement subject to statutorily required exceptions.

HMO issuers are highly encouraged to clearly disclose on all policy documents, including Summary Benefits of Coverage (SBC), advertisements, and plan marketing names whether the respective HMO plan does or does not require the use of referrals for a participating network provider in order to obtain coverage at network benefit levels.

HMO issuers are reminded that referral requirements are prohibited under the following circumstances:

- Emergency services (215 ILCS 5/356z.3a; 215 ILCS 134/65) [participating and nonparticipating providers];
- Abortion services (215 ILCS 5/356z.4a(c)) [participating providers only];
- Contraceptive services (215 ILCS 5/356z.4(a)(5)) [participating providers only];
- Self-referral to Woman's Principal Health Care Provider (215 ILCS 5/356r) or any covered services from an obstetrical or gynecological provider (42 U.S.C. § 300gg-117(c)) [participating providers only];
- Self-referral to mental health and substance use providers (215 ILCS 5/370c(a)(2)) [participating providers only]; and
- Situations subject to balance billing restrictions (215 ILCS 5/356z.3a(b) and (b-5)) [any provider subject to the statute].

If you have any questions regarding this Bulletin, please contact: DOI.InfoDesk@Illinois.gov.

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

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