

ILLINOIS STATE MEDICAL SOCIETY

**Resolution 12.2021-13
(A-22)**

Introduced by: Kamal Kishore, MD, ISMS Member

Subject: Mitigate End of the Year Issues Related to Preauthorization and Resetting of Deductibles

Referred to: Council on Economics

1 Whereas, insurance deductibles, preauthorization for periodic treatments, and
2 cap on out-of-pocket costs currently reset on January 1st each year; and

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4 Whereas, as a result of the above, there is a mad scramble for elective surgeries
5 in the final quarter of the year straining resources, and a marked lull in the first quarter;
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8 Whereas, as a result of the above, providers all over the State struggle with pre-
9 authorization and eligibility for benefits requirements in the first few weeks of each year;
10 and

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12 Whereas, such a rush results in long wait times for preauthorization and
13 eligibility requirements that could adversely affect the treatment that is needed; and

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15 Whereas such a problem can be potentially solved by an Executive Order from
16 the Governor; therefore, be it

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18 RESOLVED, that ISMS should lobby to have insurance deductibles, expiration
19 for periodic treatments and cap on out-of-pocket expenses reset at the end of the month
20 of the patient's birth.

Fiscal Note:

n/a

Existing ISMS policy and action related to this issue:

Board of Trustees adopted Substitute Resolution 08.2021-06 (A-22) in lieu of Resolution 08.2021-06 (A-22), To Require Insurance Companies Make the “Coverage Year” and the “Deductible Year” Simultaneous for Their Policies: RESOLVED, that the Illinois State Medical Society advocate and support or cause to be introduced legislation to require all Illinois commercial insurance carriers to align their policies such that a policy holder’s “deductible year” and “coverage year” be the same time period for all policies; and be it further RESOLVED, that the Illinois Delegation to the AMA introduce a similar resolution at the next AMA Annual Meeting.(BOT – OCT 2021 – Pending Approval at 2022 ISMS Annual Meeting)

ISMS’ prior authorization reform bill will take effect 01/01/2022.

The Board of Trustees approved that ISMS develop and pursue a long-term strategy in developing specific state legislative remedies to reduce or eliminate unnecessary prior authorization requirements. (BOT - JAN 2019)

ISMS affirmed Board action to reaffirm existing policy in lieu of the first Resolved of Resolution 02.2019-27 (A-19), Medication Assisted Treatment for Opioid Addiction, and to adopt the second and third Resolveds of Resolution 02.2019-27 (A-19), which state: RESOLVED, that ISMS support and cause to be introduced in Illinois legislation to prohibit health insurers from denying medication assisted treatment for substance use disorders and that prohibit health insurers from using prior authorization policies for medications to treat opioid use disorders (because they delay or interrupt care for patients); and be it further RESOLVED, that the ISMS consider use of model state legislation materials provided by the American Medical Association to help develop and implement this legislation in Illinois (which could be similar to legislation in Maryland and Kentucky). (2019 Annual Meeting)

ISMS formally adopts as policy the AMA Prior Authorization and Utilization Management Reform Principles, which can be viewed via: <https://www.ama-assn.org/sites/default/files/media-browser/principles-with-signatory-page-for-slsc.pdf> (HOD 2018)

House of Delegates adopted Substitute Resolution B210 (A-17), Peer-to-Peer, which states: RESOLVED, that ISMS formally adopt and incorporate the AMA Prior Authorization and Utilization Management Reform Principles into its policy manual; and be it further RESOLVED, that ISMS widely share these principles with governmental and private sector third party payers, as appropriate, and specifically in Illinois with the Department of Insurance (DOI) and Department of Healthcare and Family Services (DHFS), urging all third party payers and oversight agencies to adopt

guidelines that comply with these principles; and be it further RESOLVED, that ISMS seek or cause to be introduced specific state legislative remedies, as necessary, to cause Illinois third party payers to implement the utilization and prior approval practices addressed in these principles. (HOD 2018; Unfinished Business Report E) *NOTE: Substitute Resolution B210 (A-17) adopted in lieu of Resolutions B210 (A-17) and B212 (A-17)

House of Delegates adopted Resolution B204 (A-17), Improving the Insurance Appeals Process, which calls for the Illinois State Medical Society (ISMS) to work with other interested parties to require insurance companies and their representatives to provide the criteria by which a prior authorization assessment for a denied procedure is found lacking and to further provide in the initial denial letter to the patient and physician the criteria for approval. (HOD 2017)

Board of Trustees approved forwarding to the 2018 House of Delegates, an unfinished business report that calls for adoption of Substitute Resolution B210 (A-17) in lieu of Resolution B210 (A-17) and Resolution B212 (A-17), as follows: RESOLVED, that ISMS formally adopt and incorporate the AMA Prior Authorization and Utilization Management Reform Principles into its policy manual; and be it further RESOLVED, that ISMS widely share these principles with governmental and private sector third party payers, as appropriate, and specifically in Illinois with the Department of Insurance (DOI) and Department of Healthcare and Family Services (DHFS), to urge all third party payers and oversight agencies to adopt guidelines that comply with these principles; and be it further RESOLVED, that ISMS seek or cause to be introduced specific state legislative remedies, as necessary, to cause Illinois third party payers to implement the utilization and prior approval practices addressed in these principles. (BOT - JUNE 2017)