

**Office of
Consumer Health Insurance
2008 Annual Report**

**Printed by the Authority of the
Illinois Department of Financial and Professional Regulation
Division of Insurance
\$1.06/copy: 125 copies
January 2009, 09-07**



Illinois Department of Financial and Professional Regulation

Division of Insurance

PAT QUINN
Governor

Michael T. McRaith
Acting Secretary

Michael T. McRaith
Director
Division of Insurance

January 31, 2009

To: Pat Quinn, Governor
Michael McRaith, Acting Secretary
Michael McRaith, Director of Insurance
Members of the General Assembly

From: The Office of Consumer Health Insurance/Uninsured Ombudsman

Re: The Office of Consumer Health Insurance 2008 Annual Report

The Office of Consumer Health Insurance (OCHI) is pleased to submit its 2008 Annual Report as required by the Managed Care Reform and Patient Rights Act (Public Act 91-0617).

OCHI has completed nine full years of operation within the Division of Insurance and continues to act as an essential resource for consumers with health insurance questions and as a valuable ally for Illinois citizens seeking health insurance.

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

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PREFACE

Established on January 1, 2000, by the Managed Care Reform and Patient Rights Act (the Act), the Office of Consumer Health Insurance (OCHI) operating within the Illinois Department of Financial and Professional Regulation (IDFPR), Division of Insurance (Division) (IDFPR) continued to serve Illinois residents in 2008 by responding to their health-related inquiries.

The responsibilities of OCHI, as set forth by the Act, have not changed since its inception. Its two main functions are to assist consumers in relation to their health insurance needs and to report annually on the state of the health insurance marketplace. OCHI provides assistance to Illinois consumers through a toll-free, consumer inquiry telephone number and through other outreach mechanisms including speaking engagements, health fairs, radio and television interviews, and the distribution of consumer-friendly fact sheets. Through these media, OCHI helps consumers understand their insurance coverage, advises persons of their rights under insurance policies, assists insureds in filing appeals and complaints, and provides appropriate resources to Illinois residents who need assistance.

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

In 2002, the Division expanded the OCHI mission to include the administration of the Uninsured Ombudsman Program (Ombudsman) established by Public Act 92-0331 (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 finding and shopping for insurance, evaluating insurance products, comparing options when buying health insurance coverage, and providing information on non-insurance resources available throughout the state.

EXECUTIVE SUMMARY

The Managed Care Reform and Patient Rights Act (215 ILCS 134/1 et. seq.) established the Office of Consumer Health Insurance (OCHI) in January 2000. In 2008, OCHI's ninth year of operation, the Office received 14,229 calls (increased from 14,204 calls in 2007) and provided consumers with a broad range of health coverage information. OCHI staff also performed outreach activities, including assisting health insurance consumers at the State Fair and providing information on various radio and television talk programs.

Section 1 of this report describes the types of calls received by OCHI and the kinds of assistance provided to callers.

Section 2 describes the various activities of the OCHI staff, including steps taken to educate consumers about their health plans, and the production of consumer fact sheets made available on the Division's Internet site.

Section 3 documents efforts to expand public knowledge of OCHI and its services, and provides details on the number of calls received during the year.

Section 4 describes activities of the Uninsured Ombudsman Program and steps taken to assist uninsured consumers, including: assisting in the search for health insurance, helping to access local services at community-sponsored health centers, and providing information on the availability of state and federal health-related programs.

Section 5 contains information about the status of the state's health insurance marketplace, government actions affecting health coverage options, and recommendations for improving health insurance regulation.

Section 6 contains the Report's exhibits.

1. Helping Consumers Understand Their Health Insurance and Appeal Rights

The Office of Consumer Health Insurance (OCHI) responded to a wide array of questions from consumers during calendar year 2008. Calls came from a variety of individuals and groups, including consumers, employers, agents, associations, attorneys, health care providers, and advocacy groups.

OCHI provides the information and education that consumers need to understand their health coverage. OCHI staff often help consumers define in practical terms the meaning of complex, insurance-specific words and phrases. OCHI staff also explain 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.). Consumers are also provided plan-specific information, including continuation of coverage options. In addition to providing one-on-one consumer consultations, OCHI also refers consumers to the Division of Insurance (“Division”) link on the Department of Financial and Professional Regulation’s Internet site (www.idfpr.com), enabling them to learn more about a particular topic from one of the Division’s many user-friendly fact sheets.

In 2008, OCHI received calls requesting information on many topics, including information about new laws passed by the Illinois General Assembly and how to:

- obtain approval for a particular medical service or approval of benefits for a particular medical service;
- understand and file appeals with the health plan;
- appeal a claim denial for pre-certified services;
- request an external independent review with HMO plans; and
- file a complaint with the Division of Insurance.

OCHI guided HMO enrollees with denied claims as the enrollees initiated the external independent review process, a process mandated by the Managed Care Reform and Patient Rights Act. Among other things, OCHI staff explained the information needed by the independent reviewer, the relevant time periods, and the role played by the patient’s primary care physician.

The Managed Care Reform and Patient Rights Act requires HMOs to track all complaints received, regardless of the source, and to report the data to the Division. Exhibit 5 (HMO Company Complaint Record – General Summary 2007) contains a general summary of HMO complaints for 2007. Exhibit 6 (HMO Company Complaint Record – Classification Summary 2007) contains a listing of HMO complaints by category. Exhibit 7 (HMO External Independent Review Summary 2007) is derived from Exhibits 5 and 6 and provides specific information relating to external independent reviews. The external independent review data found in Exhibit 7 is

provided by the plans and is not independently verified by the Division. These exhibits may be accessed through the Division's website at http://www.idfpr.com/DOI/Complaints/healthCarePlan_complaints/CompanyComplaint2007.pdf

and

http://www.idfpr.com/DOI/Complaints/healthCarePlan_complaints/ExternalReview2007.pdf

As detailed in Exhibit 5, during calendar year 2007, HMOs reported a total of 4,069 complaints, of which 423 (10.4%) were also filed with the Division. According to data submitted by the companies and displayed in the "Disposition of ALL Complaints" section of Exhibit 5, of the 4,069 total complaints:

- 1,501(37%) complaints were granted relief;
- 214 (5%) were granted partial relief;
- 1,098 (27%) received additional information; and
- 1,256 (31%) received no relief.

Exhibit 7 shows that HMO enrollees requested and received 69 external independent reviews of claims denied by Illinois HMOs in 2007. Of the 69 external independent reviews:

- 14 (20%) were granted relief;
- 1 (1.5%) were granted partial relief;
- 1 (1.5%) received further information; and
- 53 (77%) had no change in status.

The reporting date for 2007 complaint data is March 1, 2008. Complaint data for 2008 will be addressed in the 2009 report.

2. Educating Enrollees About Their Health Insurance Rights

As in previous years, several large and small employers declared bankruptcy in 2008, generating many calls to OCHI regarding federal COBRA and Illinois laws granting rights to continue group coverage. OCHI communicated the most up-to-date information to consumers. Many of the displaced workers were referred to the Illinois Comprehensive Health Insurance Plan (CHIP)(215 ILCS 105/1 et. seq.) to determine their eligibility under Illinois' HIPAA alternative mechanism for individual health insurance coverage.

When applicable, workers losing their insurance were also informed of the federal Trade Adjustment Assistance Reform Act of 2002, which offers a tax credit for certain workers and retirees who lose their employer-sponsored health coverage due to international dislocation or increased imports.

Many retired workers asked OCHI how they could purchase or otherwise coordinate other health coverage with Medicare. After providing the retired workers with basic information on guaranteed issue Medicare supplement coverage offered by standard insurers, OCHI staff referred the retired workers to the Division's Senior Health Insurance Plan (SHIP).

The Division continues to create and provide fact sheets in response to questions received from Illinois consumers in an effort to simplify complex insurance issues that are important to consumers. These fact sheets are available on the Division's website (http://www.idfpr.com/DOI/Main/Consumer_Facts.asp). For callers unable to access this information via the Internet, requested materials were mailed.

OCHI staff gave presentations to a variety of organizations including consumer organizations, community development organizations, and employer organizations. An OCHI representative also spoke on several radio talk shows.

Occasionally, calls to OCHI require the services of a translator. The OCHI office can generally provide a translator for consumers who need this service. The fact sheets entitled, *Your Rights Under the Managed Care (HMO) Reform and Patient Rights Act* and the *Ombudsman Brochure for the Uninsured* are available in Spanish.

The following is a list of consumer fact sheets and other information currently available on the Division's Internet site. Fact sheets revised or created during 2008 are displayed in bold.

- Acronyms for Life, Accident & Health Insurance and Manage Care
 - **Autism - Insurance Coverage**
 - Beware of Fraudulent Insurance Companies
 - Birth Control Is Now Covered
 - Cancer
 - **Claim Denial - What to do if an insurer denies your claim**
 - Contact the Proper Agency – Where to File Medicare, Medicaid and Other Health Plan Complaints
 - Continuation Rights - COBRA
 - Continuation Rights - Illinois Law
 - Continuation Rights - Illinois Spousal Law
 - Continuation Rights - Dependent Children (July 1, 2004)
 - Continuation Rights - Municipal Employee
 - Coordination of Benefits (COB)
 - **Dependent Child Coverage Fact Sheet - HB 5285**
 - Diabetes
 - Disability Income Insurance
 - Finding a Reputable Insurance Company – Using Financial Rating Agencies
 - Getting off to a Good Start with Medicare
 - HIPAA - Preexisting Conditions
 - Health Insurance for Small Employers
 - Health Maintenance Organizations (HMOs)
 - Individual Accident and Health Insurance - Frequently Asked Questions
 - Individual Major Medical Insurance
 - **Infertility Treatment**
 - Insurance Guaranty Associations
 - Insurance Coverage for College Students
 - Managed Care Reform and Patient Rights Act
 - **Mandated Benefits, Offers, and Coverages for Accident & Health Insurance and HMOs**
 - Maternity Benefits in Illinois
 - Medical Necessity
 - **Medicare Supplement Insurance**
 - Mental Health Coverage
 - Newborn Children
-

- Prompt Pay Law
- Self-Insured Health Plans
- Senior Health Insurance Program
- Small Employer Health Insurance Rating Act
- Travel Insurance
- Understanding the Consumer Complaint Process
- Uninsured Ombudsman Program
- Usual and Customary Fees in Health Insurance Claims
- **Women's Health Care Issues**
- Workers' Compensation Insurance

3. Expanding Public Knowledge of OCHI and Available Services/ Status Report of OCHI Toll-Free Telephone Line

OCHI continues to use new venues and technologies to reach consumers and consumer groups, and continues to perform valuable research for consumers seeking answers to general and specific health insurance questions.

Awareness of OCHI services has been promoted in various ways, including: speaking on radio talk-shows and with local newspapers, taking part in Rapid Response Meetings for dislocated workers who have lost insurance coverage, coordinating with local agencies that provide services to Illinois residents, and actively engaging government officials, insurance agents, and insurance companies.

OCHI receives calls from consumers regarding the entire spectrum of health coverage issues, issues that often concern specific diseases or conditions and the related financial burdens faced by those who are uninsured or underinsured. To provide answers to consumer questions, OCHI staff is trained to understand relevant sections of the Illinois Insurance Code and the Illinois Administrative Code. General familiarity with certain federal laws and regulations (e.g., the Employee Retirement Income Security Act (ERISA) and COBRA (federal health coverage continuation rights)) is also a necessity. Given the disease and community-specific coverage questions and challenges faced by consumers, OCHI staff utilize additional resources, including the Internet and 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.

OCHI continues to identify government agencies and associations that provide emergency services to persons in need of assistance for specific health care conditions. As new information is obtained, it is entered into the OCHI database as a potential resource for future callers.

Status Report for OCHI's Toll-Free Telephone Number

OCHI received a total of 14,229 calls on its toll-free telephone number (877-527-9431) during calendar year 2008. Since its inception in 2000, OCHI's toll-free telephone number has received approximately 137,033 phone calls.

Other Duties as Assigned by the Director

During the early years of OCHI, benchmarks were established for OCHI staff to ensure prompt consumer assistance. For example, OCHI staff immediately responds to approximately 85% 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.

During 2004, OCHI staff began handling written consumer inquiries. These inquiries are received via regular mail, fax, or electronically, via on-line complaint or via the Division's consumer email address (consumer_complaints@ins.state.il.us). OCHI staff handles basic consumer complaints received through these channels.

The OCHI staff's broad base of health insurance knowledge, combined with the database of information compiled by the Uninsured Ombudsman Program, allowed OCHI to handle approximately 1,215 written inquiries and 311 complaints in 2008. Handling of inquiries and basic complaints by OCHI allows the Division's Consumer Service staff to focus on more complex consumer inquiries and complaints.

OCHI also assists in responding to inquiries sent to the email address of the Director of the Division of Insurance (Director) This email address, director@ins.state.il.us, is posted on the Division's website for consumers to send insurance questions. In 2008, OCHI staff replied to 347 consumer inquiries sent to the Director's email address.

4. Uninsured Ombudsman Program

In January 2002, the Uninsured Ombudsman Program (Ombudsman) was established within OCHI to educate uninsured Illinois residents about health insurance options and benefits, including an explanation of rights guaranteed by state and federal law. The Ombudsman also informs uninsured and underinsured consumers about available low-cost or subsidized medical services.

Since its inception, the Ombudsman staff has worked with various state and local agencies to build a database of local resources that provide medical services to the uninsured and underinsured populations. Information in the database includes resources for medical, dental, mental health, prescription drug, vision, and other available health care services by county and city.

For calendar year 2008, the Ombudsman staff handled 1,191 telephone calls. As in previous years, calls came from uninsured persons and from a variety of individuals and organizations providing assistance to the uninsured, including other state agencies, legislators, insurance agents, radio stations, and family and friends. The Ombudsman staff continues to heighten the program's public profile by, among others things, regularly participating on radio talk shows and participating at pre-layoff workshops for dislocated workers. In 2008, an Ombudsman staff member was a guest on the television show "Pamela Speaks" (Springfield, IL) and also participated in the Green County Health Fair, Lincoln Community Health Fair, and Eureka Grand Chapter Health Fair. In addition, an Ombudsman representative sat on the "Cover the Uninsured Week" panel, spoke before the American Association of Medical Assistants, and appeared at the Farm Resource Center Conference and the Immigration Workshop Series in the Village of Skokie.

As in previous years, the Ombudsman staff actively participated on the Rapid Response Team for Dislocated Workers. At meetings organized by the team, members from various agencies answered dislocated workers' questions and provided the most current information about local resources and services. The Ombudsman staff provided: critical information about continuation rights available through the employer group health insurance plan; tips on how to shop for health insurance; information regarding special enrollment rights under HIPAA (e.g., HIPAA allows dislocated workers to enroll on a spouse's employer group health plan); and the Division's contact information in case the dislocated worker needs further assistance.

The right of dislocated workers to continue health insurance coverage through their former employer, whether pursuant to state continuation laws or federal COBRA laws, is a major topic of discussion if the employer group health plan remains in existence. Ombudsman staff provide detailed continuation of coverage information to workers and their families, including information regarding the ability of qualified beneficiaries to enroll separately under COBRA. The separate enrollment information is valuable at a time of financial hardship – the employee may have a dependent (e.g., son, daughter, or spouse) that

insurance companies refuse to cover in the individual market due to the dependent's past or present medical condition.

Goals for 2009 include continuing to increase public awareness of the Ombudsman Program, establishing new partnerships and strengthening existing relationships with local organizations, and continuing to effectively assist the uninsured, especially in this time of economic turmoil.

Details of the Ombudsman's rapid response meetings and media outreach activities follow:

Rapid Response Meeting		
Company	Location	Number of Impacted Employees
ADM Packaged Oils	Granite City	30
Alton Steel	Alton	41
American Coal	Galatia	187
Arrow Group Employees	Breese	35
ASF Keystone (American Steel)	Granite City	135
ATS (Automotive Technology Systems)	Lawrenceville	286
Casey Tools and Machine	Mattoon	60
Celanese Emulsions	Meredosia	50
Covenant Care Nursing Home	O'Fallon	70
Illinois Department of Children and Family Services (DCFS)	Statewide	200
Fedders USA	Effingham	12
Glazer	Champaign	30
Glazer Hamburg Distributing	Collinsville	23
Gourmet Express	Gridley	36

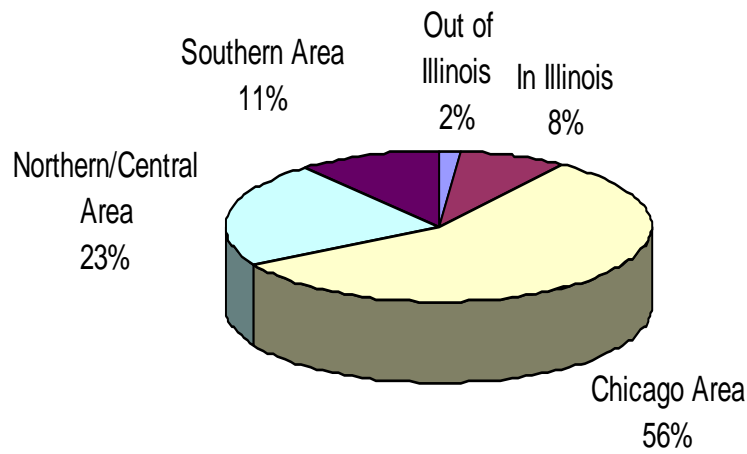
Rapid Response Meeting		
Company	City	Number of Impacted Employees
GSI Commerce	Edwardsville	75
High Concrete	Paxton	60
Jewel Food Store	Dixon	60
Mitsubishi Motors North America	Bloomington/Normal	128
Modern Care	Jacksonville	63
Monterey Coal	Carlinville	350
Mueller Company	Decatur	42
North American Lighting	Salem	98
OCE Imaging Supply	Charleston	25
Quebecor World Pettys	Effingham	40
Quip Industries	Carlyle	60
Ryan's Steakhouse	Swansea	60
SLM Trans Inc	Sumner	58
Spartan Light Metal Products	Sparta	30
St. Mary's Cement	Dixon	90
Triangle Center	Springfield	20
TRW	Marshall	114
TSI Graphics	Effingham	4
U.S. Steel	Granite City	2,000
Value City Store	Alton	45
Value City Store	Collinsville	45

Rapid Response Meeting		
Company	City	Number of Impacted Employees
Value City Store	Greenville	50
Value City Store	Swansea	50
ZF Boge	Mattoon	4

Media Outreach			
City	Station	Number of Visits	Estimated Listening Audience
Alton	WBGZ	4	25,000
Atlanta	WLCN	2	10,000
Canton	WBYS	4	10,000
Centralia	WILY	7	10,000
Danville	WDAN	7	20,000
Dixon	WIXN	1	5,000
Galesburg	WGIL	3	13,000
Greenville	WGEL	4	5,000
Jacksonville	WLDS	5	10,000
Kewanee	WKEI	2	15,000
Macomb	WJEQ	2	10,000
Monmouth	WRAM	2	10,000
Mt. Vernon	WMIX	4	15,000
Oglesby	WLPO	1	20,000
Princeton	WZOE	1	10,000
Quincy	WTAD	4	25,000
Taylorville	WTIM	1	5,000
Vandalia	WPMB	1	10,000
Watseka	WGFA	1	10,000

The following page contains a chart that details the percentage of telephone calls received by the Ombudsman, by region, in 2008.

Calls Received by the Ombudsman (by Region)



Market Status

5. Market Status, Government Actions, and Recommendations for Improvements to Health Insurance Regulation

A. MARKET STATUS

1. Health Insurance Market Contraction

Insurance Companies Withdrawing from the Health Insurance Market

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 must provide proper notification to the Illinois Division of Insurance (“Division”) and the insureds. Between 1997 and 2004, insurance companies terminated business in Illinois with increasing frequency. Since 2005, there has been little activity in this area. In 2008, one carrier exited the individual marketplace and one carrier withdrew from the small group marketplace. The exit of these carriers does not appear to have significantly impacted the availability and affordability of coverage offered in the individual, small group, or large group marketplace.

Whenever a health insurance company withdraws from the market, the Division and OCHI receive numerous calls from individuals whose health care coverage is disrupted. The Division explains how these transactions work and the applicable consumer protections. For individuals losing coverage, the Division identifies available options to ensure continued health coverage. A law enacted in 2005 (215 ILCS 97/40(a)(iii)) requires insurance companies leaving the individual health market to notify each affected individual of the individual’s option to purchase any other individual health benefit plan offered by any affiliate of the carrier. This notification must take place at least 180 days prior to the date of expiration of coverage. When the exiting carrier does not have any affiliates that must offer coverage, the only alternative for individuals losing coverage due to carrier withdrawal is to access the HIPAA alternative coverage available through the Illinois Comprehensive Health Insurance Plan (CHIP). For a more complete description of CHIP, please refer to Page 18 of this report.

Persons losing individual coverage enjoy few rights under HIPAA. For individuals who cannot obtain coverage in the Individual marketplace due to past or present medical conditions, options are limited to:

- applying for standard CHIP coverage, which entails re-imposition of pre-existing condition limitations;
- going without health coverage; or

- securing employment with an employer that offers group health insurance as a benefit.

2. Health Insurance Availability

a. Uninsured

In August 2008, the U.S. Census Bureau released 2007 year-end statistics for the uninsured. According to the report, titled "Income, Poverty, and Health Insurance Coverage in the United States: 2007," the percentage of people without health insurance coverage decreased from 15.8% in 2006 to 15.3% in 2007. Although the national number has slightly improved, the state's average percentage of uninsured from 2005 through 2007 was estimated at 13.7%, up from 13.6% in the last report.

According to the report, the number of people with health coverage increased to 253.4 million in 2007 from 249.8 million in 2006. The number of people covered by private health insurance was not statistically different, while the number of people covered by government plans increased to 83.0 million, up from 80.3 million in 2006.

According to a U.S. Census Bureau Press Release dated August 28, 2008, the number of uninsured children declined from 8.7 million (11.7%) in 2006 to 8.1 million (11.0%) in 2007.

The October 2008 Kaiser Commission report titled "Medicaid and the Uninsured" states that the main reason for the decline of uninsured Americans, as reported by the U.S. Census Bureau, is substantial growth in public coverage through both Medicaid and Medicare. In Illinois, the All Kids Health Insurance Program was expanded by law on November 15, 2005. Under the expansion, children at any income level are eligible for healthcare benefits if they have been uninsured for extended periods of time or if they meet the criteria for certain exceptions. According to the July 2008 "All Kids Preliminary Report," All Kids now provides healthcare benefits to over 1.4 million children in Illinois. Enrollment in the All Kids program has grown by about 200,000 children since July 1, 2006.

The 2008 Kaiser Commission Report (discussed above) states that reductions in the number of uninsured are unlikely to continue due to the current economic turmoil and resulting unemployment. The report projects that the number of uninsured individuals will increase by at least two million in 2008; and the number will be higher if the unemployment rate increases beyond 6.1 percent.

b. Underinsured

Another disturbing trend is the growth of the underinsured population. The underinsured are commonly defined as individuals who are exposed to significant financial losses or are unable to obtain needed care because of inadequate health coverage.

In its June 2008 report titled “How Many Are Uninsured?,” the Commonwealth Fund found that as of 2007, 25 million insured people ages 19-64 were underinsured – a 60% increase since 2003. The rate of increase was steepest among those with incomes above 200% of poverty, where underinsurance rates nearly tripled. In total, the Commonwealth Fund found that 42% of U.S. adults were underinsured or uninsured in 2007.

This problem of underinsurance is not limited to low-income families. The underinsured rate for middle-income families with annual incomes of \$40,000 to \$59,000 reached double digits in 2007. The study reports that barely half of those with incomes between 200 and 299 percent of the poverty level were adequately insured for the entire year.

The 2007 Annual OCHI Report included information from a December 2007 Families USA study which reported that while underinsured rates have risen in every state since 2000, the growth in the Illinois underinsured population outpaced the growth found in two-thirds of country. The study, titled “Too Great a Burden: America’s Families at Risk,” estimated that in 2008, 21.9% of the Illinois population under 65 (2.5 million people, 2.06 million of whom have health insurance) would be in families that spend over 10% of their pre-tax income on health care. About 5.9% of the population under 65 (662,000 people, 508,000 of whom have health insurance), the study reported, would be in families that spend over 25% of their pre-tax income on health care.

c. Employees Losing Group Health Coverage

In 2008, OCHI continued to receive calls from employees losing their group health coverage and asking about continuation options. In 2008, OCHI received 2,039 calls regarding continuation of group health coverage.

Employees lose their health insurance coverage for a variety of reasons, including layoffs, business closings, and employer bankruptcy. A complete list of employer closing notifications by month can be viewed at

the Department of Commerce and Economic Opportunity (DCEO) website (http://www.ildceo.net/dceo/Bureaus/Workforce_Development/WARN/).

As reported in previous years, many employers no longer offer retiree health insurance coverage and have terminated coverage for current retirees. This trend continued in 2008.

To address this persistent and growing problem, the State created a Rapid Response Team which informs and educates the dislocated workers and retirees about services available to ease their transition. In 2008, the Rapid Response Team continued its work. Section 4 of this Report details the Uninsured Ombudsman Program's active membership on this team.

OCHI continues to provide information and coverage options to retirees losing coverage. OCHI works with SHIP to stay abreast of Medicare changes applicable to the retiree population. OCHI also educates individuals who may be eligible for relief under the federal Trade Adjustment Assistance Reform Act (TAA). TAA provides tax credits to certain workers and retirees who purchase health insurance after losing employer-sponsored health coverage due to increased imports or trade-related relocations.

d. Illinois Comprehensive Health Insurance Plan

The Illinois Comprehensive Health Insurance Plan (CHIP) (215 ILCS 105/1 *et seq.*) operates two pools. The Traditional CHIP (Section 7) pool is designed for individuals who are denied health insurance coverage in the conventional market because of past or present medical conditions. This pool is funded partially through state appropriations and partially through premiums. The coverage provided includes a six-month pre-existing condition limitation.

The HIPAA-CHIP (Section 15) pool is the state's mechanism to protect the portability rights of individuals who have satisfied HIPAA requirements (*e.g.*, prior creditable coverage in a group health plan). Effective June 23, 2003, HIPAA-CHIP was expanded to include the TAA-CHIP program. It became a qualified health plan pursuant to the Trade Act of 2002 for eligible persons, allowing participants to claim the Health Coverage Tax Credit (HCTC) equal to 65% of paid premium. HIPAA-CHIP by statute cannot impose pre-existing condition limitations. This pool is funded partially by health insurance industry assessments and partially by premiums.

On January 1, 2008, ICHIP began offering High Deductible Health Plan (HDHP) options that allow participants to take advantage of tax- favored Health Savings Accounts (HSA). As of the end of 2008, 854 participants had chosen this option. ICHIP continues to partner with other state and federal agencies to conduct outreach to employees who, for a variety of reasons, lose their employer-based health coverage.

Enrollment data for both the Traditional CHIP (Section 7) and HIPAA-CHIP (Section 15) pools can be found in the CHIP Annual Report. The CHIP Annual Report can be viewed at www.chip.state.il.us

e. Cost of Continuation Coverage/Shift of Cost of Care to Communities and Providers

Loss of health insurance benefits can result from many events such as loss of a job, reduction in benefits by an employer, loss of dependent status due to divorce, death of employee, retirement of the employee, or other circumstances. Federal and state laws require employers to offer employees and dependents who lose coverage the right to continue coverage as a member of the group for specified time periods. The obstacle for most individuals is the cost of the coverage: those who elect to continue coverage must pay the full cost out of their own pockets. Unfortunately, for most people, continuation coverage is not affordable.

A January 2009 Families USA report titled "Squeezed! Caught between Unemployment Benefits and Health Care Costs," states that in November 2008, more than 10.3 million people were unemployed. Many of these unemployed people and their families lost health care coverage when they lost their jobs. According to the report, on a national level, the average single unemployed worker collecting unemployment insurance income would need to spend 30% of that income to purchase single-person COBRA or state continuation coverage. The national average for families is even more alarming -- family continuation coverage would consume nearly 84% of an individual's unemployment insurance income. In Illinois, family continuation coverage would consume, on average, more than 75% of the average individual's unemployment insurance income.

According to the report, the national average cost of employer-provided coverage for an individual (plus 2% administrative charge for the federal COBRA coverage), amounts to \$388 per month for an individual and \$1,069 per month for a family. COBRA or state continuation coverage is unaffordable for most laid-off workers.

OCHI and the Uninsured Ombudsman receive over 1,000 requests a year for information regarding resources available to the underinsured and

uninsured. Many of those individuals have lost employer-based group health insurance and are unable to afford continuation coverage or coverage available under the HIPAA-CHIP plan.

f. Cost of Guaranteed Coverage Under HIPAA

Federal and state HIPAA laws guarantee access to health coverage for individuals who lose their employer-sponsored group health coverage. Illinois residents who lose group health coverage are eligible for HIPAA-CHIP plan coverage. However, the individual must exhaust all coverage available under federal COBRA or state continuation laws before becoming eligible for HIPAA-CHIP. As discussed previously, federal COBRA and state continuation coverage is unaffordable for many Illinoisans. The high cost of continuation coverage, therefore, acts as a barrier to HIPAA-CHIP eligibility.

Those who qualify for the CHIP and HIPAA-CHIP plans find that the coverage is not inexpensive. For example, a single female age 20-29 in the Chicago area applying for HIPAA CHIP's \$1,000 deductible plan can expect to pay \$387 per month. A single male age 50-54 in the Chicago area can expect to pay \$793 per month for the same coverage. A male child between ages 0-19 in the same geographical area would be charged \$241 per month for the same coverage.

3. Trends

a. PPO Plans Low Reimbursement for Non-Contracted Providers

PPO plans pay the optimum benefit to the insured when the insured utilizes a preferred provider. The PPO plan allows the insured flexibility to use non-participating providers; however, exercising this flexibility is increasingly very costly to consumers. Many PPOs pay for those services based upon “usual and customary” rates, a methodology that is supposed to reflect the prevailing market rate for a doctor visit or medical service in a given geographic area. Reimbursement amounts based upon usual and customary rates have fallen drastically in the last several years. An investigation of one health claims consultant is currently underway to determine if information was manipulated to arrive at artificially low rates. This particular consultant is routinely used by large insurance companies throughout the nation.

Some plans are paying non-participating providers based upon the negotiated rate that would have been paid to a participating provider. For example, suppose a PPO policy pays 70% of non-participating surgeon charges and the insured incurs a bill for \$5,000 from a non-participating surgeon. A preferred provider has agreed to a contractual rate of \$2,000 for the service in question. Using the contracted or negotiated rate as a basis for payment, the insurer will pay 70% of \$2,000 (\$1,400) for the surgery. The insured will incur out-of-pocket expenses in the amount of \$600.00 for the 30% copayment and another \$3,000 for the amount charged by the non-participating surgeon over the contracted rate. Note that the \$3,000 does not accrue to the insured’s out-of-pocket maximum on the policy.

Another fee methodology being used by some insurance companies is payment for non-participating provider claims based on a percentage (e.g., 200%) of the Medicare published rate for the same or similar service. Because Medicare claim reimbursement rates are relatively low rates established by the federal government, this methodology can result in very low reimbursement of non-participating provider claims. This again leaves insureds vulnerable to unexpected and costly bills for medical services.

The Division is experiencing increased complaints regarding the methodologies used by PPO plans to pay non-participating providers. The plans are required by law (215 ILCS 5/356z.2) to prominently disclose in the policy that limited benefits are available when using non-

participating providers; however, the consumer is genuinely surprised by the low payments made by these plans.

b. Discount Health Care Plans

Illinois currently has approximately 155 registered Preferred Provider Administrators (PPAs) operating in the state of Illinois. Approximately half of these entities report offering health care services on a discounted basis. While the number of PPAs registered with the Division of Insurance continues to increase, so has the unprecedented increase in unauthorized discount health care plans. Illinois residents are being repeatedly exposed to fax blasting, multimedia presentations, and internet solicitations for enrollment into discounted health care programs which promise access to a wide array of health care services and supplies at reduced prices. Routinely, these plans offer discounted rates for medical, surgical, hospital, dental, vision, prescription drug, emergency travel, mental health, and substance abuse care.

Many employers view discount health care programs as cost effective alternatives to offering supplemental insurance coverage to their employees. Individuals often see these types of plans as an alternative to costly private coverage. Many discounted health care programs provide legitimate and useful discounts, but others provide only minimal coverage through marginal or non-existent provider networks, and at a great profit margin for the program sponsors. The Division has found that in many instances, the “discounts” Illinois consumers pay for are unavailable because the purported contractual relationship between the discount program and the health care provider does not exist. In such cases, consumers are out-of-pocket for the cost of the discount program and suffer additional financial loss when they are denied access to promised reductions in the cost of health care services, supplies and pharmaceuticals.

Although there are exceptions, Illinois law generally requires discount plans to be registered as preferred provider administrators under the Health Care Reimbursement Act (Article XX ½ of the Insurance Code, 215 ILCS 5/370f). The Division continues to actively work to register these plans as preferred provider administrators. Unfortunately, other states often lack oversight authority of discount plans, leading plan sponsors to believe they do not have to register under the Illinois law. This belief may be further reinforced by unrelated state mandates requiring discount programs to disclose on their membership cards that the marketed discount program is “not insurance.” While it is true that a preferred provider administrator is not an insurance company, it is still required to be registered with the Division.

The Division continues to address this issue, and encourages the consumer to verify that the discount program is authorized to conduct business in Illinois before purchasing the product. A listing of authorized preferred provider program networks has been placed on the Division's website <http://www.idfpr.com/DOI/PPA/PPAlist.asp>.

c. PPO Plans Accessing Inappropriate Provider Discounts

The Division continued to receive complaints in 2008 regarding PPO Plans that either accessed discounts to which they were not entitled or accessed discounts through networks other than those approved by the Director (all networks approved by the Director are published on the Division's PPO Provider Network website). In both cases, plans inappropriately accessed health care provider discounts. This type of plan behavior is harmful to the consumer, whose health care dollars pay for a nonexistent health care delivery system or one whose repricing only benefits the plan, not the member. For the provider, an inappropriate discount plan may access discounts of which the provider has not been given proper notice, nor provided contractual consent. The Division continues to address this issue and actively works with state agencies to protect consumers.

d. Non-Directed Provider Networks By Indemnity Plans

As the insurance industry struggles to contain certain kinds of escalating health care costs, it has placed particular focus on health care provider reimbursements. For example, plans have begun to use contractual relationships with providers to re-price claims submitted through indemnity contracts.

The concept of discounting provider services and passing savings on to the consumer is not new. Traditionally, these arrangements have been known as Preferred Provider Organizations (PPO). PPO products combine insurance coverage with contracted provider networks, providing the insured with cost savings generated through these arrangements. What is new is that insurance companies now apply these same discounts to non-PPO products.

The Illinois General Assembly passed legislation in the late 1980's which established guidelines and consumer protections for PPO products. Insurance companies are now issuing indemnity contracts which do not contain these safeguards and do not disclose benefit differentials for using contracted versus non-contracted providers. The insurer will simply

reprice claims to known discount levels when the insured uses a provider contracted with the insurer. In these cases, the consumer may or may not receive the benefit of such discounts.

This approach has also raised concerns within the provider community. Providers argue that insurance companies may not reprice claims or take discounts unless the insured is provided contractual incentives to use participating providers.

The re-pricing of claims through non-directed provider networks has left consumers struggling with collection activities initiated by providers who believe that their fees have been unfairly and extra-contractually reduced.

e. High Deductible Health Plans – Health Savings Accounts

The rising cost of health insurance benefits is causing employers to search for new, lower-premium coverage options that still provide quality health benefits to employees. One such option is the High Deductible Health Plan (HDHP), which is a catastrophic insurance plan often combined with a health care spending account such as a Health Reimbursement Arrangement (HRA) or Health Savings Account (HSA).

The use of HSAs appears to be increasing in the Illinois marketplace. The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA) (P.L. 108-173) added Section 223 to the Internal Revenue Code, which established HSAs as an alternative benefit design. An HSA is a tax-exempt trust established exclusively to pay for qualified medical expenses of the account beneficiary who is covered under a high-deductible health plan. Employers and employees may contribute to the HSA account.

Money stored in the account may be used to cover permitted first-dollar benefits (*e.g.*, preventive care) and to satisfy the high deductible associated with the catastrophic insurance policy. Any money in the account at the end of the contract year carries over to the next year and is the employee's to keep, even upon retirement. Proponents of HDHPs believe HSAs provide more flexibility and discretion to the consumer over the utilization of health care benefits.

HRA accounts resemble HSAs. Under an HRA, the employee is prohibited from contributing to the account by Internal Revenue Service ("IRS") rules; only the employer may contribute. Also, an individual with Medicare or other health coverage may enroll in a HRA account but may

not enroll in a HSA account. If the individual becomes eligible for Medicare or other health coverage after enrolling in a HSA account, that individual may no longer contribute to the HSA account.

The Kaiser Family Foundation 2008 Employer Health Benefits Survey (<http://ehbs.kff.org/images/abstract/7791.pdf>) found no significant increase from 2007 to 2008 of the percentage (10%) of firms offering health benefits through high deductible health plans with savings options. However, there has been a significant increase in these plans since 2006 (from 7% to 10%), especially among firms with 1,000 or more workers.

The growth of HDHPs has brought with it growth in the underinsured population. Individuals and employees with significant financial resources sometimes prefer the financial flexibility offered by HDHPs; they pay lower premiums to the insurance company in exchange for managing and paying for health care costs below their high deductible. Many Illinoisans, however, enroll in HDHPs not as a result of a sophisticated financial decision but because it is either the only individual market plan they can afford or because it is the only plan sponsored by their employer. These individuals, often underinsured, delay or struggle to pay for necessary medical care. See Page 17 of this report for more information about the underinsured.

f. Cost Shifting to Employees

As the cost of employer-sponsored group health insurance continues to rise, employers continue to search for lower-cost alternatives. Costs of health care coverage are being shifted to employees through: 1) increased percent-of-premium contribution; 2) increased deductibles and copayments; 3) copayments being calculated as a percent of charges instead of flat dollar amounts; and 4) limiting prescription drug benefits.

According to the Kaiser Family Foundation Employer Health Benefits 2008 Survey, (<http://ehbs.kff.org/images/abstract/7791.pdf>), about 80% of workers with single coverage and 93% of workers with family coverage contribute to the total premium for their coverage. From 2007 to 2008, workers with PPO coverage with a deductible saw that deductible rise, on average, from \$461 to \$560 for single coverage and from \$1,040 to \$1,344 for workers with an aggregate deductible for family coverage. The survey reports that the percentage of covered workers in a plan with a deductible of at least \$1,000 for single coverage has grown from 10% to 18% over the last two years. For small firms, that percentage has increased from 16% to 35%.

The Division has identified a clear trend of increasing copayments for all services, including office visits, emergency room visits, inpatient hospital visits and prescription drugs. The increased copayments can be attributed to the increased cost of these services as well as the employee being held accountable for a portion of the medical services received.

Government Actions

B. GOVERNMENT ACTIONS

1. Federal

a. Medicare Improvements for Patients and Providers Act (MIPPA)

The Medicare Improvements for Patients and Providers Act (MIPPA), which became law in July 2008, made a number of changes to the Medicare Advantage (MA) and Medicare prescription drug benefit programs. Federal CMS issued final and interim regulations which clarify existing law and provide guidance to Medicare beneficiaries seeking to protect themselves from deceptive or high-pressure marketing tactics by private insurance companies and their agents/brokers.

The regulations detail measures to prevent, detect, and respond to insurance agent misconduct. Examples of these measures include:

- Creation by federal CMS of an organization-wide task force responsible for overseeing and responding to agent and broker complaints.
- Creation of an oversight team responsible for monitoring insurance agent behavior based on certain statistics (*e.g.*, high enrollment cancellation rates connected to a particular agent or broker).
- Implementation by federal CMS of an internal secret shopping program.
- Development of special policies and procedures to prevent particularly vulnerable beneficiaries (*e.g.*, individuals residing in group homes) from being inappropriately targeted by aggressive marketing agents.
- Imposition of strong corrective actions against unscrupulous agents and brokers as a means of deterrence.

The regulations also provide for specific Medicare marketing prohibitions, including:

Plans may offer gifts to potential enrollees only if such gifts are of nominal value (*i.e.*, a value of \$15 or less based on the retail purchase price of the item) and provided regardless of whether the individual enrolls in the plan.

- Plans and any person the plan contracts with to solicit sales are prohibited from using door-to-door solicitations and other unsolicited sales tactics that occur outside of advertised sales or educational events.

- Strict new guidelines govern situations where plan representatives are allowed to make outbound calls to consumers (e.g., scripts for calls must be reviewed and approved prior to use, and must include a clear privacy statement).
- Plan marketing representatives must clearly identify the types of products that will be discussed before marketing to a potential enrollee.
- Prior to a plan marketing representative meeting a consumer by appointment, the consumer must agree to the scope of the appointment and that agreement must be documented or recorded by the plan.
- Plans may not conduct sales activities in healthcare settings, except in common areas.
- Educational events may not include sales activities, such as the distribution of marketing materials or distribution or collection of plan applications.
- Plans are prohibited from using names and logos of co-branded network partners (e.g., Walmart and Humana) on membership plan identification cards.

b. Mental Health Parity Reauthorization Act

On October 3, 2008, Congress passed new federal mental health parity legislation (HR1424) that amends the previous law. Effective October 3, 2009, group health plans of 50 or more employees (including self-insured employer plans) that cover mental health or substance abuse treatment must provide those benefits with the same cost-sharing and treatment limitations applicable to physical illness. (For plans that are maintained pursuant to a collective bargaining agreement, the amendments apply for plan years beginning when the collective bargaining agreement expires or January 1, 2010, whichever is later.) The federal law does not apply to employer groups with 50 or fewer employees.

The amendments require insurance companies and employers that offer coverage for mental health services to apply cost sharing requirements (deductibles, co-payments, coinsurance) and treatment limitations (limitations on the frequency of treatment, number of visits, etc.) to mental health services that are no more restrictive than the predominant financial and treatment limitations applied to substantially all medical and surgical benefits covered by the policy.

The Illinois mental health parity law (215 ILCS 5/370c), also known as the “Serious Mental Illness Mandate,” requires group insurance policies covering more than 50 employees and all group HMO contracts to both:

1) cover serious mental illnesses (not substance abuse disorders); and 2) provide parity with respect to that coverage. The new federal parity law does not replace Illinois mental health parity. Instead, federal and Illinois parity laws will be harmonized by preserving the features of each law that best protect consumers.

c. Genetic Information Nondiscrimination Act (GINA)

The Genetic Information Nondiscrimination Act (GINA) (H.R. 493) was signed by President Bush on May 21, 2008. The provisions of GINA apply to individual and group health plans. For group health plans and health issuers, the law is effective for plan years beginning after May 21, 2009. The law is effective against individual health insurance policies sold, issued, renewed, in effect, or operated in the individual market after May 21, 2009. For GINA to apply to Medicare Supplement coverage, states must appropriately amend their regulations no later than July 1, 2009.

GINA prohibits insurance companies in the group marketplace from using genetic information to adjust premium or contribution amounts. In the individual marketplace, the Act prohibits insurance companies from using genetic information to deny coverage, determine premium rates, or impose pre-existing condition exclusions. In the Medicare Supplement marketplace, insurance companies will be prohibited from using genetic information to deny or condition coverage, to determine premium rates, or to impose pre-existing condition exclusions. GINA's prohibitions against the use of genetic information do not prevent insurance companies from using information about a manifestation of a disease or disorder, even if genetically based.

GINA also prohibits group health plans and health issuers from requesting or requiring an individual or family member of an individual to undergo a genetic test.

d. Michelle's Law

"Michelle's Law" (H.R. 2851) was signed into law on October 9, 2008. This federal law is effective for all insured and self-funded health plans on the first day of plan years beginning on or after October 9, 2009. Under the law, dependent children who are full-time students at a post-secondary educational institution are allowed to extend eligibility as a dependent child under a group health plan for up to one year during a medically necessary leave of absence from school due to a serious medical condition.

2. State - Public Acts

(Full text of the Public Acts may be viewed at www.ilga.gov.)

a. P.A. 95-0978 Shingles Vaccine

Public Act 95-0978 (House Bill 4602) amends the State Employees Insurance Act of 1971, the Counties Code, the Illinois Municipal Code, the School Code, the Illinois Insurance Code, the HMO Act, and the Voluntary Health Services Act to provide coverage for a federally approved shingles vaccine for enrollees 60 years of age or older when ordered by a physician licensed to practice medicine in all its branches.

The law does not designate a benefit level.

The law became effective for group and individual policies amended, delivered, issued or renewed after the effective date of January 1, 2009.

b. P.A. 95-973 Eating Disorders

Public Act 95-973 (House Bill 1432) amends the State Employees Insurance Act of 1971, the Counties Code, the Illinois Municipal Code, the School Code, the Illinois Insurance Code, the HMO Act, and the Voluntary Health Services Act. Specifically, the law amends 215 ILCS 5/370c to include both “anorexia nervosa” and “bulimia nervosa” in the list of serious mental illnesses subject to certain coverage requirements.

The law applies to group policies covering more than 50 employees issued or renewed after the effective date of January 1, 2009.

c. P.A. 95-0972 Coverage for Marriage and Family Therapists

Public Act 95-0972 (House Bill 0953) amends the State Employees Insurance Act of 1971, the Counties Code, the Illinois Municipal Code, the School Code, the Illinois Insurance Code, the HMO Act, and the Voluntary Health Services Act. Specifically, the law amends 215 ILCS 5/370c to require coverage of services provided by licensed marriage and family therapists.

The law became effective on September 25, 2008.

d. P.A. 95-0958 Dependent Coverage

Public Act 95-0958 (House Bill 5285) amends the State Employees Insurance Act of 1971, the Counties Code, the Illinois Municipal Code, the School Code, the Illinois Insurance Code, the HMO Act, and the Voluntary Health Services Act. The new law (215 ILCS 5/356z.12) gives parents with insurance policies that cover dependents the right to elect coverage for qualifying dependents up to age 26 and up to age 30 for military veteran dependents.

The law will be effective beginning June 1, 2009. Any individual or group insurance policy issued, delivered or renewed on or after that date must include coverage required by the new law. A fact sheet regarding the new law is available at

<http://www.idfpr.com/DOI/pressRelease/pr08/HB5285DependentCoverage.pdf>.

e. P.A. 95-1005 Autism spectrum disorders

Public Act 95-1005 (Senate Bill 0934) amends the State Employees Insurance Act of 1971, the Counties Code, the Illinois Municipal Code, the School Code, the Illinois Insurance Code, the HMO Act, and the Voluntary Health Services Act. The new law provides individuals under 21 years of age coverage for the diagnosis and treatment for autism spectrum disorders. The law provides that the coverage shall be subject to a maximum benefit of \$36,000 per year.

The law became effective on December 12, 2008. A fact sheet regarding the new law is available at

<http://www.idfpr.com/DOI/pressRelease/pr08/AutismFactSheet.pdf>.

3. Other State Actions - Division Regulations

a. 50 IAC 2018 Long Term Care Partnership Program (Repealed)

This Rule, which contained requirements under the first Long Term Partnership, was repealed. Provisions for the new Long Term Partnership were incorporated into Part 1012 of Title 50 of the Illinois Administrative Code (50 Ill. Admin. Code 1012).

b. 50 IAC 2012 Long Term Care Insurance

This Rule was revised to comply with the Federal Deficit Reduction Act of 2005. The changes are necessary before long term care partnership policies can be offered in Illinois. However, long term care policies cannot be approved by the Division until the Illinois Department of Healthcare and Family Services submits a state Medicaid Plan amendment to the federal government. Once those additional amendments are approved, the Division will be able to approve long term care partnership policies.

c. 50 IAC 2025 Illinois Health Insurance Portability and Accountability Standards (HIPAA)

This Regulation was amended to address provisions contained in Section 20(E)(3) of the Illinois Health Insurance Portability and Accountability Act (215ILCS97/20(E)(3)) which requires the Division to establish rules to prevent an insurance carrier's failure to provide information about an individual's previous benefits from adversely affecting the subsequent coverage under another group plan.

4. Other State Actions – Company Bulletins

a. Company Bulletin #2008-02 – Medicare Supplement Under 65 Disabled

Public Act 095-0436 (SB 0873), effective June 1, 2008, requires all companies writing Medicare Supplement insurance in Illinois to guarantee the issuance of all Medicare supplement policies offered in Illinois to persons under the age of 65 who become eligible for Medicare by reason of disability.

Company Bulletin #2008-02, issued by Director McRaith on April 2, 2008, advised insurance companies that rate filings for Medicare Supplement policies to be marketed to the under-age-65 disabled population must be filed prior to June 1, 2008 in order to ensure company compliance.

**b. Company Bulletin #2008-03 – Medicare Supplement Under 65
Disabled - Commissions**

Issued by Director McRaith on June 24, 2008, Company Bulletin #2008-03 advises insurance companies that the reduction or limitation of agent commissions on the sale of Medicare Supplement policies to the under-age-65 disabled population is a violation of Sections 363(6)(b) (215 ILCS 5/363(6)(b)) and 364 (215 ILCS 5/364) of the Illinois Insurance Code.

c. Company Bulletin 2008-04 - Exceptions for Consumers in Disaster Areas

Company Bulletin 2008-04 was issued by Director McRaith on June 17, 2008. The bulletin directed all insurance companies to implement extensions for premium payments to all policyholders affected by the flooding throughout the state. The bulletin also imposed a moratorium on cancellation or nonrenewal; a required time period extension for repairs; directions to insurance companies to post information on their websites; special instructions regarding Medicare beneficiaries; and a requirement that insurance companies notify consumers with a disaster-related complaint or issue about the availability of the Division.

Recommendations to Improve Health Insurance Regulation

C. RECOMMENDATIONS TO IMPROVE HEALTH INSURANCE REGULATION

1. Denials of Coverage and Affordability of Coverage in the Individual Market

Illinois law does not prohibit insurance companies from using the age and health status of individuals and their families to deny or rate individual market health coverage. The health status information used to price premiums and support coverage denials is usually found by insurance companies in an individual's health insurance application and/or medical records. Current Illinois law does not prohibit insurance companies from using any past or present medical condition, no matter its severity or how long ago resolved, to support an unaffordable offer of coverage or coverage denial: a 12-year-old child can be rejected or charged a much higher premium because of a repaired birth defect with no present-day health effects; a 22-year-old woman can be rejected or charged a much higher premium based on asthma; a 28-year-old man can be rejected or charged a much higher premium based on an allergy; a 34-year old man can be rejected or charged a much higher premium because, ten years ago, he sought treatment from a psychiatrist after the death of his father; a 49-year-old woman can be rejected or charged a much higher premium based on breast cancer that has been in remission for more than a decade; a 54-year old man can be rejected or charged a much higher premium because his doctor noticed early signs of arthritis.

State law neither requires nor prohibits insurance companies from pricing or denying individual market coverage because of minor or long-ago resolved medical conditions. State law does not require that insurance companies maximize shareholder or company profits. State law does, however, require that insurance companies meet minimum solvency requirements. Illinois insurer solvency laws require insurance companies to charge higher premiums to individuals who in actuarial terms are more likely to incur high medical costs. Not all individuals who are denied or priced out of coverage have minor or long-ago resolved conditions – some people at the time of application do, in fact, suffer from or are likely to soon suffer from major illnesses which require very expensive treatment (e.g., cancer, heart disease). Because state law requires insurers to maintain adequate financial reserves for the risks they assume, current law requires insurers to charge higher rates for higher risk (sicker) individuals.

In addition to the solvency problem, an insurer may also face marketplace or competition problems if, under current state law, it stopped denying coverage or risk-pricing altogether. If Insurer X stops denying coverage and pricing

coverage based on age and health status in a state that allows Insurer X's competitors to issue age and health-related coverage denials and premium offers, Insurer X would soon find itself as the "insurer of last resort" for high-risk and high-cost individuals. Soon, Insurer X would find itself paying more and more claims and would be forced to raise premiums. Higher premiums would cause lower-cost, lower-risk individuals (at least in actuarial terms) to seek coverage elsewhere, leaving Insurer X with an even greater concentration of higher-cost, higher-risk enrollees. Premiums would continue to increase along with claims, leading to skyrocketing rates (*i.e.*, the so-called "death spiral").

Individuals and families who receive affordable offers of individual market coverage can face unaffordable premium increases upon renewal. State law does place limited restrictions on the methods used to calculate annual premium increases, but it does not restrict the amount of increase. For example, if an insurance company wants to close an unprofitable block of business, it can annually impose dramatic, actuarially-based premium increases on remaining policyholders, causing healthy consumers to choose other products and forcing less healthy or older consumers to pay more for or drop the now unaffordable coverage. Less healthy or older consumers who lose the coverage may be denied conventional market coverage for the rest of their lives.

The state's high risk pool, also known as the state Comprehensive Health Insurance Plan ("CHIP"), does not provide an affordable alternative. For instance, a 55-year-old man who has been denied coverage by an insurance company qualifies for the Traditional (Section 7) CHIP pool. If he lives in Chicago, his monthly CHIP premium for a PPO product with a \$500 annual deductible would be \$1,172 (less expensive CHIP premiums are available, but require the imposition of a higher deductible). A 35-year-old woman living in Lincoln, Illinois (county seat of Logan County, located in southern Illinois) purchasing the same coverage would pay less, but would still owe \$445 per month (less expensive CHIP premiums are available, but require the imposition of a higher deductible).

Illinois must modernize its health insurance marketplace. The legal foundation of Illinois' current approach to individual market regulation was built in the early 1970s. The health coverage struggles facing sole proprietors, employees, and small and large businesses have changed dramatically in the last four decades. For instance, the percentage of employers offering health coverage has decreased significantly, leaving more Illinoisans looking to purchase individual or family coverage in the individual market. The last thirty years has also produced a dramatic increase in the number of individuals who work for a company on a contract basis rather

than as an employee. Left without employer-sponsored coverage, these individual contractors and their families also seek coverage in the individual market. Unfortunately, the growing number of individuals and families looking for individual coverage in Illinois will encounter a dysfunctional individual market, as market forces created by current state law and insurance company profit pressures make it difficult for many Illinoisans and their families to purchase affordable coverage.

POSSIBLE REMEDY: Ensuring that all Illinoisans, regardless of present or past medical conditions, have access to affordable individual market coverage is a complex and difficult task that requires reforming not just insurance laws, but the health care delivery system itself. For example, all experts agree health insurance reforms would be complemented by simultaneous and systematic efforts to reduce health care costs. Nonetheless, to restore basic fairness, reform of Illinois laws governing the individual marketplace should focus on reducing “adverse selection” (*i.e.*, encouraging individuals to purchase insurance before they become sick) and spreading risks across larger pools of insured lives.

2. Affordability of Coverage in the Small Group Market

State laws governing small group (*i.e.*, small businesses with 2-50 employees) health coverage differ from the state laws governing individual market health coverage in two key respects. First, while individuals can be denied coverage in the individual market, state and federal law requires small group carriers to offer coverage to small businesses. Second, while state law does not regulate premiums for individual market products, it does use rate bands to restrict premium variation for small businesses.

While guarantee issue and premium variation restrictions brought some stability to the small group market, small businesses still struggle to find affordable coverage for their employees. Some small businesses simply cannot afford to provide coverage based on the available offers. Other small businesses provide coverage only to find that premium increases upon renewal are not only unpredictable (making it hard to budget for health care expenses) but are sometimes unaffordable.

How can a small business whose coverage is guaranteed and whose premiums are restricted be faced with unaffordable and unpredictable premiums? The answer, again, is found by examining current state law. For example, consider a small business in rural Illinois that decides to offer its 11 employees health coverage. The employer, hoping to keep and attract skilled employees and believing that state law protects him against dramatic premium increases upon renewal, decides to provide coverage based upon first-year premiums offered by an insurance company. Premiums rise by

12% in the second and third year; a steep rise, but the employer continues to pay. However, for the fourth year, the small business owner, who has been struggling to pay expensive premiums for three years, is asked to pay an additional 40%. The insurance company explains that the increase is due to rising medical costs, claims submitted by the employees, and the increased average age of the employees. The employer must either pay the premiums or lose the coverage.

Like current state law governing the individual market, current state law governing small group insurance does place some marketplace pressure on companies to increase rates on small businesses with employees who, in actuarial terms, are likely to incur high medical costs. Again, a hypothetical example helps demonstrate this rating pressure.

If Small Group Insurer Y prices coverage below what is actuarially justified and within the rating limits imposed by the state's Small Employer Health Insurance Rating Act (215 ILCS 93/1 et seq.), the company would, because of its relatively low rates, become the insurer of choice for small businesses with higher-cost, higher-risk employees. Soon, Small Group Insurer Y would find itself paying more and more claims and would be forced to raise premiums. Higher premiums would cause small businesses with lower-cost, lower-risk employees to seek coverage from an insurance company that employed actuarially based pricing, leaving Small Group Insurer Y with an even greater concentration of higher-cost, higher-risk enrollees. Premiums would continue to increase along with claims, leading to skyrocketing rates (*i.e.*, the so-called "death spiral").

POSSIBLE REMEDY: Ensuring that all Illinois small businesses have access to affordable coverage is a complex and difficult task that requires reforming not insurance laws, but the health care delivery system itself. For example, all experts agree health insurance reforms would be complemented by simultaneous and systematic efforts to reduce health care costs. Nonetheless, to restore basic fairness, reform of Illinois laws governing the small group marketplace should focus on further reducing rate variation between small businesses and prevent skyrocketing premium increases upon renewal.

3. Health Insurance Company Premium, Loss, and Enrollment Data

Unlike many other states, Illinois does not require health insurance companies to report basic premium, loss, and enrollment data. Such data is needed for two main reasons. First, premium, loss, and enrollment data is needed so that consumers can evaluate the value provided by different health insurance products. Some companies may spend a higher percentage of premium dollars on administrative costs and others may

deliver more premium dollars to shareholders – consumers need this information to make rational marketplace choices. Second, with this data policymakers will have access to meaningful facts about the overall health insurance marketplace. These facts will inform public debates about reforming state health insurance regulation.

POSSIBLE REMEDY: The Division will continue to take measures that increase the availability of health insurance marketplace data critical to proper regulation and public policy development.

4. External Independent Review

Illinois law does not require insurance companies to provide consumers an external independent review when the company refuses to pay a claim based on an alleged lack of medical necessity. The insurance company determines medical necessity, including whether or not a treatment is experimental. The Division does not have the medical expertise to adjudicate individual disputes regarding medical necessity. Often, the remedy for the consumer is to pursue the matter through the courts, which is costly and time consuming.

POSSIBLE REMEDY: Amend the Insurance Code to require group and individual accident and health and disability policies to include an appeals procedure and an external independent review procedure for any procedures, services or treatments that have been denied as not medically necessary.

5. Emergency Care Reimbursement

Currently 215 ILCS 5/370(o) requires PPO policies to pay for emergency claims incurred at non-preferred providers at the same benefit level as it would have paid to a preferred provider. Many times the insured incurs a much larger out-of-pocket expense under the terms of the law because insurance companies pay emergency care claims based on usual and customary fee schedules (schedules that provide less generous provider reimbursements than in the past) and non-preferred providers “balance bill,” *i.e.*, bill insureds for the difference between the actual charges and the usual and customary fees paid by the insurer.

POSSIBLE REMEDY: Amend the PPA Regulation (50 Ill. Admin. Code 2051) to require that out of pocket costs incurred by an insured or enrollee who receives emergency care from an out-of-network provider will be no greater than if treatment had been rendered by a preferred provider.

6. Notification of HIPAA-CHIP

Currently when an employer terminates and does not replace its group health plan, or when COBRA or State Continuation rights have been exhausted, there is usually no notice sent to the affected individual regarding Section 15 HIPAA-CHIP. This Section provides coverage to individuals who have lost group coverage, exhausted continuation coverage and are uninsurable on the open market due to health conditions. Section 15 HIPAA-CHIP does not impose a waiting period or pre-existing condition limitation. Under Section 15 HIPAA-CHIP, an Eligibility and Enrollment Form must be received by the CHIP Board Office within 90 days after the termination of coverage. The 90-day time limit is problematic for individuals who, unaware of Section 15 HIPAA-CHIP, shop the individual market for coverage only to find that insurance companies deny them coverage or offer only unaffordable coverage. Ninety days may have passed by the time these individuals find out about Section 15 HIPAA-CHIP coverage, making them ineligible. While insurance companies are required to notify individuals about CHIP in any declination of coverage letter, this notice often arrives too late.

POSSIBLE REMEDY: Mandate that insurance companies and employers notify employees of the availability of the Section 15 HIPAA-CHIP plan when an employer terminates group coverage without replacement coverage. Notice should be provided prior to exhaustion of benefits under federal COBRA or state continuation laws.

7. State Continuation Law – Anticipation of Divorce

The state spousal continuation law (215 ILCS 367.2) requires that continuation of group coverage be offered to the spouse of a covered employee upon legal judgment for dissolution of the marriage. In many instances, the covered employee removes the spouse from the insurance prior to the legal judgment for dissolution of the marriage. This action prevents the spouse from taking advantage of the right to elect coverage under the state spousal continuation law. Federal COBRA law protects spouses under these circumstances whereas state continuation does not.

POSSIBLE REMEDY: Amend the Insurance Code to mirror federal COBRA requirements.

8. State Continuation Laws – Lack of Employer Cooperation

The state continuation laws require certain action by employers to ensure affected individuals are provided health insurance continuation rights. For example, the state continuation law (215 ILCS 5/367e) requires employers to

notify employees of health insurance state continuation rights upon termination of the employee's employment. The spousal continuation law (215 ILCS 5/367.2) requires that the spouse notify the employer or the insurance company of the request for continuation. The dependent continuation law (215 ILCS 5/367.2-5) requires the dependent or the responsible adult to notify the employer or the insurer of the request for continuation. In some instances, the employer refuses to cooperate. The Division does not possess regulatory authority over the employer and, in some instances, the insurance company will not assist the Division or consumer, *i.e.* the insurance company will not contact the employer to reaffirm the employer's responsibility to offer continuation. The problem is further exacerbated when an application is made to HIPAA-CHIP and coverage is denied because the employee, spouse, or dependent did not exhaust his or her continuation rights, as required.

POSSIBLE REMEDY: Amend the continuation laws to require the insurance company to notify terminated employees of their continuation rights when the employer is not cooperative.

9. State Continuation Laws – Lack of Standardized Form

The Division routinely receives requests from employers for a standardized form to use when providing employees notification of their state continuation rights. Many insurance companies do not provide a form to the employer and no standardized form is required by law.

POSSIBLE REMEDY: Adopt a regulation that provides a standardized form for employer-to-employee notification of state continuation rights.

10. Insurer Audits of Paid Claims

In 2008, the Division continued to receive numerous complaints from providers and insureds regarding recovery practices by insurance companies and HMOs. A law passed in 2004 provided guidelines for insurance companies to use when recouping payments. Unfortunately, this law (215 ILCS 5/368d) did not stipulate any time frame within which the recoupment must be made. Many times insurance companies request recoupment for claims that are over two years old. While the Division does not dispute the company's right to recover monies that have been paid in error, a reasonable time limit should be imposed. The Division has received complaints wherein the claims being recovered are so old that the provider no longer has current patient records and cannot locate the patient to recover the money.

POSSIBLE REMEDY: The current law (215 ILCS 5/368d) should be amended to require a specific time frame (e.g., 2 years) within which a recoupment may be requested.

11. Pre-certification of services

- a. Calls and complaints from consumers regarding pre-certification of services followed by claim denials are steadily increasing. “Pre-certification” requires that the consumer or health care provider call the insurance company in advance of a service and receive a certification of coverage. Some plans provide consumers this pre-certification and then deny the claim due to lack of medical necessity, a pre-existing condition limitation, or lack of coverage under the policy. This action leaves the consumer and health care provider liable for the service.

Possible Remedy: Enact legislation that requires insurance companies to review the insured’s individual membership file before pre-certifying benefits. In addition, insurance companies should be required to specifically advise individuals if pre-certified benefits may not be reimbursed due to: 1) a pre-existing condition limitation; 2) lack of medical necessity 3) failure to pay premiums at the time of pre-certification; or 4) an exclusionary rider.

- b. The Division has received an increasing number of calls and complaints from consumers who call insurance companies to pre-certify services and are not advised of important benefit limitations. Consumers are not told that their provider is not a PPO provider and/or that the policy pays limited benefits when consumers choose non-preferred providers. For example, the plan may tell the consumer it pays 80% of non-preferred provider charges, but the plan does not disclose that the 80% benefit is based on a very low reimbursement rate (sometimes it is 80% of what a preferred provider charges the plan). The consumer believes the 80% benefit is based on billed charges or usual and customary fees.

Possible Remedy: Require insurance companies to inform the consumer or health care provider of the preferred or non-preferred status of the provider when a consumer calls to pre-certify services. Require the insurer to verbally advise the caller of benefit limitations that must be disclosed pursuant to 215 ILCS 5/356z.2. Also, require insurance companies to explain to callers the ramifications of seeking services outside the PPO network so the caller is well informed about the financial consequences of visiting preferred and non-preferred providers.

12. Disclosure of products being sold to consumers.

Consumers looking for affordable individual market major medical health insurance policies are unknowingly purchasing limited benefit policies such as a Basic Hospital/Medical-Surgical Expense or catastrophic plan. Most consumers do not understand or carefully review the policies and information provided to them at the time of the sale, and often become confused or upset when claims are processed and they are left with a large medical bill. Consumers complain that they were misinformed or misled by the agent who sold them the product.

Possible Remedy: Require that information be provided by the agent or insurer about OCHI at the time of the proposed sale of any individual health insurance product, including products sold through trusts or association groups. The disclosure should contain OCHI's toll-free telephone number and a statement encouraging the consumer to call OCHI with questions before or after purchasing any health insurance policy.

Exhibits

OCHI Calls Received (by Zip Code)

From 1/1/2008 To 12/31/2008

<u>Zip Code</u>	<u>Post Office Name</u>	<u>Calls</u>	<u>Zip Code</u>	<u>Post Office Name</u>	<u>Calls</u>
62214	Addieville	3	60101	Addison	33
62805	Akin	1	62806	Albion	3
60001	Alden	6	61231	Aledo	3
61412	Alexis	2	60102	Algonquin	23
62001	Alhambra	3	61413	Alpha	2
60803	Alsip	19	62411	Altamont	4
62002	Alton	39	61414	Altona	1
61811	Alvin	1	61310	Amboy	1
61720	Anchor	1	61232	Andalusia	1
62906	Anna	8	61234	Annawan	1
60002	Antioch	30	61910	Arcola	1
62611	Arenzville	1	62501	Argenta	6
60004	Arlington Heights	67	60005	Arlington Heights	57
60006	Arlington Heights	7	61911	Arthur	3
62612	Ashland	2	62808	Ashley	4
61006	Ashton	6	62510	Assumption	5
62613	Athens	3	61913	Atwood	3
62615	Auburn	6	60502	Aurora	22
60503	Aurora	12	60504	Aurora	23
60505	Aurora	22	60506	Aurora	36
60507	Aurora	4	60572	Aurora	4
62907	Ava	3	60010	Barrington	56
60011	Barrington	7	62312	Barry	6
60103	Bartlett	30	60510	Batavia	19
62314	Baylis	2	62618	Beardstown	4
62512	Beason	1	60401	Beecher	6
62810	Belle Rive	1	62220	Belleville	21
62221	Belleville	21	62222	Belleville	1
62223	Belleville	11	62226	Belleville	26
60104	Bellwood	9	61008	Belvidere	27
61813	Bement	1	60105	Bensenville	1
60106	Bensenville	12	61516	Benson	1
62812	Benton	11	60163	Berkeley	11
60402	Berwyn	17	62010	Bethalto	4
61914	Bethany	4	60511	Big Rock	4
62011	Bingham	1	61814	Bismarck	5
60108	Bloomington	21	61701	Bloomington	35
61702	Bloomington	4	61704	Bloomington	22
61710	Bloomington	2	60406	Blue Island	6
62513	Blue Mound	2	62622	Bluff Springs	1
62621	Bluffs	2	60440	Bolingbrook	39

<u>Zip Code</u>	<u>Post Office Name</u>	<u>Calls</u>	<u>Zip Code</u>	<u>Post Office Name</u>	<u>Calls</u>
60490	Bolingbrook	9	62815	Bone Gap	1
60913	Bonfield	2	60914	Bourbonnais	13
62316	Bowen	1	61421	Bradford	1
60915	Bradley	11	60408	Braidwood	7
62230	Breese	3	62417	Bridgeport	4
60455	Bridgeview	7	62012	Brighton	6
61517	Brimfield	2	61816	Broadlands	1
60155	Broadview	7	60513	Brookfield	6
62910	Brookport	2	62418	Brownstown	2
60917	Buckingham	3	60918	Buckley	1
61314	Buda	1	62515	Buffalo	2
60089	Buffalo Grove	45	62014	Bunker Hill	2
60459	Burbank	11	60109	Burlington	1
62820	Burnt Prairie	1	60527	Burr Ridge	21
61422	Bushnell	2	61010	Byron	5
61011	Caledonia	1	60409	Calumet City	21
61238	Cambridge	2	62320	Camp Point	5
62916	Campbell Hill	2	60920	Campus	1
61520	Canton	13	62625	Cantrall	1
61012	Capron	2	62901	Carbondale	8
62902	Carbondale	1	62903	Carbondale	2
62626	Carlinville	7	61725	Carlock	1
62231	Carlyle	6	61425	Carman	1
62821	Carmi	3	60116	Carol Stream	1
60122	Carol Stream	2	60125	Carol Stream	2
60132	Carol Stream	3	60188	Carol Stream	36
60197	Carol Stream	1	60199	Carol Stream	2
60110	Carpentersville	9	62917	Carrier Mills	1
62016	Carrollton	9	62918	Carterville	9
62321	Carthage	3	60013	Cary	21
62420	Casey	3	62232	Caseyville	6
61013	Cedarville	2	62801	Centralia	15
61818	Cerro Gordo	1	61820	Champaign	15
61821	Champaign	30	61822	Champaign	12
61824	Champaign	1	61826	Champaign	1
61015	Chana	2	62627	Chandlerville	1
60410	Channahon	9	61920	Charleston	21
62629	Chatham	13	60922	Chebanse	2
61726	Chenoa	3	61317	Cherry	2
61016	Cherry Valley	8	62233	Chester	5
62518	Chestnut	1	60601	Chicago	42
60602	Chicago	30	60603	Chicago	21
60604	Chicago	20	60605	Chicago	19
60606	Chicago	58	60607	Chicago	19
60608	Chicago	21	60609	Chicago	17

<u>Zip Code</u>	<u>Post Office Name</u>	<u>Calls</u>	<u>Zip Code</u>	<u>Post Office Name</u>	<u>Calls</u>
60610	Chicago	45	60611	Chicago	69
60612	Chicago	32	60613	Chicago	48
60614	Chicago	67	60615	Chicago	24
60616	Chicago	22	60617	Chicago	47
60618	Chicago	55	60619	Chicago	31
60620	Chicago	34	60621	Chicago	12
60622	Chicago	44	60623	Chicago	19
60624	Chicago	18	60625	Chicago	34
60626	Chicago	23	60628	Chicago	30
60629	Chicago	27	60630	Chicago	27
60631	Chicago	19	60632	Chicago	12
60633	Chicago	7	60634	Chicago	32
60636	Chicago	15	60637	Chicago	21
60638	Chicago	30	60639	Chicago	22
60640	Chicago	48	60641	Chicago	28
60643	Chicago	28	60644	Chicago	20
60645	Chicago	29	60646	Chicago	14
60647	Chicago	47	60649	Chicago	23
60651	Chicago	24	60652	Chicago	17
60653	Chicago	17	60654	Chicago	11
60655	Chicago	10	60656	Chicago	16
60657	Chicago	48	60658	Chicago	5
60659	Chicago	18	60660	Chicago	31
60661	Chicago	22	60664	Chicago	2
60669	Chicago	1	60670	Chicago	2
60673	Chicago	2	60674	Chicago	2
60677	Chicago	2	60680	Chicago	3
60685	Chicago	2	60686	Chicago	1
60688	Chicago	2	60695	Chicago	1
60696	Chicago	1	60411	Chicago Heights	32
60412	Chicago Heights	5	60415	Chicago Ridge	15
61523	Chillicothe	10	62822	Christopher	6
60804	Cicero	15	62823	Cisne	2
60924	Cissna Park	2	60514	Clarendon Hills	7
60927	Clifton	3	61727	Clinton	8
60416	Coal City	7	61240	Coal Valley	6
62920	Cobden	1	62017	Coffeen	1
62326	Colchester	1	61017	Coleta	1
61728	Colfax	2	62234	Collinsville	22
61241	Colona	5	62921	Colp	1
62236	Columbia	8	61242	Cordova	3
60112	Cortland	5	62018	Cottage Hills	1
62237	Coulterville	1	60478	Country Club Hills	16
62422	Cowden	1	60403	Crest Hill	12
60417	Crete	10	61610	Creve Coeur	4

<u>Zip Code</u>	<u>Post Office Name</u>	<u>Calls</u>	<u>Zip Code</u>	<u>Post Office Name</u>	<u>Calls</u>
60012	Crystal Lake	26	60014	Crystal Lake	52
60039	Crystal Lake	1	61427	Cuba	1
60929	Cullom	2	62238	Cutler	3
62923	Cypress	1	61428	Dahinda	1
62828	Dahlgren	1	62330	Dallas City	1
61320	Dalzell	1	61321	Dana	1
60930	Danforth	1	61732	Danvers	1
61832	Danville	25	61834	Danville	8
60561	Darien	20	61019	Davis	5
61020	Davis Junction	2	62520	Dawson	1
60115	De Kalb	27	61839	De Land	1
62924	De Soto	2	62521	Decatur	40
62522	Decatur	15	62523	Decatur	3
62525	Decatur	1	62526	Decatur	38
61733	Deer Creek	1	60015	Deerfield	43
61734	Delavan	2	62423	Dennison	1
61322	Depue	1	60016	Des Plaines	54
60018	Des Plaines	25	60019	Des Plaines	1
61735	Dewitt	3	62830	Dix	1
61021	Dixon	7	60419	Dolton	14
62926	Dongola	7	62019	Donnellson	2
62021	Dorsey	2	62022	Dow	3
62927	Dowell	1	60515	Downers Grove	36
60516	Downers Grove	31	61736	Downs	1
62832	Du Quoin	7	60118	Dundee	16
61525	Dunlap	2	62239	Dupo	1
60420	Dwight	4	60518	Earlville	1
62024	East Alton	8	62240	East Carondelet	2
61025	East Dubuque	4	61244	East Moline	7
61611	East Peoria	20	62201	East Saint Louis	2
62202	East Saint Louis	1	62203	East Saint Louis	8
62204	East Saint Louis	5	62205	East Saint Louis	7
62206	East Saint Louis	6	62207	East Saint Louis	3
62633	Easton	3	62531	Edinburg	2
61528	Edwards	2	62025	Edwardsville	28
62401	Effingham	31	61738	El Paso	3
60119	Elburn	9	61324	Eldena	1
62930	Eldorado	4	62027	Eldred	2
60120	Elgin	29	60121	Elgin	4
60123	Elgin	49	60124	Elgin	14
60007	Elk Grove Village	41	60009	Elk Grove Village	6
62634	Elkhart	1	62241	Ellis Grove	1
60126	Elmhurst	47	61529	Elmwood	2
60707	Elmwood Park	19	62835	Enfield	2
60519	Eola	1	62934	Equality	1

Zip Code	Post Office Name	Calls	Zip Code	Post Office Name	Calls
61250	Erie	1	61530	Eureka	5
60201	Evanston	31	60202	Evanston	37
60203	Evanston	2	60204	Evanston	3
60208	Evanston	1	60209	Evanston	1
62242	Evansville	2	60805	Evergreen Park	8
61739	Fairbury	2	62837	Fairfield	7
61432	Fairview	2	62208	Fairview Heights	7
62838	Farina	2	61842	Farmer City	2
62533	Farmersville	3	61531	Farmington	1
62030	Fidelity	1	62031	Fieldon	1
62032	Fillmore	1	61843	Fisher	4
61740	Flanagan	4	62427	Flat Rock	3
62839	Flora	3	60422	Flossmoor	8
60130	Forest Park	11	61741	Forrest	1
61030	Forreston	4	62535	Forsyth	7
60020	Fox Lake	5	60021	Fox River Grove	9
60597	Fox Valley	1	60599	Fox Valley	1
60423	Frankfort	22	62638	Franklin	1
60131	Franklin Park	9	62243	Freeburg	6
61032	Freeport	32	61252	Fulton	2
62244	Fults	2	62935	Galatia	3
61036	Galena	9	61401	Galesburg	22
61402	Galesburg	1	61434	Galva	5
61038	Garden Prairie	1	61928	Gays	1
62842	Geff	1	61254	Geneseo	3
60134	Geneva	20	60135	Genoa	8
61846	Georgetown	1	62245	Germantown	2
60936	Gibson City	3	60136	Gilberts	2
62033	Gillespie	6	62640	Girard	8
62034	Glen Carbon	15	60137	Glen Ellyn	24
60138	Glen Ellyn	1	60022	Glencoe	18
60139	Glendale Heights	20	60025	Glenview	43
60026	Glenview Nas	14	60425	Glenwood	5
62035	Godfrey	15	62938	Golconda	2
62339	Golden	1	61438	Good Hope	1
62939	Goreville	5	62940	Gorham	1
62037	Grafton	4	62941	Grand Chain	2
61325	Grand Ridge	2	62942	Grand Tower	1
62040	Granite City	44	60940	Grant Park	1
62943	Grantsburg	2	61743	Graymont	1
60030	Grayslake	33	61534	Green Valley	2
62044	Greenfield	2	62642	Greenview	2
62246	Greenville	13	60036	Greys Lake	1
61744	Gridley	7	61535	Groveland	2
60031	Gurnee	33	62045	Hamburg	1

Zip Code	Post Office Name	Calls	Zip Code	Post Office Name	Calls
62046	Hamel	1	62341	Hamilton	1
60140	Hampshire	15	61256	Hampton	1
61536	Hanna City	1	61041	Hanover	2
60133	Hanover Park	15	62047	Hardin	1
62946	Harrisburg	9	62048	Hartford	2
62643	Hartsburg	2	60033	Harvard	7
62538	Harvel	1	60426	Harvey	11
62644	Havana	4	60429	Hazel Crest	14
60034	Hebron	2	61537	Henry	4
62431	Herrick	3	62948	Herrin	15
60941	Herscher	4	61745	Heyworth	3
60457	Hickory Hills	5	62249	Highland	16
60035	Highland Park	28	60040	Highwood	4
62049	Hillsboro	2	60162	Hillside	13
60520	Hinckley	1	61930	Hindsboro	1
60521	Hinsdale	25	60522	Hinsdale	3
60570	Hinsdale	1	62250	Hoffman	2
60169	Hoffman Estates	26	61849	Homer	1
60491	Homer Glen	19	60456	Hometown	3
60430	Homewood	21	60942	Hoopeston	2
61747	Hopedale	1	62803	Hoyleton	1
61748	Hudson	5	62252	Huey	2
60142	Huntley	31	61259	Illinois City	2
62539	Illioopolis	4	99999	In Illinois	2355
62846	Ina	2	61440	Industry	1
60041	Ingleside	11	61441	Ipava	1
62848	Irvington	1	60042	Island Lake	13
60143	Itasca	18	62849	Iuka	1
62650	Jacksonville	23	62651	Jacksonville	1
62950	Jacob	2	62052	Jerseyville	7
62951	Johnston City	2	60431	Joliet	12
60432	Joliet	9	60433	Joliet	9
60434	Joliet	2	60435	Joliet	42
60436	Joliet	6	62952	Jonesboro	5
62953	Joppa	1	60458	Justice	7
60901	Kankakee	21	61933	Kansas	2
62956	Karnak	1	61442	Keithsburg	1
62853	Kell	2	60043	Kenilworth	3
61749	Kenney	2	61443	Kewanee	12
62540	Kincaid	2	60145	Kingston	4
62854	Kinmundy	2	60146	Kirkland	5
61447	Kirkwood	1	61448	Knoxville	1
60525	La Grange	33	60526	La Grange Park	12
61450	La Harpe	3	61330	La Moille	1
61301	La Salle	10	61540	Lacon	2

Zip Code	Post Office Name	Calls	Zip Code	Post Office Name	Calls
61329	Ladd	2	60044	Lake Bluff	7
60045	Lake Forest	20	60156	Lake in the Hills	26
60046	Lake Villa	11	60047	Lake Zurich	35
61046	Lanark	2	60438	Lansing	17
62439	Lawrenceville	6	61752	Le Roy	4
62254	Lebanon	1	60530	Lee	1
60531	Leland	3	60439	Lemont	23
61048	Lena	2	61542	Lewistown	3
61753	Lexington	1	62347	Liberty	6
60048	Libertyville	28	60092	Libertyville	1
62656	Lincoln	25	60069	Lincolnshire	7
60712	Lincolnwood	10	60532	Lisle	30
62056	Litchfield	6	61453	Little York	2
62058	Livingston	1	62661	Loami	2
60441	Lockport	21	61454	Lomax	1
60148	Lombard	40	61544	London Mills	1
60049	Long Grove	1	62349	Lorraine	1
62858	Louisville	5	61111	Loves Park	17
60949	Ludlow	1	61261	Lyndon	1
60534	Lyons	5	61115	Machesney Park	14
61150	Machesney Park	2	61755	Mackinaw	4
61455	Macomb	7	62544	Macon	2
62060	Madison	1	62256	Maeystown	1
61336	Magnolia	1	61853	Mahomet	5
60150	Malta	3	62663	Manchester	3
60442	Manhattan	6	61546	Manito	6
61854	Mansfield	2	60950	Manteno	8
60151	Maple Park	5	61547	Mapleton	2
61458	Maquon	3	60152	Marengo	10
62959	Marion	21	62257	Marissa	4
60428	Markham	6	61341	Marseilles	4
62441	Marshall	4	62442	Martinsville	1
62062	Maryville	11	62224	Mascoutah	1
62258	Mascoutah	2	62443	Mason	1
60443	Matteson	11	61938	Mattoon	14
60153	Maywood	12	60444	Mazon	1
62957	Mc Clure	6	61050	Mc Connell	1
60050	Mc Henry	27	60051	Mc Henry	27
62859	Mc Leansboro	2	61335	Mc Nabb	1
61460	Media	1	60157	Medinah	4
62063	Medora	4	60160	Melrose Park	12
60161	Melrose Park	1	60164	Melrose Park	11
62351	Mendon	3	61342	Mendota	9
62665	Meredosia	1	61548	Metamora	6
62960	Metropolis	5	60445	Midlothian	25

Zip Code	Post Office Name	Calls	Zip Code	Post Office Name	Calls
61264	Milan	3	60536	Millbrook	1
60537	Millington	2	62260	Millstadt	5
61855	Milmine	2	61759	Minier	1
61760	Minonk	1	60447	Minooka	10
60448	Mokena	23	61265	Moline	30
60954	Momence	4	60449	Monee	7
61462	Monmouth	8	61052	Monroe Center	1
60538	Montgomery	16	61856	Monticello	9
62067	Moro	3	60450	Morris	10
61270	Morrison	7	62546	Morrisonville	4
61550	Morton	17	60053	Morton Grove	24
62964	Mounds	1	62547	Mount Auburn	2
62863	Mount Carmel	5	61053	Mount Carroll	2
61054	Mount Morris	7	62069	Mount Olive	5
60056	Mount Prospect	43	62548	Mount Pulaski	4
62353	Mount Sterling	2	62864	Mount Vernon	19
62550	Moweaqua	2	62549	Mt Zion	1
62262	Mulberry Grove	1	62865	Mulkeytown	1
60060	Mundelein	16	62966	Murphysboro	8
62668	Murrayville	1	60540	Naperville	54
60563	Naperville	34	60564	Naperville	23
60565	Naperville	34	60566	Naperville	1
60567	Naperville	1	62263	Nashville	4
62354	Nauvoo	4	62447	Neoga	4
62264	New Athens	2	62265	New Baden	1
62670	New Berlin	3	62356	New Canton	1
62074	New Douglas	2	62671	New Holland	1
60451	New Lenox	20	60541	Newark	4
62448	Newton	4	62551	Niantic	2
60714	Niles	22	62672	Nilwood	2
62358	Niota	1	62868	Noble	1
62075	Nokomis	6	61761	Normal	31
62869	Norris City	3	60542	North Aurora	13
60064	North Chicago	7	60086	North Chicago	1
60062	Northbrook	65	60065	Northbrook	3
62269	O Fallon	22	60523	Oak Brook	23
60452	Oak Forest	22	60453	Oak Lawn	34
60454	Oak Lawn	1	60301	Oak Park	9
60302	Oak Park	25	60303	Oak Park	2
60304	Oak Park	17	62673	Oakford	1
61943	Oakland	1	61858	Oakwood	3
62449	Oblong	2	60460	Odell	2
62870	Odin	1	61859	Ogden	1
61348	Oglesby	4	61349	Ohio	1
62271	Okawville	4	62450	Olney	5

Zip Code	Post Office Name	Calls	Zip Code	Post Office Name	Calls
60461	Olympia Fields	4	60955	Onarga	3
61467	Oneida	3	61469	Oquawka	1
61060	Orangeville	1	62554	Oreana	1
61061	Oregon	2	61273	Orion	2
60462	Orland Park	35	60467	Orland Park	29
60543	Oswego	17	61350	Ottawa	18
88888	Out of Illinois	2034	60055	Palatine	1
60067	Palatine	37	60074	Palatine	34
62674	Palmyra	3	60463	Palos Heights	22
60465	Palos Hills	19	60464	Palos Park	10
62557	Pana	5	62077	Panama	3
61944	Paris	8	60466	Park Forest	22
60068	Park Ridge	40	62452	Parkersburg	1
62875	Patoka	2	61353	Paw Paw	2
62558	Pawnee	2	60957	Paxton	1
61062	Pearl City	1	61063	Pecatonica	1
61554	Pekin	32	61555	Pekin	1
61601	Peoria	1	61602	Peoria	10
61603	Peoria	5	61604	Peoria	20
61605	Peoria	3	61606	Peoria	4
61607	Peoria	11	61614	Peoria	37
61615	Peoria	13	61634	Peoria	1
61637	Peoria	2	61641	Peoria	1
61616	Peoria Heights	2	60468	Peotone	2
61354	Peru	9	61863	Pesotum	1
62675	Petersburg	8	62079	Piasa	1
62274	Pinckneyville	16	62363	Pittsfield	10
60544	Plainfield	15	60585	Plainfield	14
60586	Plainfield	27	62365	Plainville	2
60545	Plano	10	62366	Pleasant Hill	1
62677	Pleasant Plains	6	62367	Plymouth	1
62275	Pocahontas	4	61064	Polo	3
62975	Pomona	2	61764	Pontiac	13
61065	Poplar Grove	2	61275	Port Byron	3
62277	Prairie Du Rocher	3	61356	Princeton	13
61559	Princeville	2	61277	Prophetstown	2
60070	Prospect Heights	16	62976	Pulaski	1
62301	Quincy	37	62305	Quincy	11
62306	Quincy	1	62080	Ramsey	5
60960	Rankin	1	61866	Rantoul	13
61471	Raritan	1	62278	Red Bud	11
61279	Reynolds	1	60071	Richmond	1
60471	Richton Park	3	62877	Richview	1
61067	Ridott	1	60072	Ringwood	1
61472	Rio	1	60305	River Forest	10

Zip Code	Post Office Name	Calls	Zip Code	Post Office Name	Calls
60171	River Grove	8	60627	Riverdale	1
60827	Riverdale	16	60546	Riverside	6
62561	Riverton	4	60472	Robbins	2
62454	Robinson	9	61068	Rochelle	10
62563	Rochester	11	61071	Rock Falls	8
61201	Rock Island	14	62081	Rockbridge	1
61101	Rockford	10	61102	Rockford	7
61103	Rockford	16	61104	Rockford	13
61105	Rockford	1	61106	Rockford	1
61107	Rockford	44	61108	Rockford	36
61109	Rockford	22	61114	Rockford	12
61125	Rockford	2	61132	Rockford	1
62370	Rockport	1	61072	Rockton	9
62280	Rockwood	1	60008	Rolling Meadows	30
60446	Romeoville	14	62082	Roodhouse	4
61073	Roscoe	12	60172	Roselle	21
60706	Rosemont	17	60073	Round Lake	32
62084	Roxana	1	62681	Rushville	1
61872	Sadorus	1	60964	Saint Anne	3
61474	Saint Augustine	2	60174	Saint Charles	45
60175	Saint Charles	20	61563	Saint David	2
62281	Saint Jacob	5	61873	Saint Joseph	6
62282	Saint Libory	1	62881	Salem	7
62882	Sandoval	2	60548	Sandwich	7
61074	Savanna	4	61874	Savoy	5
61075	Scales Mound	1	60173	Schaumburg	19
60192	Schaumburg	12	60193	Schaumburg	37
60194	Schaumburg	21	60195	Schaumburg	6
60196	Schaumburg	2	60176	Schiller Park	6
61076	Scioto Mills	1	62225	Scott Air Force Base	1
61360	Seneca	3	60549	Serena	2
62884	Sesser	4	60550	Shabbona	1
61078	Shannon	2	62984	Shawneetown	3
62565	Shelbyville	11	60551	Sheridan	2
62684	Sherman	3	61281	Sherrard	3
62685	Shipman	3	62885	Shobonier	1
60404	Shorewood	15	62461	Shumway	3
61876	Sidell	1	61282	Silvis	3
62985	Simpson	1	60076	Skokie	36
60077	Skokie	28	61477	Smithfield	2
62086	Sorento	5	61080	South Beloit	5
60177	South Elgin	17	60473	South Holland	18
61565	Sparland	1	62286	Sparta	7
60081	Spring Grove	7	61362	Spring Valley	8
62701	Springfield	6	62702	Springfield	64

<u>Zip Code</u>	<u>Post Office Name</u>	<u>Calls</u>	<u>Zip Code</u>	<u>Post Office Name</u>	<u>Calls</u>
62703	Springfield	48	62704	Springfield	114
62705	Springfield	5	62706	Springfield	2
62707	Springfield	13	62708	Springfield	4
62711	Springfield	22	62712	Springfield	10
62713	Springfield	1	62716	Springfield	1
62726	Springfield	1	62764	Springfield	1
62767	Springfield	8	62769	Springfield	2
62781	Springfield	2	61363	Standard	2
61774	Stanford	2	62088	Staunton	12
62288	Steeleville	3	60475	Steger	10
61081	Sterling	10	60553	Steward	2
62463	Stewardson	2	61084	Stillman Valley	5
61085	Stockton	2	60165	Stone Park	2
62987	Stonefort	2	62567	Stonington	2
62465	Strasburg	3	60107	Streamwood	36
61364	Streator	8	60554	Sugar Grove	8
61951	Sullivan	5	60501	Summit Argo	11
62466	Sumner	1	62373	Sutter	2
60178	Sycamore	8	61482	Table Grove	1
62688	Tallula	4	62988	Tamms	1
61283	Tampico	3	62089	Taylor Springs	2
62568	Taylorville	25	62467	Teutopolis	1
62889	Texico	1	60968	Thawville	1
62990	Thebes	5	61285	Thomson	1
60476	Thornton	3	61833	Tilton	1
62375	Timewell	2	60477	Tinley Park	26
60487	Tinley Park	9	62468	Toledo	4
61880	Tolono	4	61369	Toluca	2
61370	Tonica	4	61567	Topeka	1
61568	Tremont	3	62293	Trenton	5
61569	Trivoli	1	62294	Troy	14
62991	Tunnel Hill	2	61953	Tuscola	8
60180	Union	2	60969	Union Hill	1
61801	Urbana	21	61802	Urbana	11
61803	Urbana	1	62295	Valmeyer	3
62471	Vandalia	8	61375	Varna	4
62090	Venice	1	60061	Vernon Hills	26
60479	Verona	1	62378	Versailles	2
62995	Vienna	7	61956	Villa Grove	1
60181	Villa Park	31	62996	Villa Ridge	1
62690	Virden	3	62691	Virginia	3
60083	Wadsworth	11	61376	Walnut	1
62893	Walnut Hill	2	61777	Wapella	1
61087	Warren	1	60555	Warrenville	11
61571	Washington	16	62298	Waterloo	13

<u>Zip Code</u>	<u>Post Office Name</u>	<u>Calls</u>	<u>Zip Code</u>	<u>Post Office Name</u>	<u>Calls</u>
60556	Waterman	2	60970	Watseka	6
62473	Watson	1	60084	Wauconda	17
60085	Waukegan	34	60087	Waukegan	13
62692	Waverly	3	60184	Wayne	3
62895	Wayne City	2	60557	Wedron	1
61882	Weldon	1	61378	West Brooklyn	1
60185	West Chicago	29	60186	West Chicago	1
62896	West Frankfort	9	62380	West Point	2
62476	West Salem	1	62477	West Union	1
60154	Westchester	12	60558	Western Springs	11
60559	Westmont	20	61883	Westville	2
60187	Wheaton	44	60189	Wheaton	16
60090	Wheeling	32	62092	White Hall	2
61884	White Heath	1	62897	Whittington	1
61489	Williamsfield	1	62693	Williamsville	5
62997	Willisville	2	62480	Willow Hill	1
60480	Willow Springs	5	60091	Wilmette	28
60481	Wilmington	10	62694	Winchester	4
61957	Windsor	1	60190	Winfield	6
61088	Winnebago	4	60093	Winnetka	34
60096	Winthrop Harbor	5	60097	Wonder Lake	7
60191	Wood Dale	18	62095	Wood River	11
61490	Woodhull	1	62898	Woodlawn	1
60517	Woodridge	13	62695	Woodson	1
60098	Woodstock	24	61091	Woosung	2
62097	Worden	2	60482	Worth	5
61491	Wyoming	3	62899	Xenia	2
60560	Yorkville	15	62999	Zeigler	2
60099	Zion	17			

TOTALS

OCHI received calls from 1039 Zip Codes.

OCHI received 14229 calls.

**Calls received by OCHI (by Category)
(Top 10)**

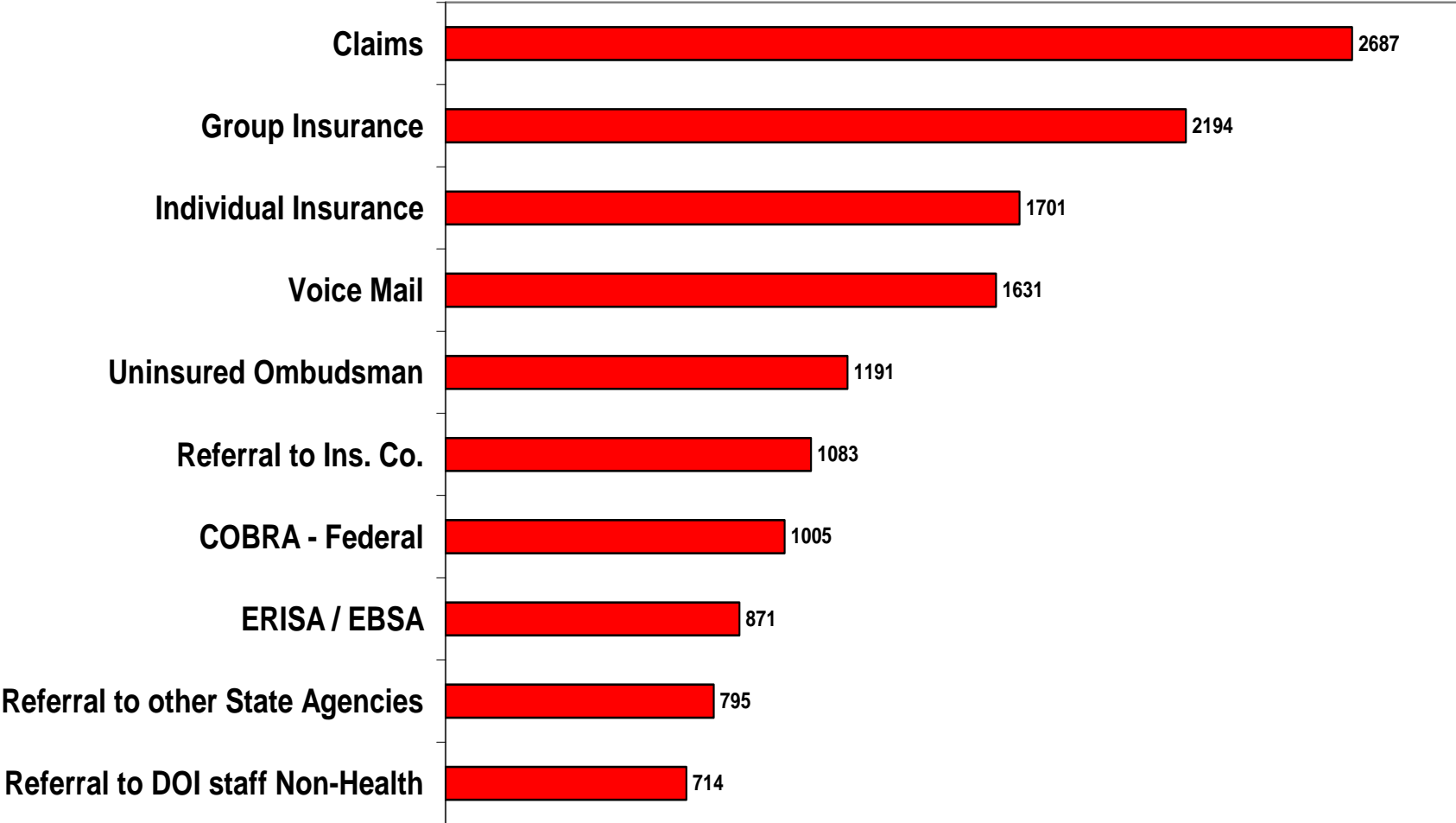


EXHIBIT 2

Materials Sent to Consumers by OCHI (Top 10)

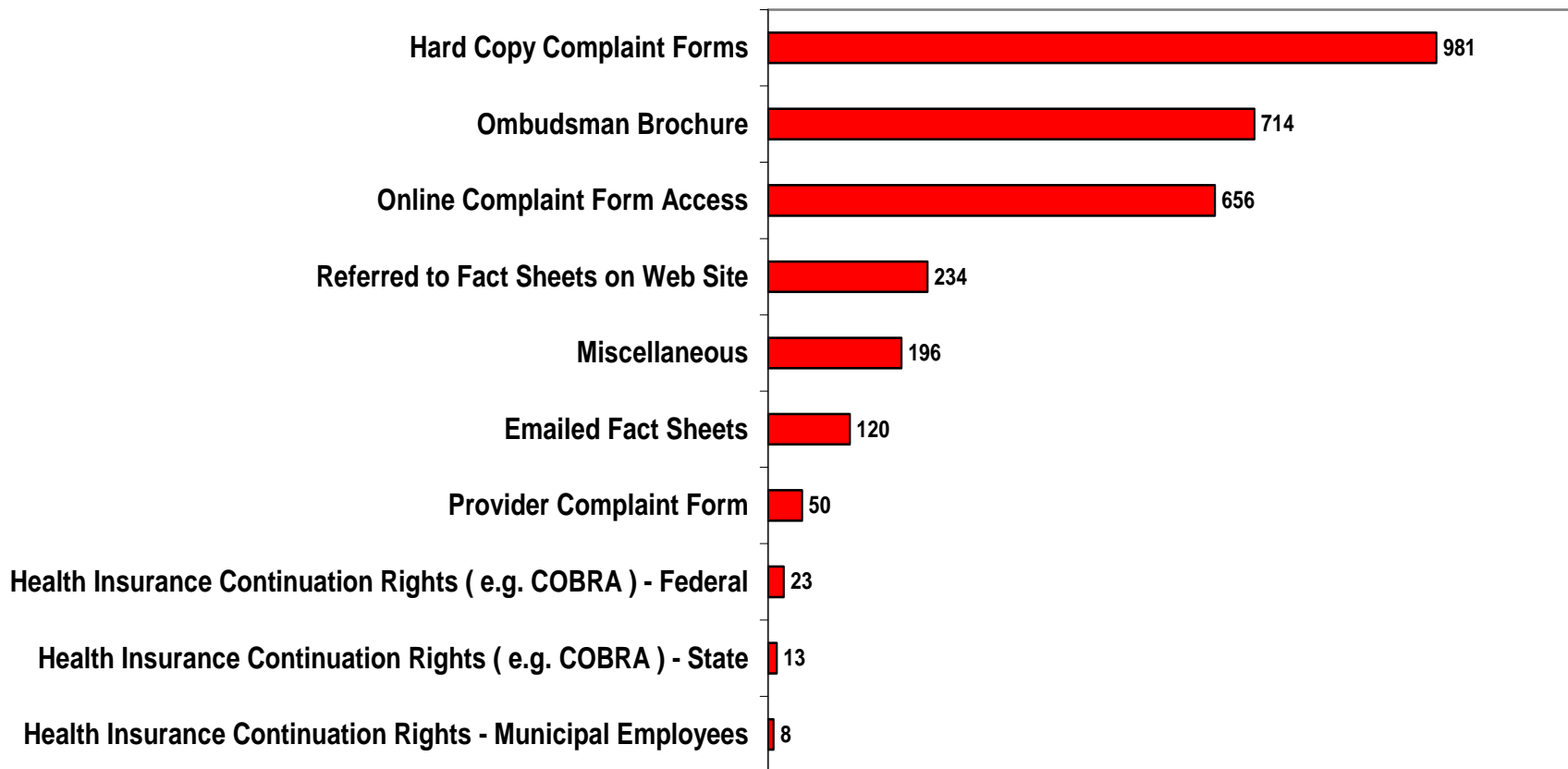


EXHIBIT 3

Calls Received by OCHI Per Month

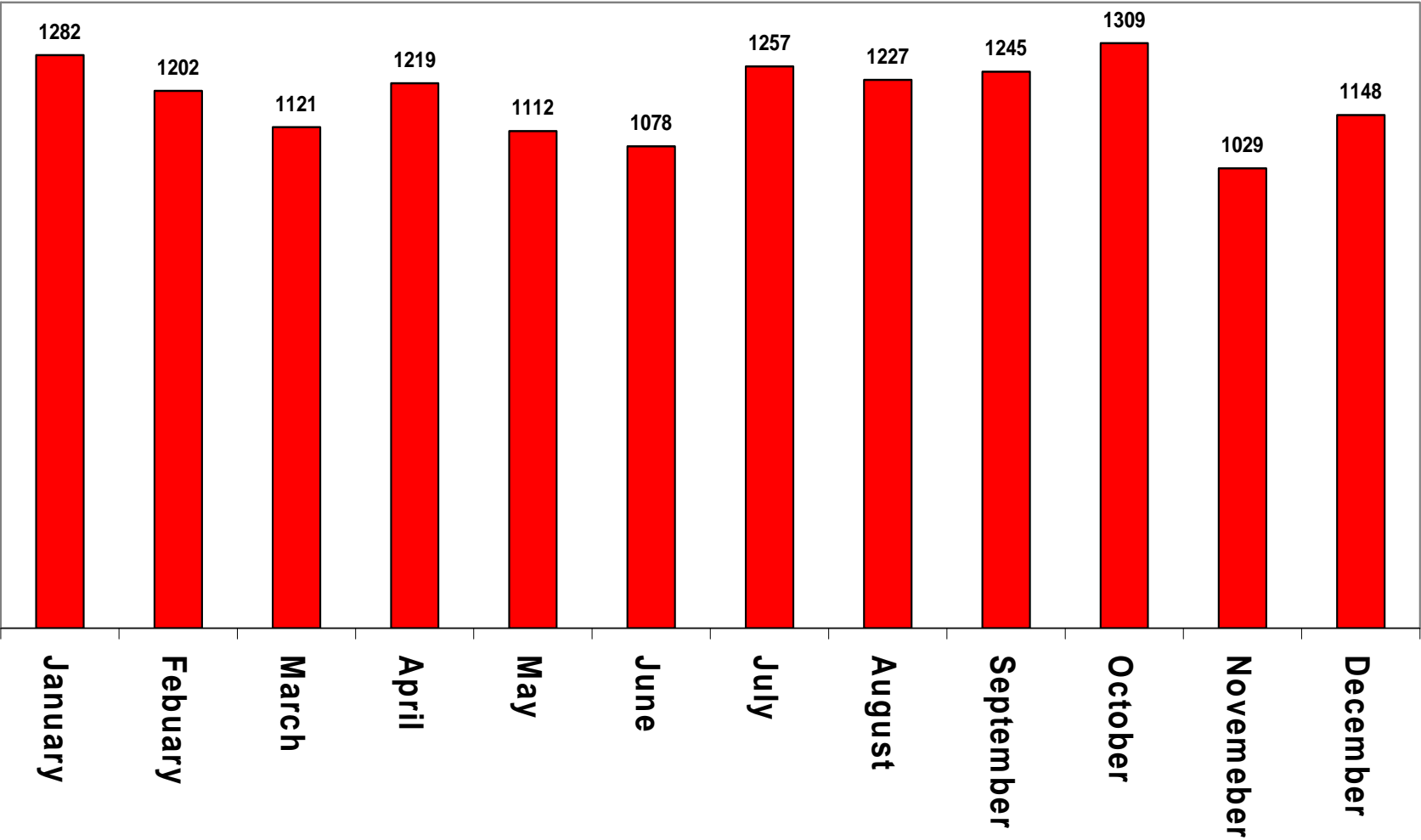


EXHIBIT 4

HMO Company Complaint Record -- General Summary 2007

Company Name	Number of Complaints Originated by:							Disposition of Complaints			
	HCB-Enrollment	Total Complaints	Total DOJ Complaints	A) Consumer/Enrollee	B) Provider	C) Other Individual	Complaints with External Review	A) Relief Granted	B) Partial Relief	C) Information Furnished	D) No Relief Granted
AETNA HEALTH OF ILLINOIS	52,255	1,436	20	522	820	94	2	404	24	1,006	2
CIGNA HEALTHCARE OF ILLINOIS INC	2,127	74	2	49	23	2	0	52	1	8	13
CIGNA HEALTHCARE OF ST LOUIS INC	476	13	0	3	10	0	0	10	0	2	1
GREAT-WEST HEALTHCARE OF ILLINOIS	2,401	0	2	0	0	0	0	0	0	0	0
GROUP HEALTH PLAN INC	17,546	7	7	5	2	0	0	1	0	1	5
HEALTH ALLIANCE MEDICAL PLANS INC	127,114	359	35	319	29	11	23	66	4	10	279
HEALTH ALLIANCE MIDWEST INC	201	0	0	0	0	0	0	0	0	0	0
HEALTH CARE SERVICE CORP MUT LEG RES CO	695,248	405	190	260	113	32	0	145	157	16	87
HMO MISSOURI INC	0	0	0	0	0	0	0	0	0	0	0
HUMANA HEALTH PLAN INC	40,102	514	50	474	34	6	1	311	12	3	188
MEDICAL ASSOCIATES HEALTH PLAN INC	2,169	7	0	3	4	0	0	3	0	2	2
MERCY HEALTH PLANS OF MISSOURI INC	1,835	6	1	2	0	4	0	0	0	5	1
NEVADACARE INC	18	15	1	0	15	0	0	6	0	0	9
OSF HEALTH PLANS INC	33,901	153	10	119	24	10	0	51	0	1	101
PERSONALCARE INSURANCE OF ILLINOIS INC	45,191	407	42	288	113	6	27	108	5	3	291
UNICARE HEALTH PLANS OF THE MIDWEST INC	98,188	350	26	256	93	1	12	209	5	13	123
UNION HEALTH SERVICE INC	22	21	0	19	0	2	0	11	3	4	3
UNITED HEALTHCARE OF ILLINOIS INC	17,605	191	26	84	55	52	0	87	0	7	97
UNITED HEALTHCARE OF THE MIDWEST INC	248	13	1	5	5	3	0	5	0	2	6
UNITEDHEALTHCARE PLAN OF THE RIVERVALLEY	13,889	98	10	93	5	0	4	32	3	15	48
TOTALS	1,150,536	4,069	423	2,501	1,345	223	69	1,501	214	1,098	1,256

As of: December 31, 2007

Source: Illinois Department of Financial And Professional Regulation - Division of Insurance

Published: Wednesday, June 11, 2008

HMO Company Complaint Record -- Classification Summary 2007

Number of Complaints
Classified as:

Company Name	HCP Enrollment	Total Complaints	Total DOI Complaints	A) Denial of Care or Treatment	B) Denial of Diagnostic Procedure	C) Denial of Referral Request	D) Sufficient Choice & Accessibility of HCP	E) Underwriting	F) Marketing and Sales	G) Claims and Review	H) Member Services and Utilization	I) Provider Services - Quality of Care	J) Provider's Compaants - Prompt Pay	K) Miscellaneous
AETNA HEALTH OF ILLINOIS	52,255	1,436	20	10	4	0	3	0	0	1,279	33	55	52	0
CIGNA HEALTHCARE OF ILLINOIS INC	2,127	74	2	6	3	43	2	2	0	7	2	0	0	9
CIGNA HEALTHCARE OF ST LOUIS INC	476	13	0	5	0	5	0	0	0	0	0	0	1	2
GREAT-WEST HEALTHCARE OF ILLINOIS	2,401	0	2	0	0	0	0	0	0	0	0	0	0	0
GROUP HEALTH PLAN INC	17,546	7	7	0	0	0	0	0	0	6	0	0	0	1
HEALTH ALLIANCE MEDICAL PLANS INC	127,114	359	35	78	10	25	0	1	1	240	0	0	1	3
HEALTH ALLIANCE MIDWEST INC	201	0	0	0	0	0	0	0	0	0	0	0	0	0
HEALTH CARE SERVICE CORP MUT LEG RES CO	695,248	405	190	36	0	26	1	0	0	262	11	3	64	2
HMO MISSOURI INC	0	0	0	0	0	0	0	0	0	0	0	0	0	0
HUMANA HEALTH PLAN INC	40,102	514	50	99	3	18	1	0	1	383	9	0	0	0
MEDICAL ASSOCIATES HEALTH PLAN INC	2,169	7	0	0	0	0	0	0	0	0	0	2	0	5
MERCY HEALTH PLANS OF MISSOURI INC	1,835	6	1	1	0	0	1	0	0	3	0	1	0	0
NEVADACARE INC	18	15	1	0	0	2	0	0	0	5	0	0	3	5
OSF HEALTH PLANS INC	33,901	153	10	70	1	12	9	0	0	49	0	0	0	12
PERSONALCARE INSURANCE OF ILLINOIS INC	45,191	407	42	125	43	20	0	1	0	211	0	2	5	0
UNICARE HEALTH PLANS OF THE MIDWEST INC	98,188	350	26	81	6	0	2	0	0	249	3	9	0	0
UNION HEALTH SERVICE INC	22	21	0	0	0	1	0	0	0	4	6	10	0	0
UNITED HEALTHCARE OF ILLINOIS INC	17,605	191	26	10	0	0	3	0	1	147	9	2	11	8
UNITED HEALTHCARE OF THE MIDWEST INC	248	13	1	2	0	0	0	0	0	10	0	0	1	0
UNITEDHEALTHCARE PLAN OF THE RIVERVALLE	13,889	98	10	10	0	6	0	0	0	75	0	4	0	3
TOTALS	1,150,536	4,069	423	533	70	158	22	4	3	2,930	73	88	138	50

As of: December 31, 2007

Source: Illinois Department of Financial and Professional Regulation - Division of Insurance

Published: Wednesday, June 11, 2008

HMO External Independent Review Summary 2007

Disposition of
External Reviews

Company Name	HCP Enrollment	Total Complaints	Total DOI Complaints	Complaints with External Review	A) Relief Granted	B) Partial Relief	C) Information Furnished	D) No Relief Granted
AETNA HEALTH OF ILLINOIS	52,255	1,436	20	2	0	0	0	2
CIGNA HEALTHCARE OF ILLINOIS INC	2,127	74	2	0	0	0	0	0
CIGNA HEALTHCARE OF ST LOUIS INC	476	13	0	0	0	0	0	0
GREAT-WEST HEALTHCARE OF ILLINOIS	2,401	0	2	0	0	0	0	0
GROUP HEALTH PLAN INC	17,546	7	7	0	0	0	0	0
HEALTH ALLIANCE MEDICAL PLANS INC	127,114	359	35	23	6	0	1	16
HEALTH ALLIANCE MIDWEST INC	201	0	0	0	0	0	0	0
HEALTH CARE SERVICE CORP MUT LEG	695,248	405	190	0	0	0	0	0
HMO MISSOURI INC	0	0	0	0	0	0	0	0
HUMANA HEALTH PLAN INC	40,102	514	50	1	1	0	0	0
MEDICAL ASSOCIATES HEALTH PLAN INC	2,169	7	0	0	0	0	0	0
MERCY HEALTH PLANS OF MISSOURI INC	1,835	6	1	0	0	0	0	0
NEVADACARE INC	18	15	1	0	0	0	0	0
OSF HEALTH PLANS INC	33,901	153	10	0	0	0	0	0
PERSONALCARE INSURANCE OF ILLINOI	45,191	407	42	27	3	0	0	24
UNICARE HEALTH PLANS OF THE MIDWE	98,188	350	26	12	4	0	0	8
UNION HEALTH SERVICE INC	22	21	0	0	0	0	0	0
UNITED HEALTHCARE OF ILLINOIS INC	17,605	191	26	0	0	0	0	0
UNITED HEALTHCARE OF THE MIDWEST I	248	13	1	0	0	0	0	0
UNITEDHEALTHCARE PLAN OF THE RIVE	13,889	98	10	4	0	1	0	3
TOTALS	1,150,536	4,069	423	69	14	1	1	53

As of: December 31, 2007

Source: Illinois Department of Financial and Professional Regulation - Division of Insurance

Published: Wednesday, June 11, 2008