

July 10, 2000

To: All Company Presidents  
From: Nathaniel S. Shapo, Director  
Re: **(CB #2000-7) Utilization Review Registration Applicability**  
Reply to: Bill McAndrew, Assistant Deputy Director (217) 782-4254  
[bill\\_mcandrew@ins.state.il.us](mailto:bill_mcandrew@ins.state.il.us)

With the enactment of P.A. 91-617, the Managed Care Reform and Patient Rights Act (the Act), organizations which perform utilization review (U.R.) must register with the Department of Insurance. U.R. is defined in the Act as:

. . . the evaluation of the medical necessity, appropriateness, and efficiency of the use of health care services, procedures, and facilities.

**Although registration was required beginning July 1, 2000, as of July 10th, only four U.R. organizations have registered with the Department. It is incumbent for any insurance company who utilizes U.R. to have the U.R. organization fulfilling this function registered with the Department. Please check with your U.R. vendors to make sure they are in compliance.**

The Act makes no distinction among the class of insurers which are performing U.R. As such, any insurer which uses U.R. must ensure the organization performing the review is registered. **This applies to medical claims under property/casualty contracts (such as medical payment claims under auto insurance policies)** as well as to claims under accident and health contracts.

The only exceptions are for the Workers' Compensation Act and the Workers' Occupational Diseases Act (Class 2(d)), which are addressed in Section 115 of the Act.

For any line of insurance except Class 2(d), any organization performing U.R. for insurers, or insurers which perform U.R. directly, must register with the Department. Insurance Companies that use U.R. vendors must only use registered U.R. vendors. All registration materials can be accessed on the Department's web site ([insurance.illinois.gov/URORegistration.htm](http://insurance.illinois.gov/URORegistration.htm)).

**Failure to register can result in Department action.**