State of Illinois
Illinois Department of Insurance

DOI
Illinois Department of Insurance
Office of Consumer Health Insurance

Report 2010

Pat Quinn
Governor

Michael T. McRaith
Director of Insurance

Illinois Department of Insurance

PAT QUINN
Governor

Michael T. McRaith
Director

January 31, 2011

To: Pat Quinn, Governor
Michael T. McRaith, Director of Insurance
Honorable Members of the General Assembly

From: The Office of Consumer Health Insurance/Uninsured Ombudsman

Re: The Office of Consumer Health Insurance 2010 Annual Report

The Office of Consumer Health Insurance (OCHI) is pleased to submit its 2010 Annual Report as required by the Managed Care Reform and Patient Rights Act (215 ILCS 134/90).

OCHI has completed eleven full years of operation within the Department of Insurance and continues to act as an essential resource for consumers with health insurance questions and as a valuable ally for individuals and businesses 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 Office of Consumer Health Insurance (OCHI) operating within the Illinois Department of Insurance (Department) continued to serve Illinois residents in 2010 by responding to their health-related inquiries. In 2010, OCHI was staffed by four insurance analysts, including one analyst who spent nearly 50% of the time traveling and representing OCHI and the Uninsured Ombudsman to the public.

The responsibilities of OCHI, as set forth by the Managed Care Reform and Patient Rights 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 Department 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 2010, OCHI's eleventh year of operation, OCHI received 21,411 calls (increased from 20,785 calls in 2009 and 10,750 since its inception in 2000) 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 Department'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.

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 2010. 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 rights and 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 Department of Insurance (Department) internet site (http://www.insurance.illinois.gov/); enabling them to learn more about a particular topic from one of the Department's many user-friendly fact sheets.

In 2010, OCHI received calls requesting information on many topics, including information about new laws passed by the United States Congress and the Illinois General Assembly including:

- adding young adults as dependents on parent's health insurance;
- appealing claim denials or pre-certification of service denials;
- filing an external independent review with an insurer or HMO plan;
- how to apply for mini-COBRA or COBRA subsidy benefits;
- how to access health insurance or other resources to aid with payment of medical bills;
- providing information regarding the varied and complicated aspects of the new Affordable Care Act (ACA) signed by President Obama on March 23, 2010.

OCHI guided insurance consumers and HMO enrollees with adverse determinations through internal appeal procedures as mandated by the Managed Care Reform and Patient Rights Act and the external independent review process, a process mandated by the recently enacted Health Care External Review Act (P.A. 96-857). Previously these protections applied solely to HMOs. Effective July 1, 2010, the internal appeals and external independent review rights were expanded to consumers who are covered by insurance policies in addition to those covered by HMO contracts. 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 health care provider.

The Managed Care Reform and Patient Rights Act requires insurers and HMOs to track all complaints received, regardless of the source, and to report the data to the Department. Exhibit 5 (HMO Company Complaint Record – General Summary 2009) contains a general summary of HMO complaints for 2009. Exhibit 6 (HMO Company Complaint Record – Classification Summary 2009) contains a listing of

HMO complaints by category. Exhibit 7 (HMO External Independent Review Summary 2009) 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 Department. These exhibits may be accessed through the Department's website at ***http://www.insurance.illinois.gov/Complaints/healthCarePlan_complaints/CompanyComplaint2009.pdf*** and ***http://www.insurance.illinois.gov/Complaints/healthCarePlan_complaints/ExternalReview2009.pdf***

As detailed in Exhibit 5, during calendar year 2009, HMOs reported a total of 4,460 complaints, of which 334 (7.5%) were also filed with the Department. According to data submitted by the companies and displayed in the "Disposition of ALL Complaints" section of Exhibit 5, of the 4,460 total complaints:

- 1,728 (38.7%) complaints were granted relief;
- 182 (4.1%) were granted partial relief;
- 1,299 (29.1%) received additional information; and
- 1,251 (28%) received no relief.

Exhibit 7 shows that HMO enrollees requested and received 49 external independent reviews of claims denied by Illinois HMOs in 2009. Of the 49 external independent reviews:

- 7 (14%) were granted relief;
- 0 (0%) were granted partial relief;
- 1 (2%) received further information; and
- 41 (84%) had no change in status.

The reporting date for 2010 complaint data is March 1, 2011. Complaint data for 2010 will be addressed in the 2011 report and will include information from insurers who were first impacted by the law in 2010.

Educating Enrollees About Their Health Insurance Rights

OCHI staff fielded over 4,300 calls related to general group and individual health insurance questions including but not limited to:

- Pre-existing condition limitations;
- Creditable coverage under HIPAA;
- Applicability of mandates to policies;
- Interpretation of benefits contained in the policy;
- Coordination of benefit provisions and applicable laws;

As in previous years, several large and small employers declared bankruptcy or laid off employees in 2010, generating many calls to OCHI regarding federal COBRA and Illinois mini-COBRA laws granting rights to continue group coverage. Questions about continuation rights continued to be the major topic of concern for OCHI callers, totaling nearly 3,600.

Claim problems continued to be the major concern for callers to the OCHI hot-line. OCHI staff assisted over 2,760 callers by discussing claim problems, advising of appeal procedures, directing to the proper agency (if applicable) and providing guidance for filing complaint with the Department.

OCHI referred 1,449 callers to the Illinois Comprehensive Health Insurance Plan (CHIP), the state health benefits program established to provide coverage to Illinois residents who cannot otherwise obtain insurance due to preexisting health conditions. CHIP provides coverage under the Traditional CHIP pool for residents who do not have creditable coverage or who do not otherwise qualify under HIPAA. CHIP also provides coverage to federally eligible individuals as Illinois' HIPAA alternative mechanism for individual health insurance coverage. [215 ILCS 105/1 et seq.]

The ACA established federally-funded temporary high risk pools to provide transitional coverage until 2014 for the currently uninsured population. In order to be eligible for the coverage, a person must be a U.S. citizen, national or legal resident; must be uninsured for 6 months; and have a preexisting condition. States were invited to apply for federal grants if they desired to run their own program. Illinois received a grant for approximately $196 million dollars which was used to establish the Illinois Pre-Existing Condition Insurance Plan (IPXP) in August 2010. OCHI answered 1,346 questions regarding the IPXP.

General questions regarding the provisions of the ACA totaled nearly 1,000. Questions regarding the new federal requirement under ACA for coverage of adult dependent children to age 26, coupled with the Illinois law (Public Act 95-0958 effective June 1, 2009) that provided 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, totaled over 750.

The federal American Recovery and Reinvestment Act (ARRA), signed by President Obama on February 17, 2009, provided a subsidy that reduced by 65% the cost of COBRA and other state continuation coverage for workers who lost their jobs. Illinois subsequently amended the state continuation law (Public Act 096-0013) to extend all rights provided by ARRA to those individuals in small employer groups (less than 20 employees). The law created a second election period for those individuals who lost group coverage due to involuntary termination that took place after September 1, 2008 and who did not have continuation coverage in effect as of June 18, 2009. Although ARRA expired May 31, 2010, OCHI received nearly 750 questions regarding the law.

OCHI, in conjunction with the Department, continues to create and provide fact sheets in response to questions received from Illinois consumers. These fact sheets, which effectively explain complex insurance issues important to consumers, are available on the Department's website (http://insurance.illinois.gov/Main/Consumer_Facts.asp). For callers unable to access this information via the internet, requested materials were mailed.

The following is a list of health insurance related consumer fact sheets and other information currently available on the Department's Internet site.

- Acronyms for Life, Accident & Health Insurance and Managed Care
- Autism - Insurance Coverage
- Beware of Fraudulent Insurance Companies
- Birth Control
- Cancer
- Claim Denial - What To Do If an Insurer Denies Your Claim
- COBRA – Federal Subsidies Under Stimulus Plan
- 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
- 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
- Making the Claims Process Easier
- 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
- Patient Protection and Affordable Care Act
- Prompt Pay Law
- Self-Insured Health Plans
- Senior Health Insurance Program
- Small Business Tax Credits
- 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

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 unique coverage questions and challenges faced by consumers, particularly relating to disease specific mandates, 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 21,411 calls on its toll-free telephone number (877-527-9431) during calendar year 2010, up from 20,785 calls in 2009.

Since its inception in 2000, OCHI's toll-free telephone number has received approximately 177,229 phone calls. Exhibit 8 depicts calls received by OCHI each year since 2000. In addition to the increased number of calls received, the complexity of health care issues has resulted in longer duration of the 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 despite the increased volume and complexity of the calls.

In 2010, OCHI continued to assist the Department's Consumer Services Section in reviewing correspondence from consumers. Written correspondence may be determined to be an inquiry or a formal complaint. Several types of correspondence are categorized as inquiries such as: (i) a letter from a consumer addressed to an insurer with a copy to the Department; (ii) a letter of complaint that does not contain enough information for the Department to begin a formal investigation; (iii) a general question about insurance or insurance law; or (iv) a letter requesting assistance on a matter that is not within the jurisdiction of the Department. OCHI staff reviews the correspondence and determines if it is an inquiry or a formal complaint. If it is determined to be a formal complaint, an insurance analyst is assigned, computerized clerical tasks are selected to notify the insurer of the complaint and to acknowledge receipt of the complaint to the consumer. If it is determined to be an inquiry, a letter is sent back to the consumer explaining what information is needed, what action has been taken or answering the general question involved.

In 2010, OCHI staff continued assisting the Life, Accident and Health Complaint Unit with handling of written consumer inquiries. These inquiries are received via regular mail, fax, or electronically, via online complaint or via the Department'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 1,228 written inquiries and 140 complaints in 2010. Handling of inquiries and basic complaints by OCHI allows the Department'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 Department of Insurance (Director). This email address, DOI.Director@illinois.gov, is posted on the Department's website for consumers to send insurance questions. In 2010, OCHI staff replied to nearly 225 consumer inquiries sent to the Director's email address.

Uninsured Ombudsman Program

In January 2002, the Uninsured Ombudsman Program (Ombudsman) was established within OCHI to educate uninsured and underinsured 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 2010, the Ombudsman staff handled 1,675 telephone calls. As in previous years, calls came from the uninsured, concerned advocates, and from organizations providing assistance to the uninsured. These included other state agencies, legislators, insurance agents, radio stations, and families. The Ombudsman staff continues to heighten the program's public profile by regularly participating on radio talk shows and pre-layoff workshops for dislocated workers. In 2010, an Ombudsman staff representative spoke for AFL-CIO (Decatur and Quincy), Anna Waters Head Start (Decatur), AFSCME (Hillsboro), IPAM Conference (Chicago), Bond County Senior Citizens (Greenville), and Health Benefits Seminar EBSA (Chicago). In addition, an Ombudsman representative participated in the Greene County Health Fair, Lincoln Community Health Fair, Anna Waters Head Start Health Fair, and the Richland Community College Expo for Dislocated Workers. Along with all the other venues to help consumers, an Ombudsman representative was available at various public libraries for sessions scheduled by the Department of Insurance to address any health insurance concerns. These community events were held in the cities of Canton, Pittsfield, Centralia, and Galesburg.

As in previous years, an 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 Department'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. The Ombudsman representative provided detailed information about continuation of coverage to workers and their families, which also included 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 2011 include continuing to increase public awareness of the Ombudsman Program, continuing to raise public awareness of changes brought about due to the Patient Protection and Affordable Care Act, establishing new partnerships, and strengthening existing relationships with local organizations, and continuing to effectively assist the uninsured population, especially in this time of economic turmoil.

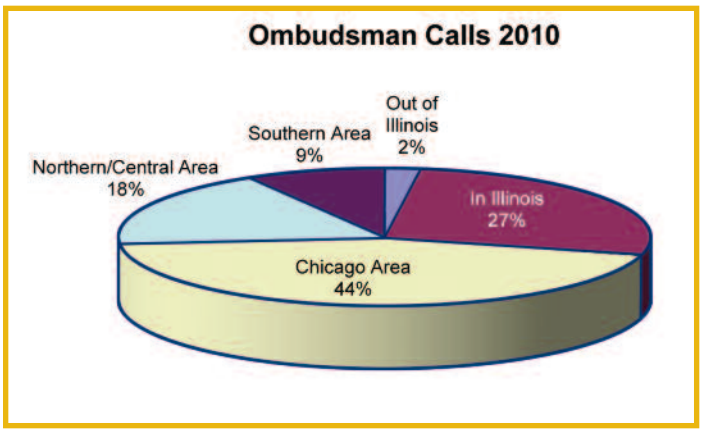
Table 1 - 2010 Media Outreach

City	Station	Number of Visits	Estimated Listening Audience
Alton	WBGZ	10	25,000
Canton	WBYS	6	10,000
Centralia	WILY	4	10,000
Danville	WITY	1	15,000
Decatur	WZUS	2	10,000
Dixon	WIXN	2	5,000
Effingham	WXEF	1	15,000
Galesburg	WGIL	6	13,000
Greenville	WGEL	8	5,000
Jacksonville	WLDS	4	10,000
Kewanee	WKEI	5	15,000
Macomb	WKAI	1	10,000
Macomb	WMQZ	1	10,000
Macomb	WNLF	1	10,000
Macomb	WJEP	1	10,000
Macomb	WLMD	1	10,000
Monmouth	WMOI	6	10,000
Monmouth	WRAM	6	10,000
Mt. Vernon	WMIX	4	15,000
Princeton	WZOE	3	10,000
Quincy	WTAD	2	25,000
Watseka	WGFA	1	10,000

Table 2 - Rapid Response Workshops for Dislocated Workers

Company	Location of Workshop(s)	Number of Impacted Employees
Apria Healthcare	Collinsville	10
B &M Seating (The Wise Company)	Breese	13
City of Springfield	Springfield	40
City of Springfield	Springfield	40
Family Foundations	Alton	10
Lifetime Doors, Inc	Watseka	61
Noble Energy, Inc	Graysville	67
President Casino	Missouri	230
Quincy School Dist.	Quincy	76
Robinson Steel	Granite City	50
Robinson Steel	Granite City	50
Robinson Steel	Granite City	6

Chart 1 - Ombudsman Calls 2010



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 Department and the insureds. Between 1997 and 2004, insurance companies terminated business in Illinois with increasing frequency. From 2005 until 2008, there was little activity in this area.

In 2010, the following companies discontinued sale of a product or withdrew from the market:

Discontinuance of a Product:

Bankers Life and Casualty notified the Director in March 2010 that it was discontinuing individual and group Medicare business.

Guarantee Trust Life notified the Director in May 2010 that it was discontinuing all products in the individual major medical market except a high deductible policy ($25,000). This change impacted 428 lives in Illinois.

Golden Rule Insurance Company notified the Director on October 8, 2010 that it was discontinuing older generations of individual market health insurance covering Illinois residents. This impacted 105 Illinois residents; other Golden Rule products were offered to those impacted, as required by HIPAA.

John Alden Life Insurance Company notified the Director on June 7, 2010 that it was discontinuing several products in the small group major medical insurance market. This action impacted 530 groups and 2,880 certificate holders in Illinois.

Metropolitan Life Insurance Company notified the Director in November 2010 of its intent to discontinue sales of individual and employer group long term care insurance products.

Withdrawal from Market

Continental American Insurance Company notified the Director on February 19, 2010 that it was discontinuing the Group "Mid Med" product, exiting the group health insurance market and would no longer be offering any group health benefit plans. This impacted two groups that included 39 in-force certificate holders. The discontinued product was a group medical surgical expense policy. Non-renewal notices were mailed out in accordance with HIPAA requirements on March 1, 2010.

Pekin Life Insurance Company notified the Director on July 29, 2010 of its intent to withdraw from the individual major medical market. The company advised that formal HIPAA notification would be forthcoming in early 2011.

American Community Mutual Insurance Company notified the Director on October 19, 2010 of its intent to withdraw from the individual and small group health insurance markets in Illinois. HIPAA notifications were expected to be mailed in early 2011.

Principal Life Insurance Company notified the Director on October 19, 2010 of its intent to withdraw from all group medical insurance markets. Formal notices under HIPAA were expected to be mailed in early 2011.

2. Health Insurance Availability

a. Uninsured

In September 2010, the U.S. Census Bureau released 2009 year-end statistics for the uninsured. According to the report, titled "Income, Poverty, and Health Insurance Coverage in the United States: 2009," the percentage of people without health insurance coverage in 2009 (16.7%) increased in 2008 (15.4%). The number of uninsured increased from 46.3 million in 2008 to 50.7 million in 2009.

The report further stated the number of people with health coverage decreased from 255.1 million in 2008, to 253.6 million in 2009, marking the first year that the number of insured people has decreased since 1987. The number of people covered by private health insurance decreased in 2009 to 194.5 million (63.9%) from 201.0 million in 2008 (66.7%). The number of people covered by employment-based health insurance decreased to 169.7 million (55.8%) in 2009, from 176.3 million (58.5%) in 2008. The number of people covered by government plans increased from 87.4 million (29%) in 2008, to 93.2 million (30.6%) in 2009.

In 2009, 7.5 million (10%) children under 18 were without health insurance, compared to 7.3 million (9.9%) in 2008.

As explained in the Kaiser Commission abstract titled "Health Insurance Coverage in America 2009", children are much less likely than adults to be uninsured because of the availability of Medicaid and the Children's Health Insurance Program. Those public programs cover children whose family's income is below twice the poverty level.

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 Illinois Department of Healthcare and Family Services 2009 Annual Report, at the end of fiscal year 2009, about two million children and their parents were covered by one of the six All Kids and FamilyCare plans.

b. Underinsured

A continued 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.

The Department continues to see a trend of complaints from consumers who purchased high deductible or limited benefit policies because of the lower premiums. While some consumers purchase limited benefit plans to supplement another policy, most make the purchase because it is the only policy they are offered or can afford.

Most consumers shop for health insurance based on price, and many of those price-conscious consumers, even after receiving an outline of policy coverage, do not fully understand the policy's benefits. For example, consumers often learn too late that the maximum out-of-pocket limit is only for covered benefits and not for all medical treatments a person might need. Consumers may also be surprised to learn that a plan imposes a deductible per occurrence, not per calendar year.

Complaints involve issues related to claim payments, including denial of claims, unsatisfactory claim payments and claim payment delays. Related to these complaints are allegations of misrepresentation of the policy at the time of sale by the agent, association or insurer.

Examples of limits contained in a policy include but are not limited to:

- limit for outpatient lab and x-ray services (including radiation) to a specified amount such as $300.00 per year;
- limit of 3 office visits to a physician's office per year;
- limit of 1 physician visit per day while hospital confined; and
- ambulance transport limited to $500.00 Maximum Benefit per trip.

c. Employees Losing Group Health Coverage

In 2010, OCHI continued to receive calls from employees losing their group health coverage and asking about continuation options. In 2009, OCHI received nearly 3,600 calls regarding continuation of group health coverage. OCHI also responded to over 750 calls regarding the federal American Reinvestment and Recovery Act (ARRA).

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 2010.

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. 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 trade-related job losses.

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 2010 approximately 12% of the total membership has chosen this option. CHIP began accepting electronic signatures on applications that are submitted on-line. Applicants now have the ability to scan and submit documentation needed to determine CHIP eligibility. Both are encrypted and are submitted securely.

On February 1, 2010, CHIP introduced tobacco/non-tobacco rate tables for new enrollees. The in-force CHIP members will be phased in to the tobacco/non-tobacco rates in 2011.

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 Health Insurance

The cost of health insurance coverage has impacted everyone, including large groups, small groups and individuals. Rates for all types of health insurance, including comprehensive major medical, limited benefit health plans and long term care insurance have skyrocketed in the past few years. The rising cost of health insurance has contributed to the uninsured and underinsured population in Illinois and throughout the United States. Director McRaith testified before the United States Senate Committee on Health, Education, Labor and Pensions in April 2010. Director McRaith testified: "Illinois law does not limit the rate variance between genders, the price impact of health status, the price impact of age, or the impact of any one rating factor on renewal. If a woman and man are of the same age, live in the same house, have the same health status, and see doctors in the same hospital, the woman can be charged as much as 57% more than the man—independent of maternity benefits. Small employers offering health insurance to employees nearly always experience explosive rate volatility because, even though rates are subject to "bands," or variance limits, at the time of issuance, the Illinois small group rate bands are among the nation's broadest. For this reason, small employers in Illinois, even with only one injured or ailing employee, can experience rate increases in excess of fifty percent (50%) on renewal."

f. 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 an 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 cover-

age 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.

The federal American Recovery and Reinvestment Act (ARRA), signed by President Obama on February 17, 2009, provided a subsidy that reduced by 65% the cost of COBRA and state continuation coverage for workers who lost their jobs. Illinois subsequently amended the state continuation law (Public Act 096-0013) to extend all rights provided by ARRA to those individuals insured by small employer groups (less than 20 employees). The law created a second election period for those individuals who lost group coverage due to involuntary termination after September 1, 2008, and who did not have continuation coverage in effect as of June 18, 2009. Initially ARRA provided for up to nine months of premium subsidy for qualified individuals who lost coverage prior to January 1, 2010. In 2010, ARRA was amended by Public Law 111-118 to increase the maximum subsidy period to 15 months and to extend the eligibility period to May 31, 2010. Illinois once again amended the State Continuation Law (Public Act 096-0894) to extend the state continuation protections, including the duration of coverage, to the end of the period set forth within federal ARRA. OCHI staff communicated the most up-to-date information regarding ARRA to over 750 callers.

OCHI and the Uninsured Ombudsman received 1,675 requests in 2010 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.

g. 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.

3. Trends

a. Rate Increases

In 2010, OCHI received over 600 calls regarding rate increases for health insurance policies. The Department received 218 complaints regarding rate increases in 2010; 22% (or 49 complaints) related to for long term care policies, 22% (or 48 complaints) related to group policies (including association groups), 38% (or 82 complaints) related to individual health policies and 12% (or 27 complaints) related to Medicare Supplement policies. In many

instances, consumers are faced with reducing their benefits on their current policy to make the premium more affordable, buying a more affordable policy with limited benefits, or dropping coverage altogether.

b. Underwriting Unavailability and Rescissions in the Individual Health Market

In 2010, OCHI received 2,243 phone calls regarding individual health insurance coverage. In addition, 519 calls were received regarding underwriting. In the individual market, an insurer may "underwrite" an applicant, using health status as a reason for declining coverage. The Department receives complaints each year from individuals who are unable to obtain an offer of health insurance due to health status. The options for these individuals are limited, but include: seeking coverage through CHIP, finding employment that offers health coverage, purchasing a limited plan that does not offer comprehensive coverage, or going without coverage entirely.

Rescission of individual health insurance policies has been more prevalent in Illinois recently. A rescission is an action taken by an insurance company to void an individual health policy if the company determines that information was omitted from or misrepresented on the application, and that the omission or misrepresentation was material to the issuance of the coverage. The Department closed approximately 52 complaints regarding rescission of individual health policies in 2010. A December 2009 data call by the National Association of Insurance Commissioners (NAIC) reported Illinois with the second highest rescission rate in the nation with a total of 5,279 rescissions for the five year period from 2004 through 2008.

Starting on September 23, 2010, the ACA prohibits rescission of health insurance policies except in instances of intentional misrepresentation or fraud.

c. 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.

Some plans are paying non-participating providers based upon the negotiated rate that would have been paid to a participating provider. This significantly decreases the amount paid by the insurer and increases the insured's out-of-pocket costs because the doctor will bill the insured for the difference. In-network providers are generally prohibited from billing an insured except for applicable copayments, coinsurance or deductibles.

Another fee methodology being used by some insurance companies is payment for non-participating provider claims based on a percentage (e.g., 110%) of the Medicare published rate for the same or similar service. Because Medicare reimbursement rates are relatively low, 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 Department continues to receive complaints regarding the methodologies used by PPO plans to pay non-participating providers. The plans are required by law (215 ILCS 5/356z.3) 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.

d. Discount Health Care Plans

There are approximately 150 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. The Department of Insurance continues to see an 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 Department 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 pay 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 et seq.). The Department 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 Department.

The Department continues to address this issue, and encourages consumers to verify that a discount program is authorized to conduct business in Illinois before purchasing the product. A listing of authorized preferred provider program networks is available on the Department's website: http://insurance.illinois.gov/PPA/.

e. PPO Plans Accessing Inappropriate Provider Discounts

The Department continued to receive complaints in 2010 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 Department'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 Department continues to address this issue and actively works with state agencies to protect consumers.

f. Non-Directed Provider Networks By Indemnity Plans

As the insurance industry struggles to contain 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.

g. 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 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 an account beneficiary 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 2010 Employer Health Benefits Survey (***http://ehbs.kff.org/pdf/2010/8086.pdf***) reported 13% of surveyed firms offered health benefits through HDHPs with savings options.

The growth of HDHPs has brought with it growth in the underinsured population. Individuals and employees with significant financial resources sometimes prefer the finan-

cial 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.

h. Cost Shifting to Employees

As the cost of employer-sponsored group health insurance continues to rise, employers continue to search for lower-cost alternatives. The Kaiser Family Foundation Employer Health Benefits 2010 Survey illustrated that the majority (99%) of employer-based health insurance is now provided through a managed care plan such as a preferred provider organization, health maintenance organization or Point of Service Plan. These plans steer covered members to a provider network; failure to use the network can result in no coverage or limited coverage by the insurance policy.

Costs of health care coverage continue to be 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) out of network benefits being based on specific definitions contained within the policy which vary tremendously from the actual cost charged to the consumer by the health care provider.

The Kaiser Family Foundation Employer Health Benefits 2009 Survey reported that in 2010, the average annual premium for employer-sponsored health insurance increased by 5% for single coverage ($4,824 to $5,049) and increased 3% for family coverage (from $13,375 to $13,770). The report stated that the average annual worker contributions are $899.00 for single and $3,997.00 for family coverage.

According to the same survey, the average deductible for single coverage was $675 for PPO coverage, $601 for HMO coverage and $1,903 for high deductible health plan coverage. The percentage of covered workers in a plan with a deductible of at least $1,000 for single coverage increased from 22% to 27% in the past year.

The Department 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.

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 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.

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.

CHIP, the high risk pool for those denied coverage by insurers, 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 $1,083 (less expensive CHIP premiums are available, but require the imposition of a higher deductible). A 35-year-old woman in Lincoln, Illinois would pay less for the same coverage, but would still owe $475 per month.

The ACA prohibits the imposition of pre-existing limitations for children under age 19 effective September 23, 2010. However, there is no requirement that health insurers issue "child-only" policies; therefore the requirement has resulted in an unintended outcome whereby even healthy children cannot buy an individual policy or "child-only" policy.

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. The ACA requires the Secretary of the Department of Health and Human Services and the States to establish a premium reporting and review process. It further requires all health insurance issuers to disclose and justify an unreasonable premium increase prior to the use of the increase. Beginning December 1, 2010, the Department began the process of accepting and reviewing new and renewal health rates. The Department drafted an emergency regulation (Part 5410 of the 50 Illinois Administrative Code) to provide insurers with the option to offer "child-only" policies during specified open-enrollment periods and special enrollment periods in order to reduce the prospect of adverse selection by individuals buying coverage only during times of claims and dropping coverage otherwise.

2. Rescissions of Individual Health Insurance

In Illinois, an individual health insurance policy could previously be "rescinded" or retroactively cancelled within the first two years after the policy was issued. To rescind a health insurance policy in Illinois, a health insurer was only required to show that "the insured withheld material information or answered material questions incorrectly on an application which would have resulted in the insurer, at the time of the original application: (1) denying coverage; (2) restricting the level of coverage as applied for; or (3) rating up the premium normally charged for the coverage as applied for" (50 Ill. Admin. Code 2005.40(d)). The Illinois standard did not require a nexus between any alleged misrepresentation and the actual claim. Rather, Illinois law vested the insurer with broad discretion and ability to rescind, or to engage in post-claim underwriting which resulted in the policyholder receiving less coverage than that for which she originally bargained. With such broad discretion, terms such as "withheld" or "answered material questions incorrectly" were subject to multiple interpretations, perhaps dependent upon the nature and cost of the policyholder claim.

POSSIBLE REMEDY: Beginning with plan years effective September 23, 2010 or after, the ACA prohibits the rescission of health insurance policies except for instances of fraud or intentional misrepresentation.

3. 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 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 small group marketplace should focus on further reducing rate variation between small businesses and preventing unpredictable and unaffordable premium increases upon renewal.

The ACA requires the Secretary of the Department of Health and Human Services and the States to establish a premium reporting and review process. It further requires all health insurance issuers to disclose and justify an unreasonable premium increase prior to the use of the increase. Beginning December 1, 2010, the Department began the process of accepting and reviewing new and renewal health rates. The Department drafted an emergency regulation (Part 5410 of the 50 Illinois Administrative Code) to provide insurers with the option to offer "child-only" policies during specified open-enrollment periods and special enrollment periods in order to reduce the prospect of adverse selection by individuals buying coverage only during times of claims and dropping coverage otherwise.

4. 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 (215 ILCS 105/15). This plan 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.

5. 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.

6. State Continuation Laws – Lack of Employer Cooperation

The state continuation laws require certain actions 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 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.

Often the employers turn to the agents or brokers that sold them the policy for clarification of the law only to be given incorrect or incomplete information. In some instances, the employer refuses to cooperate. The Department does not possess regulatory authority over the employer and, in some instances, the insurance company refuses to assist by contacting 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 State continuation laws to require the insurance company to notify terminated employees of their continuation rights when the employer is not cooperative or not properly providing notification.

7. State Continuation Laws – Lack of Standardized Form

The Department 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.

8. Insurer Audits of Paid Claims

In 2010, the Department 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) does 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 Department does not dispute the company's right to recover monies that have been paid in error, a reasonable time limit should be imposed. The Department 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.

9. Pre-certification of services

Calls and complaints from consumers regarding pre-certification of services followed by claim denials are steadily increasing. "Pre-certification" provisions require the consumer or health care provider to 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.

The Department 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, for example, 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.

10. 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 a 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.

GOVERNMENT ACTIONS

1. Federal

a. Affordable Care Act

The health care reform legislation signed by President Obama on March 23, 2010 (known as the Affordable Care Act, or "ACA") will improve the performance, transparency and accountability of health insurers and health insurance products in Illinois. The national health care reforms will also modify existing Federal law and enhance consumer protections for those insured through a self-insured plan, and will significantly change the insurance marketplace in Illinois. Many of the reforms will not take effect until January 2014. However, many new protections were implemented when plans renewed after September 23, 2010.

Health Care Reform Insurance Web Portal Requirements: The ACA requires the establishment of a website through which individuals and small businesses can obtain information about the insurance coverage options that may be available to them in their State. An interim final rule was adopted on May 10, 2010 by the Department of Health and Human Services. The rule (45 CFR Part 159) adopted the categories of information that will be collected and displayed as web portal content, and the data required from issuers and requested from States, associations, and high risk pools. The rule may be accessed at ***http://www.hhs.gov/ociio/regulations/webportal/index.html***.

Preexisting conditions: Health insurance companies in both the group and individual market are prohibited from imposing preexisting condition exclusions on children under age 19 for the first plan year (or policy year in the individual market) beginning on or after September 23, 2010. Interim final rules were published on June 29, 2010 by the federal government. These regulations apply to grandfathered group health plans and group health insurance coverage but do not apply to grandfathered individual health insurance coverage that was in existence on March 23, 2010.

Coverage of Adult Dependents: The ACA requires all individual and group plans that offer dependent coverage, including self-insured employer plans, to allow young adults up to age 26 to remain covered on a parent's plan. Interim final rules were published on May 13, 2010 by the Department of Treasury, Department of Labor and the Department of Health and Human Services. The Rules may be accessed at ***http://www.hhs.gov/ociio/regulations/dependent/index.html***.

Note: Illinois law previously required this coverage effective June 1, 2009.

Premiums: Beginning December 1, 2010 the Department of Insurance, in conjunction with the U.S. Department of Health and Human Services, began reviewing "unreasonable" premium increases before the increases are implemented. Health insurance companies must post information justifying premium increases on company websites.

Premiums (Medical Loss Ratios): Health insurance companies will be required to report detailed information about the percentage of premium dollars spent on health care (known as a "medical loss ratio"). This data will be available on the Department's website in 2011. Interim final rules were published on December 1, 2010 by the Department of Health and Human Services (45 CFA Part 158) regarding Health Insurance Issuers Implementing Medical Loss Ratio requirement under the ACA.

Rescissions: Health insurance companies are prohibited from rescinding health policies except for instances of fraud or intentional misrepresentation.

Annual and lifetime dollar limits: Health insurance companies are prohibited from establishing lifetime dollar limits for essential health benefits. Companies are allowed to establish "restricted" annual dollar limits for essential benefits until 2014. For plan years starting between September 23, 2010 and September 22, 2011, plans may not limit annual coverage of essential benefits such as hospital, physician and pharmacy benefits to less than $750,000. Interim final rules were published in June 2010.

A class of group health plans and health insurance coverage, generally known as "limited benefit" plans or "min-med" plans, often has annual limits well below the new restricted annual limits set forth in the interim final rules. The Department of Health and Human Services has issued temporary waivers to some of these plans because they are often the only type of private insurance available to some workers. A list of approved applications for waiver of annual limits requirements is available at ***http://www.hhs.gov/ociio/regulations/approved_applications_for_waiver.html***.

Preventive health services: Health insurance companies are required to provide first-dollar coverage for a defined list of preventive health services. The Departments of Health and Human Services, Labor, and Treasury issued interim final rules on July 14, 2010. The rules may be accessed at ***http://www.healthcare.gov/center/regulations/prevention/regs.html***.

Appeal rights: All individual and group plans, including self-insured employer plans, must provide internal appeal and independent external review procedures that meet minimum consumer protection standards. Interim final rules were published on July 23, 2010 by the Departments of Treasury, Labor, and Health and Human Services. Those rules may be reviewed at ***http://edocket.access.gpo.gov/2010/pdf/2010-18043.pdf***.

Early Retiree Reinsurance Program: The ACA provides for an Early Retiree Reinsurance Program that reimburses sponsors of participating employment-based plans for a portion of the cost of health benefits for early retirees and their spouses, surviving spouses, and dependents. Information regarding the Early Retiree Reinsurance Program may be accessed at http://www.hhs.gov/ociio/regulations/errp/index.html.

Grandfathered Plans: The ACA distinguishes between plans in place prior to March 23, 2010 (grand-fathered plans) and those that became effective or were issued after March 23, 2010 (non-grandfathered plans). Not all provisions of the ACA apply to grand-fathered plans such as the prohibition of annual limits for essential benefits, the prohibition of preexisting condition limitations for children under age 19 and the coverage of preventive services. Interim final rules were published on June 17, 2010. Those rules may be accessed at ***http://www.hhs.gov/ociio/regulations/grandfather/index.html***.

Grants Under ACA:

Health Insurance Exchanges: The ACA provides for the establishment of health care exchanges, which starting in 2014, will make purchasing health insurance easier and more understandable. States may take a major role in the creation and operation of Health Insurance Exchanges. The ACA authorized State Planning and Establishment Grants to help States establish health insurance Exchanges. Illinois received a grant award in the amount of $1,000,000.00 and is working toward the establishment of health insurance exchanges at this time.

Consumer Assistance Program Grant (CAP): This grant provides nearly $30 million to support States' efforts to establish or strengthen consumer assistance programs that provide direct services to consumers with questions or concerns regarding health insurance. Illinois received a CAP Grant in the amount of $1,454,594.00.

Premium Review: Illinois received a grant in the amount of $1,000,000.00 from the U.S. Department of Health and Human Services on August 16, 2010 to help improve the review of proposed health insurance premium increases, take actions against insurers seeking unreasonable rate hikes, and ensure consumer receive a value for their premium dollars. Illinois plans to use the grant money to develop new rate filing and review protocols, develop new IT systems and hire additional staff to conduct premium reviews, and to make premium filings available to consumers.

The ACA provides for many reforms that will be implemented over the next several years. For more information on this law, please visit the Department's website at ***http://www.insurance.illinois.gov/hiric/***.

2. State - Public Acts

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

a. P.A. 96-0857

Public Act 96-0857 provides all Illinoisans with health insurance the right to an external independent review of insurance company denials or determinations regarding medical necessity. The Act makes it easier for individuals and small businesses to shop for health insurance, compare competing plans, and obtain the best insurance value. While individuals and small businesses seeking quotes from competing health insurance plans must now complete a separate application for each health insurer, the new law establishes a single health insurance application that will be used by all insurers and HMOs. In addition, the Act requires health insurance companies to report detailed information regarding premiums and expenses, including administrative costs and marketing expenses. The Department will publish this information on its website at ***www.insurance.illinois.gov***.

Independent External Review

(available July 1, 2010)

- Beginning July 1, 2010, all health insurers and HMOs will be required to provide an internal appeals process for denied claims, and must notify covered individuals of the right to request an independent external review.
- Denied health insurance claims will be eligible for external review if:
  - The individual receiving or requesting the treatment was covered under the plan at the time of treatment;
  - The treatment in question is a covered benefit under the plan, but does not meet the insurer's or HMO's requirements for medical necessity, appropriateness, health care setting, level of care, or effectiveness;
  - The individual has exhausted the internal appeals process (unless the timeframe for completion of a standard external review or expedited internal review would significantly increase the risk to a person's health or significantly reduce the treatment's effectiveness); and
  - In cases where the insurer or HMO determined that the treatment in question is experimental or investigational, the individual's health care provider has certified that the treatment in question is medically necessary.
- External reviews will be conducted by nationally-accredited Independent Review Organizations (IROs) approved by the Department every 2 years. When conducting external reviews, IROs must:
  - Assign qualified and impartial physicians or other health care professionals who are experts in the treatment of the person's condition, and who are knowledgeable about the treatment that is the subject of the review;

- Maintain a system operating 24 hours a day, 7 days a week to accept and process information related to the review; and
- Be independent, unbiased, and free of conflicts of interest with any of the individuals or entities involved in the review.

- Internal appeals:
  - Standard internal appeals must be completed within 15 business days after the insurer or HMO has received all required information.
  - Expedited internal appeals must be completed within 24 hours after the insurer or HMO has received all required information.
- External review:
  - Standard external reviews must be completed within 20 business days after the request for external review is first received.
  - Expedited external reviews must be completed within 72-120 hours after the request for external review is first received (either orally or in writing).

Standardized Health Insurance Applications
(developed by July 1, 2010, and mandatory use by insurers begins January 1, 2011)

- Prior to obtaining accurate premium rates for a given health insurance plan, individuals and small business owners must complete a detailed application for each insurer or HMO, including information about the health history of all persons to be covered – individuals, employees, and dependents.
- For small business owners especially – most of whom do not have access to a benefits consultant or human resources staff – this process can be difficult and time-consuming, and often prevents them from finding the most affordable and most appropriate plan for their employees.
- The Act establishes a committee within the Department to create a standardized health insurance application for use by all insurers and HMOs offering coverage in the individual and small group markets (2-50 employees).
- The committee will consist of consumers, small business owners, insurance agents and company representatives.
- Health insurers and HMOs will be required to use the standardized health insurance application beginning January 1, 2011.

Insurer Expense Reporting
(first reports published February, 2011)

- Beginning in 2011, the Act will require insurers and HMOs to submit to the Department semi-annual statements with detailed information regarding premiums and expenditures for major medical health insurance plans.
- The information – which will be publicly available on the Department's website – will benefit individual consumers and small business owners seeking the best value for their hard-earned premium dollar. It will also support the General Assembly and other policymakers in future health care reform efforts.

b. P.A. 96-1034 Applicability of mandated benefits to supplemental policies.

Public Act 96-1034 adds Section 356z.12 to the list of mandates that DO NOT apply to short-term travel, disability income, long-term care, accident only, or limited or specified disease policies. Section 356z.12 is the law that allows young dependents to remain on their parent's health insurance policy until age 26 or until age 30 if the dependent is a military veteran. The law was effective January 1, 2011.

c. P.A. 96-0967 Public Act 96-0967

P.A. 96-0967 Public Act 96-0967 amends the Health Care External Review Act by changing the covered person's health provider from "a physician licensed to practice medicine in all its branches" to "who ordered or provided the services in question and who is licensed under the Medical Practice Act of 1987". The law was effective January 1, 2011.

d. P.A. 96-1326 Insurance Card-Uniform Drug Information Cards

Public Act 96-1326 amends the Uniform Prescription Drug Information Card Act to require discounted health care services plan administrators to issue to their beneficiaries and insureds a card or other technology containing uniform prescription drug information. The Act sets forth the mandatory data elements that the card or other technology shall display. Also sets forth the definition of "Discounted health services plan administrator". The law was effective January 1, 2011.

e. P.A. 96-1481 Interstate Insurance Product Regulation Compact.

Public Act 96-1481 creates the Interstate Insurance Product Regulation Compact wherein Illinois seeks to join with other States to become a member of the Interstate Insurance Product Commission. The purpose of the Commission includes, but is not limited to, developing uniform standards for insurance products covered under the Compact, providing appropriate regulatory approval to those product filings and advertisments satisfying the applicable uniform standards, and improving coordination of regulatory resources and expertise between state insurance departments. The law was effective November 29, 2010.

f. P.A. 96-0894

Public Act 96-0894 amends the Illinois Health Continuation Act and HMO Act to provide continuation, for individuals who were involuntarily terminated from employment between September 1, 2008 and the end (May 31, 2010) of the American Recovery and Reinvestment Act of 2009 (ARRA), to those individuals who were covered on the day immediately preceding the involuntary termination (the law otherwise requires the individual to have been covered for 3 months in order to be eligible for continuation). The law also extended the continuation period for ARRA impacted individuals to last throughout the period they were eligible for the ARRA subsidy. The law was effective May 17, 2010.

g. P.A. 96-1450 Illinois Life and Health Insurance Guaranty Association

Public Act 96-1450 amended the Illinois Insurance Code to increase limits for Life, Accident and Health Guranty Fund products. The law was effective August 20, 2010.

3. Other State Actions - Department Regulations

a. 50 Illinois Administrative Code 5410 Mandatory Child Only Open Enrollment Period for Individual Market Carriers

50 IAC 5410 was adopted on an emergency basis to provide insurers with the ability to issue "child-only" policies during defined open enrollment periods and during special enrollment periods as defined by the Health Insurance Portability and Accountability Act (HIPAA), thereby decreasing the impact of adverse selection. With the implementation of the ACA (and the interim federal regulation), the provisions prohibiting the imposition of preexisting condition limitations or exclusions for children under age 19 for policy years beginning September 23, 2010 resulted in many or all individual health carriers no longer marketing "child-only" health insurance policies. The permanent rule has not yet been adopted.

b. 50 Illinois Administrative Code 2015 Infertility Coverage

50 IAC 2015 was amended to clarify the definition of "infertility" to include engaging in medically based and supervised methods of conception, such as artificial insemination. The definition was also expanded to include women who cannot engage in unprotected sexual intercourse due to a medical condition. The rule amended the definition of "unprotected sexual intercourse" to include appropriate measures to ensure the health and safety of sexual partners. Effective February 11, 2010.

c. 50 Illinois Administrative Code 5430 Health Carrier External Review

50 IAC 5430 establishes standards concerning notice of the right to and requests for external review, exhaustion of internal grievance processes, standard and expedited external review, approval of and minimum qualifications for independent review organizations, and reporting and disclosure requirements. Effective July 19, 2010.

d. 50 Illinois Administrative Code 5420 Managed Care Reform and Patient Rights Act

50 IAC 5420 was amended to include new Exhibit F which provides another biographical affidavit format for utilization review organizations to use. The new Exhibit is the NAIC format that is more universally accepted. Effective April 29, 2010.

4. Other State Actions – Company Bulletins

a. Company Bulletin #2010-02 (Issued May 14, 2010)

Company Bulletin 2010-02 provided notice to all life, accident and health companies, HMOs, LHSOs, and VHSPs writing policies or contracts subject to the ACA that the Department intended to expedite reviews of certified ACA Compliance filings.

b. Company Bulletin #2010-03 (Issued May 27, 2010)

Company Bulletin 2010-03 Notified all insurance companies and utilization review organizations of requirements for registering as an Independent Review Organization under the Health Carrier External Review Act.

c. Company Bulletin #2010-04A (Issued June 10, 2010)

Company Bulletin 2010-04A provided directions for filing certified ACA compliance filings to LAH companies, HMOs, LHSOs, and VHSPs writing policies or contracts subject to ACA. This Company Bulletin replaced Company Bulletin #2010-04.

d. Company Bulletin #2010-05 (Issued June 28, 2010)

Company Bulletin 2010-05 provided notice to all entities and individuals regulated by the Department of Insurance that are engaged in the issuance of accident, health or disability insurance policies in the State, that discretionary clauses within policies are prohibited.

e. Company Bulletin #2010-07 (Issued December 7, 2010)

Company Bulletin 2010-07 notified all life, accident and health insurers of Public Act 096-1450 effective August 20, 2010 under which the Illinois Insurance Code was amended to increase limits for the Life, Accident and Health Guaranty Fund products. The insurers were notified that the Disclaimer Notice required by 50 Illinois Administrative Code 3401.40 had been changed and that the new notice should be delivered with a policy or contract newly issued or revised.

f. Company Bulletin #2010-08 (Issued November 9, 2010)

Company Bulletin 2010-08 was sent to all companies authorized to write health insurance in Illinois. It required submission and approval of actuarial memorandum and justification review standards for new and renewal health rates as required by Section 2794 of the federal Public Health Service Act (ACA).

g. Memorandum: Autism Benefit Adjustment (Issued November 18, 2010)

This memorandum provided notice to all companies writing policies subject to PA 95-1005 of the annual adjustment for autism coverage to $37,260.00 per year.

h. Company Bulletin 2010-10 (Issued December 13, 2010)

Company Bulletin 2010-10 was sent on December 13, 2010 to all insurance producers and all carriers offering health insurance coverage offering health benefit plans in the small group health market and the individual health market. The bulletin provided copies of the standardized applications to industry and filing directions for expedited certified filings with the Department. The standardized applications were required to be used beginning January 1, 2011.

Exhibits

1 – OCHI Calls Received - (by Zip Code)

From 1/1/2010 To 12/31/2010

Exhibit 1-1

Zip Code	Post Office Name	Calls	Zip Code	Post Office Name	Calls
61410	Abingdon	2	61411	Adair	2
62214	Addieville	2	60101	Addison	35
62805	Akin	1	61230	Albany	2
62215	Albers	3	62806	Albion	1
60001	Alden	7	61231	Aledo	3
62601	Alexander	1	61412	Alexis	1
60102	Algonquin	44	62001	Alhambra	7
62410	Allendale	5	62807	Alma	2
61413	Alpha	1	60803	Alsip	16
62411	Altamont	8	62002	Alton	69
61310	Amboy	7	60666	Amf Ohare	3
61232	Andalusia	2	61233	Andover	1
62906	Anna	3	61234	Annawan	1
60002	Antioch	47	61001	Apple River	1
61910	Arcola	3	62611	Arenzville	1
62501	Argenta	2	60004	Arlington Heights	86
60005	Arlington Heights	83	60006	Arlington Heights	8
61812	Armstrong	1	60910	Aroma Park	1
61911	Arthur	2	60911	Ashkum	1
61912	Ashmore	2	61006	Ashton	1
62510	Assumption	1	61501	Astoria	2
62613	Athens	4	61235	Atkinson	2
61913	Atwood	1	62615	Auburn	6
60502	Aurora	29	60503	Aurora	16
60504	Aurora	26	60505	Aurora	33
60506	Aurora	41	60507	Aurora	6
60568	Aurora	1	60572	Aurora	3
62907	Ava	5	62216	Aviston	3
61415	Avon	2	61007	Baileyville	1
62217	Baldwin	1	61416	Bardolph	2
60010	Barrington	99	60011	Barrington	19
62312	Barry	3	61236	Barstow	1
62218	Bartelso	1	60103	Bartlett	47
62313	Basco	3	60510	Batavia	28
62006	Batchtown	2	62618	Beardstown	3
60912	Beaverville	1	62219	Beckemeyer	1
60499	Bedford Park	1	60401	Beecher	15
62414	Beecher City	2	62810	Belle Rive	1
62220	Belleville	30	62221	Belleville	35
62222	Belleville	2	62223	Belleville	26
62226	Belleville	33	60104	Bellwood	15

1 – OCHI Calls Received - (by Zip Code)

From 1/1/2010 To 12/31/2010

Exhibit 1-2

Zip Code	Post Office Name	Calls	Zip Code	Post Office Name	Calls
61008	Belvidere	32	61813	Bement	5
60105	Bensenville	1	60106	Bensenville	18
61516	Benson	2	62812	Benton	10
60163	Berkeley	5	61417	Berwick	1
60402	Berwyn	40	62010	Bethalto	12
61914	Bethany	3	60511	Big Rock	3
61313	Blackstone	1	60108	Bloomingdale	47
60117	Bloomingdale	1	61701	Bloomington	32
61702	Bloomington	3	61704	Bloomington	27
60406	Blue Island	17	62513	Blue Mound	1
62621	Bluffs	2	62814	Bluford	1
60440	Bolingbrook	52	60490	Bolingbrook	13
61815	Bondville	7	60913	Bonfield	1
62514	Boody	1	60914	Bourbonnais	25
60915	Bradley	17	60408	Braidwood	1
62230	Breese	9	60455	Bridgeview	14
62012	Brighton	10	61517	Brimfield	3
60512	Bristol	3	61816	Broadlands	1
60155	Broadview	7	61917	Brocton	2
60513	Brookfield	22	62910	Brookport	3
62818	Browns	2	62418	Brownstown	2
62515	Buffalo	2	60089	Buffalo Grove	110
62912	Buncombe	1	62014	Bunker Hill	1
60459	Burbank	21	60109	Burlington	1
62318	Burnside	1	60527	Burr Ridge	26
61422	Bushnell	2	62015	Butler	2
61010	Byron	11	62914	Cairo	2
61011	Caledonia	4	60409	Calumet City	39
61919	Camargo	1	62915	Cambria	1
61238	Cambridge	1	62320	Camp Point	6
62916	Campbell Hill	1	61520	Canton	11
62625	Cantrall	2	61012	Capron	2
62901	Carbondale	24	62902	Carbondale	5
62903	Carbondale	2	62626	Carlinville	12
61725	Carlock	3	62231	Carlyle	7
62821	Carmi	21	60125	Carol Stream	1
60132	Carol Stream	4	60188	Carol Stream	50
60197	Carol Stream	1	60199	Carol Stream	3
60110	Carpentersville	29	62917	Carrier Mills	1
62016	Carrollton	7	62918	Carterville	9
62321	Carthage	9	60013	Cary	34
62420	Casey	2	62232	Caseyville	11
62919	Cave In Rock	1	62801	Centralia	20
61818	Cerro Gordo	3	61820	Champaign	27
61821	Champaign	30	61822	Champaign	9

1 – OCHI Calls Received - (by Zip Code)

From 1/1/2010 To 12/31/2010

Exhibit 1-3

Zip Code	Post Office Name	Calls	Zip Code	Post Office Name	Calls
61824	Champaign	3	61015	Chana	2
62627	Chandlerville	3	60410	Channahon	15
61920	Charleston	21	62629	Chatham	23
60921	Chatsworth	4	60922	Chebanse	2
61726	Chenoa	5	61317	Cherry	2
61016	Cherry Valley	10	62233	Chester	6
62518	Chestnut	3	60601	Chicago	89
60602	Chicago	46	60603	Chicago	34
60604	Chicago	23	60605	Chicago	38
60606	Chicago	96	60607	Chicago	41
60608	Chicago	24	60609	Chicago	25
60610	Chicago	70	60611	Chicago	73
60612	Chicago	30	60613	Chicago	48
60614	Chicago	71	60615	Chicago	44
60616	Chicago	35	60617	Chicago	44
60618	Chicago	83	60619	Chicago	56
60620	Chicago	44	60621	Chicago	16
60622	Chicago	55	60623	Chicago	15
60624	Chicago	13	60625	Chicago	38
60626	Chicago	42	60628	Chicago	64
60629	Chicago	41	60630	Chicago	49
60631	Chicago	37	60632	Chicago	22
60633	Chicago	12	60634	Chicago	74
60636	Chicago	19	60637	Chicago	25
60638	Chicago	36	60639	Chicago	27
60640	Chicago	73	60641	Chicago	43
60643	Chicago	52	60644	Chicago	23
60645	Chicago	47	60646	Chicago	38
60647	Chicago	50	60649	Chicago	42
60651	Chicago	31	60652	Chicago	24
60653	Chicago	28	60654	Chicago	29
60655	Chicago	37	60656	Chicago	30
60657	Chicago	89	60658	Chicago	4
60659	Chicago	36	60660	Chicago	45
60661	Chicago	18	60664	Chicago	1
60669	Chicago	3	60673	Chicago	2
60674	Chicago	1	60677	Chicago	1
60680	Chicago	2	60690	Chicago	2
60699	Chicago	1	60701	Chicago	1
60411	Chicago Heights	35	60412	Chicago Heights	3
60415	Chicago Ridge	25	61523	Chillicothe	14
62822	Christopher	3	60804	Cicero	17
61830	Cisco	1	62823	Cisne	1
60924	Cissna Park	4	60111	Clare	1
62421	Claremont	2	60514	Clarendon Hills	11

1 – OCHI Calls Received - (by Zip Code)

From 1/1/2010 To 12/31/2010

Exhibit 1-4

Zip Code	Post Office Name	Calls	Zip Code	Post Office Name	Calls
62824	Clay City	1	62324	Clayton	1
60927	Clifton	1	61727	Clinton	7
60416	Coal City	9	61240	Coal Valley	4
62325	Coatsburg	1	62920	Cobden	1
62017	Coffeen	1	62326	Colchester	1
61728	Colfax	2	62234	Collinsville	29
61241	Colona	3	62236	Columbia	17
61729	Congerville	1	61319	Cornell	2
60112	Cortland	3	62018	Cottage Hills	5
62237	Coulterville	5	60478	Country Club Hills	18
62422	Cowden	4	60403	Crest Hill	31
60113	Creston	2	60417	Crete	34
61610	Creve Coeur	4	62827	Crossville	4
60012	Crystal Lake	37	60014	Crystal Lake	76
60039	Crystal Lake	2	61428	Dahinda	2
62828	Dahlgren	1	61018	Dakota	1
61925	Dalton City	1	61320	Dalzell	1
60930	Danforth	1	61832	Danville	22
61834	Danville	6	60561	Darien	36
61019	Davis	2	61020	Davis Junction	6
62520	Dawson	1	60115	De Kalb	25
62924	De Soto	4	62521	Decatur	64
62522	Decatur	12	62523	Decatur	3
62525	Decatur	6	62526	Decatur	45
61733	Deer Creek	1	60015	Deerfield	78
61734	Delavan	1	62423	Dennison	1
60016	Des Plaines	81	60018	Des Plaines	54
60019	Des Plaines	2	62424	Dieterich	1
62530	Divernon	4	62830	Dix	2
61021	Dixon	16	60419	Dolton	38
62019	Donnellson	1	62021	Dorsey	2
62927	Dowell	1	60515	Downers Grove	45
60516	Downers Grove	33	61736	Downs	1
62832	Du Quoin	4	62425	Dundas	1
60118	Dundee	23	61525	Dunlap	8
62239	Dupo	7	61024	Durand	3
60420	Dwight	4	62023	Eagarville	2
62024	East Alton	14	61025	East Dubuque	1
60932	East Lynn	1	61244	East Moline	13
61611	East Peoria	28	62201	East Saint Louis	6
62203	East Saint Louis	7	62204	East Saint Louis	7
62205	East Saint Louis	8	62206	East Saint Louis	11
62207	East Saint Louis	3	62633	Easton	1
61526	Edelstein	2	62426	Edgewood	3
62531	Edinburg	4	62025	Edwardsville	29

1 – OCHI Calls Received - (by Zip Code)

From 1/1/2010 To 12/31/2010

Exhibit 1-5

Zip Code	Post Office Name	Calls	Zip Code	Post Office Name	Calls
62401	Effingham	30	61738	El Paso	2
60119	Elburn	6	62930	Eldorado	9
62027	Eldred	1	60120	Elgin	36
60121	Elgin	2	60123	Elgin	53
60124	Elgin	13	61028	Elizabeth	2
62931	Elizabethtown	3	60007	Elk Grove Village	67
60009	Elk Grove Village	12	62634	Elkhart	2
62833	Ellery	2	61737	Ellsworth	1
60126	Elmhurst	49	61529	Elmwood	1
60707	Elmwood Park	41	60421	Elwood	2
62635	Emden	1	62933	Energy	1
62835	Enfield	3	62934	Equality	1
61250	Erie	2	60129	Esmond	1
61530	Eureka	8	60201	Evanston	57
60202	Evanston	42	60203	Evanston	4
60208	Evanston	1	62242	Evansville	3
60805	Evergreen Park	22	62836	Ewing	1
61739	Fairbury	1	62837	Fairfield	12
62208	Fairview Heights	25	62838	Farina	2
61842	Farmer City	7	62533	Farmersville	2
61531	Farmington	5	61251	Fenton	1
62336	Ferris	1	62030	Fidelity	1
62534	Findlay	1	61843	Fisher	2
62839	Flora	11	60422	Flossmoor	17
60130	Forest Park	14	61741	Forrest	2
61030	Forreston	1	62535	Forsyth	6
60020	Fox Lake	11	60021	Fox River Grove	11
60423	Frankfort	34	62638	Franklin	2
60131	Franklin Park	12	62243	Freeburg	7
61032	Freeport	33	61252	Fulton	3
62244	Fults	1	62935	Galatia	1
61036	Galena	2	61401	Galesburg	32
61402	Galesburg	1	61434	Galva	3
61038	Garden Prairie	2	60424	Gardner	1
61254	Geneseo	7	60134	Geneva	44
60135	Genoa	7	61846	Georgetown	7
61039	German Valley	4	62245	Germantown	3
60936	Gibson City	4	61847	Gifford	3
60136	Gilberts	10	62033	Gillespie	4
60938	Gilman	2	62640	Girard	1
61533	Glasford	4	62034	Glen Carbon	20
60137	Glen Ellyn	44	62536	Glenarm	1
60022	Glencoe	14	60139	Glendale Heights	30
60025	Glenview	60	60026	Glenview Nas	30
60425	Glenwood	8	62035	Godfrey	30

1 – OCHI Calls Received - (by Zip Code)

From 1/1/2010 To 12/31/2010

Exhibit 1-6

Zip Code	Post Office Name	Calls	Zip Code	Post Office Name	Calls
62938	Golconda	9	62036	Golden Eagle	1
61438	Good Hope	2	61742	Goodfield	1
62939	Goreville	2	62940	Gorham	1
62037	Grafton	1	62942	Grand Tower	3
62040	Granite City	48	60940	Grant Park	6
62943	Grantsburg	2	61743	Graymont	2
60030	Grayslake	47	62844	Grayville	4
60088	Great Lakes	1	62044	Greenfield	3
62428	Greenup	2	62642	Greenview	3
62246	Greenville	15	61744	Gridley	1
62340	Griggsville	3	60031	Gurnee	43
62247	Hagarstown	1	62046	Hamel	4
62341	Hamilton	3	61929	Hammond	1
60140	Hampshire	15	61256	Hampton	1
61041	Hanover	2	60133	Hanover Park	27
62047	Hardin	2	62946	Harrisburg	8
62048	Hartford	2	62643	Hartsburg	2
60033	Harvard	12	60426	Harvey	17
62644	Havana	4	60429	Hazel Crest	10
60034	Hebron	4	62248	Hecker	2
61439	Henderson	1	61327	Hennepin	3
61537	Henry	2	62845	Herald	1
62431	Herrick	1	62948	Herrin	7
62649	Hettick	1	61745	Heyworth	4
60457	Hickory Hills	12	62432	Hidalgo	1
62249	Highland	26	60035	Highland Park	70
60040	Highwood	6	62049	Hillsboro	3
60162	Hillside	9	60141	Hines	4
60521	Hinsdale	26	60522	Hinsdale	3
60570	Hinsdale	2	60169	Hoffman Estates	54
61849	Homer	2	60491	Homer Glen	25
60456	Hometown	5	60430	Homewood	31
60942	Hoopeston	1	61747	Hopedale	5
62803	Hoyleton	1	61748	Hudson	2
62252	Huey	2	60142	Huntley	36
62344	Huntsville	1	62433	Hutsonville	2
61259	Illinois City	2	99999	In Illinois	5094
62846	Ina	2	61850	Indianola	1
61440	Industry	2	60041	Ingleside	17
62434	Ingraham	1	61441	Ipava	1
62051	Irving	3	60042	Island Lake	15
60143	Itasca	28	62849	Iuka	2
61851	Ivesdale	1	62650	Jacksonville	30
62651	Jacksonville	2	62950	Jacob	3
62052	Jerseyville	17	62436	Jewett	1

1 – OCHI Calls Received - (by Zip Code)

From 1/1/2010 To 12/31/2010

Exhibit 1-7

Zip Code	Post Office Name	Calls	Zip Code	Post Office Name	Calls
62951	Johnston City	5	60431	Joliet	28
60432	Joliet	16	60433	Joliet	7
60434	Joliet	3	60435	Joliet	46
60436	Joliet	8	62952	Jonesboro	13
62953	Joppa	1	61260	Joy	1
62954	Junction	4	60458	Justice	7
62054	Kane	1	60144	Kaneville	1
60901	Kankakee	19	61933	Kansas	3
62956	Karnak	3	62851	Keenes	1
61442	Keithsburg	1	60043	Kenilworth	3
61749	Kenney	1	61443	Kewanee	17
62253	Keyesport	1	62540	Kincaid	4
61539	Kingston Mines	1	62854	Kinmundy	3
60437	Kinsman	1	60146	Kirkland	7
61447	Kirkwood	1	61448	Knoxville	3
60525	La Grange	45	60526	La Grange Park	23
61330	La Moille	1	61541	La Rose	1
61301	La Salle	15	61540	Lacon	3
61329	Ladd	4	60147	Lafox	1
60044	Lake Bluff	16	60045	Lake Forest	32
60156	Lake in the Hills	32	60046	Lake Villa	35
60047	Lake Zurich	62	61046	Lanark	2
60438	Lansing	23	62543	Latham	2
62439	Lawrenceville	6	61752	Le Roy	3
61047	Leaf River	2	62254	Lebanon	5
60530	Lee	2	60531	Leland	3
60439	Lemont	15	61048	Lena	2
62255	Lenzburg	1	61332	Leonore	1
61542	Lewistown	1	61753	Lexington	1
62347	Liberty	6	60048	Libertyville	44
60092	Libertyville	1	62656	Lincoln	21
60069	Lincolnshire	21	60712	Lincolnwood	15
61049	Lindenwood	1	60532	Lisle	46
62056	Litchfield	3	62058	Livingston	2
62661	Loami	1	60441	Lockport	42
62856	Logan	1	60148	Lombard	69
61544	London Mills	1	60049	Long Grove	2
61333	Long Point	1	62857	Loogootee	1
62858	Louisville	3	61111	Loves Park	40
60949	Ludlow	1	61261	Lyndon	6
61262	Lynn Center	2	60534	Lyons	9
61115	Machesney Park	17	61755	Mackinaw	6
61455	Macomb	15	62060	Madison	3
61336	Magnolia	1	61853	Mahomet	7
62958	Makanda	5	61337	Malden	4

1 – OCHI Calls Received - (by Zip Code)

From 1/1/2010 To 12/31/2010

Exhibit 1-8

Zip Code	Post Office Name	Calls	Zip Code	Post Office Name	Calls
60150	Malta	1	60442	Manhattan	6
61546	Manito	4	60950	Manteno	23
61547	Mapleton	2	61458	Maquon	1
60152	Marengo	9	62959	Marion	34
62257	Marissa	3	61340	Mark	2
60428	Markham	12	61756	Maroa	3
61341	Marseilles	9	62441	Marshall	9
62442	Martinsville	7	60951	Martinton	3
62062	Maryville	9	62224	Mascoutah	1
62258	Mascoutah	4	62664	Mason City	3
61263	Matherville	1	60443	Matteson	10
61938	Mattoon	32	60153	Maywood	14
60444	Mazon	1	62957	Mc Clure	3
61050	Mc Connell	1	60050	Mc Henry	54
60051	Mc Henry	36	62859	Mc Leansboro	5
62545	Mechanicsburg	1	60157	Medinah	5
62063	Medora	3	60160	Melrose Park	22
60161	Melrose Park	2	60164	Melrose Park	18
60952	Melvin	2	62259	Menard	2
62351	Mendon	2	61342	Mendota	2
62665	Meredosia	1	61548	Metamora	3
62960	Metropolis	15	62065	Michael	2
62666	Middletown	1	60445	Midlothian	16
61264	Milan	9	60953	Milford	2
62862	Mill Shoals	1	60536	Millbrook	2
61051	Milledgeville	3	62260	Millstadt	8
62352	Milton	1	61760	Minonk	1
60447	Minooka	16	62444	Mode	1
60448	Mokena	28	61265	Moline	46
60954	Momence	3	60449	Monee	12
61462	Monmouth	14	60538	Montgomery	20
61856	Monticello	18	60539	Mooseheart	3
62067	Moro	2	60450	Morris	27
61270	Morrison	4	62546	Morrisonville	1
61550	Morton	11	60053	Morton Grove	33
61552	Mossville	1	62963	Mound City	2
62547	Mount Auburn	1	62863	Mount Carmel	8
62446	Mount Erie	1	61054	Mount Morris	10
62069	Mount Olive	2	60056	Mount Prospect	67
62548	Mount Pulaski	3	62353	Mount Sterling	4
62864	Mount Vernon	13	62550	Moweaqua	2
62070	Mozier	1	62549	Mt Zion	7
62262	Mulberry Grove	3	62865	Mulkeytown	4
60060	Mundelein	43	62966	Murphysboro	22
62668	Murrayville	4	60540	Naperville	72

1 – OCHI Calls Received - (by Zip Code)

From 1/1/2010 To 12/31/2010

Exhibit 1-9

Zip Code	Post Office Name	Calls	Zip Code	Post Office Name	Calls
60563	Naperville	58	60564	Naperville	44
60565	Naperville	35	60566	Naperville	5
60567	Naperville	1	62263	Nashville	7
62354	Nauvoo	3	62355	Nebo	3
62447	Neoga	2	61345	Neponset	1
62264	New Athens	7	62265	New Baden	7
62670	New Berlin	6	61272	New Boston	2
62967	New Burnside	1	62356	New Canton	1
62074	New Douglas	3	60451	New Lenox	32
60541	Newark	2	62448	Newton	5
62551	Niantic	1	60714	Niles	54
62868	Noble	2	62075	Nokomis	3
61761	Normal	37	61790	Normal	1
60542	North Aurora	30	60064	North Chicago	9
61466	North Henderson	1	60062	Northbrook	96
60065	Northbrook	4	62269	O Fallon	26
60523	Oak Brook	50	60452	Oak Forest	24
60453	Oak Lawn	66	60454	Oak Lawn	3
60301	Oak Park	10	60302	Oak Park	33
60304	Oak Park	14	62268	Oakdale	2
62673	Oakford	5	62553	Oconee	2
60460	Odell	3	62870	Odin	2
61348	Oglesby	5	61349	Ohio	1
62076	Ohlman	2	62271	Okawville	5
62969	Olive Branch	1	62450	Olney	14
60461	Olympia Fields	13	61060	Orangeville	2
62554	Oreana	2	61061	Oregon	10
62874	Orient	1	61273	Orion	4
60462	Orland Park	49	60467	Orland Park	48
60543	Oswego	40	61350	Ottawa	20
88888	Out of Illinois	2089	62555	Owaneco	1
62972	Ozark	2	60038	Palatine	1
60067	Palatine	69	60074	Palatine	40
60078	Palatine	2	60094	Palatine	1
62451	Palestine	2	62556	Palmer	1
62674	Palmyra	1	60463	Palos Heights	22
60465	Palos Hills	18	60464	Palos Park	10
62557	Pana	9	61944	Paris	11
60466	Park Forest	28	60068	Park Ridge	59
61353	Paw Paw	1	62558	Pawnee	9
60957	Paxton	2	62360	Payson	4
62361	Pearl	2	61062	Pearl City	4
61063	Pecatonica	4	61554	Pekin	62
61555	Pekin	2	55555	Pending HMO	2
61862	Penfield	2	61601	Peoria	1

1 – OCHI Calls Received - (by Zip Code)

From 1/1/2010 To 12/31/2010

Exhibit 1-10

Zip Code	Post Office Name	Calls	Zip Code	Post Office Name	Calls
61602	Peoria	7	61603	Peoria	23
61604	Peoria	42	61605	Peoria	8
61606	Peoria	2	61607	Peoria	9
61614	Peoria	38	61615	Peoria	21
61625	Peoria	1	61630	Peoria	1
61635	Peoria	1	61639	Peoria	2
61654	Peoria	1	61616	Peoria Heights	6
60468	Peotone	9	62272	Percy	1
62362	Perry	1	61354	Peru	17
61863	Pesotum	1	62675	Petersburg	6
62079	Piasa	1	62273	Pierron	1
62274	Pinckneyville	4	62974	Pittsburg	3
62363	Pittsfield	12	60544	Plainfield	36
60585	Plainfield	24	60586	Plainfield	26
60545	Plano	7	60170	Plato Center	1
62677	Pleasant Plains	1	62367	Plymouth	1
62275	Pocahontas	13	61064	Polo	2
61764	Pontiac	19	61065	Poplar Grove	6
62277	Prairie Du Rocher	2	61356	Princeton	17
61559	Princeville	2	61277	Prophetstown	4
60070	Prospect Heights	13	62976	Pulaski	1
62301	Quincy	42	62305	Quincy	32
62306	Quincy	3	62977	Raleigh	1
62080	Ramsey	1	60960	Rankin	4
61866	Rantoul	10	61278	Rapids City	2
62560	Raymond	3	62278	Red Bud	9
60961	Reddick	1	62279	Renault	2
61279	Reynolds	3	60071	Richmond	9
60471	Richton Park	11	62979	Ridgway	1
62878	Rinard	1	60072	Ringwood	3
60305	River Forest	17	60171	River Grove	20
60627	Riverdale	2	60827	Riverdale	12
60546	Riverside	19	62561	Riverton	5
61561	Roanoke	5	60472	Robbins	3
62454	Robinson	6	61068	Rochelle	18
62563	Rochester	9	61070	Rock City	1
61071	Rock Falls	5	61201	Rock Island	18
61101	Rockford	25	61102	Rockford	19
61103	Rockford	29	61104	Rockford	10
61105	Rockford	2	61107	Rockford	50
61108	Rockford	47	61109	Rockford	16
61110	Rockford	2	61112	Rockford	1
61114	Rockford	17	61125	Rockford	1
61126	Rockford	1	61132	Rockford	1
62370	Rockport	1	61072	Rockton	12

1 – OCHI Calls Received - (by Zip Code)

From 1/1/2010 To 12/31/2010

Exhibit 1-11

Zip Code	Post Office Name	Calls	Zip Code	Post Office Name	Calls
62280	Rockwood	3	60008	Rolling Meadows	37
60446	Romeoville	27	62082	Roodhouse	4
61073	Roscoe	22	60172	Roselle	34
60706	Rosemont	32	61473	Roseville	1
60963	Rossville	4	60073	Round Lake	49
62084	Roxana	2	62983	Royalton	3
62681	Rushville	2	61358	Rutland	3
61872	Sadorus	1	60964	Saint Anne	6
60174	Saint Charles	44	60175	Saint Charles	25
61563	Saint David	2	62458	Saint Elmo	1
62281	Saint Jacob	7	61873	Saint Joseph	4
62881	Salem	12	62882	Sandoval	1
60548	Sandwich	20	61769	Saunemin	1
61074	Savanna	4	61874	Savoy	7
61770	Saybrook	1	60159	Schaumburg	1
60168	Schaumburg	4	60173	Schaumburg	33
60192	Schaumburg	20	60193	Schaumburg	53
60194	Schaumburg	29	60195	Schaumburg	7
60196	Schaumburg	1	60176	Schiller Park	10
62225	Scott Air Force Base	1	61360	Seneca	1
60549	Serena	1	62884	Sesser	3
61875	Seymour	2	60550	Shabbona	3
61078	Shannon	2	62283	Shattuc	1
62984	Shawneetown	3	61361	Sheffield	2
62565	Shelbyville	11	60551	Sheridan	6
62684	Sherman	5	61281	Sherrard	1
62685	Shipman	2	61772	Shirley	1
60404	Shorewood	14	62461	Shumway	1
61876	Sidell	1	61877	Sidney	1
61282	Silvis	11	60076	Skokie	55
60077	Skokie	39	61477	Smithfield	1
62285	Smithton	3	60552	Somonauk	2
61080	South Beloit	10	60177	South Elgin	18
60473	South Holland	24	62087	South Roxana	1
62286	Sparta	10	60081	Spring Grove	15
61362	Spring Valley	8	62701	Springfield	14
62702	Springfield	83	62703	Springfield	52
62704	Springfield	147	62705	Springfield	9
62706	Springfield	4	62707	Springfield	17
62708	Springfield	7	62711	Springfield	26
62712	Springfield	11	62756	Springfield	1
62763	Springfield	4	62767	Springfield	9
62769	Springfield	1	62776	Springfield	1
62777	Springfield	1	61774	Stanford	2
62088	Staunton	8	62288	Steeleville	6

1 – OCHI Calls Received - (by Zip Code)

From 1/1/2010 To 12/31/2010

Exhibit 1-12

Zip Code	Post Office Name	Calls	Zip Code	Post Office Name	Calls
60475	Steger	12	61081	Sterling	16
62463	Stewardson	1	61084	Stillman Valley	4
61085	Stockton	1	60165	Stone Park	4
62567	Stonington	2	62465	Strasburg	1
60107	Streamwood	45	61364	Streator	13
61480	Stronghurst	4	61367	Sublette	2
60554	Sugar Grove	7	61951	Sullivan	5
60501	Summit Argo	12	62466	Sumner	4
60178	Sycamore	40	62688	Tallula	3
62988	Tamms	3	61283	Tampico	3
61284	Taylor Ridge	3	62568	Taylorville	30
60082	Techny	2	62467	Teutopolis	4
62889	Texico	2	62689	Thayer	1
61878	Thomasboro	1	62890	Thompsonville	3
61285	Thomson	2	60476	Thornton	2
62292	Tilden	1	61833	Tilton	1
60477	Tinley Park	50	60483	Tinley Park	2
60487	Tinley Park	22	61368	Tiskilwa	1
62468	Toledo	2	61880	Tolono	4
61369	Toluca	1	61370	Tonica	1
61567	Topeka	2	61483	Toulon	1
62570	Tovey	1	62571	Tower Hill	1
61568	Tremont	3	62293	Trenton	6
62469	Trilla	1	61569	Trivoli	4
62294	Troy	10	62991	Tunnel Hill	3
61953	Tuscola	6	62992	Ullin	3
60180	Union	6	60969	Union Hill	1
62993	Unity	1	61801	Urbana	27
61802	Urbana	11	61803	Urbana	2
61373	Utica	3	62891	Valier	1
62295	Valmeyer	2	62471	Vandalia	5
62090	Venice	1	61484	Vermont	1
60061	Vernon Hills	23	61485	Victoria	1
62995	Vienna	4	61956	Villa Grove	3
60181	Villa Park	42	62996	Villa Ridge	3
61486	Viola	1	62690	Virden	5
60182	Virgil	1	62691	Virginia	1
60083	Wadsworth	11	61376	Walnut	2
62297	Walsh	1	62091	Walshville	1
62894	Waltonville	1	60555	Warrenville	28
62379	Warsaw	1	61570	Washburn	2
61571	Washington	25	62298	Waterloo	19
60556	Waterman	1	60970	Watseka	9
62473	Watson	2	60084	Wauconda	28
60079	Waukegan	3	60085	Waukegan	56

1 – OCHI Calls Received - (by Zip Code)

From 1/1/2010 To 12/31/2010

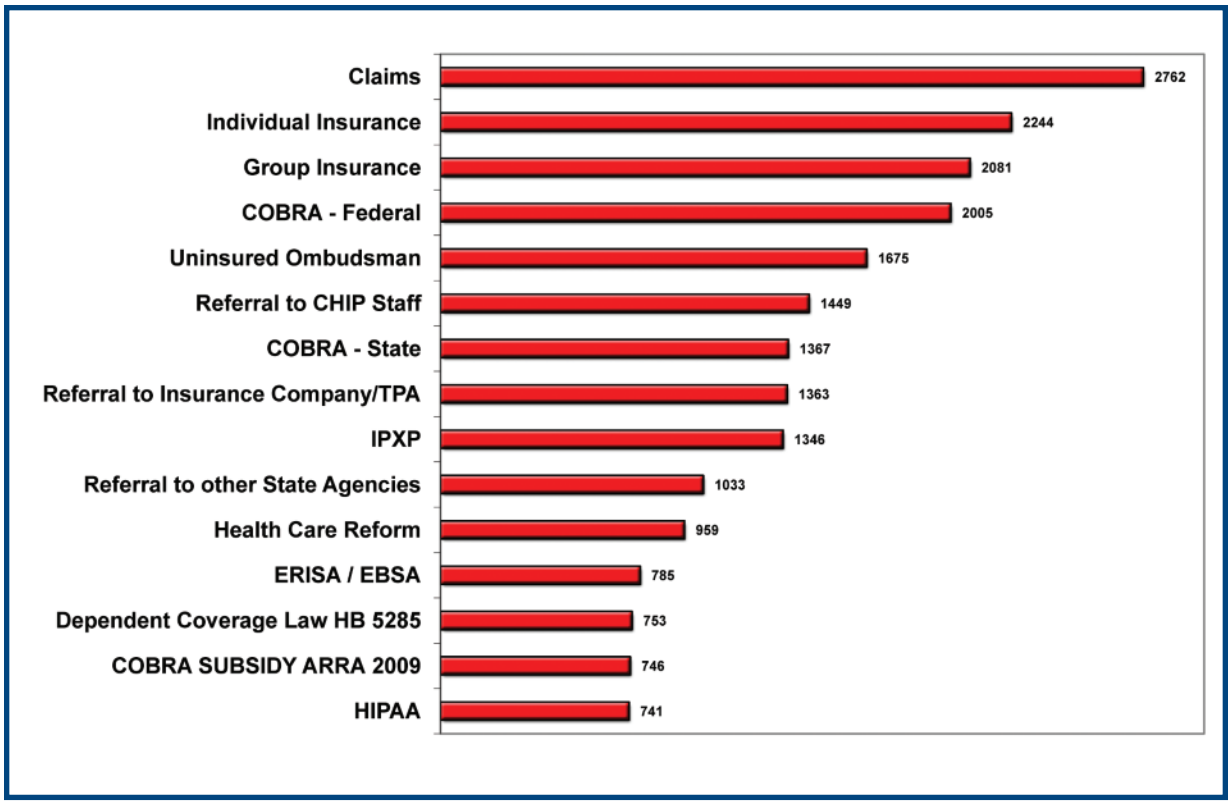
Exhibit 1-13

Zip Code	Post Office Name	Calls	Zip Code	Post Office Name	Calls
60087	Waukegan	22	62692	Waverly	3
60184	Wayne	1	61778	Waynesville	3
60557	Wedron	2	60973	Wellington	1
61377	Wenona	3	60185	West Chicago	36
60186	West Chicago	2	62896	West Frankfort	23
62475	West Liberty	1	62380	West Point	3
62476	West Salem	1	60154	Westchester	33
60558	Western Springs	23	60559	Westmont	38
61883	Westville	2	60187	Wheaton	35
60189	Wheaton	39	60090	Wheeling	62
62092	White Hall	1	61489	Williamsfield	1
62997	Willisville	5	62480	Willow Hill	3
60480	Willow Springs	10	60091	Wilmette	47
60481	Wilmington	10	62093	Wilsonville	1
62694	Winchester	4	61957	Windsor	2
60190	Winfield	10	61088	Winnebago	7
60093	Winnetka	44	61089	Winslow	3
60096	Winthrop Harbor	12	62094	Witt	3
62998	Wolf Lake	1	60097	Wonder Lake	16
60191	Wood Dale	20	60399	Wood Dale	1
62095	Wood River	15	62898	Woodlawn	3
60517	Woodridge	39	60098	Woodstock	29
62097	Worden	5	60482	Worth	19
61379	Wyanet	1	61491	Wyoming	1
62899	Xenia	2	60560	Yorkville	11
60099	Zion	22			

1123 Zip Codes Contacted by
21411 Total Calls Received

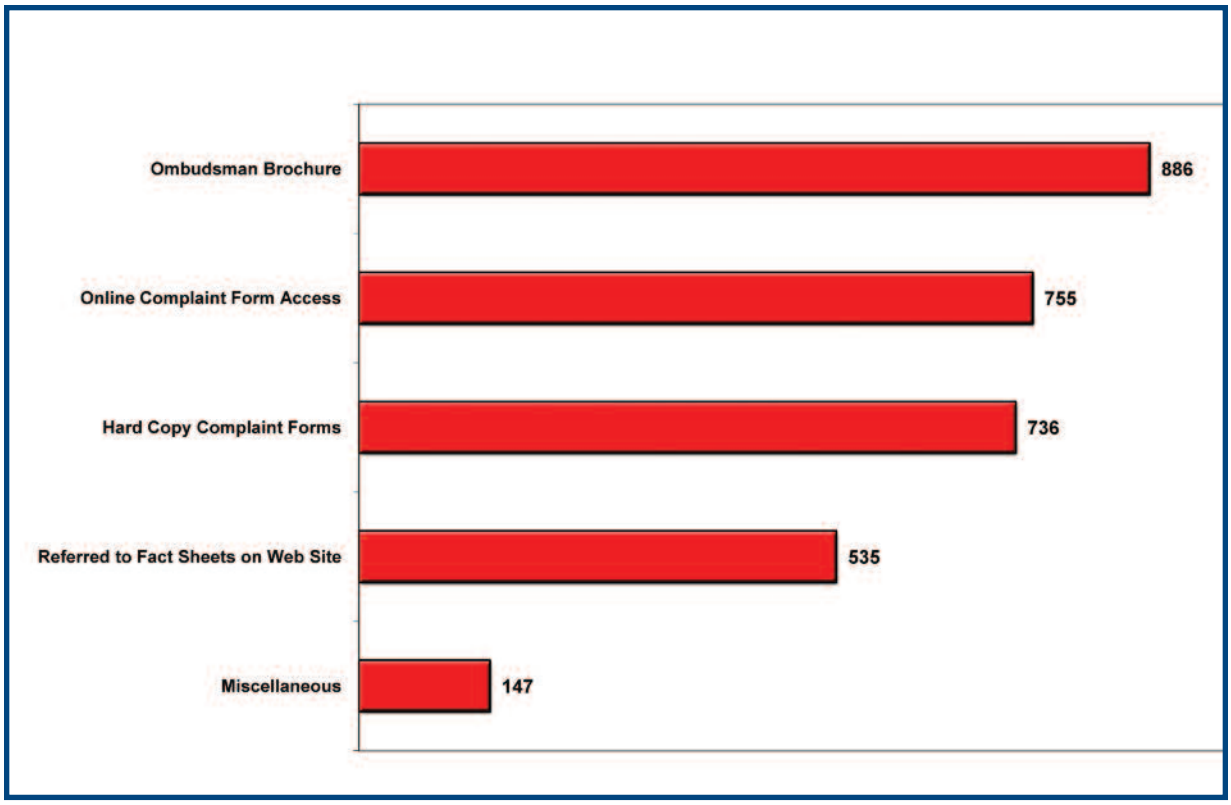
2 – Calls Received by OCHI - (by Category) (Top 15)

Exhibit 2



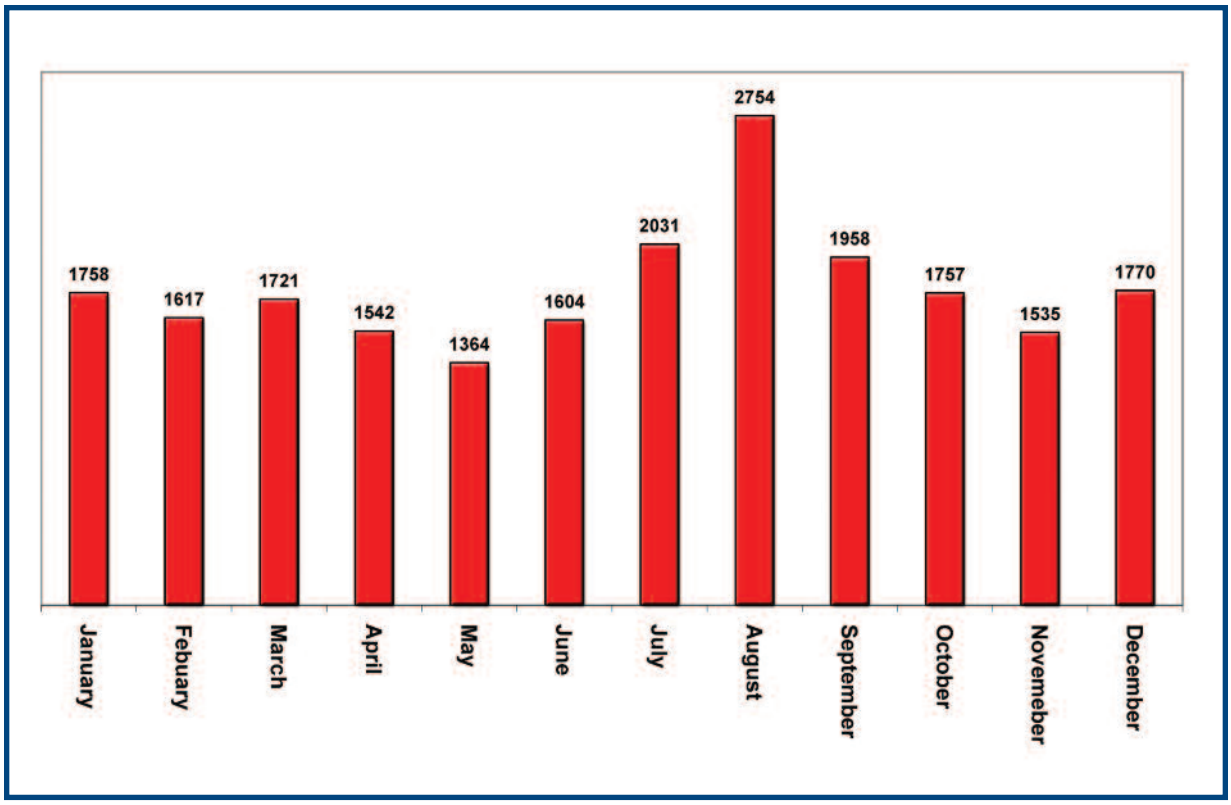
3 – Materials Sent to Consumers by OCHI - (Top 5)

Exhibit 3



4 – Calls Received by OCHI Per Month For Calendar Year 2010

Exhibit 4



5 – HMO Company Complaint Record -- General Summary 2009

Exhibit 5

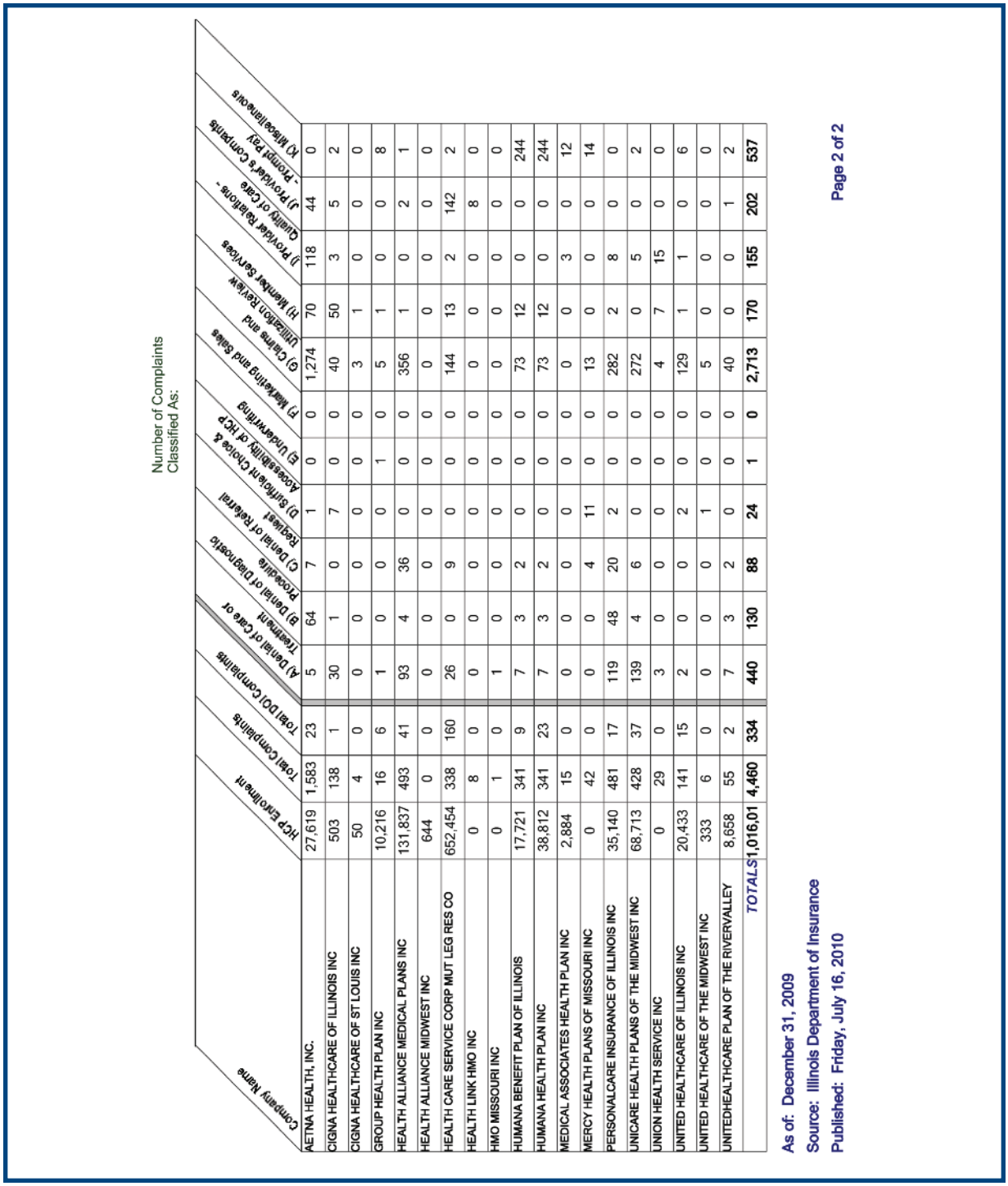
Company Name	HCP Enrollment	Total Complaints	Total DOI Complaints	Number of Complaints Originated by: A) Consumer/Enrollee	B) Provider	C) Other Individual	Disposition of Complaints: Complaints With External Review	A) Relief Granted	B) Partial Relief	C) Information Furnished	D) No Relief Granted
AETNA HEALTH, INC.	27,619	1,583	23	448	728	407	1	381	68	1,134	0
CIGNA HEALTHCARE OF ILLINOIS INC	503	138	1	100	27	11	0	88	1	32	17
CIGNA HEALTHCARE OF ST LOUIS INC	50	4	0	4	0	0	0	3	0	1	0
GROUP HEALTH PLAN INC	10,216	16	6	11	4	1	0	6	0	4	6
HEALTH ALLIANCE MEDICAL PLANS INC	131,837	493	41	359	123	11	14	73	3	22	395
HEALTH ALLIANCE MIDWEST INC	644	0	0	0	0	0	0	0	0	0	0
HEALTH CARE SERVICE CORP MUT LEG RES	652,454	338	160	117	65	156	0	144	58	58	78
HEALTH LINK HMO INC	0	8	0	0	8	0	0	8	0	0	0
HMO MISSOURI INC	0	1	0	1	0	0	0	1	0	0	0
HUMANA BENEFIT PLAN OF ILLINOIS	17,721	341	9	300	36	5	0	202	15	1	123
HUMANA HEALTH PLAN INC	38,812	341	23	300	36	5	0	202	15	1	123
MEDICAL ASSOCIATES HEALTH PLAN INC	2,884	15	0	7	8	0	0	5	0	3	7
MERCY HEALTH PLANS OF MISSOURI INC	0	42	0	20	17	5	0	15	0	2	25
PERSONALCARE INSURANCE OF ILLINOIS INC	35,140	481	17	322	152	7	28	231	1	12	237
UNICARE HEALTH PLANS OF THE MIDWEST IN	68,713	428	37	270	153	5	4	272	11	26	119
UNION HEALTH SERVICE INC	0	29	0	26	0	3	2	26	0	0	3
UNITED HEALTHCARE OF ILLINOIS INC	20,433	141	15	63	38	40	0	50	7	0	84
UNITED HEALTHCARE OF THE MIDWEST INC	333	6	0	2	4	0	0	1	1	0	4
UNITEDHEALTHCARE PLAN OF THE RIVERVAL	8,658	55	2	54	1	0	0	20	2	3	30
TOTALS	1,016,01	4,460	334	2,404	1,400	656	49	1,728	182	1,299	1,251

As of: December 31, 2009
Source: Illinois Department of Insurance
Published: Friday, July 16, 2010

Page 1 of 2

6 – HMO Company Complaint Record Classification Summary 2009

Exhibit 6



Number of Complaints Classified As:

Company Name	HCP Exhibit	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 Utilization Review	H) Member Services	I) Provider Relations - Quality of Care	J) Provider's Complaints - Prompt Pay	K) Miscellaneous
AETNA HEALTH, INC.	27,619	1,583	23	5	64	7	1	0	0	1,274	70	118	44	0
CIGNA HEALTHCARE OF ILLINOIS INC	503	138	1	30	1	0	7	0	0	40	50	3	5	2
CIGNA HEALTHCARE OF ST LOUIS INC	50	4	0	0	0	0	0	0	0	3	1	0	0	0
GROUP HEALTH PLAN INC	10,216	16	6	1	0	0	0	1	0	5	1	0	0	8
HEALTH ALLIANCE MEDICAL PLANS INC	131,837	493	41	93	4	36	0	0	0	356	1	0	2	1
HEALTH ALLIANCE MIDWEST INC	644	0	0	0	0	0	0	0	0	0	0	0	0	0
HEALTH CARE SERVICE CORP MUT LEG RES CO	652,454	338	160	26	0	9	0	0	0	144	13	2	142	2
HEALTH LINK HMO INC	0	8	0	0	0	0	0	0	0	0	0	0	8	0
HMO MISSOURI INC	0	1	0	1	0	0	0	0	0	0	0	0	0	0
HUMANA BENEFIT PLAN OF ILLINOIS	17,721	341	9	7	3	2	0	0	0	73	12	0	0	244
HUMANA HEALTH PLAN INC	38,812	341	23	7	3	2	0	0	0	73	12	0	0	244
MEDICAL ASSOCIATES HEALTH PLAN INC	2,884	15	0	0	0	0	0	0	0	0	0	3	0	12
MERCY HEALTH PLANS OF MISSOURI INC	0	42	0	0	0	4	11	0	0	13	0	0	0	14
PERSONALCARE INSURANCE OF ILLINOIS INC	35,140	481	17	119	48	20	2	0	0	282	2	8	0	0
UNICARE HEALTH PLANS OF THE MIDWEST INC	68,713	428	37	139	4	6	0	0	0	272	0	5	0	2
UNION HEALTH SERVICE INC	0	29	0	3	0	0	0	0	0	4	7	15	0	0
UNITED HEALTHCARE OF ILLINOIS INC	20,433	141	15	2	0	0	2	0	0	129	1	1	0	6
UNITED HEALTHCARE OF THE MIDWEST INC	333	6	0	0	0	0	1	0	0	5	0	0	0	0
UNITEDHEALTHCARE PLAN OF THE RIVERVALLEY	8,658	55	2	7	3	2	0	0	0	40	0	0	1	2
TOTALS	**1,016,01**	**4,460**	**334**	**440**	**130**	**88**	**24**	**1**	**0**	**2,713**	**170**	**155**	**202**	**537**

As of: December 31, 2009
Source: Illinois Department of Insurance
Published: Friday, July 16, 2010

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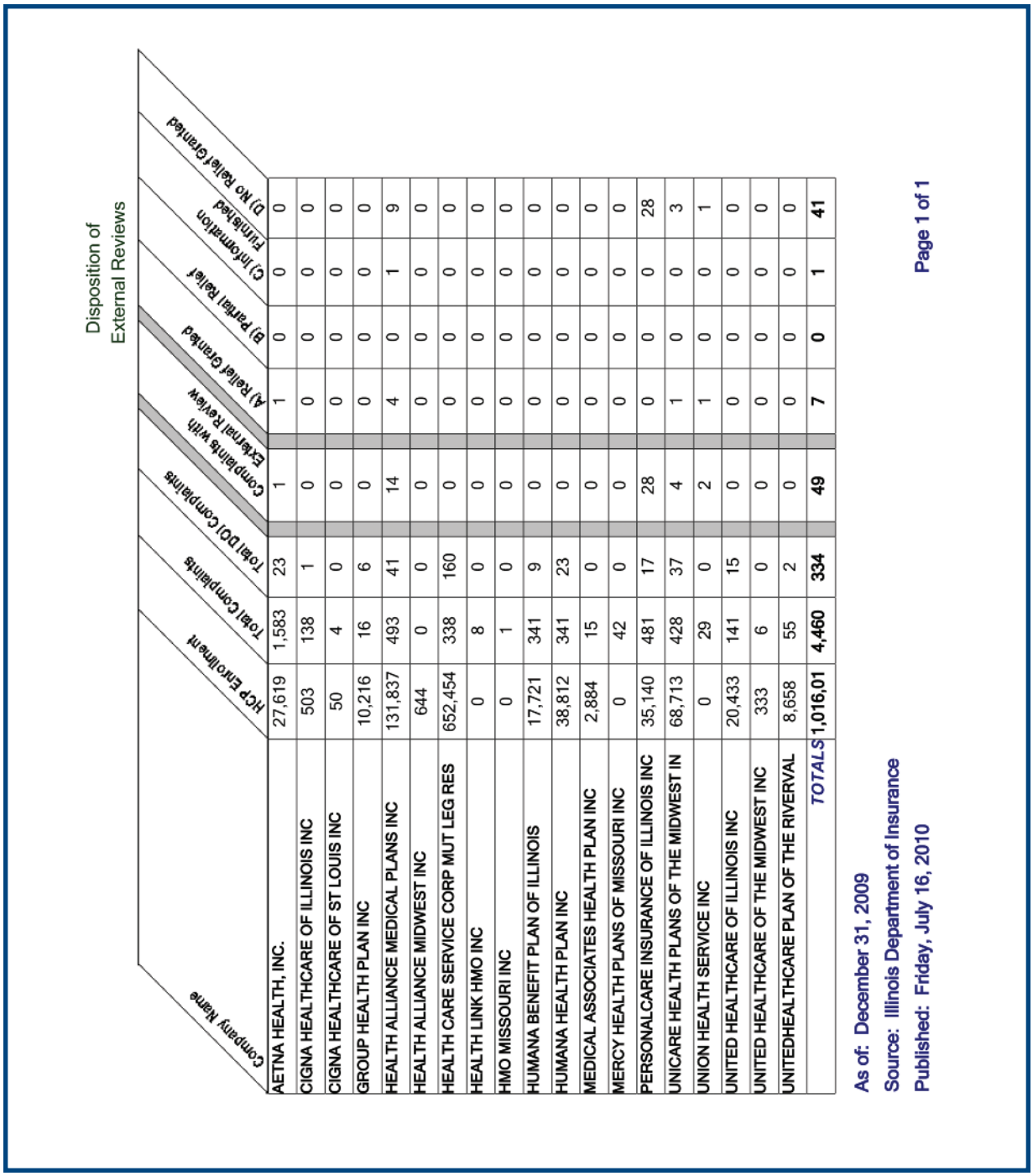
7 – HMO External Independent Review Summary 2009

Exhibit 7



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, INC.	27,619	1,583	23	1	1	0	0	0
CIGNA HEALTHCARE OF ILLINOIS INC	503	138	1	0	0	0	0	0
CIGNA HEALTHCARE OF ST LOUIS INC	50	4	0	0	0	0	0	0
GROUP HEALTH PLAN INC	10,216	16	6	0	0	0	0	0
HEALTH ALLIANCE MEDICAL PLANS INC	131,837	493	41	14	4	0	1	9
HEALTH ALLIANCE MIDWEST INC	644	0	0	0	0	0	0	0
HEALTH CARE SERVICE CORP MUT LEG RES	652,454	338	160	0	0	0	0	0
HEALTH LINK HMO INC	0	8	0	0	0	0	0	0
HMO MISSOURI INC	0	1	0	0	0	0	0	0
HUMANA BENEFIT PLAN OF ILLINOIS	17,721	341	9	0	0	0	0	0
HUMANA HEALTH PLAN INC	38,812	341	23	0	0	0	0	0
MEDICAL ASSOCIATES HEALTH PLAN INC	2,884	15	0	0	0	0	0	0
MERCY HEALTH PLANS OF MISSOURI INC	0	42	0	0	0	0	0	0
PERSONALCARE INSURANCE OF ILLINOIS INC	35,140	481	17	28	0	0	0	28
UNICARE HEALTH PLANS OF THE MIDWEST IN	68,713	428	37	4	1	0	0	3
UNION HEALTH SERVICE INC	0	29	0	2	1	0	0	1
UNITED HEALTHCARE OF ILLINOIS INC	20,433	141	15	0	0	0	0	0
UNITED HEALTHCARE OF THE MIDWEST INC	333	6	0	0	0	0	0	0
UNITEDHEALTHCARE PLAN OF THE RIVERVAL	8,658	55	2	0	0	0	0	0
TOTALS	1,016,01	4,460	334	49	7	0	1	41

As of: December 31, 2009
Source: Illinois Department of Insurance
Published: Friday, July 16, 2010

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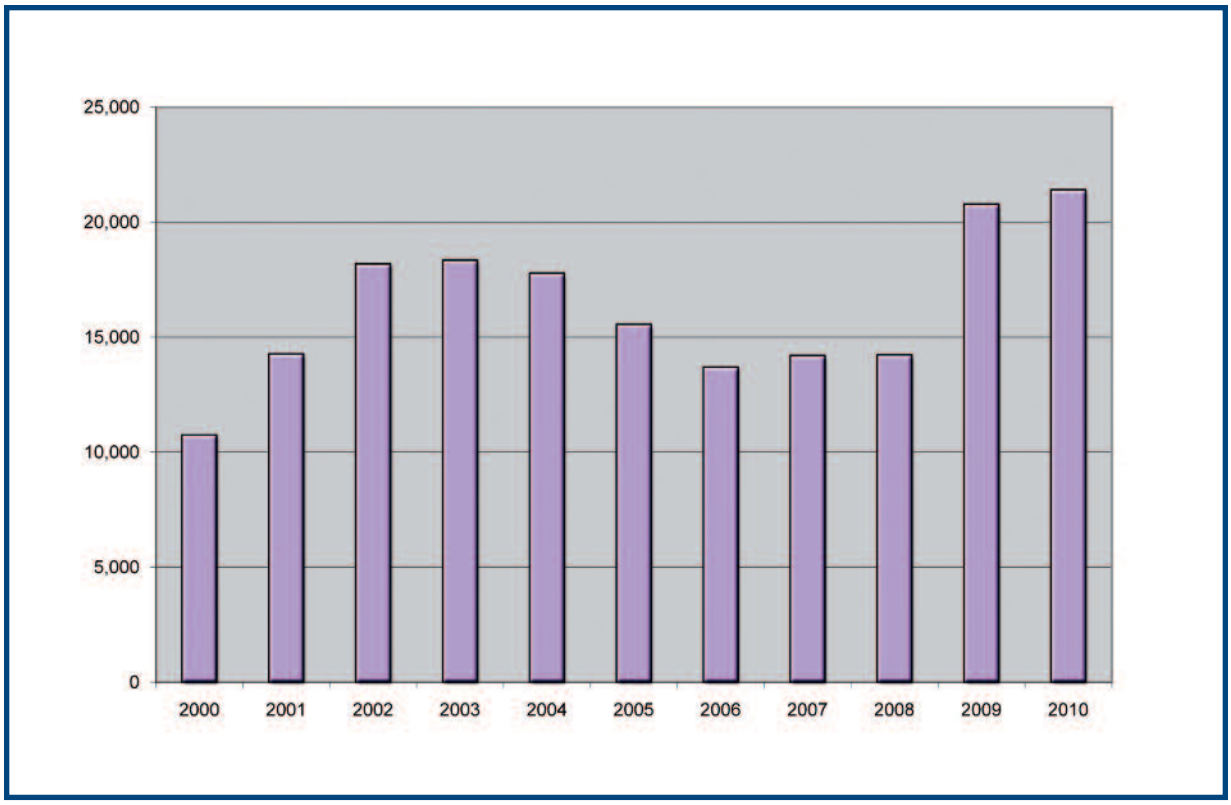
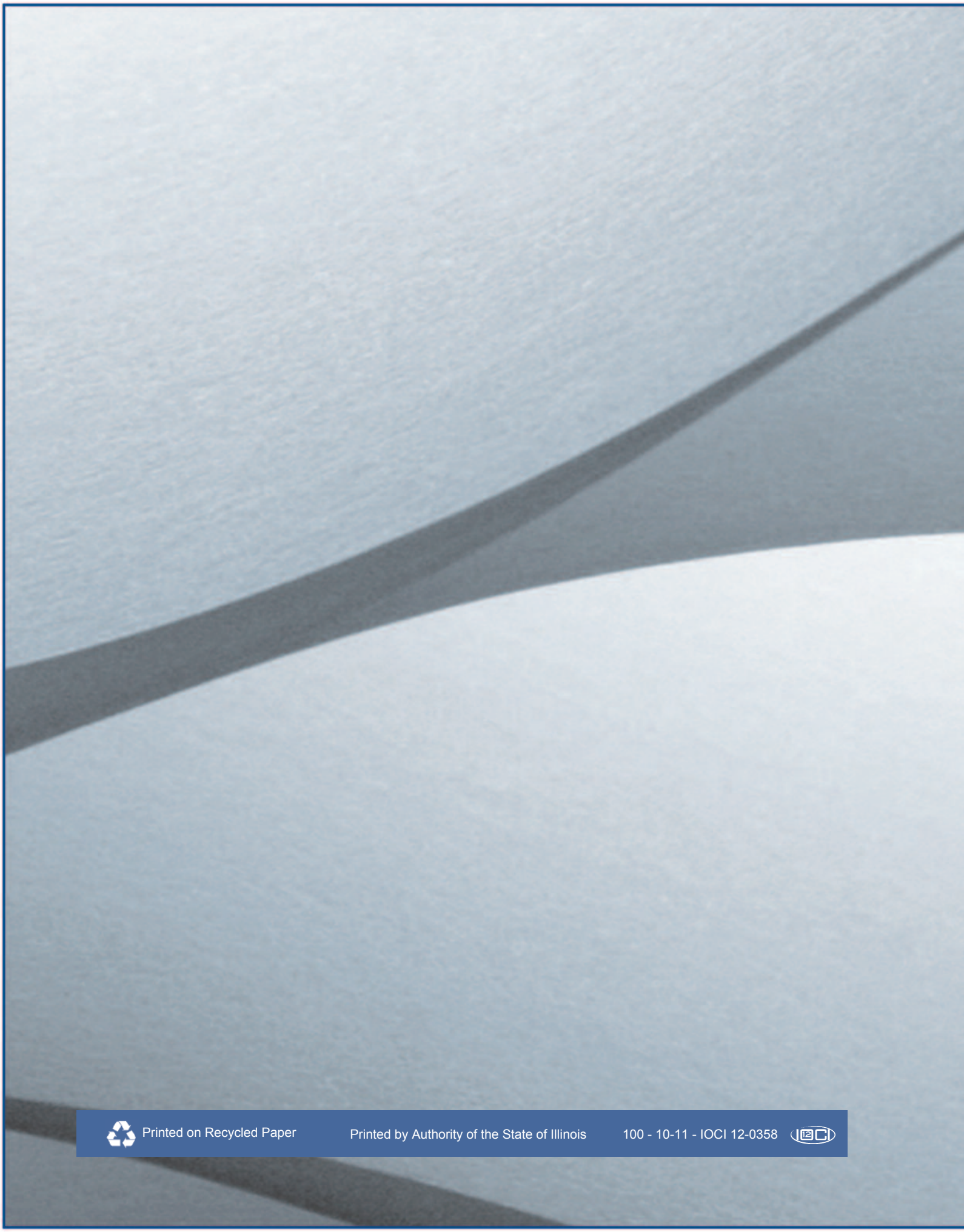
8 – OCHI Calls By Year

Exhibit 8





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