# Illinois Department of Insurance

**BRUCE RAUNER**
**Governor**

**JENNIFER HAMMER**
**Director**

## MEMORANDUM

**TO:** All Accident and Health Companies, HMOs, LHSOs and VHSPs

**FROM:** Jennifer Hammer, Director JH/gso

**DATE:** December 21, 2017

**RE:** Company Bulletin 2017-05 - Step Therapy Requirement Exceptions

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The Managed Care Reform and Patient Right Act ("the Act") was amended by P.A. 99-761 to require every insurer licensed in this State to sell a policy of group or individual accident and health insurance or health plan to establish and maintain a medical exceptions process. 215 ILCS 134/45.1; 215 ILCS 5/155.36. This requirement becomes effective January 1, 2018.

The medical exceptions process must include, at a minimum:

(1) Any request for approval of coverage made verbally or in writing (regardless of whether made using a paper or electronic form or some other writing) at any time shall be reviewed by appropriate health care professionals.
(2) The health carrier must, within 72 hours after receipt of a request made under subsection (a) of Section 134/45.1, either approve or deny the request. In the case of a denial, the health carrier shall provide the covered person or the covered person's authorized representative and the covered person's prescribing provider with the reason for the denial, an alternative covered medication, if applicable, and information regarding the procedure for submitting an appeal to the denial.
(3) In the case of an expedited coverage determination, the health carrier must either approve or deny the request within 24 hours after receipt of the request. In the case of a denial, the health carrier shall provide the covered person or the covered person's authorized representative and the covered person's prescribing provider with the reason for the denial, an alternative covered medication, if applicable, and information regarding the procedure for submitting an appeal to the denial.

On January 1, 2018 insurers will also be required to include a step therapy exception review process as established in Section 134/45.1(c) et seq.

A step therapy requirement exception request shall be approved if:

(1) the required prescription drug is contraindicated;
(2) the patient has tried the required prescription drug while under the patient's current or previous health insurance or health benefit plan and the prescribing provider submits evidence of failure or intolerance; or
(3) the patient is stable on a prescription drug selected by his or her health care provider for the medical condition under consideration while on a current or previous health insurance or health benefit plan.

Upon the granting of an exception request, the insurer, health plan, utilization review organization, or other entity shall authorize the coverage for the drug prescribed by the enrollee's treating health care provider, to the extent the prescribed drug is a covered drug under the policy or contract up to the quantity covered.

Any approval of a medical exception request made pursuant to this Section shall be honored for 12 months following the date of the approval or until renewal of the plan.

Questions regarding this bulletin should be directed to Sara Stanberry at sara.stanberry@illinois.gov.