Summary of HB1085

Improving Mental Health & Substance Use Network Adequacy & Access to Care Through Commercial Insurance

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- **HB1085 Applies to Private Insurance Plans Only.** The bill applies only to commercial/private insurance plans regulated by the state – impacting about 2.5 million covered Illinoisans. Medicaid services/MCOs are not included.

- **Implementation Year: 2027.** All provisions in HB1085 go into effect on Jan. 1, 2027.

Reimbursement Rate Floor for All Mental Health & Substance Use Disorder Services.

- **Reimbursement Rate Floor for All Mental Health & Substance Use Disorder (MHSUD) Services.** Requires commercial insurance plans to reimburse all behavioral health services at a reimbursement rate at least equal to 141.7% of what Medicare would pay for the mental health or substance use service provided. This brings MHSUD reimbursement in line with all other healthcare reimbursement.

- **Reimbursement Rate Floor Set by a Formula.** The rate floor of 141.7% of the Medicare rate is set by a formula in the bill. The formula does not change.

- **Reimbursement Rate Floor Applies to All MHSUD Services Covered by Commercial Insurance Plans.** The reimbursement rate floor applies to all inpatient, outpatient, hospital, and residential MHSUD services. No MHSUD service that is covered by a commercial insurance plan is excluded from the rate floor.

- **Safeguard Against Medicare Rate Decreases.** If Medicare rates decrease in any given year, the MHSUD reimbursement rate floor remains the same as the previous year (*i.e.*, the rate floor will not decrease).

- **Publication of the Reimbursement Rate Floor.** The Illinois Department of Insurance will publish the reimbursement rate floor in a Company Bulletin that will be accessible on its website prior to January 2027. Company Bulletins are how the Department communicates law changes to the insurance industry and the public.

- **Enforcement.** The Illinois Department of Insurance has the authority to enforce and monitor the reimbursement rate floor.

November 10, 2025. For more information, contact Heather O'Donnell, Director of Behavioral Health Strategy, DuPage County Health Department, at heather.odonnell@dupagehealth.org or 773.710.7779.

MHSUD Services Received on the Same Day.

- Any medically necessary MHSUD services received on the same day, whether from the same or different providers or facilities, shall be covered (*i.e.*, services cannot be denied because they were received on the same day).

Services Provided by a Person Under the Supervision of Fully Licensed Provider.

- **Supervision Billing: Services Provided by Behavioral Health Trainees.** Insurance plans must cover MHSUD services provided by a "behavioral health trainee" when the trainee is working toward clinical state licensure and is under the supervision of a fully licensed MHSUD provider. Services provided by the trainee must be billed under the supervising clinician's NPI.

    - A ***"behavioral health trainee"*** is defined as any person (1) engaged in the provision of MHSUD clinical services as part of that person's supervised course of study while enrolled in a master's or doctoral psychology, social work, counseling, or marriage or family therapy program or as a postdoctoral graduate working toward licensure; and (2) who is working toward clinical licensure under the supervision of a fully licensed MHSUD treatment provider.

- **Supervision Billing: Services Provided by a Fully Licensed MHSUD Provider Affiliated with a Group Practice under the Supervision of a Fully Licensed Provider While Waiting to Become a Participating Provider.** An insurer must cover services delivered by a MHSUD provider who is fully licensed and is part of a group MHSUD practice who has submitted a completed application to become a participating provider (*i.e.*, applying to be in-network) and is delivering services under another fully licensed MHSUD provider within the same practice. The services must be billed under the supervising licensed provider's NPI.

60-Minute Psychotherapy (CPT Code 90837).

- **Required Equal Coverage.** Insurers are required to cover 60-minute psychotherapy (90837) and cannot impose more onerous documentation requirements than is required for other psychotherapy CPT codes and cannot audit the use of CPT Code 90837 more frequently than audits for other psychotherapy CPT Codes.

Contracting Process for Becoming an In-Network Provider.

- **Shortened Timeline to Become an In-Network Provider.** Insurers must complete the contracting process with a MHSUD provider or facility to become a participating provider (*i.e.*, in-network) within 60 days from the date of a provider/facility's completed application to the insurer. This includes the verification of the providers credentials.

- **No Network Contract is Presumed.** The 60-day timeline to become a participating provider in an insurer's network does not presume a contract. A contract must still be finalized by both the insurer and the provider to become a participating provider/facility.

- **Retroactive In-Network Reimbursement to Date of Completed Application.** Once a contract is finalized between the MHSUD provider/facility and the insurer to be a participating provider (*i.e.*, in-network), the provider can retroactively bill as an in-network provider and at the contracted reimbursement rate for any medically necessary MHSUD services delivered dating back to the date of submission of a completed application to be a participating provider.

    - A provider must have a completed contract with the insurer to retroactively bill.
    - If a provider retroactively bills, the provider must notify the insured that the service may be treated as an in-network service.

Access to Insurer's Credentialing Policies & Procedures.

- **Information Available Upon Provider Request.** An insurer must provide an applying provider with their credentialing policies and procedures upon a provider's request.

- **Information Required on Insurer's Website.** Insurers must post the following information on their website: Information required to be included in a participating provider application, materials that must be submitted in the credentialing process, designated contact information of a network representative.

Insurance Plans Covered by HB1085

- **State Regulated Health Plans.** The bill covers fully funded plans (individual, small, and large group plans), and plans purchased on the Marketplace.

- **Plans Not Covered by HB1085.** Self-insured plans are regulated by the federal government and are not covered by HB1085. Also excluded are the state employee health plans, and all HMO plans.