Pritzker Administration Fines Blue Cross Blue Shield Of Illinois $605,000 For Violation Of The Network Adequacy And Transparency Act (NATA)

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CHICAGO - The Illinois Department of Insurance (IDOI) announced today a $605,000 fine for Health Care Service Corporation (HCSC), the parent company of Blue Cross Blue Shield of Illinois, for violating the Network Adequacy and Transparency Act (NATA).

Health Care Service Corporation (HCSC), the parent company of Blue Cross Blue Shield of Illinois, paid the fine and agreed to take corrective action based on the exam findings. The Department will conduct follow up exams to ensure the company remains in compliance. The Market Conduct Exam Final Report can be found here.

“We are committed to ensuring that Illinois consumers have access to care and receive equitable service from the health insurance companies collecting their monthly premiums,” **said IDOI Director Dana Popish Severinghaus.** “The law requires health insurance companies to have a provider network that meets proper time and distance standards for consumers to receive care, as well as up-to-date, accurate directories identifying which providers are in-network. When companies under our regulatory authority are in violation of insurance laws meant to protect consumers, we will take action.”

Market conduct examinations are an important tool for the regulatory agency to review insurance companies’ compliance with state and federal laws. This targeted market conduct exam for network adequacy included a review of Blue Cross Blue Shield of Illinois’ company operations and management, provider relations, consumer complaints and network adequacy.

IDOI's targeted market conduct exam for network adequacy, initiated November 2, 2020, and posted on March 9, 2023, revealed that Blue Cross Blue Shield of Illinois had the following violations of NATA and other state and federal laws related to network adequacy.

The company:

- Failed to properly apply maximum time and distance standards to reflect proper availability of providers.
- Failed to audit for each network plan at least 25% of its provider directories to verify the accuracies of the provider directories.
- Failed to list all available specialty providers for HMO plans in its provider directories or notate that authorization may be required to access some providers.
- Failed to make its provider directories clear for consumers to determine which directory applies to which plans.

- Failed to provide a written response to written inquiries and complaints within 21 days of receipt.
- Failed to provide accurate and most up-to-date network adequacy information in its SERFF filings to the state.
- Failed to maintain provider information on its website to reflect the current status of its providers.

Since provider directories are such an important information resource for health insurance consumers, the Department took the additional step of extending its period of review of the company's provider directories to one year to monitor implementation. If the company fails to comply and institute corrections to its provider directories within the time allotted, then the Department may assess another fine up to the amount of the original fine, essentially doubling the fine.