



Gov. Pritzker Signs Legislation Authorizing a State-Based Marketplace for Health Insurance, Rate Review

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CHICAGO – Today, Governor JB Pritzker was joined by state and local officials as he signed legislation authorizing a new state-based marketplace (SBM) for Illinois, which gives state agencies additional tools to create a more consumer-focused health insurance exchange and better identify traditionally uninsured communities. The Governor also signed historic rate review legislation, which will protect health insurance consumers from unfair rate hikes.

The Illinois Department of Insurance (DOI) and the Department of Healthcare and Family Services (DHFS) will work together to implement the new legislation and coordinate with all state medical assistance programs. “As governor, I’ve worked to build a state government that is more efficient and more responsive to what working families need,” said Governor JB Pritzker.

“Operating our own healthcare marketplace gives us the dexterity to offer more enrollment windows, coordinate with nonprofit partners who help families navigate insurance choices, and protect Illinoisans from any future changes in federal policy that seek to undermine access to affordable healthcare – including access to reproductive healthcare.” “Illinois joins more than three dozen other states with similar prior approval authority in the individual and small group health insurance market,” said Lt. Governor Juliana Stratton.

“This is a win for insurance consumers and an example of our collaboration with partners in the General Assembly and beyond to improve insurance access, affordability, and transparency for Illinoisans.” Illinois residents currently access the Affordable Care Act (ACA) Marketplace using the federal platform which the state pays a fee to use.

This legislation (HB 579) will transition Illinois to a state platform, redirecting that fee to Illinois to fund the new SBM. The full state-based marketplace goes live for plan year 2026, and consumers will start enrolling via the Illinois platform during the ACA Marketplace Open Enrollment Period beginning November 1, 2025. Currently, the federal platform does not share real-time data, and the Illinois Department of Insurance (DOI) must rely on federal CMS reports with limited information regarding enrollment in ACA Marketplace coverage.

The new legislation will help address that challenge, allowing Illinois to better target and serve uninsured communities. The rate review bill signed into law today – HB2296 – is a monumental piece of consumer protection legislation that substantially advances health care affordability.

Illinois joins 41 other states in protecting Illinois consumers and small businesses from unfair premium rate hikes. For the first time, insurance companies will have to provide specific information about how they set their rates and the DOI will have the authority to approve, modify, or disapprove health premium rates that it determines to be unreasonable or inadequate in the individual and small group market. It also increases transparency for consumers and small business by adding reporting requirements for insurance companies, and gives DOI the data it needs to explain to consumers and small businesses why people pay what they pay in a yearly report. “Today, we take a significant step forward in providing accessible and affordable health care for all Illinois residents.

Establishing a state-based insurance marketplace reflects our unwavering commitment to ensuring everyone can find a high-quality plan tailored to their needs,” said State Senator Ann Gillespie (D-Arlington Heights). “I am pleased to see these measures become law, empowering individuals to make informed choices, increasing transparency, driving down costs and ultimately improving the overall well-being of our

communities.” “These measures help ensure that health care is accessible and affordable for Illinois families,” said House Majority Leader Robyn Gabel (D-Evanston). “With these important steps, the Legislature and Governor Pritzker are sending a clear message that health care access in Illinois won’t be dependent on politicians in Washington and costs won’t go unchecked. Building a health care market that puts the needs of Illinois families first is a crucial step toward building a stronger Illinois.”

“Illinois families and small businesses would have paid millions less in health insurance costs over the years if regulators had the power of rate review,” said Representative Bob Morgan (D-Deerfield). “The Illinois Department of Insurance will now have the power to reject insurance plans that unreasonably raise their insurance rates, putting people over profits. This change is long overdue, and I am grateful to Senator Fine and the consumer advocates who have been fighting for these protections for nearly a decade.” “Health insurers in Illinois have been able to increase their rates with few guard rails, making purchasing insurance inaccessible to many working Illinoisans and small businesses,” said Senator Laura Fine (D-Glenview). “Under this law, the Department of Insurance will be able to reject unsubstantiated increases to make sure care is accessible and affordable for Illinois residents.”

“All Illinoisans deserve access to affordable health care regardless of their zip code,” said State Senator Napoleon Harris, III (D-Harvey). “These two new laws will move our state one step closer toward this goal. Conducting vital outreach in underserved communities will help match residents with the best plan to meet their needs, reduce barriers to health care access and promote a healthy Illinois.” “Small businesses have been crushed by the escalating costs of health insurance. By passing this bill, legislators have taken a proactive step towards stabilizing and reducing the costs of health insurance for small businesses and their employees. This legislation also increases transparency so policymakers and the public can better understand what drives the costs of health insurance,” said Elliot Richardson, President & Co-Founder of the Small Business Advocacy Council.

“We are thankful to Governor Pritzker and his team for their leadership with respect to passing this legislation. We are also thankful to the legislators that moved this bill forward. This is a big win for small businesses that want to provide affordable, quality health insurance to employees.” “This breakthrough legislation will give urgently-needed relief to consumers and small businesses that are struggling to keep up with skyrocketing health insurance premium increases,” said William McNary, Co-Director of Citizen Action Illinois.

“Creating a state-based exchange and giving the Illinois Department of Insurance the authority to modify or reject excessive rate increases will not only make health insurance more affordable, it will increase access to health care and lead to better health

care outcomes. We are grateful to Governor Pritzker and his staff, the fierce determination of Senator Laura Fine and the longtime health care advocacy of Leader Robyn Gabel for getting us over the finish line.”

“A state-based marketplace will increase Illinoisians’ access to affordable insurance coverage by providing invaluable insights about enrollment trends,” said Illinois Department of Insurance (IDOI) Director Dana Popish Severinghaus. “We will be able to set dates and change parameters for Open Enrollment Periods and Special Enrollment Periods to fit the needs of consumers in our own state—from plan options to extending additional protections for reproductive care and mental health services.”

“The new state-based marketplace will provide a better, more seamless experience for customers looking for the best health insurance for them, whether that is Medicaid or an ACA Marketplace plan,” said HFS Director Theresa Eagleson. “Ultimately, we hope that this change will assist more Illinoisans in accessing the health plan that is best for them more quickly in order to access high-quality care.” During the phased-in transition, Illinois will gradually take over additional responsibilities for the state-based marketplace from federal CMS.