2027 Illinois Health Benefit Law Changes

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The Illinois Insurance Code ("IIC") applies to most group and individual health insurance policies written by Illinois insurance companies.

Since these are state insurance requirements, they are preempted by ERISA's federal requirements and do not apply to ERISA-covered self-funded group health plans. State requirements do apply to governmental self-funded group health plans when the County, Municipal, and School Codes are also amended. The following laws amended the IIC as well as the County, Municipal, and School Codes.

The following provisions have an effective date of January 1, 2027:

Provision	New Requirement
Hippotherapy & Therapeutic Riding (SB0069 / Public Act 104-0068)	Plans will be required to provide coverage for medically necessary services, including hippotherapy, that incorporate equine movement as part of a therapeutic intervention.
Genetic Testing (SB0175 / Public Act 104-0073)	Plans will be required to provide coverage for karyotype testing or related hormone testing to diagnose Klinefelter syndrome.
Laser Hair Removal (HB3248 / Public Act 104-0289)	Plans will be required to provide coverage for laser hair removal if the procedure is a prescribed medical treatment. The coverage shall apply to individuals with conditions including, but not limited to, body dysmorphia, hidradenitis suppurativa, polycystic ovary syndrome, or other similar skin conditions if the procedure is a prescribed medical treatment.
Peripheral Artery Disease Screening (SB1418 / Public Act 104-0379)	Plans will be required to provide coverage, no less than once every 12 months, for a peripheral artery disease screening test for any at-risk individual.

Provision	New Requirement
Mental Health & Substance Abuse Parity (HB 1085 / Public Act 104-0446)	Plans will be required to provide coverage for 60-minute psychotherapy and cannot impose more onerous documentation requirements on the provider than is required for other psychotherapy. Mirrors Federal MHPAEA provisions.

Employer Action

For fully insured plans written in Illinois, the respective insurance carriers should be aware of and make the required changes to their policies.

For non-ERISA self-funded plans, employers should work with their TPA to ensure that the required changes are made to their plans.