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Editor

Joint Committee on Administrative Rules  
Illinois General Assembly

700 Stratton Bldg. Springfield IL 62706  
217/785-2254 [ilga.gov/commission/jcar](http://ilga.gov/commission/jcar)

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*Illinois Regulation is a summary of the weekly regulatory decisions of State agencies published in the Illinois Register and action taken by the Illinois General Assembly's Joint Committee on Administrative Rules. Illinois Regulation, also titled The Flinn Report in memory of founding JCAR member Rep. Monroe Flinn, is designed to inform and involve the public in changes taking place in agency administration.*

## Proposed Rulemakings

### ■ INSURANCE

The DEPARTMENT OF INSURANCE proposed amendments to Annual Financial Reporting (50 IAC 925; 38 Ill Reg 23955), and Health Maintenance Organization (50 IAC 5421; 38 Ill Reg 23993) concerning health insurance policies. The Part 925 amendments bring the Part into conformance with the National Association of Insurance Commissioners (NAIC) model rules by removing a requirement that foreign HMOs and limited health service organizations file CPA audits. The rulemaking also corrects or updates various cross-references to other rules or statutes. Amendments to Part 5421 make existing coordination of benefits (COB) provisions contained in 50 IAC 2009 applicable to both individual and group health plans.

DOI also proposed a new Part titled Misrepresentation and False Warranties (50 IAC 941; 38 Ill Reg 23975) clarifying a provision of the Illinois Insurance Code. The Code permits insurers to rescind or void policies if the insured makes a misrepresentation with actual intent to deceive or a misrepresentation that materially affects either the acceptance of risk or the hazard assumed by the insurance company. The rulemaking clarifies that these conditions do not exist and a policy cannot be rescinded if the consumer did not sign and date the application, or if the information the company claims to have been misrepresented was available from other sources while the application was being reviewed, and the company chose not to review that information.

## New Rules

### STATE EMPLOYEES

The DEPARTMENT OF CENTRAL MANAGEMENT SERVICES adopted amendments to Pay Plan (80 IAC 310; 38 Ill Reg 17823) effective 12/9/14. The amendments correct the new hire rate and corresponding salary ranges for certain civil engineer trainees and add title codes and salary ranges for economic associates, research economists, sign hangers, and sign hanger foremen.

Questions/requests for copies: Jason Doggett, DCMS, 504 Stratton Bldg., Springfield IL 62706, 217/782-7964, fax 217/524-4570, email: [CMS.PayPlan@illinois.gov](mailto:CMS.PayPlan@illinois.gov).

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**NEW RULES:** Rules adopted by agencies this week. **EMERGENCY RULES:** Adopted for a temporary period not to exceed 150 days.  
**PROPOSED RULES:** Rules proposed by agencies this week, commencing a 45-day First Notice period during which public comments must be accepted.  
**PEREMPTORY RULES:** Rules adopted without prior public notice or JCAR review as authorized by 5 ILCS 100/5-50.  
■ Designates rules of special interest to small businesses, small municipalities, and not-for-profit corporations. Agencies are required to consider comments from these groups and minimize the regulatory burden on them.  
**QUESTIONS/COMMENTS:** Submit mail, email or phone calls to the agency personnel listed below each summary.  
**RULE TEXT:** Available on the Secretary of State ([www.cyberdriveillinois.com](http://www.cyberdriveillinois.com)) and General Assembly ([www.ilga.gov](http://www.ilga.gov)) websites under Illinois Register. Second Notice text (original version with changes made by the agency during First Notice included) is available on the JCAR website.

# Proposed Rulemakings

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## ■ POLICE & FIRE PENSIONS

DOI also proposed amendments to IRS Qualification Status Requirements for Article 3 Police Pension Funds (50 IAC 4440; 38 Ill Reg 23979) and IRS Qualification Status Requirements for Article 4 Firefighter Pension Funds (50 IAC 4445; 38 Ill Reg 23986), implementing Public Law 110-245, the federal Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART Act). The rulemakings provide that for deaths or disabilities occurring on or after 1/1/07 while a member of a police or firefighter pension fund is performing qualified military service, the member or the member's survivors are entitled to any benefits for which they would have qualified if the member had died or become disabled while employed. A member's period of qualified military service must also count toward accrual of pension benefits (if the member is disabled) or vesting of benefits (if the member is deceased), provided that the employer and the member continued to make pension contributions as they would have if the member had remained employed during that period. Pension system members receiving differential wage payments while performing qualified military service on or after 1/1/09 must be treated as employed and their wages treated as compensation for purposes of applying certain provisions of the federal Internal

Revenue Code. Municipal police officers, firefighters, and their pension funds are affected by these rulemakings.

Questions/requests for copies/comments on the 5 DOI rulemakings through 2/9/15: James Rundblom (217/785-8559) or Susan Anders (217/558-0957, DOI, 320 W. Washington St., 3<sup>rd</sup> Fl., Springfield IL 62767-0001.

## HOSPITALS

The DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES proposed amendments to Hospital Services (89 IAC 148; 38 Ill Reg 23861) instituting a \$60 per treatment day add-on payment to hospitals and freestanding dialysis centers for outpatient or home dialysis treatments of Medicaid patients. The add-on, which is effective 7/1/13, does not apply to Medicare/Medicaid crossover patients or to persons served by the State Chronic Renal Disease Program. (The add-on payment was adopted in rule in 2013 but inadvertently stricken by HFS in a subsequent rulemaking.) The amendments also define a Health and Human Services Approved Accreditation Organization (HHS-AAO) as any accrediting organization recognized by the federal Department of Health and Human Services as having standards equal to or exceeding corresponding Medicare certification requirements for a provider or service. General requirements for hospitals and

hospital-based clinics to participate in medical assistance include certification by The Joint Commission (formerly Joint Commission on Accreditation of Healthcare Organizations) or any other HHS-AAO. Hospitals are affected by this rulemaking.

Questions/requests for copies/comments through 2/9/15: Jeanette Badrov, HFS, 201 S. Grand Ave. East, 3<sup>rd</sup> Fl., Springfield IL 62763-0002, 217/782-1233, [HFS.Rules@illinois.gov](mailto:HFS.Rules@illinois.gov)

## DISCRIMINATION

The DEPARTMENT OF HUMAN RIGHTS proposed amendments to Procedures of the Department of Human Rights (56 IAC 2520; 38 Ill Reg 23904) increasing to 90 days the time in which a request may be made for review of a dismissal of a charge alleging a human rights violation. A technical change was also made in the listing of Illinois counties by region for internal DHR purposes.

Questions/requests for copies/comments through 2/9/15: David T. Rothal, DHR, 100 W. Randolph St., Suite 10-100, Chicago IL 60601, 312/814-6257, TTY: 217/785-5125.

## ■ FIRE & AMBULANCE LOANS

The ILLINOIS FINANCE AUTHORITY proposed amendments to the Part titled Illinois Finance Authority (74 IAC 1100; 38 Ill Reg 23921)

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# Proposed Rulemakings

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concerning its low-interest revolving loan program, jointly administered with the Office of the State Fire Marshal, for fire protection districts, municipalities, and ambulance services seeking to purchase emergency vehicles or build, expand, remodel or purchase a building site for a fire station. (Similar proposed amendments to OSFM rules at 41 IAC 290, 292 and 294 appeared in the 10/24/14 *Illinois Register* and have been moved to 2nd Notice.) The rulemaking adds brush trucks (pickup or flatbed trucks weighing from ¾ to 1 ton, outfitted with fire or rescue apparatus) to the list of vehicles eligible for loans, and raises the origination/processing fee for all approved loans (deducted from

loan proceeds) from \$250 to \$500. Loans for brush trucks and ambulances must be repaid within 10 years and loans for other vehicles must be repaid within 20 years. The interest rate for brush truck loans is 0% if the entire truck was built in Illinois, 1% if the truck was partly built in Illinois, or 2% if the entire truck was built outside of Illinois. The IFA Chief Financial Officer is added to the Loan Application Review Committee that reviews loan applications and documentation submitted to OSFM. The origination/processing fee for all approved loans (deducted from loan proceeds) is increased from \$250 to \$500. For equipment other than brush trucks, loan interest rates shall be determined based on the municipal

credit rating of the applicant. The rulemaking adds a new subpart with provisions for loans of up to \$2 million, with a maximum repayment period of 25 years, to fund construction, rehabilitation, remodeling or expansion of fire stations. The rulemaking also removes limits on the amount that can be borrowed in a single fiscal year for fire or ambulance vehicles (these limits are contained in the proposed OSFM rules). Municipalities, fire protection districts, and ambulance services are affected by this rulemaking.

Questions/requests for copies/comments through 2/9/15: Chris Meister, Executive Director, IFA, P.O. Box 641187, Chicago IL 60664, 312/651-1310.

## Joint Committee on Administrative Rules

**Senator Pamela Althoff**

**Representative Greg Harris**

**Senator Don Harmon**

**Representative Lou Lang**

**Senator Tony Muñoz**

**Representative David Leitch**

**Senator Sue Rezin**

**Representative Don Moffitt**

**Senator Dale A. Righter**

**Representative Tim Schmitz**

**Senator Ira Silverstein**

**Representative André Thapedi**

**Vicki Thomas  
Executive Director**

## Second Notices

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The following rulemakings were moved to Second Notice this week by the agencies listed below, commencing the JCAR review period. These rulemakings will be considered at the Committee's January 13, 2015, meeting, scheduled for 11 a.m. at the Stratton Office Building, Springfield. Any additional comments on these rulemakings should be submitted to JCAR at the street address, telephone number, or Web address on page 1.

### **DEPT OF CHILDREN AND FAMILY SERVICES**

Background Checks (89 IAC 385) proposed 7/7/14 (38 III Reg 13570)

### **DEPT OF HEALTHCARE AND FAMILY SERVICES**

Medical Assistance Programs (89 IAC 120) proposed 9/5/14 (38 III Reg 18290)

Medical Payment (89 IAC 140) proposed 8/8/14 (38 II Reg 16468)

Medical Payment (89 IAC 140) proposed 8/22/14 (38 III Reg 17533)

Medical Payment (89 IAC 140) proposed 9/5/14 (38 III Reg 18308)

### **HIGHER EDUCATION TRAVEL CONTROL BOARD**

Higher Education Travel (80 IAC 2900) proposed 3/14/14 (38 III Reg 5927)

### **ILLINOIS COMMERCE COMMISSION**

Administration of Funds Created by the Wireless Emergency Telephone Safety Act (83 IAC 729)  
proposed 10/10/14 (38 III Reg 19585)

### **ILLINOIS RACING BOARD**

Claiming Races (11 IAC 510) proposed 10/24/14 (38 III Reg 20139)

### **DEPT OF INSURANCE**

Filing Policy and Endorsements Form (50 IAC 753) proposed 6/27/14 (38 III Reg 13131)

Required Procedure for Filing and Securing Approval of Policy Forms (50 IAC 916)  
proposed 4/11/14 (38 III Reg 7719)

Viatical Settlement Provider Reporting Requirements (50 IAC 5701)  
proposed 8/29/14 (38 III Reg 18094)

## **Second Notices (cont.)**

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### **DEPT OF STATE POLICE**

Individual's Right to Access and Review Criminal History Record Information (20 IAC 1210)  
proposed 10/31/14 (38 Ill Reg 20644)

### **OFFICE OF THE STATE FIRE MARSHAL**

Fire Truck Revolving Loan Program (41 IAC 290) proposed 10/24/14 (38 Ill Reg 20092)

Ambulance Revolving Loan Program (41 IAC 292) proposed 10/24/14 (38 Ill Reg 20106)

Fire Station Revolving Loan Programs (41 IAC 294) proposed 10/24/14 (38 Ill Reg 20121)

### **DEPT OF PUBLIC HEALTH**

Hospital Licensing Requirements (77 IAC 250) proposed 10/3/14 (38 Ill Reg 19431)

Skilled Nursing and Intermediate Care Facilities Code (77 IAC 300)  
proposed 10/3/14 (38 Ill Reg 19444)

Sheltered Care Facilities Code (77 IAC 330) proposed 10/3/14 (38 Ill Reg 19458)

Illinois Veterans' Homes Code (77 IAC 340) proposed 10/3/14 (38 Ill Reg 19470)

Intermediate Care for the Developmentally Disabled Facilities Code (77 IAC 350)  
proposed 10/3/14 (38 Ill Reg 19478)

Long-Term Care for Under Age 22 Facilities Code (77 IAC 390)  
proposed 10/3/14 (38 Ill Reg 19491)

Water Well Construction Code (77 IAC 920) proposed 7/25/14 (38 Ill Reg 15874)

### **STATE BOARD OF EDUCATION**

Public Schools Evaluation, Recognition and Supervision (23 IAC 1)  
proposed 9/5/14 (38 Ill Reg 18371)

Standards for Endorsements in Early Childhood Education and in Elementary Education  
(23 IAC 26) proposed 9/5/14 (38 Ill Reg 18388)

Student Records (23 IAC 375) proposed 9/5/14 (38 Ill Reg 18424)

Voluntary Registration and Recognition of Nonpublic Schools (23 IAC 425)  
proposed 10/3/14 (38 Ill Reg 19502)