

1 AN ACT concerning insurance.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Insurance Code is amended by adding
5 Section 356z.29 as follows:

6 (215 ILCS 5/356z.29 new)

7 Sec. 356z.29. Coverage for hearing aids for individuals
8 under the age of 18.

9 (a) As used in this Section:

10 "Hearing care professional" means a person who is a
11 licensed hearing instrument dispenser, licensed audiologist,
12 or licensed physician.

13 "Hearing instrument" or "hearing aid" means any wearable
14 non-disposable, non-experimental instrument or device designed
15 to aid or compensate for impaired human hearing and any parts,
16 attachments, or accessories for the instrument or device,
17 including an ear mold but excluding batteries and cords.

18 (b) An individual or group policy of accident and health
19 insurance or managed care plan that is amended, delivered,
20 issued, or renewed after the effective date of this amendatory
21 Act of the 100th General Assembly must provide coverage for
22 medically necessary hearing instruments and related services
23 for all individuals under the age of 18 when a hearing care

1 professional prescribes a hearing instrument to augment
2 communication.

3 (c) An insurer shall provide coverage, subject to all
4 applicable co-payments, co-insurance, deductibles, and
5 out-of-pocket limits, subject to the following restrictions:

6 (1) one hearing instrument shall be covered for each
7 ear every 36 months;

8 (2) related services, such as audiological exams and
9 selection, fitting, and adjustment of ear molds to maintain
10 optimal fit shall be covered when deemed medically
11 necessary by a hearing care professional; and

12 (3) hearing instrument repairs may be covered when
13 deemed medically necessary.

14 (d) If, at any time before or after the effective date of
15 this amendatory Act of the 100th General Assembly, the
16 Secretary of the United States Department of Health and Human
17 Services, or its successor agency, promulgates rules or
18 regulations to be published in the Federal Register, publishes
19 a comment in the Federal Register, or issues an opinion,
20 guidance, or other action that would require the State,
21 pursuant to any provision of the Patient Protection and
22 Affordable Care Act (Pub. L. 111-148), including, but not
23 limited to, 42 U.S.C. 18031(d)(3)(B) or any successor
24 provision, to defray the cost of coverage for medically
25 necessary hearing instruments and related services for
26 individuals under the age of 18, then this Section is

1 inoperative with respect to all such coverage other than that
2 authorized under Section 1902 of the Social Security Act, 42
3 U.S.C. 1396a, and the State shall not assume any obligation for
4 the cost of coverage for medically necessary hearing
5 instruments and related services for individuals under the age
6 of 18.

7 Section 10. The Health Maintenance Organization Act is
8 amended by changing Section 5-3 as follows:

9 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

10 Sec. 5-3. Insurance Code provisions.

11 (a) Health Maintenance Organizations shall be subject to
12 the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,
13 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154,
14 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 355.3,
15 355b, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4,
16 356z.5, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12,
17 356z.13, 356z.14, 356z.15, 356z.17, 356z.18, 356z.19, 356z.21,
18 356z.22, 356z.25, 356z.26, 356z.29, 364, 364.01, 367.2,
19 367.2-5, 367i, 368a, 368b, 368c, 368d, 368e, 370c, 370c.1, 401,
20 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1,
21 paragraph (c) of subsection (2) of Section 367, and Articles
22 IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of
23 the Illinois Insurance Code.

24 (b) For purposes of the Illinois Insurance Code, except for

1 Sections 444 and 444.1 and Articles XIII and XIII 1/2, Health
2 Maintenance Organizations in the following categories are
3 deemed to be "domestic companies":

4 (1) a corporation authorized under the Dental Service
5 Plan Act or the Voluntary Health Services Plans Act;

6 (2) a corporation organized under the laws of this
7 State; or

8 (3) a corporation organized under the laws of another
9 state, 30% or more of the enrollees of which are residents
10 of this State, except a corporation subject to
11 substantially the same requirements in its state of
12 organization as is a "domestic company" under Article VIII
13 1/2 of the Illinois Insurance Code.

14 (c) In considering the merger, consolidation, or other
15 acquisition of control of a Health Maintenance Organization
16 pursuant to Article VIII 1/2 of the Illinois Insurance Code,

17 (1) the Director shall give primary consideration to
18 the continuation of benefits to enrollees and the financial
19 conditions of the acquired Health Maintenance Organization
20 after the merger, consolidation, or other acquisition of
21 control takes effect;

22 (2) (i) the criteria specified in subsection (1) (b) of
23 Section 131.8 of the Illinois Insurance Code shall not
24 apply and (ii) the Director, in making his determination
25 with respect to the merger, consolidation, or other
26 acquisition of control, need not take into account the

1 effect on competition of the merger, consolidation, or
2 other acquisition of control;

3 (3) the Director shall have the power to require the
4 following information:

5 (A) certification by an independent actuary of the
6 adequacy of the reserves of the Health Maintenance
7 Organization sought to be acquired;

8 (B) pro forma financial statements reflecting the
9 combined balance sheets of the acquiring company and
10 the Health Maintenance Organization sought to be
11 acquired as of the end of the preceding year and as of
12 a date 90 days prior to the acquisition, as well as pro
13 forma financial statements reflecting projected
14 combined operation for a period of 2 years;

15 (C) a pro forma business plan detailing an
16 acquiring party's plans with respect to the operation
17 of the Health Maintenance Organization sought to be
18 acquired for a period of not less than 3 years; and

19 (D) such other information as the Director shall
20 require.

21 (d) The provisions of Article VIII 1/2 of the Illinois
22 Insurance Code and this Section 5-3 shall apply to the sale by
23 any health maintenance organization of greater than 10% of its
24 enrollee population (including without limitation the health
25 maintenance organization's right, title, and interest in and to
26 its health care certificates).

1 (e) In considering any management contract or service
2 agreement subject to Section 141.1 of the Illinois Insurance
3 Code, the Director (i) shall, in addition to the criteria
4 specified in Section 141.2 of the Illinois Insurance Code, take
5 into account the effect of the management contract or service
6 agreement on the continuation of benefits to enrollees and the
7 financial condition of the health maintenance organization to
8 be managed or serviced, and (ii) need not take into account the
9 effect of the management contract or service agreement on
10 competition.

11 (f) Except for small employer groups as defined in the
12 Small Employer Rating, Renewability and Portability Health
13 Insurance Act and except for medicare supplement policies as
14 defined in Section 363 of the Illinois Insurance Code, a Health
15 Maintenance Organization may by contract agree with a group or
16 other enrollment unit to effect refunds or charge additional
17 premiums under the following terms and conditions:

18 (i) the amount of, and other terms and conditions with
19 respect to, the refund or additional premium are set forth
20 in the group or enrollment unit contract agreed in advance
21 of the period for which a refund is to be paid or
22 additional premium is to be charged (which period shall not
23 be less than one year); and

24 (ii) the amount of the refund or additional premium
25 shall not exceed 20% of the Health Maintenance
26 Organization's profitable or unprofitable experience with

1 respect to the group or other enrollment unit for the
2 period (and, for purposes of a refund or additional
3 premium, the profitable or unprofitable experience shall
4 be calculated taking into account a pro rata share of the
5 Health Maintenance Organization's administrative and
6 marketing expenses, but shall not include any refund to be
7 made or additional premium to be paid pursuant to this
8 subsection (f)). The Health Maintenance Organization and
9 the group or enrollment unit may agree that the profitable
10 or unprofitable experience may be calculated taking into
11 account the refund period and the immediately preceding 2
12 plan years.

13 The Health Maintenance Organization shall include a
14 statement in the evidence of coverage issued to each enrollee
15 describing the possibility of a refund or additional premium,
16 and upon request of any group or enrollment unit, provide to
17 the group or enrollment unit a description of the method used
18 to calculate (1) the Health Maintenance Organization's
19 profitable experience with respect to the group or enrollment
20 unit and the resulting refund to the group or enrollment unit
21 or (2) the Health Maintenance Organization's unprofitable
22 experience with respect to the group or enrollment unit and the
23 resulting additional premium to be paid by the group or
24 enrollment unit.

25 In no event shall the Illinois Health Maintenance
26 Organization Guaranty Association be liable to pay any

1 contractual obligation of an insolvent organization to pay any
2 refund authorized under this Section.

3 (g) Rulemaking authority to implement Public Act 95-1045,
4 if any, is conditioned on the rules being adopted in accordance
5 with all provisions of the Illinois Administrative Procedure
6 Act and all rules and procedures of the Joint Committee on
7 Administrative Rules; any purported rule not so adopted, for
8 whatever reason, is unauthorized.

9 (Source: P.A. 99-761, eff. 1-1-18; 100-24, eff. 7-18-17;
10 100-138, eff. 8-18-17; revised 10-5-17.)

11 Section 15. The Voluntary Health Services Plans Act is
12 amended by changing Section 10 as follows:

13 (215 ILCS 165/10) (from Ch. 32, par. 604)

14 Sec. 10. Application of Insurance Code provisions. Health
15 services plan corporations and all persons interested therein
16 or dealing therewith shall be subject to the provisions of
17 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,
18 143, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3, 355b, 356g,
19 356g.5, 356g.5-1, 356r, 356t, 356u, 356v, 356w, 356x, 356y,
20 356z.1, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9,
21 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18,
22 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 364.01,
23 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412,
24 and paragraphs (7) and (15) of Section 367 of the Illinois

1 Insurance Code.

2 Rulemaking authority to implement Public Act 95-1045, if
3 any, is conditioned on the rules being adopted in accordance
4 with all provisions of the Illinois Administrative Procedure
5 Act and all rules and procedures of the Joint Committee on
6 Administrative Rules; any purported rule not so adopted, for
7 whatever reason, is unauthorized.

8 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;
9 revised 10-5-17.)

10 Section 99. Effective date. This Act takes effect upon
11 becoming law.