



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

**HB4844**

by Rep. Deb Conroy

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Insurance Code. Provides that, for purposes of treatment in the early stages of a mental health condition, a group or individual policy of accident and health insurance or managed care plan that is amended, delivered, issued, or renewed shall provide coverage for the treatment of serious mental illnesses and serious emotional disturbances. Provides that coverage shall include, but not be limited to, certain evidence-based and evidence-informed bundled treatment approaches. Provides that payment for the services performed under the treatment models shall be based on all the components of the treatment model combined, rather than for each separate service. Provides that disability or functional impairment shall not be a precondition to receive treatment under the provisions. Provides that if federal regulations require the State to defray the cost of coverage for serious mental illnesses or serious emotional disturbances, then the provisions are inoperative and the State shall not assume any obligation for the cost of the coverage. Makes conforming changes in the State Employee Group Insurance Act of 1971, the Counties Code, the Illinois Municipal Code, the School Code, the Health Maintenance Organization Act, the Limited Health Service Organization Act, and the Voluntary Health Services Plans Act. Provides that the amendatory Act may be referred to as the Fair Insurance Coverage for Early Treatment of Serious Mental Health Conditions Act. Effective immediately.

LRB100 18731 SMS 33965 b

FISCAL NOTE ACT  
MAY APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

A BILL FOR

1 AN ACT concerning regulation.

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

4 Section 1. Short title. This Act may be referred to as the  
5 Fair Insurance Coverage for Early Treatment of Serious Mental  
6 Health Conditions Act.

7 Section 5. Legislative findings. The General Assembly  
8 finds the following:

9 (1) An estimated 60% of Illinoisans have private  
10 insurance coverage.

11 (2) Most mental health conditions begin to manifest  
12 before the age of 24.

13 (3) On average, it takes 10 years for individuals with  
14 a serious mental health condition to receive the right  
15 diagnosis and treatment.

16 (4) During the lag time between initial symptom  
17 manifestation and when the right treatment is received, an  
18 individual often experiences debilitating symptoms that  
19 can lead to permanent disability.

20 (5) Early treatment can mean wellness, symptom  
21 management, and full recovery.

22 (6) Private insurance does not cover the  
23 evidence-based or evidence-informed community-based

1 treatment approaches that the public sector covers that are  
2 proven, effective treatments for serious mental illnesses  
3 and serious emotional disturbances.

4 (7) Community-based treatment has demonstrated  
5 positive mental health outcomes over many decades and  
6 enables wellness and supports recovery by providing  
7 intensive services through team-based models in a person's  
8 natural environment.

9 (8) The 60% of Illinoisans with private insurance  
10 coverage do not have access to these evidence-based  
11 treatment approaches.

12 (9) If private insurance covered these community-based  
13 treatment approaches when an individual is in the early  
14 stages of a serious mental health condition, permanent  
15 disability and a life of public coverage could be avoided  
16 for thousands across Illinois.

17 Section 10. The State Employees Group Insurance Act of 1971  
18 is amended by changing Section 6.11 as follows:

19 (5 ILCS 375/6.11)

20 Sec. 6.11. Required health benefits; Illinois Insurance  
21 Code requirements. The program of health benefits shall provide  
22 the post-mastectomy care benefits required to be covered by a  
23 policy of accident and health insurance under Section 356t of  
24 the Illinois Insurance Code. The program of health benefits

1 shall provide the coverage required under Sections 356g,  
2 356g.5, 356g.5-1, 356m, 356u, 356w, 356x, 356z.2, 356z.4,  
3 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,  
4 356z.14, 356z.15, 356z.17, 356z.22, ~~and~~ 356z.25, 356z.26, and  
5 356z.29 of the Illinois Insurance Code. The program of health  
6 benefits must comply with Sections 155.22a, 155.37, 355b,  
7 356z.19, 370c, and 370c.1 of the Illinois Insurance Code.

8 Rulemaking authority to implement Public Act 95-1045, if  
9 any, is conditioned on the rules being adopted in accordance  
10 with all provisions of the Illinois Administrative Procedure  
11 Act and all rules and procedures of the Joint Committee on  
12 Administrative Rules; any purported rule not so adopted, for  
13 whatever reason, is unauthorized.

14 (Source: P.A. 99-480, eff. 9-9-15; 100-24, eff. 7-18-17;  
15 100-138, eff. 8-18-17; revised 10-3-17.)

16 Section 15. The Counties Code is amended by changing  
17 Section 5-1069.3 as follows:

18 (55 ILCS 5/5-1069.3)

19 Sec. 5-1069.3. Required health benefits. If a county,  
20 including a home rule county, is a self-insurer for purposes of  
21 providing health insurance coverage for its employees, the  
22 coverage shall include coverage for the post-mastectomy care  
23 benefits required to be covered by a policy of accident and  
24 health insurance under Section 356t and the coverage required

1 under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x,  
2 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,  
3 356z.14, 356z.15, 356z.22, ~~and 356z.25,~~ 356z.26, and 356z.29 of  
4 the Illinois Insurance Code. The coverage shall comply with  
5 Sections 155.22a, 355b, 356z.19, and 370c of the Illinois  
6 Insurance Code. The requirement that health benefits be covered  
7 as provided in this Section is an exclusive power and function  
8 of the State and is a denial and limitation under Article VII,  
9 Section 6, subsection (h) of the Illinois Constitution. A home  
10 rule county to which this Section applies must comply with  
11 every provision of this Section.

12 Rulemaking authority to implement Public Act 95-1045, if  
13 any, is conditioned on the rules being adopted in accordance  
14 with all provisions of the Illinois Administrative Procedure  
15 Act and all rules and procedures of the Joint Committee on  
16 Administrative Rules; any purported rule not so adopted, for  
17 whatever reason, is unauthorized.

18 (Source: P.A. 99-480, eff. 9-9-15; 100-24, eff. 7-18-17;  
19 100-138, eff. 8-18-17; revised 10-5-17.)

20 Section 20. The Illinois Municipal Code is amended by  
21 changing Section 10-4-2.3 as follows:

22 (65 ILCS 5/10-4-2.3)

23 Sec. 10-4-2.3. Required health benefits. If a  
24 municipality, including a home rule municipality, is a

1 self-insurer for purposes of providing health insurance  
2 coverage for its employees, the coverage shall include coverage  
3 for the post-mastectomy care benefits required to be covered by  
4 a policy of accident and health insurance under Section 356t  
5 and the coverage required under Sections 356g, 356g.5,  
6 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10,  
7 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.22, ~~and~~  
8 356z.25, 356z.26, and 356z.29 of the Illinois Insurance Code.  
9 The coverage shall comply with Sections 155.22a, 355b, 356z.19,  
10 and 370c of the Illinois Insurance Code. The requirement that  
11 health benefits be covered as provided in this is an exclusive  
12 power and function of the State and is a denial and limitation  
13 under Article VII, Section 6, subsection (h) of the Illinois  
14 Constitution. A home rule municipality to which this Section  
15 applies must comply with every provision of this Section.

16 Rulemaking authority to implement Public Act 95-1045, if  
17 any, is conditioned on the rules being adopted in accordance  
18 with all provisions of the Illinois Administrative Procedure  
19 Act and all rules and procedures of the Joint Committee on  
20 Administrative Rules; any purported rule not so adopted, for  
21 whatever reason, is unauthorized.

22 (Source: P.A. 99-480, eff. 9-9-15; 100-24, eff. 7-18-17;  
23 100-138, eff. 8-18-17; revised 10-5-17.)

24 Section 25. The School Code is amended by changing Section  
25 10-22.3f as follows:

1 (105 ILCS 5/10-22.3f)

2 Sec. 10-22.3f. Required health benefits. Insurance  
3 protection and benefits for employees shall provide the  
4 post-mastectomy care benefits required to be covered by a  
5 policy of accident and health insurance under Section 356t and  
6 the coverage required under Sections 356g, 356g.5, 356g.5-1,  
7 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.11, 356z.12,  
8 356z.13, 356z.14, 356z.15, 356z.22, ~~and~~ 356z.25, 356z.26, and  
9 356z.29 of the Illinois Insurance Code. Insurance policies  
10 shall comply with Section 356z.19 of the Illinois Insurance  
11 Code. The coverage shall comply with Sections 155.22a and 355b  
12 of the Illinois Insurance Code.

13 Rulemaking authority to implement Public Act 95-1045, if  
14 any, is conditioned on the rules being adopted in accordance  
15 with all provisions of the Illinois Administrative Procedure  
16 Act and all rules and procedures of the Joint Committee on  
17 Administrative Rules; any purported rule not so adopted, for  
18 whatever reason, is unauthorized.

19 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;  
20 revised 9-25-17.)

21 Section 30. The Illinois Insurance Code is amended by  
22 adding Section 356z.29 as follows:

23 (215 ILCS 5/356z.29 new)

1       Sec. 356z.29. Coverage for the early treatment of serious  
2 mental illnesses and serious emotional disturbances.

3       (a) For purposes of this Section:

4           "Serious emotional disturbance" has the meaning as  
5 interpreted by the federal Substance Abuse and Mental  
6 Health Services Administration.

7           "Serious mental illness" has the same meaning as in the  
8 most recent edition of the Diagnostic and Statistical  
9 Manual of Mental Disorders.

10       (b) For purposes of treatment in the early stages of a  
11 mental health condition, a group or individual policy of  
12 accident and health insurance or managed care plan that is  
13 amended, delivered, issued, or renewed after the effective date  
14 of this amendatory Act of the 100th General Assembly shall  
15 provide coverage for the treatment of serious mental illnesses  
16 and serious emotional disturbances, including, but not limited  
17 to, the following evidence-based and evidence-informed bundled  
18 treatment approaches:

19           (1) assertive community treatment and community  
20 support team treatment, which are both community-based  
21 treatment models that are covered for individuals under the  
22 Medical Assistance Program under Article V of the Public  
23 Aid Code; the covered bundled services for assertive  
24 community treatment and community support team treatment  
25 shall be comparable in scope to those covered under the  
26 treatment models through the Medical Assistance Program;



1       and

2           (2) first episode psychosis treatment, covering at a  
3       minimum the elements of the coordinated specialty care  
4       model applied in the research trials conducted by the  
5       National Institute of Mental Health in the Recovery of an  
6       Initial Schizophrenia Episode studies.

7       Payment for the services performed under the treatment  
8       models in paragraphs (1) and (2) shall be based on all the  
9       components of the treatment model combined, rather than for  
10       each separate service.

11       (c) For purposes of determining medical necessity for the  
12       treatment approaches covered by this Section, neither  
13       disability nor functional impairment shall be a precondition to  
14       receive the treatment approaches since the goal of coverage  
15       under this Section is early treatment of a serious mental  
16       illness or serious emotional disturbance and preventing  
17       progression of the illness or condition. Medical necessity  
18       shall be presumed following a psychiatric inpatient  
19       hospitalization if the treatment approaches are recommended by  
20       a licensed physician, licensed clinical psychologist, licensed  
21       professional clinical counselor, or licensed clinical social  
22       worker. If, at any time, the Secretary of the United States  
23       Department of Health and Human Services, or its successor  
24       agency, promulgates rules or regulations to be published in the  
25       Federal Register or publishes a comment in the Federal Register  
26       or issues an opinion, guidance, or other action that would

1 require the State, pursuant to any provision of the Patient  
2 Protection and Affordable Care Act, including, but not limited  
3 to, 42 U.S.C. 18031(d)(3)(b), or any successor provision, to  
4 defray the cost of any coverage for serious mental illnesses or  
5 serious emotional disturbances outlined in this Section, then  
6 the requirement that a group or individual policy of accident  
7 and health insurance or managed care plan cover the bundled  
8 treatment approaches outlined in this Section is inoperative  
9 other than any such coverage authorized under Section 1902 of  
10 the Social Security Act, 42 U.S.C. 1396a, and the State shall  
11 not assume any obligation for the cost of the coverage.

12 Section 35. The Health Maintenance Organization Act is  
13 amended by changing Section 5-3 as follows:

14 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

15 Sec. 5-3. Insurance Code provisions.

16 (a) Health Maintenance Organizations shall be subject to  
17 the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,  
18 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154,  
19 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 355.3,  
20 355b, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4,  
21 356z.5, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12,  
22 356z.13, 356z.14, 356z.15, 356z.17, 356z.18, 356z.19, 356z.21,  
23 356z.22, 356z.25, 356z.26, 356z.29, 364, 364.01, 367.2,  
24 367.2-5, 367i, 368a, 368b, 368c, 368d, 368e, 370c, 370c.1, 401,

1 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1,  
2 paragraph (c) of subsection (2) of Section 367, and Articles  
3 IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of  
4 the Illinois Insurance Code.

5 (b) For purposes of the Illinois Insurance Code, except for  
6 Sections 444 and 444.1 and Articles XIII and XIII 1/2, Health  
7 Maintenance Organizations in the following categories are  
8 deemed to be "domestic companies":

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

11 (2) a corporation organized under the laws of this  
12 State; or

13 (3) a corporation organized under the laws of another  
14 state, 30% or more of the enrollees of which are residents  
15 of this State, except a corporation subject to  
16 substantially the same requirements in its state of  
17 organization as is a "domestic company" under Article VIII  
18 1/2 of the Illinois Insurance Code.

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

22 (1) the Director shall give primary consideration to  
23 the continuation of benefits to enrollees and the financial  
24 conditions of the acquired Health Maintenance Organization  
25 after the merger, consolidation, or other acquisition of  
26 control takes effect;

1           (2) (i) the criteria specified in subsection (1) (b) of  
2           Section 131.8 of the Illinois Insurance Code shall not  
3           apply and (ii) the Director, in making his determination  
4           with respect to the merger, consolidation, or other  
5           acquisition of control, need not take into account the  
6           effect on competition of the merger, consolidation, or  
7           other acquisition of control;

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

10           (A) certification by an independent actuary of the  
11           adequacy of the reserves of the Health Maintenance  
12           Organization sought to be acquired;

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

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

24           (D) such other information as the Director shall  
25           require.

26           (d) The provisions of Article VIII 1/2 of the Illinois

1 Insurance Code and this Section 5-3 shall apply to the sale by  
2 any health maintenance organization of greater than 10% of its  
3 enrollee population (including without limitation the health  
4 maintenance organization's right, title, and interest in and to  
5 its health care certificates).

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

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

23 (i) the amount of, and other terms and conditions with  
24 respect to, the refund or additional premium are set forth  
25 in the group or enrollment unit contract agreed in advance  
26 of the period for which a refund is to be paid or

1 additional premium is to be charged (which period shall not  
2 be less than one year); and

3 (ii) the amount of the refund or additional premium  
4 shall not exceed 20% of the Health Maintenance  
5 Organization's profitable or unprofitable experience with  
6 respect to the group or other enrollment unit for the  
7 period (and, for purposes of a refund or additional  
8 premium, the profitable or unprofitable experience shall  
9 be calculated taking into account a pro rata share of the  
10 Health Maintenance Organization's administrative and  
11 marketing expenses, but shall not include any refund to be  
12 made or additional premium to be paid pursuant to this  
13 subsection (f)). The Health Maintenance Organization and  
14 the group or enrollment unit may agree that the profitable  
15 or unprofitable experience may be calculated taking into  
16 account the refund period and the immediately preceding 2  
17 plan years.

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

1 experience with respect to the group or enrollment unit and the  
2 resulting additional premium to be paid by the group or  
3 enrollment unit.

4 In no event shall the Illinois Health Maintenance  
5 Organization Guaranty Association be liable to pay any  
6 contractual obligation of an insolvent organization to pay any  
7 refund authorized under this Section.

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

14 (Source: P.A. 99-761, eff. 1-1-18; 100-24, eff. 7-18-17;  
15 100-138, eff. 8-18-17; revised 10-5-17.)

16 Section 40. The Limited Health Service Organization Act is  
17 amended by changing Section 4003 as follows:

18 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

19 Sec. 4003. Illinois Insurance Code provisions. Limited  
20 health service organizations shall be subject to the provisions  
21 of Sections 133, 134, 136, 137, 139, 140, 141.1, 141.2, 141.3,  
22 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6,  
23 154.7, 154.8, 155.04, 155.37, 355.2, 355.3, 355b, 356v,  
24 356z.10, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 368a,

1 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444, and  
2 444.1 and Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2,  
3 XXV, and XXVI of the Illinois Insurance Code. For purposes of  
4 the Illinois Insurance Code, except for Sections 444 and 444.1  
5 and Articles XIII and XIII 1/2, limited health service  
6 organizations in the following categories are deemed to be  
7 domestic companies:

8 (1) a corporation under the laws of this State; or

9 (2) a corporation organized under the laws of another  
10 state, 30% or more of the enrollees of which are residents  
11 of this State, except a corporation subject to  
12 substantially the same requirements in its state of  
13 organization as is a domestic company under Article VIII  
14 1/2 of the Illinois Insurance Code.

15 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;  
16 100-201, eff. 8-18-17; revised 10-5-17.)

17 Section 45. The Voluntary Health Services Plans Act is  
18 amended by changing Section 10 as follows:

19 (215 ILCS 165/10) (from Ch. 32, par. 604)

20 Sec. 10. Application of Insurance Code provisions. Health  
21 services plan corporations and all persons interested therein  
22 or dealing therewith shall be subject to the provisions of  
23 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,  
24 143, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3, 355b, 356g,



1 356g.5, 356g.5-1, 356r, 356t, 356u, 356v, 356w, 356x, 356y,  
2 356z.1, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9,  
3 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18,  
4 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 364.01,  
5 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412,  
6 and paragraphs (7) and (15) of Section 367 of the Illinois  
7 Insurance Code.

8 Rulemaking authority to implement Public Act 95-1045, if  
9 any, is conditioned on the rules being adopted in accordance  
10 with all provisions of the Illinois Administrative Procedure  
11 Act and all rules and procedures of the Joint Committee on  
12 Administrative Rules; any purported rule not so adopted, for  
13 whatever reason, is unauthorized.

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

16 Section 99. Effective date. This Act takes effect upon  
17 becoming law.

1 INDEX

2 Statutes amended in order of appearance

3 5 ILCS 375/6.11

4 55 ILCS 5/5-1069.3

5 65 ILCS 5/10-4-2.3

6 105 ILCS 5/10-22.3f

7 215 ILCS 5/356z.29 new

8 215 ILCS 125/5-3 from Ch. 111 1/2, par. 1411.2

9 215 ILCS 130/4003 from Ch. 73, par. 1504-3

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