

1 AN ACT concerning government.

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

4 Section 5. The State Employees Group Insurance Act of 1971
5 is amended by changing Sections 9 and 10 as follows:

6 (5 ILCS 375/9) (from Ch. 127, par. 529)

7 Sec. 9. (a) The eligible member shall be responsible for
8 his or her portion of the premiums, charges or other fees for
9 all elected coverages or benefits, which shall be paid by means
10 of the acceptance of a reduction in earnings or the foregoing
11 of an increase in earnings by an employee; provided, however,
12 subject to rules and regulations promulgated by the Department,
13 the eligible member may make personal payment of the premium,
14 charge or fee for any wellness programs implemented under the
15 program of health benefits. All contributions and payments by
16 the eligible members and the State for all elected coverages
17 and benefits shall be deposited in the Health Insurance Reserve
18 Fund. Except as otherwise provided in subsection (a-5), the ~~The~~
19 Department may determine the aggregate level of contribution
20 required under this Section on the basis of actual cost of
21 services adjusted for age, sex or the geographical or other
22 demographic characteristics which affect costs of the benefit.

23 (a-5) Notwithstanding any provision of law to the contrary,

1 any member of the General Assembly sworn into office on and
2 after the second Wednesday in January of 2019, and who retires
3 a participating member under Article 2 of the Illinois Pension
4 Code, shall be responsible for exactly 50% of the applicable
5 premiums, charges, or other fees for the basic program of group
6 health benefits. The provisions of this subsection (a-5) do not
7 apply to any person who previously served as a member of the
8 General Assembly in either house prior to the second Wednesday
9 of January of 2019. However, a current or retired member of the
10 General Assembly who was sworn into or retired from office
11 prior to the second Wednesday of January of 2019 may elect to
12 be responsible for the applicable premiums, charges, or other
13 fees for the basic program of group health benefits in
14 accordance with this subsection (a-5).

15 (b) If a member is not entitled to receive any salary,
16 wages or other compensation during a period in which premiums,
17 charges or other fees are due or does not receive compensation
18 sufficient to allow deduction of the required payment of the
19 premium, charge or other fee, such member may continue the
20 contributory benefit in effect by making personal payment of
21 the premium, charge or other fee for the period in such manner,
22 in such amount, and for such duration, as may be prescribed in
23 rules and regulations promulgated for the administration of
24 this Act.

25 (Source: P.A. 91-390, eff. 7-30-99.)

1 (5 ILCS 375/10) (from Ch. 127, par. 530)

2 Sec. 10. Contributions by the State and members.

3 (a) The State shall pay the cost of basic non-contributory
4 group life insurance and, subject to member paid contributions
5 set by the Department or required by this Section and except as
6 provided in this Section, the basic program of group health
7 benefits on each eligible member, except a member, not
8 otherwise covered by this Act, who has retired as a
9 participating member under Article 2 of the Illinois Pension
10 Code but is ineligible for the retirement annuity under Section
11 2-119 of the Illinois Pension Code, and part of each eligible
12 member's and retired member's premiums for health insurance
13 coverage for enrolled dependents as provided by Section 9. The
14 State shall pay the cost of the basic program of group health
15 benefits only after benefits are reduced by the amount of
16 benefits covered by Medicare for all members and dependents who
17 are eligible for benefits under Social Security or the Railroad
18 Retirement system or who had sufficient Medicare-covered
19 government employment, except that such reduction in benefits
20 shall apply only to those members and dependents who (1) first
21 become eligible for such Medicare coverage on or after July 1,
22 1992; or (2) are Medicare-eligible members or dependents of a
23 local government unit which began participation in the program
24 on or after July 1, 1992; or (3) remain eligible for, but no
25 longer receive Medicare coverage which they had been receiving
26 on or after July 1, 1992. The Department may determine the

1 aggregate level of the State's contribution on the basis of
2 actual cost of medical services adjusted for age, sex or
3 geographic or other demographic characteristics which affect
4 the costs of such programs, except that, subject to a reduction
5 based upon Medicare coverage, the State's contribution towards
6 the basic program of group health benefits provided to members
7 specified under subsection (a-5) of Section 9 shall be exactly
8 50% of the applicable premiums, charges, or other fees owed.

9 The cost of participation in the basic program of group
10 health benefits for the dependent or survivor of a living or
11 deceased retired employee who was formerly employed by the
12 University of Illinois in the Cooperative Extension Service and
13 would be an annuitant but for the fact that he or she was made
14 ineligible to participate in the State Universities Retirement
15 System by clause (4) of subsection (a) of Section 15-107 of the
16 Illinois Pension Code shall not be greater than the cost of
17 participation that would otherwise apply to that dependent or
18 survivor if he or she were the dependent or survivor of an
19 annuitant under the State Universities Retirement System.

20 (a-1) (Blank).

21 (a-2) (Blank).

22 (a-3) (Blank).

23 (a-4) (Blank).

24 (a-5) (Blank).

25 (a-6) (Blank).

26 (a-7) (Blank).

1 (a-8) Any annuitant, survivor, or retired employee may
2 waive or terminate coverage in the program of group health
3 benefits. Any such annuitant, survivor, or retired employee who
4 has waived or terminated coverage may enroll or re-enroll in
5 the program of group health benefits only during the annual
6 benefit choice period, as determined by the Director; except
7 that in the event of termination of coverage due to nonpayment
8 of premiums, the annuitant, survivor, or retired employee may
9 not re-enroll in the program.

10 (a-8.5) Beginning on the effective date of this amendatory
11 Act of the 97th General Assembly, and except as otherwise
12 provided under subsection (a) of this Section and subsection
13 (a-5) of Section 9, the Director of Central Management Services
14 shall, on an annual basis, determine the amount that the State
15 shall contribute toward the basic program of group health
16 benefits on behalf of annuitants (including individuals who (i)
17 participated in the General Assembly Retirement System, the
18 State Employees' Retirement System of Illinois, the State
19 Universities Retirement System, the Teachers' Retirement
20 System of the State of Illinois, or the Judges Retirement
21 System of Illinois and (ii) qualify as annuitants under
22 subsection (b) of Section 3 of this Act), survivors (including
23 individuals who (i) receive an annuity as a survivor of an
24 individual who participated in the General Assembly Retirement
25 System, the State Employees' Retirement System of Illinois, the
26 State Universities Retirement System, the Teachers' Retirement

1 System of the State of Illinois, or the Judges Retirement
2 System of Illinois and (ii) qualify as survivors under
3 subsection (q) of Section 3 of this Act), and retired employees
4 (as defined in subsection (p) of Section 3 of this Act). The
5 remainder of the cost of coverage for each annuitant, survivor,
6 or retired employee, as determined by the Director of Central
7 Management Services, shall be the responsibility of that
8 annuitant, survivor, or retired employee.

9 Contributions required of annuitants, survivors, and
10 retired employees shall be the same for all retirement systems
11 and shall also be based on whether an individual has made an
12 election under Section 15-135.1 of the Illinois Pension Code.
13 Contributions may be based on annuitants', survivors', or
14 retired employees' Medicare eligibility, but may not be based
15 on Social Security eligibility.

16 (a-9) No later than May 1 of each calendar year, the
17 Director of Central Management Services shall certify in
18 writing to the Executive Secretary of the State Employees'
19 Retirement System of Illinois the amounts of the Medicare
20 supplement health care premiums and the amounts of the health
21 care premiums for all other retirees who are not Medicare
22 eligible.

23 A separate calculation of the premiums based upon the
24 actual cost of each health care plan shall be so certified.

25 The Director of Central Management Services shall provide
26 to the Executive Secretary of the State Employees' Retirement

1 System of Illinois such information, statistics, and other data
2 as he or she may require to review the premium amounts
3 certified by the Director of Central Management Services.

4 The Department of Central Management Services, or any
5 successor agency designated to procure healthcare contracts
6 pursuant to this Act, is authorized to establish funds,
7 separate accounts provided by any bank or banks as defined by
8 the Illinois Banking Act, or separate accounts provided by any
9 savings and loan association or associations as defined by the
10 Illinois Savings and Loan Act of 1985 to be held by the
11 Director, outside the State treasury, for the purpose of
12 receiving the transfer of moneys from the Local Government
13 Health Insurance Reserve Fund. The Department may promulgate
14 rules further defining the methodology for the transfers. Any
15 interest earned by moneys in the funds or accounts shall inure
16 to the Local Government Health Insurance Reserve Fund. The
17 transferred moneys, and interest accrued thereon, shall be used
18 exclusively for transfers to administrative service
19 organizations or their financial institutions for payments of
20 claims to claimants and providers under the self-insurance
21 health plan. The transferred moneys, and interest accrued
22 thereon, shall not be used for any other purpose including, but
23 not limited to, reimbursement of administration fees due the
24 administrative service organization pursuant to its contract
25 or contracts with the Department.

26 (b) State employees who become eligible for this program on

1 or after January 1, 1980 in positions normally requiring actual
2 performance of duty not less than 1/2 of a normal work period
3 but not equal to that of a normal work period, shall be given
4 the option of participating in the available program. If the
5 employee elects coverage, the State shall contribute on behalf
6 of such employee to the cost of the employee's benefit and any
7 applicable dependent supplement, that sum which bears the same
8 percentage as that percentage of time the employee regularly
9 works when compared to normal work period.

10 (c) The basic non-contributory coverage from the basic
11 program of group health benefits shall be continued for each
12 employee not in pay status or on active service by reason of
13 (1) leave of absence due to illness or injury, (2) authorized
14 educational leave of absence or sabbatical leave, or (3)
15 military leave. This coverage shall continue until expiration
16 of authorized leave and return to active service, but not to
17 exceed 24 months for leaves under item (1) or (2). This
18 24-month limitation and the requirement of returning to active
19 service shall not apply to persons receiving ordinary or
20 accidental disability benefits or retirement benefits through
21 the appropriate State retirement system or benefits under the
22 Workers' Compensation or Occupational Disease Act.

23 (d) The basic group life insurance coverage shall continue,
24 with full State contribution, where such person is (1) absent
25 from active service by reason of disability arising from any
26 cause other than self-inflicted, (2) on authorized educational

1 leave of absence or sabbatical leave, or (3) on military leave.

2 (e) Where the person is in non-pay status for a period in
3 excess of 30 days or on leave of absence, other than by reason
4 of disability, educational or sabbatical leave, or military
5 leave, such person may continue coverage only by making
6 personal payment equal to the amount normally contributed by
7 the State on such person's behalf. Such payments and coverage
8 may be continued: (1) until such time as the person returns to
9 a status eligible for coverage at State expense, but not to
10 exceed 24 months or (2) until such person's employment or
11 annuitant status with the State is terminated (exclusive of any
12 additional service imposed pursuant to law).

13 (f) The Department shall establish by rule the extent to
14 which other employee benefits will continue for persons in
15 non-pay status or who are not in active service.

16 (g) The State shall not pay the cost of the basic
17 non-contributory group life insurance, program of health
18 benefits and other employee benefits for members who are
19 survivors as defined by paragraphs (1) and (2) of subsection
20 (q) of Section 3 of this Act. The costs of benefits for these
21 survivors shall be paid by the survivors or by the University
22 of Illinois Cooperative Extension Service, or any combination
23 thereof. However, the State shall pay the amount of the
24 reduction in the cost of participation, if any, resulting from
25 the amendment to subsection (a) made by this amendatory Act of
26 the 91st General Assembly.

1 (h) Those persons occupying positions with any department
2 as a result of emergency appointments pursuant to Section 8b.8
3 of the Personnel Code who are not considered employees under
4 this Act shall be given the option of participating in the
5 programs of group life insurance, health benefits and other
6 employee benefits. Such persons electing coverage may
7 participate only by making payment equal to the amount normally
8 contributed by the State for similarly situated employees. Such
9 amounts shall be determined by the Director. Such payments and
10 coverage may be continued until such time as the person becomes
11 an employee pursuant to this Act or such person's appointment
12 is terminated.

13 (i) Any unit of local government within the State of
14 Illinois may apply to the Director to have its employees,
15 annuitants, and their dependents provided group health
16 coverage under this Act on a non-insured basis. To participate,
17 a unit of local government must agree to enroll all of its
18 employees, who may select coverage under either the State group
19 health benefits plan or a health maintenance organization that
20 has contracted with the State to be available as a health care
21 provider for employees as defined in this Act. A unit of local
22 government must remit the entire cost of providing coverage
23 under the State group health benefits plan or, for coverage
24 under a health maintenance organization, an amount determined
25 by the Director based on an analysis of the sex, age,
26 geographic location, or other relevant demographic variables

1 for its employees, except that the unit of local government
2 shall not be required to enroll those of its employees who are
3 covered spouses or dependents under this plan or another group
4 policy or plan providing health benefits as long as (1) an
5 appropriate official from the unit of local government attests
6 that each employee not enrolled is a covered spouse or
7 dependent under this plan or another group policy or plan, and
8 (2) at least 50% of the employees are enrolled and the unit of
9 local government remits the entire cost of providing coverage
10 to those employees, except that a participating school district
11 must have enrolled at least 50% of its full-time employees who
12 have not waived coverage under the district's group health plan
13 by participating in a component of the district's cafeteria
14 plan. A participating school district is not required to enroll
15 a full-time employee who has waived coverage under the
16 district's health plan, provided that an appropriate official
17 from the participating school district attests that the
18 full-time employee has waived coverage by participating in a
19 component of the district's cafeteria plan. For the purposes of
20 this subsection, "participating school district" includes a
21 unit of local government whose primary purpose is education as
22 defined by the Department's rules.

23 Employees of a participating unit of local government who
24 are not enrolled due to coverage under another group health
25 policy or plan may enroll in the event of a qualifying change
26 in status, special enrollment, special circumstance as defined

1 by the Director, or during the annual Benefit Choice Period. A
2 participating unit of local government may also elect to cover
3 its annuitants. Dependent coverage shall be offered on an
4 optional basis, with the costs paid by the unit of local
5 government, its employees, or some combination of the two as
6 determined by the unit of local government. The unit of local
7 government shall be responsible for timely collection and
8 transmission of dependent premiums.

9 The Director shall annually determine monthly rates of
10 payment, subject to the following constraints:

11 (1) In the first year of coverage, the rates shall be
12 equal to the amount normally charged to State employees for
13 elected optional coverages or for enrolled dependents
14 coverages or other contributory coverages, or contributed
15 by the State for basic insurance coverages on behalf of its
16 employees, adjusted for differences between State
17 employees and employees of the local government in age,
18 sex, geographic location or other relevant demographic
19 variables, plus an amount sufficient to pay for the
20 additional administrative costs of providing coverage to
21 employees of the unit of local government and their
22 dependents.

23 (2) In subsequent years, a further adjustment shall be
24 made to reflect the actual prior years' claims experience
25 of the employees of the unit of local government.

26 In the case of coverage of local government employees under

1 a health maintenance organization, the Director shall annually
2 determine for each participating unit of local government the
3 maximum monthly amount the unit may contribute toward that
4 coverage, based on an analysis of (i) the age, sex, geographic
5 location, and other relevant demographic variables of the
6 unit's employees and (ii) the cost to cover those employees
7 under the State group health benefits plan. The Director may
8 similarly determine the maximum monthly amount each unit of
9 local government may contribute toward coverage of its
10 employees' dependents under a health maintenance organization.

11 Monthly payments by the unit of local government or its
12 employees for group health benefits plan or health maintenance
13 organization coverage shall be deposited in the Local
14 Government Health Insurance Reserve Fund.

15 The Local Government Health Insurance Reserve Fund is
16 hereby created as a nonappropriated trust fund to be held
17 outside the State Treasury, with the State Treasurer as
18 custodian. The Local Government Health Insurance Reserve Fund
19 shall be a continuing fund not subject to fiscal year
20 limitations. The Local Government Health Insurance Reserve
21 Fund is not subject to administrative charges or charge-backs,
22 including but not limited to those authorized under Section 8h
23 of the State Finance Act. All revenues arising from the
24 administration of the health benefits program established
25 under this Section shall be deposited into the Local Government
26 Health Insurance Reserve Fund. Any interest earned on moneys in

1 the Local Government Health Insurance Reserve Fund shall be
2 deposited into the Fund. All expenditures from this Fund shall
3 be used for payments for health care benefits for local
4 government and rehabilitation facility employees, annuitants,
5 and dependents, and to reimburse the Department or its
6 administrative service organization for all expenses incurred
7 in the administration of benefits. No other State funds may be
8 used for these purposes.

9 A local government employer's participation or desire to
10 participate in a program created under this subsection shall
11 not limit that employer's duty to bargain with the
12 representative of any collective bargaining unit of its
13 employees.

14 (j) Any rehabilitation facility within the State of
15 Illinois may apply to the Director to have its employees,
16 annuitants, and their eligible dependents provided group
17 health coverage under this Act on a non-insured basis. To
18 participate, a rehabilitation facility must agree to enroll all
19 of its employees and remit the entire cost of providing such
20 coverage for its employees, except that the rehabilitation
21 facility shall not be required to enroll those of its employees
22 who are covered spouses or dependents under this plan or
23 another group policy or plan providing health benefits as long
24 as (1) an appropriate official from the rehabilitation facility
25 attests that each employee not enrolled is a covered spouse or
26 dependent under this plan or another group policy or plan, and

1 (2) at least 50% of the employees are enrolled and the
2 rehabilitation facility remits the entire cost of providing
3 coverage to those employees. Employees of a participating
4 rehabilitation facility who are not enrolled due to coverage
5 under another group health policy or plan may enroll in the
6 event of a qualifying change in status, special enrollment,
7 special circumstance as defined by the Director, or during the
8 annual Benefit Choice Period. A participating rehabilitation
9 facility may also elect to cover its annuitants. Dependent
10 coverage shall be offered on an optional basis, with the costs
11 paid by the rehabilitation facility, its employees, or some
12 combination of the 2 as determined by the rehabilitation
13 facility. The rehabilitation facility shall be responsible for
14 timely collection and transmission of dependent premiums.

15 The Director shall annually determine quarterly rates of
16 payment, subject to the following constraints:

17 (1) In the first year of coverage, the rates shall be
18 equal to the amount normally charged to State employees for
19 elected optional coverages or for enrolled dependents
20 coverages or other contributory coverages on behalf of its
21 employees, adjusted for differences between State
22 employees and employees of the rehabilitation facility in
23 age, sex, geographic location or other relevant
24 demographic variables, plus an amount sufficient to pay for
25 the additional administrative costs of providing coverage
26 to employees of the rehabilitation facility and their

1 dependents.

2 (2) In subsequent years, a further adjustment shall be
3 made to reflect the actual prior years' claims experience
4 of the employees of the rehabilitation facility.

5 Monthly payments by the rehabilitation facility or its
6 employees for group health benefits shall be deposited in the
7 Local Government Health Insurance Reserve Fund.

8 (k) Any domestic violence shelter or service within the
9 State of Illinois may apply to the Director to have its
10 employees, annuitants, and their dependents provided group
11 health coverage under this Act on a non-insured basis. To
12 participate, a domestic violence shelter or service must agree
13 to enroll all of its employees and pay the entire cost of
14 providing such coverage for its employees. The domestic
15 violence shelter shall not be required to enroll those of its
16 employees who are covered spouses or dependents under this plan
17 or another group policy or plan providing health benefits as
18 long as (1) an appropriate official from the domestic violence
19 shelter attests that each employee not enrolled is a covered
20 spouse or dependent under this plan or another group policy or
21 plan and (2) at least 50% of the employees are enrolled and the
22 domestic violence shelter remits the entire cost of providing
23 coverage to those employees. Employees of a participating
24 domestic violence shelter who are not enrolled due to coverage
25 under another group health policy or plan may enroll in the
26 event of a qualifying change in status, special enrollment, or

1 special circumstance as defined by the Director or during the
2 annual Benefit Choice Period. A participating domestic
3 violence shelter may also elect to cover its annuitants.
4 Dependent coverage shall be offered on an optional basis, with
5 employees, or some combination of the 2 as determined by the
6 domestic violence shelter or service. The domestic violence
7 shelter or service shall be responsible for timely collection
8 and transmission of dependent premiums.

9 The Director shall annually determine rates of payment,
10 subject to the following constraints:

11 (1) In the first year of coverage, the rates shall be
12 equal to the amount normally charged to State employees for
13 elected optional coverages or for enrolled dependents
14 coverages or other contributory coverages on behalf of its
15 employees, adjusted for differences between State
16 employees and employees of the domestic violence shelter or
17 service in age, sex, geographic location or other relevant
18 demographic variables, plus an amount sufficient to pay for
19 the additional administrative costs of providing coverage
20 to employees of the domestic violence shelter or service
21 and their dependents.

22 (2) In subsequent years, a further adjustment shall be
23 made to reflect the actual prior years' claims experience
24 of the employees of the domestic violence shelter or
25 service.

26 Monthly payments by the domestic violence shelter or

1 service or its employees for group health insurance shall be
2 deposited in the Local Government Health Insurance Reserve
3 Fund.

4 (1) A public community college or entity organized pursuant
5 to the Public Community College Act may apply to the Director
6 initially to have only annuitants not covered prior to July 1,
7 1992 by the district's health plan provided health coverage
8 under this Act on a non-insured basis. The community college
9 must execute a 2-year contract to participate in the Local
10 Government Health Plan. Any annuitant may enroll in the event
11 of a qualifying change in status, special enrollment, special
12 circumstance as defined by the Director, or during the annual
13 Benefit Choice Period.

14 The Director shall annually determine monthly rates of
15 payment subject to the following constraints: for those
16 community colleges with annuitants only enrolled, first year
17 rates shall be equal to the average cost to cover claims for a
18 State member adjusted for demographics, Medicare
19 participation, and other factors; and in the second year, a
20 further adjustment of rates shall be made to reflect the actual
21 first year's claims experience of the covered annuitants.

22 (1-5) The provisions of subsection (1) become inoperative
23 on July 1, 1999.

24 (m) The Director shall adopt any rules deemed necessary for
25 implementation of this amendatory Act of 1989 (Public Act
26 86-978).

1 (n) Any child advocacy center within the State of Illinois
2 may apply to the Director to have its employees, annuitants,
3 and their dependents provided group health coverage under this
4 Act on a non-insured basis. To participate, a child advocacy
5 center must agree to enroll all of its employees and pay the
6 entire cost of providing coverage for its employees. The child
7 advocacy center shall not be required to enroll those of its
8 employees who are covered spouses or dependents under this plan
9 or another group policy or plan providing health benefits as
10 long as (1) an appropriate official from the child advocacy
11 center attests that each employee not enrolled is a covered
12 spouse or dependent under this plan or another group policy or
13 plan and (2) at least 50% of the employees are enrolled and the
14 child advocacy center remits the entire cost of providing
15 coverage to those employees. Employees of a participating child
16 advocacy center who are not enrolled due to coverage under
17 another group health policy or plan may enroll in the event of
18 a qualifying change in status, special enrollment, or special
19 circumstance as defined by the Director or during the annual
20 Benefit Choice Period. A participating child advocacy center
21 may also elect to cover its annuitants. Dependent coverage
22 shall be offered on an optional basis, with the costs paid by
23 the child advocacy center, its employees, or some combination
24 of the 2 as determined by the child advocacy center. The child
25 advocacy center shall be responsible for timely collection and
26 transmission of dependent premiums.

1 The Director shall annually determine rates of payment,
2 subject to the following constraints:

3 (1) In the first year of coverage, the rates shall be
4 equal to the amount normally charged to State employees for
5 elected optional coverages or for enrolled dependents
6 coverages or other contributory coverages on behalf of its
7 employees, adjusted for differences between State
8 employees and employees of the child advocacy center in
9 age, sex, geographic location, or other relevant
10 demographic variables, plus an amount sufficient to pay for
11 the additional administrative costs of providing coverage
12 to employees of the child advocacy center and their
13 dependents.

14 (2) In subsequent years, a further adjustment shall be
15 made to reflect the actual prior years' claims experience
16 of the employees of the child advocacy center.

17 Monthly payments by the child advocacy center or its
18 employees for group health insurance shall be deposited into
19 the Local Government Health Insurance Reserve Fund.

20 (Source: P.A. 97-695, eff. 7-1-12; 98-488, eff. 8-16-13.)

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.