



Adopted in House Comm. on Mar 03, 2004

09300HB5925ham001

LRB093 17899 WGH 48277 a

1 AMENDMENT TO HOUSE BILL 5925

2 AMENDMENT NO. _____. Amend House Bill 5925 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Illinois Consumer Choice of Benefits Health Insurance Plan Act.

6 Section 5. Purpose. The legislature recognizes the need for
7 individuals, employers, and other purchasers of coverage in
8 this State to have the opportunity to choose health insurance
9 plans that are more affordable and flexible than existing
10 market policies offering accident and health insurance
11 coverage. The legislature, therefore, seeks to increase the
12 availability of health insurance coverage by allowing insurers
13 authorized to engage in the business of insurance in this state
14 to issue accident and health policies that, in whole or in
15 part, do not offer or provide state-mandated health benefits.

16 Section 10. Definitions. For purposes of this Act:

17 (a) "Consumer Choice of Benefits Health Insurance Plan"
18 means an accident or health insurance policy that, in whole or
19 in part, does not offer and provide state-mandated health
20 benefits, but that provides creditable coverage as defined by
21 Section 20 of the Illinois Health Insurance Portability and
22 Accountability Act.

23 (b) "Department" means the Department of Insurance.

1 (c) "Director" means the Director of Insurance.

2 (d) "Insurer" means an insurance company actively engaged
3 in issuing approved policies of accident and health insurance
4 in Illinois prior to the effective date of this Act.

5 Section 15. State-mandated health benefits.

6 (a) For purposes of this Act, "state-mandated health
7 benefits" means coverage required under this Act or other laws
8 of this State to be provided in an individual major medical,
9 blanket, or group major medical policy for accident and health
10 insurance or a contract for a health-related condition that:

11 (1) includes coverage for specific health care
12 services or benefits;

13 (2) places limitations of restrictions on deductibles,
14 coinsurance, copayments, or any annual or lifetime maximum
15 benefit amounts; or

16 (3) includes coverage for a specific category of
17 licensed health care practitioner from whom an insured is
18 entitled to receive care.

19 (b) For purposes of this Act, "state-mandated health
20 benefits" does not include benefits that are mandated by
21 federal law or standard provisions or rights required under
22 this Act or other laws of this State to be provided in a group
23 major medical policy for accident and health insurance that are
24 unrelated to specific health illnesses, injuries, or
25 conditions of an insured, including provisions related to:

26 (1) continuation of coverage under Sections 367e,
27 367f, 367g, 367h, 367j, 367.2, and 367.2-5 of the Illinois
28 Insurance Code;

29 (2) conversion coverage under Sections 356d and
30 367e(A) of the Illinois Insurance Code;

31 (3) preexisting conditions under:

32 (A) Section 20 of the Illinois Health Insurance
33 Portability and Accountability Act;

1 (B) Sections 367i of the Illinois Insurance Code;
2 and

3 (C) Part 2005 of Chapter 1 of Title 50 of the
4 Illinois Administrative Code;

5 (4) coverage for children, including newborn or
6 adopted children, under Sections 356c, 356h, and 367b of
7 the Illinois Insurance Code;

8 (5) timely payment of claims under Section 368a of the
9 Illinois Insurance Code;

10 (6) a consumer's right to an adequate and accessible
11 network under Section 370i of the Illinois Insurance Code.
12 These rights shall not be waived under a Consumer Choice of
13 Benefits Health Insurance Plan product;

14 (7) coverage for mental health services and mental
15 illness rehabilitation services under Sections 367c and
16 367d of the Illinois Insurance Code.

17 (c) For purposes of this Act, "state-mandated health
18 benefits" does not include benefits that are mandated by
19 federal law or standard provisions or rights required under
20 this Act or other laws of this state to be provided in an
21 individual major medical or, blanket, policy for accident and
22 health insurance that are unrelated to specific health
23 illnesses, injuries, or conditions of an insured, including
24 provisions related to:

25 (1) preexisting conditions under Part 2005 of Chapter 1
26 of Title 50 of the Illinois Administrative Code;

27 (2) coverage for children, including newborn or
28 adopted children, under Sections 356b, 356c, 356h of the
29 Illinois Insurance Code;

30 (3) timely payment of claims under Section 368a of the
31 Illinois Insurance Code;

32 (4) a consumer's right to an adequate and accessible
33 network under Section 370i of the Illinois Insurance Code.
34 These rights shall not be waived under a Consumer Choice of

1 Benefits Health Insurance Plan product.

2 Section 20. Consumer choice of benefits health insurance
3 plans authorized; minimum requirement. An insurer may offer one
4 or more Consumer Choice of Benefits Health Insurance plans.

5 Section 25. Notice to policyholder and enrollees.

6 (a) Each written application for enrollment, including any
7 application for enrollment under a group policy, in a Consumer
8 Choice of Benefits Health Insurance Plan must contain the
9 following language at the beginning of the application in bold
10 type:

11 "You have the option to choose this Consumer Choice of
12 Benefits Health Insurance Plan that, either in whole or in
13 part, does not provide state-mandated health insurance
14 benefits normally required in accident and sickness
15 insurance policies in Illinois. This Consumer Choice of
16 Benefits Health Insurance Plan may provide a more
17 affordable health insurance policy for you although, at the
18 same time, it may provide you with fewer health insurance
19 benefits than those normally included as state-mandated
20 health insurance benefits in policies in Illinois. If you
21 choose this Consumer Choice of Benefits Health Insurance
22 Plan, please consult the insurance company or your
23 employer's benefits department to determine which
24 state-mandated health benefits are not included in this
25 policy."

26 (b) Each Consumer Choice of Benefits Health Insurance Plan
27 must contain the following language at or near the beginning of
28 the policy in bold type:

29 "This Consumer Choice of Benefits Health Insurance Plan,
30 either in whole or in part, does not provide state-mandated
31 health benefits normally required in accident and health
32 insurance policies in Illinois. This Consumer Choice of

1 Benefits Health Insurance Plan may provide a more
2 affordable health insurance policy for you although, at the
3 same time, it may provide you with fewer health benefits
4 than those normally included as state-mandated health
5 benefits in policies in Illinois. Please consult with your
6 the insurance company or your employer's benefits
7 department to discover which state-mandated health
8 benefits are not included in this policy."

9 Section 30. Disclosure statement.

10 (a) When a Consumer Choice of Benefits Health Insurance
11 Plan policy is issued, an insurer providing a Consumer Choice
12 of Benefits Health Insurance Plan must provide an applicant or
13 subscriber with a written disclosure statement that:

14 (1) acknowledges that the Consumer Choice of Benefits
15 Health Insurance Plan being purchased does not provide some
16 or all state-mandated health benefits;

17 (2) lists those state-mandated health benefits not
18 included under the Consumer Choice of Benefits Health
19 Insurance Plan; and

20 (3) provides a notice, if the Consumer Choice of
21 Benefits Health Insurance Plan is issued to an individual
22 policyholder, that purchasing a plan may limit the
23 policyholder's future coverage options in the event the
24 policyholder's health changes and needed benefits are not
25 available under the Consumer Choice of Benefits Health
26 Insurance Plan.

27 (4) includes a section that allows for a signature by
28 the applicant or subscriber attesting to the fact that the
29 applicant has read and understood the disclosure statement
30 and attesting to the fact that the applicant or subscriber
31 has in fact been given a choice between the Consumer Choice
32 of Benefits Health Insurance Plan that they have chosen and
33 a health insurance plan that includes all state-mandated

1 health benefits.

2 (b) Each applicant and subscriber for initial coverage must
3 sign the disclosure statement provided by the insurer under
4 subsection (a) of this Section and return the statement to the
5 insurer. Under a group policy or contract, the term "applicant"
6 means the employer and term "subscriber" means employee. Under
7 an individual policy or contract "applicant" means the
8 individual purchasing the policy.

9 (c) An insurer must:

10 (1) retain the signed disclosure statement in the
11 insurer's records; and

12 (2) provide the signed disclosure statement to the
13 Department upon request from the Director.

14 Section 35. Rules. The Director shall adopt rules as
15 necessary to implement this Act.

16 Section 40. Additional policies. An insurer that offers
17 one or more Consumer Choice of Benefits Health Insurance Plans
18 under this Act to an employer group must also offer to all
19 eligible employees in the group at least one accident and
20 health insurance policy that has been filed and approved with
21 the Department and includes coverage for all state-mandated
22 health benefits. An employer that offers a Consumer Choice of
23 Benefits Health Insurance Plan to its eligible employees must
24 offer at least one accident and health insurance policy that
25 includes coverage for all state-mandated health benefits that
26 has been filed and approved by the Department.

27 Section 45. Rates; rating and underwriting records.

28 (a) An insurer offering a Consumer Choice of Benefits
29 Health Insurance Plan under this Act shall maintain at its
30 principal place of business a complete and detailed description
31 of its rating practices and renewal underwriting practices,

1 including information and documentation that demonstrates that
2 its rating methods and practices are based upon commonly
3 accepted actuarial assumptions and are in accordance with sound
4 actuarial principles and that the rates for the Consumer Choice
5 of Benefits Health Insurance Plan reflect the difference in its
6 benefit package from a non-Consumer Choice of Benefits Health
7 Insurance Plan.

8 (b) Upon request, an insurer shall provide to the
9 Department an actuarial certification certifying that the
10 insurer is in compliance with this Act, and that the rating
11 methods of the insurer are actuarially sound. Such
12 certification shall be in a form and manner, and shall contain
13 such information, as specified by the Director. A copy of the
14 certification shall be retained by the insurer at its principal
15 place of business for a period of 3 years from the date of
16 certification. This shall include any work papers prepared in
17 support of the actuarial certification.

18 (c) Nothing in this Section shall be construed as granting
19 the Director any power or authority to determine, fix,
20 prescribe, or promulgate the rates to be charged for any
21 individual or group accident and health insurance policy or
22 policies issued under this Act.

23 Section 50. Applicability of Illinois Insurance Code
24 provisions. All policies of accident and health insurance
25 issued under this Act shall be subject to the provisions of
26 Sections 356c, subsection (a) of Section 356g, 356n, 370, 370a,
27 370e, and 370o of the Illinois Insurance Code.

28 (215 ILCS 5/Art. XIXB rep.)

29 Section 55. The Illinois Insurance Code is amended by
30 repealing Article XIXB.

31 Section 99. Effective date. This Act takes effect upon

1 becoming law.".