

1 AN ACT concerning health benefit plans.

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  
5 adding Section 352b as follows:

6 (215 ILCS 5/352b new)

7 Sec. 352b. Flexible health plans.

8 (a) The Illinois General Assembly finds that a  
9 significant proportion of the residents of this State are  
10 unable to obtain affordable health insurance coverage. The  
11 General Assembly recognizes the need for individuals and  
12 employers in this State to have the opportunity to choose  
13 health insurance plans that are more affordable and flexible  
14 than standard market policies of accident and health  
15 insurance and the need to increase the availability of health  
16 insurance coverage by authorizing the transaction of this  
17 type of plan or policy by carriers licensed to provide health  
18 insurance in this State. Therefore, it is the intent of the  
19 Illinois General Assembly to expand the availability of  
20 affordable and flexible health insurance options for  
21 individuals and employers by allowing health insurance  
22 carriers to develop alternative approaches to traditional  
23 accident and health insurance policies currently offered in  
24 this State. This Section shall in no way prevent carriers  
25 from offering or any individual or employer from choosing in  
26 whole or in part any health insurance coverages that are  
27 offered or mandated under this Code.

28 (b) As used in this Section:

29 "Carrier" means any entity authorized by the Department  
30 to provide a health insurance plan, including a licensed  
31 insurance company, a prepaid hospital or medical service

1 plan, or a health maintenance organization.

2 "Health benefit plan" means any hospital or medical  
3 expense-incurred policy, hospital or medical service plan  
4 contract, or health maintenance organization subscriber  
5 contract.

6 "Health flex plan" means a health benefit plan offered by  
7 a carrier authorized to transact business in this State that,  
8 either in whole or in part, does not provide State mandated  
9 health benefits.

10 "State mandated health benefits" means coverage for  
11 specific health care services, benefits, or treatment  
12 required by State law or rule, limitations or restrictions on  
13 deductibles, coinsurance, copayments, or any annual or  
14 lifetime maximum benefit amounts, or inclusion of a specific  
15 health care provider to be provided to a person covered under  
16 a health benefit plan issued in the State of Illinois. "State  
17 mandated health benefits" does not mean standard provisions  
18 or rights required to be present in a health benefit plan  
19 pursuant to State law or regulations including, but not  
20 limited to, those contained in Article IV of the Health  
21 Maintenance Organization Act, Sections 356b through 356L,  
22 Sections 356n through 356z.2, Section 367b, Section 367e,  
23 Section 367i, Section 367.2, and Section 370c of the Illinois  
24 Insurance Code.

25 (c) In addition to offering within this State health  
26 benefit plans that must contain State mandated health  
27 benefits, any carrier authorized to transact business in this  
28 State shall be authorized to offer, as an option, a health  
29 flex plan beginning on January 1, 2004.

30 (d) In each sale of a health benefit plan in which the  
31 proposed group has chosen a health flex plan, the carrier  
32 shall:

33 (1) provide notice that identifies to the  
34 policyholder the State mandated benefits not included in

1 the health flex plan. Such notice shall be provided by  
2 the employer to each employee participating in the health  
3 flex plan;

4 (2) provide to the policy holder a notice with the  
5 following language in bold type:

6 "This health flex plan, either in whole or in part,  
7 does not provide State mandated health benefits normally  
8 required in accident and health insurance policies in  
9 Illinois. This health flex plan may provide a more  
10 affordable health insurance policy for you, although, at  
11 the same time, it may provide you with fewer health  
12 benefits than those normally included as State mandated  
13 health benefits in policies in Illinois.";

14 (3) provide to the policyholder a statement to be  
15 signed acknowledging that the health flex plan being  
16 purchased does not provide the State mandated health  
17 benefits listed on the form; and

18 (4) maintain the signed notice to provide  
19 information as may be needed by the Director of  
20 Insurance.

21 (e) The Director may promulgate rules as necessary to  
22 implement the provisions of this Section.

23 Section 99. Effective date. This Act takes effect upon  
24 becoming law.