



Rep. Mary E. Flowers

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1 AMENDMENT TO HOUSE BILL 1267

2 AMENDMENT NO. _____. Amend House Bill 1267 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Employees Group Insurance Act of 1971
5 is amended by changing Section 6.11 as follows:

6 (5 ILCS 375/6.11)

7 Sec. 6.11. Required health benefits; Illinois Insurance
8 Code requirements. The program of health benefits shall provide
9 the post-mastectomy care benefits required to be covered by a
10 policy of accident and health insurance under Section 356t of
11 the Illinois Insurance Code. The program of health benefits
12 shall provide the coverage required under Sections 356g,
13 356g.5, 356g.5-1, 356m, 356u, 356w, 356x, 356z.2, 356z.4,
14 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
15 356z.14, 356z.15, ~~and~~ 356z.17, 356z.19, and 356z.20 of the
16 Illinois Insurance Code. The program of health benefits must

1 comply with Section 155.37 of the Illinois 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. 95-189, eff. 8-16-07; 95-422, eff. 8-24-07;
9 95-520, eff. 8-28-07; 95-876, eff. 8-21-08; 95-958, eff.
10 6-1-09; 95-978, eff. 1-1-09; 95-1005, eff. 12-12-08; 95-1044,
11 eff. 3-26-09; 95-1045, eff. 3-27-09; 95-1049, eff. 1-1-10;
12 96-139, eff. 1-1-10; 96-328, eff. 8-11-09; 96-639, eff. 1-1-10;
13 96-1000, eff. 7-2-10.)

14 Section 10. The Counties Code is amended by changing
15 Section 5-1069.3 as follows:

16 (55 ILCS 5/5-1069.3)

17 Sec. 5-1069.3. Required health benefits. If a county,
18 including a home rule county, is a self-insurer for purposes of
19 providing health insurance coverage for its employees, the
20 coverage shall include coverage for the post-mastectomy care
21 benefits required to be covered by a policy of accident and
22 health insurance under Section 356t and the coverage required
23 under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x,
24 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,

1 356z.14, ~~and~~ 356z.15, 356z.19, and 356z.20 of the Illinois
2 Insurance Code. The requirement that health benefits be covered
3 as provided in this Section is an exclusive power and function
4 of the State and is a denial and limitation under Article VII,
5 Section 6, subsection (h) of the Illinois Constitution. A home
6 rule county to which this Section applies must comply with
7 every provision of this Section.

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. 95-189, eff. 8-16-07; 95-422, eff. 8-24-07;
15 95-520, eff. 8-28-07; 95-876, eff. 8-21-08; 95-958, eff.
16 6-1-09; 95-978, eff. 1-1-09; 95-1005, eff. 12-12-08; 95-1045,
17 eff. 3-27-09; 95-1049, eff. 1-1-10; 96-139, eff. 1-1-10;
18 96-328, eff. 8-11-09; 96-1000, eff. 7-2-10.)

19 Section 15. The Illinois Municipal Code is amended by
20 changing Section 10-4-2.3 as follows:

21 (65 ILCS 5/10-4-2.3)

22 Sec. 10-4-2.3. Required health benefits. If a
23 municipality, including a home rule municipality, is a
24 self-insurer for purposes of providing health insurance

1 coverage for its employees, the coverage shall include coverage
2 for the post-mastectomy care benefits required to be covered by
3 a policy of accident and health insurance under Section 356t
4 and the coverage required under Sections 356g, 356g.5,
5 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10,
6 356z.11, 356z.12, 356z.13, 356z.14, ~~and~~ 356z.15, 356z.19, and
7 356z.20 of the Illinois Insurance Code. The requirement that
8 health benefits be covered as provided in this is an exclusive
9 power and function of the State and is a denial and limitation
10 under Article VII, Section 6, subsection (h) of the Illinois
11 Constitution. A home rule municipality to which this Section
12 applies must comply with every provision of this Section.

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. 95-189, eff. 8-16-07; 95-422, eff. 8-24-07;
20 95-520, eff. 8-28-07; 95-876, eff. 8-21-08; 95-958, eff.
21 6-1-09; 95-978, eff. 1-1-09; 95-1005, eff. 12-12-08; 95-1045,
22 eff. 3-27-09; 95-1049, eff. 1-1-10; 96-139, eff. 1-1-10;
23 96-328, eff. 8-11-09; 96-1000, eff. 7-2-10.)

24 Section 20. 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, ~~and~~ 356z.15, 356z.19, and 356z.20 of the
9 Illinois Insurance Code.

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

16 (Source: P.A. 95-189, eff. 8-16-07; 95-422, eff. 8-24-07;
17 95-876, eff. 8-21-08; 95-958, eff. 6-1-09; 95-978, eff. 1-1-09;
18 95-1005, 12-12-08; 95-1045, eff. 3-27-09; 95-1049, eff.
19 1-1-10; 96-139, eff. 1-1-10; 96-328, eff. 8-11-09; 96-1000,
20 eff. 7-2-10.)

21 Section 25. The Illinois Insurance Code is amended by
22 adding Sections 356z.19 and 356z.20 as follows:

23 (215 ILCS 5/356z.19 new)

1 Sec. 356z.19. Intravenous feeding. A group or individual
2 policy of accident and health insurance or managed care plan
3 amended, delivered, issued, or renewed after the effective date
4 of this amendatory Act of the 97th General Assembly must
5 provide coverage for intravenous feeding. The benefits under
6 this Section shall be at least as favorable as for other
7 coverages under the policy and may be subject to the same
8 dollar amount limits, deductibles, and co-insurance
9 requirements applicable generally to other coverages under the
10 policy.

11 (215 ILCS 5/356z.20 new)

12 Sec. 356z.20. Prescription nutritional supplements. A
13 group or individual policy of accident and health insurance or
14 managed care plan amended, delivered, issued, or renewed after
15 the effective date of this amendatory Act of the 97th General
16 Assembly that provides coverage for prescription drugs must
17 provide coverage for reimbursement for medically appropriate
18 prescription nutritional supplements when ordered by a
19 physician licensed to practice medicine in all its branches and
20 the insured suffers from a condition that prevents him or her
21 from taking sufficient oral nourishment to sustain life.

22 Section 30. The Health Maintenance Organization Act is
23 amended by changing Section 5-3 as follows:

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

2 Sec. 5-3. Insurance Code provisions.

3 (a) Health Maintenance Organizations shall be subject to
4 the provisions of Sections 133, 134, 137, 140, 141.1, 141.2,
5 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5,
6 154.6, 154.7, 154.8, 155.04, 355.2, 356g.5-1, 356m, 356v, 356w,
7 356x, 356y, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9,
8 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17,
9 356z.18, 356z.19, 356z.20, 364.01, 367.2, 367.2-5, 367i, 368a,
10 368b, 368c, 368d, 368e, 370c, 401, 401.1, 402, 403, 403A, 408,
11 408.2, 409, 412, 444, and 444.1, paragraph (c) of subsection
12 (2) of Section 367, and Articles IIA, VIII 1/2, XII, XII 1/2,
13 XIII, XIII 1/2, XXV, and XXVI of the Illinois Insurance Code.

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

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

20 (2) a corporation organized under the laws of this
21 State; or

22 (3) a corporation organized under the laws of another
23 state, 30% or more of the enrollees of which are residents
24 of this State, except a corporation subject to
25 substantially the same requirements in its state of
26 organization as is a "domestic company" under Article VIII

1 1/2 of the Illinois Insurance Code.

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

5 (1) the Director shall give primary consideration to
6 the continuation of benefits to enrollees and the financial
7 conditions of the acquired Health Maintenance Organization
8 after the merger, consolidation, or other acquisition of
9 control takes effect;

10 (2) (i) the criteria specified in subsection (1) (b) of
11 Section 131.8 of the Illinois Insurance Code shall not
12 apply and (ii) the Director, in making his determination
13 with respect to the merger, consolidation, or other
14 acquisition of control, need not take into account the
15 effect on competition of the merger, consolidation, or
16 other acquisition of control;

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

19 (A) certification by an independent actuary of the
20 adequacy of the reserves of the Health Maintenance
21 Organization sought to be acquired;

22 (B) pro forma financial statements reflecting the
23 combined balance sheets of the acquiring company and
24 the Health Maintenance Organization sought to be
25 acquired as of the end of the preceding year and as of
26 a date 90 days prior to the acquisition, as well as pro

1 forma financial statements reflecting projected
2 combined operation for a period of 2 years;

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

7 (D) such other information as the Director shall
8 require.

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

15 (e) In considering any management contract or service
16 agreement subject to Section 141.1 of the Illinois Insurance
17 Code, the Director (i) shall, in addition to the criteria
18 specified in Section 141.2 of the Illinois Insurance Code, take
19 into account the effect of the management contract or service
20 agreement on the continuation of benefits to enrollees and the
21 financial condition of the health maintenance organization to
22 be managed or serviced, and (ii) need not take into account the
23 effect of the management contract or service agreement on
24 competition.

25 (f) Except for small employer groups as defined in the
26 Small Employer Rating, Renewability and Portability Health

1 Insurance Act and except for medicare supplement policies as
2 defined in Section 363 of the Illinois Insurance Code, a Health
3 Maintenance Organization may by contract agree with a group or
4 other enrollment unit to effect refunds or charge additional
5 premiums under the following terms and conditions:

6 (i) the amount of, and other terms and conditions with
7 respect to, the refund or additional premium are set forth
8 in the group or enrollment unit contract agreed in advance
9 of the period for which a refund is to be paid or
10 additional premium is to be charged (which period shall not
11 be less than one year); and

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

1 The Health Maintenance Organization shall include a
2 statement in the evidence of coverage issued to each enrollee
3 describing the possibility of a refund or additional premium,
4 and upon request of any group or enrollment unit, provide to
5 the group or enrollment unit a description of the method used
6 to calculate (1) the Health Maintenance Organization's
7 profitable experience with respect to the group or enrollment
8 unit and the resulting refund to the group or enrollment unit
9 or (2) the Health Maintenance Organization's unprofitable
10 experience with respect to the group or enrollment unit and the
11 resulting additional premium to be paid by the group or
12 enrollment unit.

13 In no event shall the Illinois Health Maintenance
14 Organization Guaranty Association be liable to pay any
15 contractual obligation of an insolvent organization to pay any
16 refund authorized under this Section.

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

23 (Source: P.A. 95-422, eff. 8-24-07; 95-520, eff. 8-28-07;
24 95-876, eff. 8-21-08; 95-958, eff. 6-1-09; 95-978, eff. 1-1-09;
25 95-1005, eff. 12-12-08; 95-1045, eff. 3-27-09; 95-1049, eff.
26 1-1-10; 96-328, eff. 8-11-09; 96-639, eff. 1-1-10; 96-833, eff.

1 6-1-10; 96-1000, eff. 7-2-10.)

2 Section 35. The Voluntary Health Services Plans Act is
3 amended by changing Section 10 as follows:

4 (215 ILCS 165/10) (from Ch. 32, par. 604)

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

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. 95-189, eff. 8-16-07; 95-331, eff. 8-21-07;
23 95-422, eff. 8-24-07; 95-520, eff. 8-28-07; 95-876, eff.
24 8-21-08; 95-958, eff. 6-1-09; 95-978, eff. 1-1-09; 95-1005,

1 eff. 12-12-08; 95-1045, eff. 3-27-09; 95-1049, eff. 1-1-10;
2 96-328, eff. 8-11-09; 96-833, eff. 6-1-10; 96-1000, eff.
3 7-2-10.)

4 Section 90. The State Mandates Act is amended by adding
5 Section 8.35 as follows:

6 (30 ILCS 805/8.35 new)

7 Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8
8 of this Act, no reimbursement by the State is required for the
9 implementation of any mandate created by this amendatory Act of
10 the 97th General Assembly."