



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB1350

Introduced 2/9/2011, by Rep. Karen May

SYNOPSIS AS INTRODUCED:

5 ILCS 375/2	from Ch. 127, par. 522
5 ILCS 375/3	from Ch. 127, par. 523
5 ILCS 375/10	from Ch. 127, par. 530
5 ILCS 375/13.2	from Ch. 127, par. 533.2
5 ILCS 375/15	from Ch. 127, par. 535
30 ILCS 105/25	from Ch. 127, par. 161

Amends the State Employees Group Insurance Act of 1971. Provides that small businesses may be provided group health coverage under the Act. Limits small businesses to those with 50 or fewer employees. Specifically allows for payment for coverage by the employees. Provides that employees that have other coverage do not have to enroll in the coverage. Authorizes the use of State funds, pursuant to appropriation, in operating the plan. Provides for the utilization of insurance producers in the marketing of the plans. Makes other changes concerning domestic violence shelters and services. Amends the State Finance Act to provide for payments made on behalf of the small business employees to be deposited into the Small Employers Health Insurance Reserve Fund.

LRB097 06619 RPM 46704 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning insurance.

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 2, 3, 10, 13.2, and 15 as
6 follows:

7 (5 ILCS 375/2) (from Ch. 127, par. 522)

8 Sec. 2. Purpose. The purpose of this Act is to provide a
9 program of group life insurance, a program of health benefits
10 and other employee benefits for persons in the service of the
11 State of Illinois, employees of local governments, employees of
12 rehabilitation facilities, employees of domestic violence
13 shelters and services, and employees of child advocacy centers,
14 and certain of their dependents. It is also the purpose of this
15 Act to provide a program of health benefits (i) for certain
16 benefit recipients of the Teachers' Retirement System of the
17 State of Illinois and their dependent beneficiaries and (ii)
18 for certain eligible retired community college employees and
19 their dependent beneficiaries. It is also the purpose of this
20 Act to provide a program of health benefits for owners and
21 employees of qualified small businesses and their dependents.

22 (Source: P.A. 94-860, eff. 6-16-06.)

1 (5 ILCS 375/3) (from Ch. 127, par. 523)

2 Sec. 3. Definitions. Unless the context otherwise
3 requires, the following words and phrases as used in this Act
4 shall have the following meanings. The Department may define
5 these and other words and phrases separately for the purpose of
6 implementing specific programs providing benefits under this
7 Act.

8 (a) "Administrative service organization" means any
9 person, firm or corporation experienced in the handling of
10 claims which is fully qualified, financially sound and capable
11 of meeting the service requirements of a contract of
12 administration executed with the Department.

13 (b) "Annuitant" means (1) an employee who retires, or has
14 retired, on or after January 1, 1966 on an immediate annuity
15 under the provisions of Articles 2, 14 (including an employee
16 who has elected to receive an alternative retirement
17 cancellation payment under Section 14-108.5 of the Illinois
18 Pension Code in lieu of an annuity), 15 (including an employee
19 who has retired under the optional retirement program
20 established under Section 15-158.2), paragraphs (2), (3), or
21 (5) of Section 16-106, or Article 18 of the Illinois Pension
22 Code; (2) any person who was receiving group insurance coverage
23 under this Act as of March 31, 1978 by reason of his status as
24 an annuitant, even though the annuity in relation to which such
25 coverage was provided is a proportional annuity based on less
26 than the minimum period of service required for a retirement

1 annuity in the system involved; (3) any person not otherwise
2 covered by this Act who has retired as a participating member
3 under Article 2 of the Illinois Pension Code but is ineligible
4 for the retirement annuity under Section 2-119 of the Illinois
5 Pension Code; (4) the spouse of any person who is receiving a
6 retirement annuity under Article 18 of the Illinois Pension
7 Code and who is covered under a group health insurance program
8 sponsored by a governmental employer other than the State of
9 Illinois and who has irrevocably elected to waive his or her
10 coverage under this Act and to have his or her spouse
11 considered as the "annuitant" under this Act and not as a
12 "dependent"; ~~or~~ (5) an employee who retires, or has retired,
13 from a qualified position, as determined according to rules
14 promulgated by the Director, under a qualified local
15 government, a qualified rehabilitation facility, a qualified
16 domestic violence shelter or service, or a qualified child
17 advocacy center; or (6) an owner or employee who retires, or
18 has retired, from a qualified position, as determined according
19 to rules promulgated by the Director, with a qualified small
20 business. (For definition of "retired employee", see (p) post).

21 (b-5) "New SERS annuitant" means a person who, on or after
22 January 1, 1998, becomes an annuitant, as defined in subsection
23 (b), by virtue of beginning to receive a retirement annuity
24 under Article 14 of the Illinois Pension Code (including an
25 employee who has elected to receive an alternative retirement
26 cancellation payment under Section 14-108.5 of that Code in

1 lieu of an annuity), and is eligible to participate in the
2 basic program of group health benefits provided for annuitants
3 under this Act.

4 (b-6) "New SURS annuitant" means a person who (1) on or
5 after January 1, 1998, becomes an annuitant, as defined in
6 subsection (b), by virtue of beginning to receive a retirement
7 annuity under Article 15 of the Illinois Pension Code, (2) has
8 not made the election authorized under Section 15-135.1 of the
9 Illinois Pension Code, and (3) is eligible to participate in
10 the basic program of group health benefits provided for
11 annuitants under this Act.

12 (b-7) "New TRS State annuitant" means a person who, on or
13 after July 1, 1998, becomes an annuitant, as defined in
14 subsection (b), by virtue of beginning to receive a retirement
15 annuity under Article 16 of the Illinois Pension Code based on
16 service as a teacher as defined in paragraph (2), (3), or (5)
17 of Section 16-106 of that Code, and is eligible to participate
18 in the basic program of group health benefits provided for
19 annuitants under this Act.

20 (c) "Carrier" means (1) an insurance company, a corporation
21 organized under the Limited Health Service Organization Act or
22 the Voluntary Health Services Plan Act, a partnership, or other
23 nongovernmental organization, which is authorized to do group
24 life or group health insurance business in Illinois, or (2) the
25 State of Illinois as a self-insurer.

26 (d) "Compensation" means salary or wages payable on a

1 regular payroll by the State Treasurer on a warrant of the
2 State Comptroller out of any State, trust or federal fund, or
3 by the Governor of the State through a disbursing officer of
4 the State out of a trust or out of federal funds, or by any
5 Department out of State, trust, federal or other funds held by
6 the State Treasurer or the Department, to any person for
7 personal services currently performed, and ordinary or
8 accidental disability benefits under Articles 2, 14, 15
9 (including ordinary or accidental disability benefits under
10 the optional retirement program established under Section
11 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
12 Article 18 of the Illinois Pension Code, for disability
13 incurred after January 1, 1966, or benefits payable under the
14 Workers' Compensation or Occupational Diseases Act or benefits
15 payable under a sick pay plan established in accordance with
16 Section 36 of the State Finance Act. "Compensation" also means
17 salary or wages paid to an employee of any qualified local
18 government, qualified rehabilitation facility, qualified
19 domestic violence shelter or service, or qualified child
20 advocacy center. "Compensation" also means salary or wages paid
21 to an employee or owner of a qualified small business.

22 (e) "Commission" means the State Employees Group Insurance
23 Advisory Commission authorized by this Act. Commencing July 1,
24 1984, "Commission" as used in this Act means the Commission on
25 Government Forecasting and Accountability as established by
26 the Legislative Commission Reorganization Act of 1984.

1 (f) "Contributory", when referred to as contributory
2 coverage, shall mean optional coverages or benefits elected by
3 the member toward the cost of which such member makes
4 contribution, or which are funded in whole or in part through
5 the acceptance of a reduction in earnings or the foregoing of
6 an increase in earnings by an employee, as distinguished from
7 noncontributory coverage or benefits which are paid entirely by
8 the State of Illinois without reduction of the member's salary.

9 (g) "Department" means any department, institution, board,
10 commission, officer, court or any agency of the State
11 government receiving appropriations and having power to
12 certify payrolls to the Comptroller authorizing payments of
13 salary and wages against such appropriations as are made by the
14 General Assembly from any State fund, or against trust funds
15 held by the State Treasurer and includes boards of trustees of
16 the retirement systems created by Articles 2, 14, 15, 16 and 18
17 of the Illinois Pension Code. "Department" also includes the
18 Illinois Comprehensive Health Insurance Board, the Board of
19 Examiners established under the Illinois Public Accounting
20 Act, and the Illinois Finance Authority.

21 (h) "Dependent", when the term is used in the context of
22 the health and life plan, means a member's spouse and any
23 unmarried child (1) from birth to age 19 including an adopted
24 child, a child who lives with the member from the time of the
25 filing of a petition for adoption until entry of an order of
26 adoption, a stepchild or recognized child who lives with the

1 member in a parent-child relationship, or a child who lives
2 with the member if such member is a court appointed guardian of
3 the child, (2) age 19 to 24 enrolled as a full-time student in
4 any accredited school, financially dependent upon the member,
5 and eligible to be claimed as a dependent for income tax
6 purposes, (2.1) age 19 to 24 on a medical leave of absence as
7 described in Section 356z.11 of the Illinois Insurance Code
8 (215 ILCS 5/356z.11), or (3) age 19 or over who is mentally or
9 physically handicapped. For the purposes of item (2), an
10 unmarried child age 19 to 24 who is a member of the United
11 States Armed Services, including the Illinois National Guard,
12 and is mobilized to active duty shall qualify as a dependent
13 beyond the age of 24 and until the age of 25 and while a
14 full-time student for the amount of time spent on active duty
15 between the ages of 19 and 24. The individual attempting to
16 qualify for this additional time must submit written
17 documentation of active duty service to the Director. The
18 changes made by this amendatory Act of the 94th General
19 Assembly apply only to individuals mobilized to active duty in
20 the United States Armed Services, including the Illinois
21 National Guard, on or after January 1, 2002. For the health
22 plan only, the term "dependent" also includes any person
23 enrolled prior to the effective date of this Section who is
24 dependent upon the member to the extent that the member may
25 claim such person as a dependent for income tax deduction
26 purposes; no other such person may be enrolled. For the health

1 plan only, the term "dependent" also includes any person who
2 has received after June 30, 2000 an organ transplant and who is
3 financially dependent upon the member and eligible to be
4 claimed as a dependent for income tax purposes.

5 (i) "Director" means the Director of the Illinois
6 Department of Central Management Services or of any successor
7 agency designated to administer this Act.

8 (j) "Eligibility period" means the period of time a member
9 has to elect enrollment in programs or to select benefits
10 without regard to age, sex or health.

11 (k) "Employee" means and includes each officer or employee
12 in the service of a department who (1) receives his
13 compensation for service rendered to the department on a
14 warrant issued pursuant to a payroll certified by a department
15 or on a warrant or check issued and drawn by a department upon
16 a trust, federal or other fund or on a warrant issued pursuant
17 to a payroll certified by an elected or duly appointed officer
18 of the State or who receives payment of the performance of
19 personal services on a warrant issued pursuant to a payroll
20 certified by a Department and drawn by the Comptroller upon the
21 State Treasurer against appropriations made by the General
22 Assembly from any fund or against trust funds held by the State
23 Treasurer, and (2) is employed full-time or part-time in a
24 position normally requiring actual performance of duty during
25 not less than 1/2 of a normal work period, as established by
26 the Director in cooperation with each department, except that

1 persons elected by popular vote will be considered employees
2 during the entire term for which they are elected regardless of
3 hours devoted to the service of the State, and (3) except that
4 "employee" does not include any person who is not eligible by
5 reason of such person's employment to participate in one of the
6 State retirement systems under Articles 2, 14, 15 (either the
7 regular Article 15 system or the optional retirement program
8 established under Section 15-158.2) or 18, or under paragraph
9 (2), (3), or (5) of Section 16-106, of the Illinois Pension
10 Code, but such term does include persons who are employed
11 during the 6 month qualifying period under Article 14 of the
12 Illinois Pension Code. Such term also includes any person who
13 (1) after January 1, 1966, is receiving ordinary or accidental
14 disability benefits under Articles 2, 14, 15 (including
15 ordinary or accidental disability benefits under the optional
16 retirement program established under Section 15-158.2),
17 paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of
18 the Illinois Pension Code, for disability incurred after
19 January 1, 1966, (2) receives total permanent or total
20 temporary disability under the Workers' Compensation Act or
21 Occupational Disease Act as a result of injuries sustained or
22 illness contracted in the course of employment with the State
23 of Illinois, or (3) is not otherwise covered under this Act and
24 has retired as a participating member under Article 2 of the
25 Illinois Pension Code but is ineligible for the retirement
26 annuity under Section 2-119 of the Illinois Pension Code.

1 However, a person who satisfies the criteria of the foregoing
2 definition of "employee" except that such person is made
3 ineligible to participate in the State Universities Retirement
4 System by clause (4) of subsection (a) of Section 15-107 of the
5 Illinois Pension Code is also an "employee" for the purposes of
6 this Act. "Employee" also includes any person receiving or
7 eligible for benefits under a sick pay plan established in
8 accordance with Section 36 of the State Finance Act. "Employee"
9 also includes (i) each officer or employee in the service of a
10 qualified local government, including persons appointed as
11 trustees of sanitary districts regardless of hours devoted to
12 the service of the sanitary district, (ii) each employee in the
13 service of a qualified rehabilitation facility, (iii) each
14 full-time employee in the service of a qualified domestic
15 violence shelter or service, and (iv) each full-time employee
16 in the service of a qualified child advocacy center, as
17 determined according to rules promulgated by the Director.
18 "Employee" also includes an owner and a full-time employee in
19 the service of a qualified small business, as determined
20 according to rules promulgated by the Director.

21 (l) "Member" means an employee, annuitant, retired
22 employee or survivor.

23 (m) "Optional coverages or benefits" means those coverages
24 or benefits available to the member on his or her voluntary
25 election, and at his or her own expense.

26 (n) "Program" means the group life insurance, health

1 benefits and other employee benefits designed and contracted
2 for by the Director under this Act.

3 (o) "Health plan" means a health benefits program offered
4 by the State of Illinois for persons eligible for the plan.

5 (p) "Retired employee" means any person who would be an
6 annuitant as that term is defined herein but for the fact that
7 such person retired prior to January 1, 1966. Such term also
8 includes any person formerly employed by the University of
9 Illinois in the Cooperative Extension Service who would be an
10 annuitant but for the fact that such person was made ineligible
11 to participate in the State Universities Retirement System by
12 clause (4) of subsection (a) of Section 15-107 of the Illinois
13 Pension Code.

14 (q) "Survivor" means a person receiving an annuity as a
15 survivor of an employee or of an annuitant. "Survivor" also
16 includes: (1) the surviving dependent of a person who satisfies
17 the definition of "employee" except that such person is made
18 ineligible to participate in the State Universities Retirement
19 System by clause (4) of subsection (a) of Section 15-107 of the
20 Illinois Pension Code; (2) the surviving dependent of any
21 person formerly employed by the University of Illinois in the
22 Cooperative Extension Service who would be an annuitant except
23 for the fact that such person was made ineligible to
24 participate in the State Universities Retirement System by
25 clause (4) of subsection (a) of Section 15-107 of the Illinois
26 Pension Code; and (3) the surviving dependent of a person who

1 was an annuitant under this Act by virtue of receiving an
2 alternative retirement cancellation payment under Section
3 14-108.5 of the Illinois Pension Code.

4 (q-2) "SERS" means the State Employees' Retirement System
5 of Illinois, created under Article 14 of the Illinois Pension
6 Code.

7 (q-3) "SURS" means the State Universities Retirement
8 System, created under Article 15 of the Illinois Pension Code.

9 (q-4) "TRS" means the Teachers' Retirement System of the
10 State of Illinois, created under Article 16 of the Illinois
11 Pension Code.

12 (q-5) "New SERS survivor" means a survivor, as defined in
13 subsection (q), whose annuity is paid under Article 14 of the
14 Illinois Pension Code and is based on the death of (i) an
15 employee whose death occurs on or after January 1, 1998, or
16 (ii) a new SERS annuitant as defined in subsection (b-5). "New
17 SERS survivor" includes the surviving dependent of a person who
18 was an annuitant under this Act by virtue of receiving an
19 alternative retirement cancellation payment under Section
20 14-108.5 of the Illinois Pension Code.

21 (q-6) "New SURS survivor" means a survivor, as defined in
22 subsection (q), whose annuity is paid under Article 15 of the
23 Illinois Pension Code and is based on the death of (i) an
24 employee whose death occurs on or after January 1, 1998, or
25 (ii) a new SURS annuitant as defined in subsection (b-6).

26 (q-7) "New TRS State survivor" means a survivor, as defined

1 in subsection (q), whose annuity is paid under Article 16 of
2 the Illinois Pension Code and is based on the death of (i) an
3 employee who is a teacher as defined in paragraph (2), (3), or
4 (5) of Section 16-106 of that Code and whose death occurs on or
5 after July 1, 1998, or (ii) a new TRS State annuitant as
6 defined in subsection (b-7).

7 (r) "Medical services" means the services provided within
8 the scope of their licenses by practitioners in all categories
9 licensed under the Medical Practice Act of 1987.

10 (s) "Unit of local government" means any county,
11 municipality, township, school district (including a
12 combination of school districts under the Intergovernmental
13 Cooperation Act), special district or other unit, designated as
14 a unit of local government by law, which exercises limited
15 governmental powers or powers in respect to limited
16 governmental subjects, any not-for-profit association with a
17 membership that primarily includes townships and township
18 officials, that has duties that include provision of research
19 service, dissemination of information, and other acts for the
20 purpose of improving township government, and that is funded
21 wholly or partly in accordance with Section 85-15 of the
22 Township Code; any not-for-profit corporation or association,
23 with a membership consisting primarily of municipalities, that
24 operates its own utility system, and provides research,
25 training, dissemination of information, or other acts to
26 promote cooperation between and among municipalities that

1 provide utility services and for the advancement of the goals
2 and purposes of its membership; the Southern Illinois
3 Collegiate Common Market, which is a consortium of higher
4 education institutions in Southern Illinois; the Illinois
5 Association of Park Districts; and any hospital provider that
6 is owned by a county that has 100 or fewer hospital beds and
7 has not already joined the program. "Qualified local
8 government" means a unit of local government approved by the
9 Director and participating in a program created under
10 subsection (i) of Section 10 of this Act.

11 (t) "Qualified rehabilitation facility" means any
12 not-for-profit organization that is accredited by the
13 Commission on Accreditation of Rehabilitation Facilities or
14 certified by the Department of Human Services (as successor to
15 the Department of Mental Health and Developmental
16 Disabilities) to provide services to persons with disabilities
17 and which receives funds from the State of Illinois for
18 providing those services, approved by the Director and
19 participating in a program created under subsection (j) of
20 Section 10 of this Act.

21 (u) "Qualified domestic violence shelter or service" means
22 any Illinois domestic violence shelter or service and its
23 administrative offices funded by the Department of Human
24 Services (as successor to the Illinois Department of Public
25 Aid), approved by the Director and participating in a program
26 created under subsection (k) of Section 10.

1 (v) "TRS benefit recipient" means a person who:
2 (1) is not a "member" as defined in this Section; and
3 (2) is receiving a monthly benefit or retirement
4 annuity under Article 16 of the Illinois Pension Code; and
5 (3) either (i) has at least 8 years of creditable
6 service under Article 16 of the Illinois Pension Code, or
7 (ii) was enrolled in the health insurance program offered
8 under that Article on January 1, 1996, or (iii) is the
9 survivor of a benefit recipient who had at least 8 years of
10 creditable service under Article 16 of the Illinois Pension
11 Code or was enrolled in the health insurance program
12 offered under that Article on the effective date of this
13 amendatory Act of 1995, or (iv) is a recipient or survivor
14 of a recipient of a disability benefit under Article 16 of
15 the Illinois Pension Code.

16 (w) "TRS dependent beneficiary" means a person who:
17 (1) is not a "member" or "dependent" as defined in this
18 Section; and
19 (2) is a TRS benefit recipient's: (A) spouse, (B)
20 dependent parent who is receiving at least half of his or
21 her support from the TRS benefit recipient, or (C)
22 unmarried natural or adopted child who is (i) under age 19,
23 or (ii) enrolled as a full-time student in an accredited
24 school, financially dependent upon the TRS benefit
25 recipient, eligible to be claimed as a dependent for income
26 tax purposes, and either is under age 24 or was, on January

1 1, 1996, participating as a dependent beneficiary in the
2 health insurance program offered under Article 16 of the
3 Illinois Pension Code, or (iii) age 19 or over who is
4 mentally or physically handicapped.

5 (x) "Military leave with pay and benefits" refers to
6 individuals in basic training for reserves, special/advanced
7 training, annual training, emergency call up, or activation by
8 the President of the United States with approved pay and
9 benefits.

10 (y) "Military leave without pay and benefits" refers to
11 individuals who enlist for active duty in a regular component
12 of the U.S. Armed Forces or other duty not specified or
13 authorized under military leave with pay and benefits.

14 (z) "Community college benefit recipient" means a person
15 who:

16 (1) is not a "member" as defined in this Section; and

17 (2) is receiving a monthly survivor's annuity or
18 retirement annuity under Article 15 of the Illinois Pension
19 Code; and

20 (3) either (i) was a full-time employee of a community
21 college district or an association of community college
22 boards created under the Public Community College Act
23 (other than an employee whose last employer under Article
24 15 of the Illinois Pension Code was a community college
25 district subject to Article VII of the Public Community
26 College Act) and was eligible to participate in a group

1 health benefit plan as an employee during the time of
2 employment with a community college district (other than a
3 community college district subject to Article VII of the
4 Public Community College Act) or an association of
5 community college boards, or (ii) is the survivor of a
6 person described in item (i).

7 (aa) "Community college dependent beneficiary" means a
8 person who:

9 (1) is not a "member" or "dependent" as defined in this
10 Section; and

11 (2) is a community college benefit recipient's: (A)
12 spouse, (B) dependent parent who is receiving at least half
13 of his or her support from the community college benefit
14 recipient, or (C) unmarried natural or adopted child who is
15 (i) under age 19, or (ii) enrolled as a full-time student
16 in an accredited school, financially dependent upon the
17 community college benefit recipient, eligible to be
18 claimed as a dependent for income tax purposes and under
19 age 23, or (iii) age 19 or over and mentally or physically
20 handicapped.

21 (bb) "Qualified child advocacy center" means any Illinois
22 child advocacy center and its administrative offices funded by
23 the Department of Children and Family Services, as defined by
24 the Children's Advocacy Center Act (55 ILCS 80/), approved by
25 the Director and participating in a program created under
26 subsection (n) of Section 10.

1 (cc) "Qualified small business" means a business situated
2 in Illinois having 50 or fewer employees, approved by the
3 Director and participating in a program created under
4 subsection (k-5) of Section 10.

5 (Source: P.A. 95-331, eff. 8-21-07; 95-632, eff. 9-25-07;
6 96-756, eff. 1-1-10.)

7 (5 ILCS 375/10) (from Ch. 127, par. 530)

8 Sec. 10. Payments by State; premiums.

9 (a) The State shall pay the cost of basic non-contributory
10 group life insurance and, subject to member paid contributions
11 set by the Department or required by this Section, the basic
12 program of group health benefits on each eligible member,
13 except a member, not otherwise covered by this Act, who has
14 retired as a participating member under Article 2 of the
15 Illinois Pension Code but is ineligible for the retirement
16 annuity under Section 2-119 of the Illinois Pension Code, and
17 part of each eligible member's and retired member's premiums
18 for health insurance coverage for enrolled dependents as
19 provided by Section 9. The State shall pay the cost of the
20 basic program of group health benefits only after benefits are
21 reduced by the amount of benefits covered by Medicare for all
22 members and dependents who are eligible for benefits under
23 Social Security or the Railroad Retirement system or who had
24 sufficient Medicare-covered government employment, except that
25 such reduction in benefits shall apply only to those members

1 and dependents who (1) first become eligible for such Medicare
2 coverage on or after July 1, 1992; or (2) are Medicare-eligible
3 members or dependents of a local government unit which began
4 participation in the program on or after July 1, 1992; or (3)
5 remain eligible for, but no longer receive Medicare coverage
6 which they had been receiving on or after July 1, 1992. The
7 Department may determine the aggregate level of the State's
8 contribution on the basis of actual cost of medical services
9 adjusted for age, sex or geographic or other demographic
10 characteristics which affect the costs of such programs.

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

22 (a-1) Beginning January 1, 1998, for each person who
23 becomes a new SERS annuitant and participates in the basic
24 program of group health benefits, the State shall contribute
25 toward the cost of the annuitant's coverage under the basic
26 program of group health benefits an amount equal to 5% of that

1 cost for each full year of creditable service upon which the
2 annuitant's retirement annuity is based, up to a maximum of
3 100% for an annuitant with 20 or more years of creditable
4 service. The remainder of the cost of a new SERS annuitant's
5 coverage under the basic program of group health benefits shall
6 be the responsibility of the annuitant. In the case of a new
7 SERS annuitant who has elected to receive an alternative
8 retirement cancellation payment under Section 14-108.5 of the
9 Illinois Pension Code in lieu of an annuity, for the purposes
10 of this subsection the annuitant shall be deemed to be
11 receiving a retirement annuity based on the number of years of
12 creditable service that the annuitant had established at the
13 time of his or her termination of service under SERS.

14 (a-2) Beginning January 1, 1998, for each person who
15 becomes a new SERS survivor and participates in the basic
16 program of group health benefits, the State shall contribute
17 toward the cost of the survivor's coverage under the basic
18 program of group health benefits an amount equal to 5% of that
19 cost for each full year of the deceased employee's or deceased
20 annuitant's creditable service in the State Employees'
21 Retirement System of Illinois on the date of death, up to a
22 maximum of 100% for a survivor of an employee or annuitant with
23 20 or more years of creditable service. The remainder of the
24 cost of the new SERS survivor's coverage under the basic
25 program of group health benefits shall be the responsibility of
26 the survivor. In the case of a new SERS survivor who was the

1 dependent of an annuitant who elected to receive an alternative
2 retirement cancellation payment under Section 14-108.5 of the
3 Illinois Pension Code in lieu of an annuity, for the purposes
4 of this subsection the deceased annuitant's creditable service
5 shall be determined as of the date of termination of service
6 rather than the date of death.

7 (a-3) Beginning January 1, 1998, for each person who
8 becomes a new SURS annuitant and participates in the basic
9 program of group health benefits, the State shall contribute
10 toward the cost of the annuitant's coverage under the basic
11 program of group health benefits an amount equal to 5% of that
12 cost for each full year of creditable service upon which the
13 annuitant's retirement annuity is based, up to a maximum of
14 100% for an annuitant with 20 or more years of creditable
15 service. The remainder of the cost of a new SURS annuitant's
16 coverage under the basic program of group health benefits shall
17 be the responsibility of the annuitant.

18 (a-4) (Blank).

19 (a-5) Beginning January 1, 1998, for each person who
20 becomes a new SURS survivor and participates in the basic
21 program of group health benefits, the State shall contribute
22 toward the cost of the survivor's coverage under the basic
23 program of group health benefits an amount equal to 5% of that
24 cost for each full year of the deceased employee's or deceased
25 annuitant's creditable service in the State Universities
26 Retirement System on the date of death, up to a maximum of 100%

1 for a survivor of an employee or annuitant with 20 or more
2 years of creditable service. The remainder of the cost of the
3 new SURS survivor's coverage under the basic program of group
4 health benefits shall be the responsibility of the survivor.

5 (a-6) Beginning July 1, 1998, for each person who becomes a
6 new TRS State annuitant and participates in the basic program
7 of group health benefits, the State shall contribute toward the
8 cost of the annuitant's coverage under the basic program of
9 group health benefits an amount equal to 5% of that cost for
10 each full year of creditable service as a teacher as defined in
11 paragraph (2), (3), or (5) of Section 16-106 of the Illinois
12 Pension Code upon which the annuitant's retirement annuity is
13 based, up to a maximum of 100%; except that the State
14 contribution shall be 12.5% per year (rather than 5%) for each
15 full year of creditable service as a regional superintendent or
16 assistant regional superintendent of schools. The remainder of
17 the cost of a new TRS State annuitant's coverage under the
18 basic program of group health benefits shall be the
19 responsibility of the annuitant.

20 (a-7) Beginning July 1, 1998, for each person who becomes a
21 new TRS State survivor and participates in the basic program of
22 group health benefits, the State shall contribute toward the
23 cost of the survivor's coverage under the basic program of
24 group health benefits an amount equal to 5% of that cost for
25 each full year of the deceased employee's or deceased
26 annuitant's creditable service as a teacher as defined in

1 paragraph (2), (3), or (5) of Section 16-106 of the Illinois
2 Pension Code on the date of death, up to a maximum of 100%;
3 except that the State contribution shall be 12.5% per year
4 (rather than 5%) for each full year of the deceased employee's
5 or deceased annuitant's creditable service as a regional
6 superintendent or assistant regional superintendent of
7 schools. The remainder of the cost of the new TRS State
8 survivor's coverage under the basic program of group health
9 benefits shall be the responsibility of the survivor.

10 (a-8) A new SERS annuitant, new SERS survivor, new SURS
11 annuitant, new SURS survivor, new TRS State annuitant, or new
12 TRS State survivor may waive or terminate coverage in the
13 program of group health benefits. Any such annuitant or
14 survivor who has waived or terminated coverage may enroll or
15 re-enroll in the program of group health benefits only during
16 the annual benefit choice period, as determined by the
17 Director; except that in the event of termination of coverage
18 due to nonpayment of premiums, the annuitant or survivor may
19 not re-enroll in the program.

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

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

3 The Director of Central Management Services shall provide
4 to the Executive Secretary of the State Employees' Retirement
5 System of Illinois such information, statistics, and other data
6 as he or she may require to review the premium amounts
7 certified by the Director of Central Management Services.

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

1 not limited to, reimbursement of administration fees due the
2 administrative service organization pursuant to its contract
3 or contracts with the Department.

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

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

1 Occupational Disease Act.

2 (d) The basic group life insurance coverage shall continue,
3 with full State contribution, where such person is (1) absent
4 from active service by reason of disability arising from any
5 cause other than self-inflicted, (2) on authorized educational
6 leave of absence or sabbatical leave, or (3) on military leave
7 with pay and benefits.

8 (e) Where the person is in non-pay status for a period in
9 excess of 30 days or on leave of absence, other than by reason
10 of disability, educational or sabbatical leave, or military
11 leave with pay and benefits, such person may continue coverage
12 only by making personal payment equal to the amount normally
13 contributed by the State on such person's behalf. Such payments
14 and coverage may be continued: (1) until such time as the
15 person returns to a status eligible for coverage at State
16 expense, but not to exceed 24 months, (2) until such person's
17 employment or annuitant status with the State is terminated, or
18 (3) for a maximum period of 4 years for members on military
19 leave with pay and benefits and military leave without pay and
20 benefits (exclusive of any additional service imposed pursuant
21 to law).

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

25 (g) The State shall not pay the cost of the basic
26 non-contributory group life insurance, program of health

1 benefits and other employee benefits for members who are
2 survivors as defined by paragraphs (1) and (2) of subsection
3 (q) of Section 3 of this Act. The costs of benefits for these
4 survivors shall be paid by the survivors or by the University
5 of Illinois Cooperative Extension Service, or any combination
6 thereof. However, the State shall pay the amount of the
7 reduction in the cost of participation, if any, resulting from
8 the amendment to subsection (a) made by this amendatory Act of
9 the 91st General Assembly.

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

22 (i) Any unit of local government within the State of
23 Illinois may apply to the Director to have its employees,
24 annuitants, and their dependents provided group health
25 coverage under this Act on a non-insured basis. To participate,
26 a unit of local government must agree to enroll all of its

1 employees, who may select coverage under either the State group
2 health benefits plan or a health maintenance organization that
3 has contracted with the State to be available as a health care
4 provider for employees as defined in this Act. A unit of local
5 government must remit the entire cost of providing coverage
6 under the State group health benefits plan or, for coverage
7 under a health maintenance organization, an amount determined
8 by the Director based on an analysis of the sex, age,
9 geographic location, or other relevant demographic variables
10 for its employees, except that the unit of local government
11 shall not be required to enroll those of its employees who are
12 covered spouses or dependents under this plan or another group
13 policy or plan providing health benefits as long as (1) an
14 appropriate official from the unit of local government attests
15 that each employee not enrolled is a covered spouse or
16 dependent under this plan or another group policy or plan, and
17 (2) at least 50% of the employees are enrolled and the unit of
18 local government remits the entire cost of providing coverage
19 to those employees, except that a participating school district
20 must have enrolled at least 50% of its full-time employees who
21 have not waived coverage under the district's group health plan
22 by participating in a component of the district's cafeteria
23 plan. A participating school district is not required to enroll
24 a full-time employee who has waived coverage under the
25 district's health plan, provided that an appropriate official
26 from the participating school district attests that the

1 full-time employee has waived coverage by participating in a
2 component of the district's cafeteria plan. For the purposes of
3 this subsection, "participating school district" includes a
4 unit of local government whose primary purpose is education as
5 defined by the Department's rules.

6 Employees of a participating unit of local government who
7 are not enrolled due to coverage under another group health
8 policy or plan may enroll in the event of a qualifying change
9 in status, special enrollment, special circumstance as defined
10 by the Director, or during the annual Benefit Choice Period. A
11 participating unit of local government may also elect to cover
12 its annuitants. Dependent coverage shall be offered on an
13 optional basis, with the costs paid by the unit of local
14 government, its employees, or some combination of the two as
15 determined by the unit of local government. The unit of local
16 government shall be responsible for timely collection and
17 transmission of dependent premiums.

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

20 (1) In the first year of coverage, the rates shall be
21 equal to the amount normally charged to State employees for
22 elected optional coverages or for enrolled dependents
23 coverages or other contributory coverages, or contributed
24 by the State for basic insurance coverages on behalf of its
25 employees, adjusted for differences between State
26 employees and employees of the local government in age,

1 sex, geographic location or other relevant demographic
2 variables, plus an amount sufficient to pay for the
3 additional administrative costs of providing coverage to
4 employees of the unit of local government and their
5 dependents.

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

9 In the case of coverage of local government employees under
10 a health maintenance organization, the Director shall annually
11 determine for each participating unit of local government the
12 maximum monthly amount the unit may contribute toward that
13 coverage, based on an analysis of (i) the age, sex, geographic
14 location, and other relevant demographic variables of the
15 unit's employees and (ii) the cost to cover those employees
16 under the State group health benefits plan. The Director may
17 similarly determine the maximum monthly amount each unit of
18 local government may contribute toward coverage of its
19 employees' dependents under a health maintenance organization.

20 Monthly payments by the unit of local government or its
21 employees for group health benefits plan or health maintenance
22 organization coverage shall be deposited in the Local
23 Government Health Insurance Reserve Fund.

24 The Local Government Health Insurance Reserve Fund is
25 hereby created as a nonappropriated trust fund to be held
26 outside the State Treasury, with the State Treasurer as

1 custodian. The Local Government Health Insurance Reserve Fund
2 shall be a continuing fund not subject to fiscal year
3 limitations. The Local Government Health Insurance Reserve
4 Fund is not subject to administrative charges or charge-backs,
5 including but not limited to those authorized under Section 8h
6 of the State Finance Act. All revenues arising from the
7 administration of the health benefits program established
8 under this Section shall be deposited into the Local Government
9 Health Insurance Reserve Fund. Any interest earned on moneys in
10 the Local Government Health Insurance Reserve Fund shall be
11 deposited into the Fund. All expenditures from this Fund shall
12 be used for payments for health care benefits for local
13 government, domestic violence shelter or service, and
14 rehabilitation facility employees, annuitants, and dependents,
15 and to reimburse the Department or its administrative service
16 organization for all expenses incurred in the administration of
17 benefits. No other State funds may be used for these purposes.

18 A local government employer's participation or desire to
19 participate in a program created under this subsection shall
20 not limit that employer's duty to bargain with the
21 representative of any collective bargaining unit of its
22 employees.

23 (j) Any rehabilitation facility within the State of
24 Illinois may apply to the Director to have its employees,
25 annuitants, and their eligible dependents provided group
26 health coverage under this Act on a non-insured basis. To

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

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

26 (1) In the first year of coverage, the rates shall be

1 equal to the amount normally charged to State employees for
2 elected optional coverages or for enrolled dependents
3 coverages or other contributory coverages on behalf of its
4 employees, adjusted for differences between State
5 employees and employees of the rehabilitation facility in
6 age, sex, geographic location or other relevant
7 demographic variables, plus an amount sufficient to pay for
8 the additional administrative costs of providing coverage
9 to employees of the rehabilitation facility and their
10 dependents.

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

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

17 (k) Any domestic violence shelter or service within the
18 State of Illinois may apply to the Director to have its
19 employees, annuitants, and their dependents provided group
20 health coverage under this Act on a non-insured basis. To
21 participate, a domestic violence shelter or service must agree
22 to enroll all of its employees and pay the entire cost of
23 providing such coverage for its employees. The domestic
24 violence shelter shall not be required to enroll those of its
25 employees who are covered spouses or dependents under this plan
26 or another group policy or plan providing health benefits as

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

19 The Director shall annually determine rates of payment,
20 subject to the following constraints:

21 (1) In the first year of coverage, the rates shall be
22 equal to the amount normally charged to State employees for
23 elected optional coverages or for enrolled dependents
24 coverages or other contributory coverages on behalf of its
25 employees, adjusted for differences between State
26 employees and employees of the domestic violence shelter or

1 service in age, sex, geographic location or other relevant
2 demographic variables, plus an amount sufficient to pay for
3 the additional administrative costs of providing coverage
4 to employees of the domestic violence shelter or service
5 and their dependents.

6 (2) In subsequent years, a further adjustment shall be
7 made to reflect the actual prior years' claims experience
8 of the employees of the domestic violence shelter or
9 service.

10 Monthly payments by the domestic violence shelter or
11 service or its employees for group health insurance shall be
12 deposited in the Local Government Health Insurance Reserve
13 Fund.

14 (k-5) Any qualified small business within the State of
15 Illinois may apply to the Director to have its employees,
16 annuitants, and their dependents provided group health
17 coverage under this Act on a non-insured basis. The Department
18 may set a limit on the number of qualified small businesses
19 that may receive group health coverage under this subsection
20 (k-5). In order to control its costs, the Department may
21 designate which plans it will offer to qualified small
22 businesses under this subsection (k-5). Those plans may
23 include, but need not be limited to, minimum, limited, or
24 comprehensive coverage plans; Health Maintenance Organization
25 and Preferred Provider Organization plans; and medical savings
26 plans. The plans may include the utilization of insurance

1 producers in the marketing of coverage under the plans. In
2 offering plans under this subsection (k-5) the Department shall
3 be subject to ratings and minimum coverage in the same manner
4 as a private insurer. Any plan offered under this subsection
5 (k-5) may provide for employee contributions to the cost of the
6 plan. A qualified small business may select one or more of the
7 plans offered by the Department to offer to its employees. To
8 participate, a qualified small business must agree to offer to
9 enroll all of its employees and remit the entire cost of
10 providing such coverage for its employees, except that the
11 qualified small business shall not be required to enroll those
12 of its employees who waive coverage under this subsection (k-5)
13 because they are covered spouses or dependents under another
14 group policy or plan providing health benefits as long as (1)
15 an appropriate official from the qualified small business
16 attests that each employee not enrolled is a covered spouse or
17 dependent under another group policy or plan and (2) at least
18 75% of the remaining employees are enrolled. A participating
19 qualified small business may also elect to cover its
20 annuitants. Dependent coverage shall be offered on an optional
21 basis, with the costs paid by the small business, its
22 employees, or some combination of the 2 as determined by the
23 qualified small business. The qualified small business shall be
24 responsible for timely collection and transmission of all
25 premiums.

26 The Director shall annually determine rates of payment

1 taking into consideration, among other things, the following:

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

13 (2) In subsequent years, a further adjustment shall be
14 made to reflect the actual prior years' claims experience
15 of the employees of the qualified small business.

16 Monthly payments by the qualified small business for group
17 health insurance shall be deposited into the Small Employers
18 Health Insurance Reserve Fund. The Small Employers Health
19 Insurance Reserve Fund shall be a continuing fund not subject
20 to fiscal year limitations. All expenditures from this fund
21 shall be used for payments for health care benefits for
22 employees of qualified small businesses and their annuitants
23 and dependents and to reimburse the Department or its
24 administrative service organization for all expenses incurred
25 in the administration of benefits. No State funds, other than
26 those specifically appropriated, may be used for these

1 purposes.

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

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

20 (1-5) The provisions of subsection (1) become inoperative
21 on July 1, 1999.

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

25 (n) Any child advocacy center within the State of Illinois
26 may apply to the Director to have its employees, annuitants,

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

25 The Director shall annually determine rates of payment,
26 subject to the following constraints:

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

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

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

18 (Source: P.A. 95-331, eff. 8-21-07; 95-632, eff. 9-25-07;
19 95-707, eff. 1-11-08; 96-756, eff. 1-1-10; 96-1232, eff.
20 7-23-10.)

21 (5 ILCS 375/13.2) (from Ch. 127, par. 533.2)

22 Sec. 13.2. Insurance reserve funds; investments. All
23 amounts held in the Health Insurance Reserve Fund, the Group
24 Insurance Premium Fund, the Small Employers Health Insurance
25 Reserve Fund, and the Local Government Health Insurance Reserve

1 Fund shall be invested, at interest, by the State Treasurer.
2 The investments shall be subject to terms, conditions, and
3 limitations imposed by the laws of Illinois on State funds. All
4 income derived from the investments shall accrue and be
5 deposited to the respective funds no less frequently than
6 quarterly. The Health Insurance Reserve Fund, the Small
7 Employers Health Insurance Reserve Fund, and the Local
8 Government Health Insurance Reserve Fund shall be administered
9 by the Director.

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

11 (5 ILCS 375/15) (from Ch. 127, par. 535)

12 Sec. 15. Administration; rules; audit; review.

13 (a) The Director shall administer this Act and shall
14 prescribe such rules and regulations as are necessary to give
15 full effect to the purposes of this Act.

16 (b) These rules may fix reasonable standards for the group
17 life and group health programs and other benefit programs
18 offered under this Act, and for the contractors providing them.

19 (c) These rules shall specify that covered and optional
20 medical services of the program are services provided within
21 the scope of their licenses by practitioners in all categories
22 licensed under the Medical Practice Act of 1987 and shall
23 provide that all eligible persons be fully informed of this
24 specification.

25 (d) These rules shall establish eligibility requirements

1 for members and dependents as may be necessary to supplement or
2 clarify requirements contained in this Act.

3 (e) Each affected department of the State, the State
4 Universities Retirement System, the Teachers' Retirement
5 System, and each qualified local government, rehabilitation
6 facility, domestic violence shelter or service, small
7 business, or child advocacy center, shall keep such records,
8 make such certifications, and furnish the Director such
9 information as may be necessary for the administration of this
10 Act, including information concerning number and total amounts
11 of payroll of employees of the department who are paid from
12 trust funds or federal funds.

13 (f) Each member, each community college benefit recipient
14 to whom this Act applies, and each TRS benefit recipient to
15 whom this Act applies shall furnish the Director, in such form
16 as may be required, any information that may be necessary to
17 enroll such member or benefit recipient and, if applicable, his
18 or her dependents or dependent beneficiaries under the programs
19 or plan, including such data as may be required to allow the
20 Director to accumulate statistics on data normally considered
21 in actuarial studies of employee groups. Information about
22 community college benefit recipients and community college
23 dependent beneficiaries shall be furnished through the State
24 Universities Retirement System. Information about TRS benefit
25 recipients and TRS dependent beneficiaries shall be furnished
26 through the Teachers' Retirement System.

1 (g) There shall be audits and reports on the programs
2 authorized and established by this Act prepared by the Director
3 with the assistance of a qualified, independent accounting
4 firm. The reports shall provide information on the experience,
5 and administrative effectiveness and adequacy of the program
6 including, when applicable, recommendations on up-grading of
7 benefits and improvement of the program.

8 (h) Any final order, decision or other determination made,
9 issued or executed by the Director under the provisions of this
10 Act whereby any contractor or person is aggrieved shall be
11 subject to review in accordance with the provisions of the
12 Administrative Review Law and all amendments and modifications
13 thereof, and the rules adopted pursuant thereto, shall apply to
14 and govern all proceedings for the judicial review of final
15 administrative decisions of the Director.

16 (Source: P.A. 94-860, eff. 6-16-06.)

17 Section 10. The State Finance Act is amended by changing
18 Section 25 as follows:

19 (30 ILCS 105/25) (from Ch. 127, par. 161)

20 Sec. 25. Fiscal year limitations.

21 (a) All appropriations shall be available for expenditure
22 for the fiscal year or for a lesser period if the Act making
23 that appropriation so specifies. A deficiency or emergency
24 appropriation shall be available for expenditure only through

1 June 30 of the year when the Act making that appropriation is
2 enacted unless that Act otherwise provides.

3 (b) Outstanding liabilities as of June 30, payable from
4 appropriations which have otherwise expired, may be paid out of
5 the expiring appropriations during the 2-month period ending at
6 the close of business on August 31. Any service involving
7 professional or artistic skills or any personal services by an
8 employee whose compensation is subject to income tax
9 withholding must be performed as of June 30 of the fiscal year
10 in order to be considered an "outstanding liability as of June
11 30" that is thereby eligible for payment out of the expiring
12 appropriation.

13 (b-1) However, payment of tuition reimbursement claims
14 under Section 14-7.03 or 18-3 of the School Code may be made by
15 the State Board of Education from its appropriations for those
16 respective purposes for any fiscal year, even though the claims
17 reimbursed by the payment may be claims attributable to a prior
18 fiscal year, and payments may be made at the direction of the
19 State Superintendent of Education from the fund from which the
20 appropriation is made without regard to any fiscal year
21 limitations, except as required by subsection (j) of this
22 Section. Beginning on June 30, 2021, payment of tuition
23 reimbursement claims under Section 14-7.03 or 18-3 of the
24 School Code as of June 30, payable from appropriations that
25 have otherwise expired, may be paid out of the expiring
26 appropriation during the 4-month period ending at the close of

1 business on October 31.

2 (b-2) All outstanding liabilities as of June 30, 2010,
3 payable from appropriations that would otherwise expire at the
4 conclusion of the lapse period for fiscal year 2010, and
5 interest penalties payable on those liabilities under the State
6 Prompt Payment Act, may be paid out of the expiring
7 appropriations until December 31, 2010, without regard to the
8 fiscal year in which the payment is made, as long as vouchers
9 for the liabilities are received by the Comptroller no later
10 than August 31, 2010.

11 (b-3) Medical payments may be made by the Department of
12 Veterans' Affairs from its appropriations for those purposes
13 for any fiscal year, without regard to the fact that the
14 medical services being compensated for by such payment may have
15 been rendered in a prior fiscal year, except as required by
16 subsection (j) of this Section. Beginning on June 30, 2021,
17 medical payments payable from appropriations that have
18 otherwise expired may be paid out of the expiring appropriation
19 during the 4-month period ending at the close of business on
20 October 31.

21 (b-4) Medical payments may be made by the Department of
22 Healthcare and Family Services and medical payments and child
23 care payments may be made by the Department of Human Services
24 (as successor to the Department of Public Aid) from
25 appropriations for those purposes for any fiscal year, without
26 regard to the fact that the medical or child care services

1 being compensated for by such payment may have been rendered in
2 a prior fiscal year; and payments may be made at the direction
3 of the Department of Healthcare and Family Services from the
4 Health Insurance Reserve Fund and the Local Government Health
5 Insurance Reserve Fund without regard to any fiscal year
6 limitations, except as required by subsection (j) of this
7 Section. Beginning on June 30, 2021, medical payments made by
8 the Department of Healthcare and Family Services, child care
9 payments made by the Department of Human Services, and payments
10 made at the discretion of the Department of Healthcare and
11 Family Services from the Health Insurance Reserve Fund, the
12 Small Employers Health Insurance Reserve Fund, and the Local
13 Government Health Insurance Reserve Fund payable from
14 appropriations that have otherwise expired may be paid out of
15 the expiring appropriation during the 4-month period ending at
16 the close of business on October 31.

17 (b-5) Medical payments may be made by the Department of
18 Human Services from its appropriations relating to substance
19 abuse treatment services for any fiscal year, without regard to
20 the fact that the medical services being compensated for by
21 such payment may have been rendered in a prior fiscal year,
22 provided the payments are made on a fee-for-service basis
23 consistent with requirements established for Medicaid
24 reimbursement by the Department of Healthcare and Family
25 Services, except as required by subsection (j) of this Section.
26 Beginning on June 30, 2021, medical payments made by the

1 Department of Human Services relating to substance abuse
2 treatment services payable from appropriations that have
3 otherwise expired may be paid out of the expiring appropriation
4 during the 4-month period ending at the close of business on
5 October 31.

6 (b-6) Additionally, payments may be made by the Department
7 of Human Services from its appropriations, or any other State
8 agency from its appropriations with the approval of the
9 Department of Human Services, from the Immigration Reform and
10 Control Fund for purposes authorized pursuant to the
11 Immigration Reform and Control Act of 1986, without regard to
12 any fiscal year limitations, except as required by subsection
13 (j) of this Section. Beginning on June 30, 2021, payments made
14 by the Department of Human Services from the Immigration Reform
15 and Control Fund for purposes authorized pursuant to the
16 Immigration Reform and Control Act of 1986 payable from
17 appropriations that have otherwise expired may be paid out of
18 the expiring appropriation during the 4-month period ending at
19 the close of business on October 31.

20 (b-7) Payments may be made in accordance with a plan
21 authorized by paragraph (11) or (12) of Section 405-105 of the
22 Department of Central Management Services Law from
23 appropriations for those payments without regard to fiscal year
24 limitations.

25 (c) Further, payments may be made by the Department of
26 Public Health, the Department of Human Services (acting as

1 successor to the Department of Public Health under the
2 Department of Human Services Act), and the Department of
3 Healthcare and Family Services from their respective
4 appropriations for grants for medical care to or on behalf of
5 persons suffering from chronic renal disease, persons
6 suffering from hemophilia, rape victims, and premature and
7 high-mortality risk infants and their mothers and for grants
8 for supplemental food supplies provided under the United States
9 Department of Agriculture Women, Infants and Children
10 Nutrition Program, for any fiscal year without regard to the
11 fact that the services being compensated for by such payment
12 may have been rendered in a prior fiscal year, except as
13 required by subsection (j) of this Section. Beginning on June
14 30, 2021, payments made by the Department of Public Health, the
15 Department of Human Services, and the Department of Healthcare
16 and Family Services from their respective appropriations for
17 grants for medical care to or on behalf of persons suffering
18 from chronic renal disease, persons suffering from hemophilia,
19 rape victims, and premature and high-mortality risk infants and
20 their mothers and for grants for supplemental food supplies
21 provided under the United States Department of Agriculture
22 Women, Infants and Children Nutrition Program payable from
23 appropriations that have otherwise expired may be paid out of
24 the expiring appropriations during the 4-month period ending at
25 the close of business on October 31.

26 (d) The Department of Public Health and the Department of

1 Human Services (acting as successor to the Department of Public
2 Health under the Department of Human Services Act) shall each
3 annually submit to the State Comptroller, Senate President,
4 Senate Minority Leader, Speaker of the House, House Minority
5 Leader, and the respective Chairmen and Minority Spokesmen of
6 the Appropriations Committees of the Senate and the House, on
7 or before December 31, a report of fiscal year funds used to
8 pay for services provided in any prior fiscal year. This report
9 shall document by program or service category those
10 expenditures from the most recently completed fiscal year used
11 to pay for services provided in prior fiscal years.

12 (e) The Department of Healthcare and Family Services, the
13 Department of Human Services (acting as successor to the
14 Department of Public Aid), and the Department of Human Services
15 making fee-for-service payments relating to substance abuse
16 treatment services provided during a previous fiscal year shall
17 each annually submit to the State Comptroller, Senate
18 President, Senate Minority Leader, Speaker of the House, House
19 Minority Leader, the respective Chairmen and Minority
20 Spokesmen of the Appropriations Committees of the Senate and
21 the House, on or before November 30, a report that shall
22 document by program or service category those expenditures from
23 the most recently completed fiscal year used to pay for (i)
24 services provided in prior fiscal years and (ii) services for
25 which claims were received in prior fiscal years.

26 (f) The Department of Human Services (as successor to the

1 Department of Public Aid) shall annually submit to the State
2 Comptroller, Senate President, Senate Minority Leader, Speaker
3 of the House, House Minority Leader, and the respective
4 Chairmen and Minority Spokesmen of the Appropriations
5 Committees of the Senate and the House, on or before December
6 31, a report of fiscal year funds used to pay for services
7 (other than medical care) provided in any prior fiscal year.
8 This report shall document by program or service category those
9 expenditures from the most recently completed fiscal year used
10 to pay for services provided in prior fiscal years.

11 (g) In addition, each annual report required to be
12 submitted by the Department of Healthcare and Family Services
13 under subsection (e) shall include the following information
14 with respect to the State's Medicaid program:

15 (1) Explanations of the exact causes of the variance
16 between the previous year's estimated and actual
17 liabilities.

18 (2) Factors affecting the Department of Healthcare and
19 Family Services' liabilities, including but not limited to
20 numbers of aid recipients, levels of medical service
21 utilization by aid recipients, and inflation in the cost of
22 medical services.

23 (3) The results of the Department's efforts to combat
24 fraud and abuse.

25 (h) As provided in Section 4 of the General Assembly
26 Compensation Act, any utility bill for service provided to a

1 General Assembly member's district office for a period
2 including portions of 2 consecutive fiscal years may be paid
3 from funds appropriated for such expenditure in either fiscal
4 year.

5 (i) An agency which administers a fund classified by the
6 Comptroller as an internal service fund may issue rules for:

7 (1) billing user agencies in advance for payments or
8 authorized inter-fund transfers based on estimated charges
9 for goods or services;

10 (2) issuing credits, refunding through inter-fund
11 transfers, or reducing future inter-fund transfers during
12 the subsequent fiscal year for all user agency payments or
13 authorized inter-fund transfers received during the prior
14 fiscal year which were in excess of the final amounts owed
15 by the user agency for that period; and

16 (3) issuing catch-up billings to user agencies during
17 the subsequent fiscal year for amounts remaining due when
18 payments or authorized inter-fund transfers received from
19 the user agency during the prior fiscal year were less than
20 the total amount owed for that period.

21 User agencies are authorized to reimburse internal service
22 funds for catch-up billings by vouchers drawn against their
23 respective appropriations for the fiscal year in which the
24 catch-up billing was issued or by increasing an authorized
25 inter-fund transfer during the current fiscal year. For the
26 purposes of this Act, "inter-fund transfers" means transfers

1 without the use of the voucher-warrant process, as authorized
2 by Section 9.01 of the State Comptroller Act.

3 (i-1) Beginning on July 1, 2021, all outstanding
4 liabilities, not payable during the 4-month lapse period as
5 described in subsections (b-1), (b-3), (b-4), (b-5), (b-6), and
6 (c) of this Section, that are made from appropriations for that
7 purpose for any fiscal year, without regard to the fact that
8 the services being compensated for by those payments may have
9 been rendered in a prior fiscal year, are limited to only those
10 claims that have been incurred but for which a proper bill or
11 invoice as defined by the State Prompt Payment Act has not been
12 received by September 30th following the end of the fiscal year
13 in which the service was rendered.

14 (j) Notwithstanding any other provision of this Act, the
15 aggregate amount of payments to be made without regard for
16 fiscal year limitations as contained in subsections (b-1),
17 (b-3), (b-4), (b-5), (b-6), and (c) of this Section, and
18 determined by using Generally Accepted Accounting Principles,
19 shall not exceed the following amounts:

20 (1) \$6,000,000,000 for outstanding liabilities related
21 to fiscal year 2012;

22 (2) \$5,300,000,000 for outstanding liabilities related
23 to fiscal year 2013;

24 (3) \$4,600,000,000 for outstanding liabilities related
25 to fiscal year 2014;

26 (4) \$4,000,000,000 for outstanding liabilities related

1 to fiscal year 2015;

2 (5) \$3,300,000,000 for outstanding liabilities related
3 to fiscal year 2016;

4 (6) \$2,600,000,000 for outstanding liabilities related
5 to fiscal year 2017;

6 (7) \$2,000,000,000 for outstanding liabilities related
7 to fiscal year 2018;

8 (8) \$1,300,000,000 for outstanding liabilities related
9 to fiscal year 2019;

10 (9) \$600,000,000 for outstanding liabilities related
11 to fiscal year 2020; and

12 (10) \$0 for outstanding liabilities related to fiscal
13 year 2021 and fiscal years thereafter.

14 (Source: P.A. 95-331, eff. 8-21-07; 96-928, eff. 6-15-10;
15 96-958, eff. 7-1-10; 96-1501, eff. 1-25-11.)