



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB4516

by Rep. Laura Fine

SYNOPSIS AS INTRODUCED:

215 ILCS 5/356z.29 new

215 ILCS 125/5-3

215 ILCS 165/10

from Ch. 111 1/2, par. 1411.2

from Ch. 32, par. 604

Amends the Illinois Insurance Code, the Voluntary Health Services Plans Act, and the Voluntary Health Services Plans Act to require coverage for hearing instruments and related services for all individuals under the age of 18 when a hearing care professional prescribes a hearing instrument. Provides that an insurer shall provide coverage for hearing aids subject to certain restrictions. Provides that an insurer shall not be required to pay a claim if the insured filed such a claim 12 months prior to the date of filing the claim with the insurer and the claim was paid by any insurer. Effective immediately.

LRB100 17336 SMS 32500 b

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 Illinois Insurance Code is amended by adding
5 Section 356z.29 as follows:

6 (215 ILCS 5/356z.29 new)

7 Sec. 356z.29. Coverage for hearing aids for individuals
8 under the age of 18.

9 (a) As used in this Section:

10 "Hearing care professional" means a person who is a
11 licensed hearing instrument dispenser, licensed audiologist,
12 or licensed physician.

13 "Hearing instrument" or "hearing aid" means any wearable
14 non-disposable instrument or device designed to aid or
15 compensate for impaired human hearing and any parts,
16 attachments, or accessories for the instrument or device,
17 including an ear mold but excluding batteries and cords.

18 "Related services" means those services necessary to
19 assess, select, and adjust or fit the hearing instrument to
20 ensure optimal performance, including, but not limited to:
21 audiological exams, replacement ear molds, and repairs to the
22 hearing instrument.

23 (b) An individual or group policy of accident and health

1 insurance or managed care plan that is amended, delivered,
2 issued, or renewed after the effective date of this amendatory
3 Act of the 100th General Assembly must provide coverage for
4 hearing instruments and related services for all individuals
5 under the age of 18 when a hearing care professional prescribes
6 a hearing instrument to augment communication.

7 (c) An insurer shall provide coverage, subject to all
8 applicable co-payments, co-insurance, deductibles, and
9 out-of-pocket limits, subject to the following restrictions:

10 (1) for all insured individuals, hearing aids may be
11 replaced up to once every 12 months as prescribed and
12 dispensed by a hearing care professional;

13 (2) for all insured individuals, any hearing aid may be
14 replaced at any time regardless of the above restrictions
15 if there is a significant change in the insured
16 individual's hearing status; and

17 (3) for all insured individuals, related services,
18 such as audiological exams, ear molds, and hearing aid
19 repairs, shall be covered at all times when prescribed by a
20 hearing care professional.

21 (d) An insurer shall not be required to pay a claim filed
22 by its insured for the payment of the cost of a hearing aid
23 covered by this Section if less than 12 months prior to the
24 date of the claim its insured filed a claim for payment of the
25 cost of the hearing aid and the claim was paid by any insurer.

1 Section 10. The Health Maintenance Organization Act is
2 amended by changing Section 5-3 as follows:

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

4 Sec. 5-3. Insurance Code provisions.

5 (a) Health Maintenance Organizations shall be subject to
6 the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,
7 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154,
8 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 355.3,
9 355b, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4,
10 356z.5, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12,
11 356z.13, 356z.14, 356z.15, 356z.17, 356z.18, 356z.19, 356z.21,
12 356z.22, 356z.25, 356z.26, 356z.29, 364, 364.01, 367.2,
13 367.2-5, 367i, 368a, 368b, 368c, 368d, 368e, 370c, 370c.1, 401,
14 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1,
15 paragraph (c) of subsection (2) of Section 367, and Articles
16 IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of
17 the Illinois Insurance Code.

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

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

24 (2) a corporation organized under the laws of this
25 State; or

1 (3) a corporation organized under the laws of another
2 state, 30% or more of the enrollees of which are residents
3 of this State, except a corporation subject to
4 substantially the same requirements in its state of
5 organization as is a "domestic company" under Article VIII
6 1/2 of the Illinois Insurance Code.

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

10 (1) the Director shall give primary consideration to
11 the continuation of benefits to enrollees and the financial
12 conditions of the acquired Health Maintenance Organization
13 after the merger, consolidation, or other acquisition of
14 control takes effect;

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

22 (3) the Director shall have the power to require the
23 following information:

24 (A) certification by an independent actuary of the
25 adequacy of the reserves of the Health Maintenance
26 Organization sought to be acquired;

1 (B) pro forma financial statements reflecting the
2 combined balance sheets of the acquiring company and
3 the Health Maintenance Organization sought to be
4 acquired as of the end of the preceding year and as of
5 a date 90 days prior to the acquisition, as well as pro
6 forma financial statements reflecting projected
7 combined operation for a period of 2 years;

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

12 (D) such other information as the Director shall
13 require.

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

20 (e) In considering any management contract or service
21 agreement subject to Section 141.1 of the Illinois Insurance
22 Code, the Director (i) shall, in addition to the criteria
23 specified in Section 141.2 of the Illinois Insurance Code, take
24 into account the effect of the management contract or service
25 agreement on the continuation of benefits to enrollees and the
26 financial condition of the health maintenance organization to

1 be managed or serviced, and (ii) need not take into account the
2 effect of the management contract or service agreement on
3 competition.

4 (f) Except for small employer groups as defined in the
5 Small Employer Rating, Renewability and Portability Health
6 Insurance Act and except for medicare supplement policies as
7 defined in Section 363 of the Illinois Insurance Code, a Health
8 Maintenance Organization may by contract agree with a group or
9 other enrollment unit to effect refunds or charge additional
10 premiums under the following terms and conditions:

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

17 (ii) the amount of the refund or additional premium
18 shall not exceed 20% of the Health Maintenance
19 Organization's profitable or unprofitable experience with
20 respect to the group or other enrollment unit for the
21 period (and, for purposes of a refund or additional
22 premium, the profitable or unprofitable experience shall
23 be calculated taking into account a pro rata share of the
24 Health Maintenance Organization's administrative and
25 marketing expenses, but shall not include any refund to be
26 made or additional premium to be paid pursuant to this

1 subsection (f)). The Health Maintenance Organization and
2 the group or enrollment unit may agree that the profitable
3 or unprofitable experience may be calculated taking into
4 account the refund period and the immediately preceding 2
5 plan years.

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

18 In no event shall the Illinois Health Maintenance
19 Organization Guaranty Association be liable to pay any
20 contractual obligation of an insolvent organization to pay any
21 refund authorized under this Section.

22 (g) Rulemaking authority to implement Public Act 95-1045,
23 if any, is conditioned on the rules being adopted in accordance
24 with all provisions of the Illinois Administrative Procedure
25 Act and all rules and procedures of the Joint Committee on
26 Administrative Rules; any purported rule not so adopted, for

1 whatever reason, is unauthorized.

2 (Source: P.A. 99-761, eff. 1-1-18; 100-24, eff. 7-18-17;
3 100-138, eff. 8-18-17; revised 10-5-17.)

4 Section 15. The Voluntary Health Services Plans Act is
5 amended by changing Section 10 as follows:

6 (215 ILCS 165/10) (from Ch. 32, par. 604)

7 Sec. 10. Application of Insurance Code provisions. Health
8 services plan corporations and all persons interested therein
9 or dealing therewith shall be subject to the provisions of
10 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,
11 143, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3, 355b, 356g,
12 356g.5, 356g.5-1, 356r, 356t, 356u, 356v, 356w, 356x, 356y,
13 356z.1, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9,
14 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18,
15 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 364.01,
16 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412,
17 and paragraphs (7) and (15) of Section 367 of the Illinois
18 Insurance Code.

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

1 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;
2 revised 10-5-17.)

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.