



Rep. Laura Fine

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1 AMENDMENT TO HOUSE BILL 4516

2 AMENDMENT NO. _____. Amend House Bill 4516 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Insurance Code is amended by
5 adding 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, non-experimental instrument or device designed
15 to aid or compensate for impaired human hearing and any parts,
16 attachments, or accessories for the instrument or device,

1 including an ear mold but excluding batteries and cords.

2 (b) An individual or group policy of accident and health
3 insurance or managed care plan that is amended, delivered,
4 issued, or renewed after the effective date of this amendatory
5 Act of the 100th General Assembly must provide coverage for
6 medically necessary hearing instruments and related services
7 for all individuals under the age of 18 when a hearing care
8 professional prescribes a hearing instrument to augment
9 communication.

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

13 (1) one hearing instrument shall be covered for each
14 ear every 36 months;

15 (2) related services, such as audiological exams and
16 selection, fitting, and adjustment of ear molds to maintain
17 optimal fit shall be covered when deemed medically
18 necessary by a hearing care professional; and

19 (3) hearing instrument repairs may be covered when
20 deemed medically necessary.

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

23 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

24 Sec. 5-3. Insurance Code provisions.

1 (a) Health Maintenance Organizations shall be subject to
2 the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,
3 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154,
4 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 355.3,
5 355b, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4,
6 356z.5, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12,
7 356z.13, 356z.14, 356z.15, 356z.17, 356z.18, 356z.19, 356z.21,
8 356z.22, 356z.25, 356z.26, 356z.29, 364, 364.01, 367.2,
9 367.2-5, 367i, 368a, 368b, 368c, 368d, 368e, 370c, 370c.1, 401,
10 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1,
11 paragraph (c) of subsection (2) of Section 367, and Articles
12 IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of
13 the Illinois Insurance Code.

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

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

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

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

1 1/2 of the Illinois Insurance Code.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 Section 15. The Voluntary Health Services Plans Act is

1 amended by changing Section 10 as follows:

2 (215 ILCS 165/10) (from Ch. 32, par. 604)

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

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

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

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