

1 AN ACT concerning regulation.

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 Section 6.11 as follows:

6 (5 ILCS 375/6.11)

7 Sec. 6.11. Required health benefits; Illinois Insurance  
8 Code requirements. The program of health benefits shall provide  
9 the post-mastectomy care benefits required to be covered by a  
10 policy of accident and health insurance under Section 356t of  
11 the Illinois Insurance Code. The program of health benefits  
12 shall provide the coverage required under Sections 356g,  
13 356g.5, 356g.5-1, 356m, 356u, 356w, 356x, 356z.2, 356z.4,  
14 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,  
15 356z.14, 356z.15, 356z.17, 356z.22, ~~and~~ 356z.25, 356z.26, and  
16 356z.29 of the Illinois Insurance Code. The program of health  
17 benefits must comply with Sections 155.22a, 155.37, 355b,  
18 356z.19, 370c, and 370c.1 of the Illinois 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

1 whatever reason, is unauthorized.

2 (Source: P.A. 99-480, eff. 9-9-15; 100-24, eff. 7-18-17;  
3 100-138, eff. 8-18-17; revised 10-3-17.)

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

6 (55 ILCS 5/5-1069.3)

7 Sec. 5-1069.3. Required health benefits. If a county,  
8 including a home rule county, is a self-insurer for purposes of  
9 providing health insurance coverage for its employees, the  
10 coverage shall include coverage for the post-mastectomy care  
11 benefits required to be covered by a policy of accident and  
12 health insurance under Section 356t and the coverage required  
13 under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x,  
14 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,  
15 356z.14, 356z.15, 356z.22, ~~and 356z.25,~~ 356z.26, and 356z.29 of  
16 the Illinois Insurance Code. The coverage shall comply with  
17 Sections 155.22a, 355b, 356z.19, and 370c of the Illinois  
18 Insurance Code. The requirement that health benefits be covered  
19 as provided in this Section is an exclusive power and function  
20 of the State and is a denial and limitation under Article VII,  
21 Section 6, subsection (h) of the Illinois Constitution. A home  
22 rule county to which this Section applies must comply with  
23 every provision of this Section.

24 Rulemaking authority to implement Public Act 95-1045, if

1 any, is conditioned on the rules being adopted in accordance  
2 with all provisions of the Illinois Administrative Procedure  
3 Act and all rules and procedures of the Joint Committee on  
4 Administrative Rules; any purported rule not so adopted, for  
5 whatever reason, is unauthorized.

6 (Source: P.A. 99-480, eff. 9-9-15; 100-24, eff. 7-18-17;  
7 100-138, eff. 8-18-17; revised 10-5-17.)

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

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

11 Sec. 10-4-2.3. Required health benefits. If a  
12 municipality, including a home rule municipality, is a  
13 self-insurer for purposes of providing health insurance  
14 coverage for its employees, the coverage shall include coverage  
15 for the post-mastectomy care benefits required to be covered by  
16 a policy of accident and health insurance under Section 356t  
17 and the coverage required under Sections 356g, 356g.5,  
18 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10,  
19 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.22, ~~and~~  
20 356z.25, 356z.26, and 356z.29 of the Illinois Insurance Code.  
21 The coverage shall comply with Sections 155.22a, 355b, 356z.19,  
22 and 370c of the Illinois Insurance Code. The requirement that  
23 health benefits be covered as provided in this is an exclusive  
24 power and function of the State and is a denial and limitation

1 under Article VII, Section 6, subsection (h) of the Illinois  
2 Constitution. A home rule municipality to which this Section  
3 applies must comply with every provision of this Section.

4 Rulemaking authority to implement Public Act 95-1045, if  
5 any, is conditioned on the rules being adopted in accordance  
6 with all provisions of the Illinois Administrative Procedure  
7 Act and all rules and procedures of the Joint Committee on  
8 Administrative Rules; any purported rule not so adopted, for  
9 whatever reason, is unauthorized.

10 (Source: P.A. 99-480, eff. 9-9-15; 100-24, eff. 7-18-17;  
11 100-138, eff. 8-18-17; revised 10-5-17.)

12 Section 20. The School Code is amended by changing Section  
13 10-22.3f as follows:

14 (105 ILCS 5/10-22.3f)

15 Sec. 10-22.3f. Required health benefits. Insurance  
16 protection and benefits for employees shall provide the  
17 post-mastectomy care benefits required to be covered by a  
18 policy of accident and health insurance under Section 356t and  
19 the coverage required under Sections 356g, 356g.5, 356g.5-1,  
20 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.11, 356z.12,  
21 356z.13, 356z.14, 356z.15, 356z.22, ~~and~~ 356z.25, 356z.26, and  
22 356z.29 of the Illinois Insurance Code. Insurance policies  
23 shall comply with Section 356z.19 of the Illinois Insurance  
24 Code. The coverage shall comply with Sections 155.22a and 355b

1 of the Illinois Insurance Code.

2 Rulemaking authority to implement Public Act 95-1045, if  
3 any, is conditioned on the rules being adopted in accordance  
4 with all provisions of the Illinois Administrative Procedure  
5 Act and all rules and procedures of the Joint Committee on  
6 Administrative Rules; any purported rule not so adopted, for  
7 whatever reason, is unauthorized.

8 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;  
9 revised 9-25-17.)

10 Section 25. The Illinois Insurance Code is amended by  
11 adding Section 356z.29 as follows:

12 (215 ILCS 5/356z.29 new)

13 Sec. 356z.29. Stage 4 advanced, metastatic cancer.

14 (a) As used in this Section, "stage 4 advanced, metastatic  
15 cancer" means cancer that has spread from the primary or  
16 original site of the cancer to nearby tissues, lymph nodes, or  
17 other areas or parts of the body.

18 (b) No individual or group policy of accident and health  
19 insurance amended, issued, delivered, or renewed in this State  
20 after the effective date of this amendatory Act of the 100th  
21 General Assembly that, as a provision of hospital, medical, or  
22 surgical services, directly or indirectly covers the treatment  
23 of stage 4 advanced, metastatic cancer shall limit or exclude  
24 coverage for a drug approved by the United States Food and Drug

1 Administration by mandating that the insured shall first be  
2 required to fail to successfully respond to a different drug or  
3 prove a history of failure of the drug as long as the use of the  
4 drug is consistent with best practices for the treatment of  
5 stage 4 advanced, metastatic cancer and is supported by  
6 peer-reviewed medical literature.

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

9 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

10 Sec. 5-3. Insurance Code provisions.

11 (a) Health Maintenance Organizations shall be subject to  
12 the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,  
13 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154,  
14 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 355.3,  
15 355b, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4,  
16 356z.5, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12,  
17 356z.13, 356z.14, 356z.15, 356z.17, 356z.18, 356z.19, 356z.21,  
18 356z.22, 356z.25, 356z.26, 356z.29, 364, 364.01, 367.2,  
19 367.2-5, 367i, 368a, 368b, 368c, 368d, 368e, 370c, 370c.1, 401,  
20 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1,  
21 paragraph (c) of subsection (2) of Section 367, and Articles  
22 IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of  
23 the Illinois Insurance Code.

24 (b) For purposes of the Illinois Insurance Code, except for

1 Sections 444 and 444.1 and Articles XIII and XIII 1/2, Health  
2 Maintenance Organizations in the following categories are  
3 deemed to be "domestic companies":

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

6 (2) a corporation organized under the laws of this  
7 State; or

8 (3) a corporation organized under the laws of another  
9 state, 30% or more of the enrollees of which are residents  
10 of this State, except a corporation subject to  
11 substantially the same requirements in its state of  
12 organization as is a "domestic company" under Article VIII  
13 1/2 of the Illinois Insurance Code.

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

17 (1) the Director shall give primary consideration to  
18 the continuation of benefits to enrollees and the financial  
19 conditions of the acquired Health Maintenance Organization  
20 after the merger, consolidation, or other acquisition of  
21 control takes effect;

22 (2) (i) the criteria specified in subsection (1) (b) of  
23 Section 131.8 of the Illinois Insurance Code shall not  
24 apply and (ii) the Director, in making his determination  
25 with respect to the merger, consolidation, or other  
26 acquisition of control, need not take into account the

1 effect on competition of the merger, consolidation, or  
2 other acquisition of control;

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

5 (A) certification by an independent actuary of the  
6 adequacy of the reserves of the Health Maintenance  
7 Organization sought to be acquired;

8 (B) pro forma financial statements reflecting the  
9 combined balance sheets of the acquiring company and  
10 the Health Maintenance Organization sought to be  
11 acquired as of the end of the preceding year and as of  
12 a date 90 days prior to the acquisition, as well as pro  
13 forma financial statements reflecting projected  
14 combined operation for a period of 2 years;

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

19 (D) such other information as the Director shall  
20 require.

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

1 (e) In considering any management contract or service  
2 agreement subject to Section 141.1 of the Illinois Insurance  
3 Code, the Director (i) shall, in addition to the criteria  
4 specified in Section 141.2 of the Illinois Insurance Code, take  
5 into account the effect of the management contract or service  
6 agreement on the continuation of benefits to enrollees and the  
7 financial condition of the health maintenance organization to  
8 be managed or serviced, and (ii) need not take into account the  
9 effect of the management contract or service agreement on  
10 competition.

11 (f) Except for small employer groups as defined in the  
12 Small Employer Rating, Renewability and Portability Health  
13 Insurance Act and except for medicare supplement policies as  
14 defined in Section 363 of the Illinois Insurance Code, a Health  
15 Maintenance Organization may by contract agree with a group or  
16 other enrollment unit to effect refunds or charge additional  
17 premiums under the following terms and conditions:

18 (i) the amount of, and other terms and conditions with  
19 respect to, the refund or additional premium are set forth  
20 in the group or enrollment unit contract agreed in advance  
21 of the period for which a refund is to be paid or  
22 additional premium is to be charged (which period shall not  
23 be less than one year); and

24 (ii) the amount of the refund or additional premium  
25 shall not exceed 20% of the Health Maintenance  
26 Organization's profitable or unprofitable experience with

1           respect to the group or other enrollment unit for the  
2           period (and, for purposes of a refund or additional  
3           premium, the profitable or unprofitable experience shall  
4           be calculated taking into account a pro rata share of the  
5           Health Maintenance Organization's administrative and  
6           marketing expenses, but shall not include any refund to be  
7           made or additional premium to be paid pursuant to this  
8           subsection (f)). The Health Maintenance Organization and  
9           the group or enrollment unit may agree that the profitable  
10          or unprofitable experience may be calculated taking into  
11          account the refund period and the immediately preceding 2  
12          plan years.

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

25          In no event shall the Illinois Health Maintenance  
26          Organization Guaranty Association be liable to pay any

1 contractual obligation of an insolvent organization to pay any  
2 refund authorized under this Section.

3 (g) Rulemaking authority to implement Public Act 95-1045,  
4 if any, is conditioned on the rules being adopted in accordance  
5 with all provisions of the Illinois Administrative Procedure  
6 Act and all rules and procedures of the Joint Committee on  
7 Administrative Rules; any purported rule not so adopted, for  
8 whatever reason, is unauthorized.

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

11 Section 35. The Limited Health Service Organization Act is  
12 amended by changing Section 4003 as follows:

13 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

14 Sec. 4003. Illinois Insurance Code provisions. Limited  
15 health service organizations shall be subject to the provisions  
16 of Sections 133, 134, 136, 137, 139, 140, 141.1, 141.2, 141.3,  
17 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6,  
18 154.7, 154.8, 155.04, 155.37, 355.2, 355.3, 355b, 356v,  
19 356z.10, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 368a,  
20 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444, and  
21 444.1 and Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2,  
22 XXV, and XXVI of the Illinois Insurance Code. For purposes of  
23 the Illinois Insurance Code, except for Sections 444 and 444.1  
24 and Articles XIII and XIII 1/2, limited health service

1 organizations in the following categories are deemed to be  
2 domestic companies:

3 (1) a corporation under the laws of this State; or

4 (2) a corporation organized under the laws of another  
5 state, 30% or more of the enrollees of which are residents  
6 of this State, except a corporation subject to  
7 substantially the same requirements in its state of  
8 organization as is a domestic company under Article VIII  
9 1/2 of the Illinois Insurance Code.

10 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;  
11 100-201, eff. 8-18-17; revised 10-5-17.)

12 Section 40. The Voluntary Health Services Plans Act is  
13 amended by changing Section 10 as follows:

14 (215 ILCS 165/10) (from Ch. 32, par. 604)

15 Sec. 10. Application of Insurance Code provisions. Health  
16 services plan corporations and all persons interested therein  
17 or dealing therewith shall be subject to the provisions of  
18 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,  
19 143, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3, 355b, 356g,  
20 356g.5, 356g.5-1, 356r, 356t, 356u, 356v, 356w, 356x, 356y,  
21 356z.1, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9,  
22 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18,  
23 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 364.01,  
24 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412,

1 and paragraphs (7) and (15) of Section 367 of the Illinois  
2 Insurance Code.

3 Rulemaking authority to implement Public Act 95-1045, if  
4 any, is conditioned on the rules being adopted in accordance  
5 with all provisions of the Illinois Administrative Procedure  
6 Act and all rules and procedures of the Joint Committee on  
7 Administrative Rules; any purported rule not so adopted, for  
8 whatever reason, is unauthorized.

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

11 Section 45. The Illinois Public Aid Code is amended by  
12 changing Section 5-16.8 as follows:

13 (305 ILCS 5/5-16.8)

14 Sec. 5-16.8. Required health benefits. The medical  
15 assistance program shall (i) provide the post-mastectomy care  
16 benefits required to be covered by a policy of accident and  
17 health insurance under Section 356t and the coverage required  
18 under Sections 356g.5, 356u, 356w, 356x, 356z.6, 356z.26, and  
19 356z.29 ~~and 356z.25~~ of the Illinois Insurance Code and (ii) be  
20 subject to the provisions of Sections 356z.19, 364.01, 370c,  
21 and 370c.1 of the Illinois Insurance Code.

22 On and after July 1, 2012, the Department shall reduce any  
23 rate of reimbursement for services or other payments or alter  
24 any methodologies authorized by this Code to reduce any rate of

1 reimbursement for services or other payments in accordance with  
2 Section 5-5e.

3 To ensure full access to the benefits set forth in this  
4 Section, on and after January 1, 2016, the Department shall  
5 ensure that provider and hospital reimbursement for  
6 post-mastectomy care benefits required under this Section are  
7 no lower than the Medicare reimbursement rate.

8 (Source: P.A. 99-433, eff. 8-21-15; 99-480, eff. 9-9-15;  
9 99-642, eff. 7-28-16; 100-138, eff. 8-18-17; revised 1-29-18.)