



Rep. Jehan Gordon-Booth

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1 AMENDMENT TO SENATE BILL 3046

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 3046 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The State Employees Group Insurance Act of 1971  
5 is amended by changing Sections 6.5 and 6.9 as follows:

6 (5 ILCS 375/6.5)

7 Sec. 6.5. Health benefits for TRS benefit recipients and  
8 TRS dependent beneficiaries.

9 (a) Purpose. It is the purpose of this amendatory Act of  
10 1995 to transfer the administration of the program of health  
11 benefits established for benefit recipients and their  
12 dependent beneficiaries under Article 16 of the Illinois  
13 Pension Code to the Department of Central Management Services.

14 (b) Transition provisions. The Board of Trustees of the  
15 Teachers' Retirement System shall continue to administer the  
16 health benefit program established under Article 16 of the

1 Illinois Pension Code through December 31, 1995. Beginning  
2 January 1, 1996, the Department of Central Management Services  
3 shall be responsible for administering a program of health  
4 benefits for TRS benefit recipients and TRS dependent  
5 beneficiaries under this Section. The Department of Central  
6 Management Services and the Teachers' Retirement System shall  
7 cooperate in this endeavor and shall coordinate their  
8 activities so as to ensure a smooth transition and  
9 uninterrupted health benefit coverage.

10 (c) Eligibility. All persons who were enrolled in the  
11 Article 16 program at the time of the transfer shall be  
12 eligible to participate in the program established under this  
13 Section without any interruption or delay in coverage or  
14 limitation as to pre-existing medical conditions. Eligibility  
15 to participate shall be determined by the Teachers' Retirement  
16 System. Eligibility information shall be communicated to the  
17 Department of Central Management Services in a format  
18 acceptable to the Department.

19 Eligible TRS benefit recipients may enroll or re-enroll in  
20 the program of health benefits established under this Section  
21 during any applicable annual open enrollment period and as  
22 otherwise permitted by the Department of Central Management  
23 Services. A TRS benefit recipient shall not be deemed  
24 ineligible to participate solely by reason of the TRS benefit  
25 recipient having made a previous election to disenroll or  
26 otherwise not participate in the program of health benefits.

1           A TRS dependent beneficiary who is a child age 19 or over  
2 and mentally or physically disabled does not become ineligible  
3 to participate by reason of (i) becoming ineligible to be  
4 claimed as a dependent for Illinois or federal income tax  
5 purposes or (ii) receiving earned income, so long as those  
6 earnings are insufficient for the child to be fully  
7 self-sufficient.

8           (d) Coverage. The level of health benefits provided under  
9 this Section shall be similar to the level of benefits provided  
10 by the program previously established under Article 16 of the  
11 Illinois Pension Code.

12           Group life insurance benefits are not included in the  
13 benefits to be provided to TRS benefit recipients and TRS  
14 dependent beneficiaries under this Act.

15           The program of health benefits under this Section may  
16 include any or all of the benefit limitations, including but  
17 not limited to a reduction in benefits based on eligibility for  
18 federal Medicare ~~medicare~~ benefits, that are provided under  
19 subsection (a) of Section 6 of this Act for other health  
20 benefit programs under this Act.

21           (e) Insurance rates and premiums. The Director shall  
22 determine the insurance rates and premiums for TRS benefit  
23 recipients and TRS dependent beneficiaries, and shall present  
24 to the Teachers' Retirement System of the State of Illinois, by  
25 April 15 of each calendar year, the rate-setting methodology  
26 (including but not limited to utilization levels and costs)

1 used to determine the amount of the health care premiums.

2 For Fiscal Year 1996, the premium shall be equal to the  
3 premium actually charged in Fiscal Year 1995; in subsequent  
4 years, the premium shall never be lower than the premium  
5 charged in Fiscal Year 1995.

6 For Fiscal Year 2003, the premium shall not exceed 110%  
7 of the premium actually charged in Fiscal Year 2002.

8 For Fiscal Year 2004, the premium shall not exceed 112%  
9 of the premium actually charged in Fiscal Year 2003.

10 For Fiscal Year 2005, the premium shall not exceed a  
11 weighted average of 106.6% of the premium actually charged  
12 in Fiscal Year 2004.

13 For Fiscal Year 2006, the premium shall not exceed a  
14 weighted average of 109.1% of the premium actually charged  
15 in Fiscal Year 2005.

16 For Fiscal Year 2007, the premium shall not exceed a  
17 weighted average of 103.9% of the premium actually charged  
18 in Fiscal Year 2006.

19 For Fiscal Year 2008 and thereafter, the premium in  
20 each fiscal year shall not exceed 105% of the premium  
21 actually charged in the previous fiscal year.

22 Rates and premiums may be based in part on age and  
23 eligibility for federal medicare coverage. However, the cost of  
24 participation for a TRS dependent beneficiary who is an  
25 unmarried child age 19 or over and mentally or physically  
26 disabled shall not exceed the cost for a TRS dependent

1 beneficiary who is an unmarried child under age 19 and  
2 participates in the same major medical or managed care program.

3 The cost of health benefits under the program shall be paid  
4 as follows:

5 (1) For a TRS benefit recipient selecting a managed  
6 care program, up to 75% of the total insurance rate shall  
7 be paid from the Teacher Health Insurance Security Fund.  
8 Effective with Fiscal Year 2007 and thereafter, for a TRS  
9 benefit recipient selecting a managed care program, 75% of  
10 the total insurance rate shall be paid from the Teacher  
11 Health Insurance Security Fund.

12 (2) For a TRS benefit recipient selecting the major  
13 medical coverage program, up to 50% of the total insurance  
14 rate shall be paid from the Teacher Health Insurance  
15 Security Fund if a managed care program is accessible, as  
16 determined by the Teachers' Retirement System. Effective  
17 with Fiscal Year 2007 and thereafter, for a TRS benefit  
18 recipient selecting the major medical coverage program,  
19 50% of the total insurance rate shall be paid from the  
20 Teacher Health Insurance Security Fund if a managed care  
21 program is accessible, as determined by the Department of  
22 Central Management Services.

23 (3) For a TRS benefit recipient selecting the major  
24 medical coverage program, up to 75% of the total insurance  
25 rate shall be paid from the Teacher Health Insurance  
26 Security Fund if a managed care program is not accessible,

1 as determined by the Teachers' Retirement System.  
2 Effective with Fiscal Year 2007 and thereafter, for a TRS  
3 benefit recipient selecting the major medical coverage  
4 program, 75% of the total insurance rate shall be paid from  
5 the Teacher Health Insurance Security Fund if a managed  
6 care program is not accessible, as determined by the  
7 Department of Central Management Services.

8 (3.1) For a TRS dependent beneficiary who is Medicare  
9 primary and enrolled in a managed care plan, or the major  
10 medical coverage program if a managed care plan is not  
11 available, 25% of the total insurance rate shall be paid  
12 from the Teacher Health Security Fund as determined by the  
13 Department of Central Management Services. For the purpose  
14 of this item (3.1), the term "TRS dependent beneficiary who  
15 is Medicare primary" means a TRS dependent beneficiary who  
16 is participating in Medicare Parts A and B.

17 (4) Except as otherwise provided in item (3.1), the  
18 balance of the rate of insurance, including the entire  
19 premium of any coverage for TRS dependent beneficiaries  
20 that has been elected, shall be paid by deductions  
21 authorized by the TRS benefit recipient to be withheld from  
22 his or her monthly annuity or benefit payment from the  
23 Teachers' Retirement System; except that (i) if the balance  
24 of the cost of coverage exceeds the amount of the monthly  
25 annuity or benefit payment, the difference shall be paid  
26 directly to the Teachers' Retirement System by the TRS

1 benefit recipient, and (ii) all or part of the balance of  
2 the cost of coverage may, at the school board's option, be  
3 paid to the Teachers' Retirement System by the school board  
4 of the school district from which the TRS benefit recipient  
5 retired, in accordance with Section 10-22.3b of the School  
6 Code. The Teachers' Retirement System shall promptly  
7 deposit all moneys withheld by or paid to it under this  
8 subdivision (e)(4) into the Teacher Health Insurance  
9 Security Fund. These moneys shall not be considered assets  
10 of the Retirement System.

11 (f) Financing. Beginning July 1, 1995, all revenues arising  
12 from the administration of the health benefit programs  
13 established under Article 16 of the Illinois Pension Code or  
14 this Section shall be deposited into the Teacher Health  
15 Insurance Security Fund, which is hereby created as a  
16 nonappropriated trust fund to be held outside the State  
17 Treasury, with the State Treasurer as custodian. Any interest  
18 earned on moneys in the Teacher Health Insurance Security Fund  
19 shall be deposited into the Fund.

20 Moneys in the Teacher Health Insurance Security Fund shall  
21 be used only to pay the costs of the health benefit program  
22 established under this Section, including associated  
23 administrative costs, and the costs associated with the health  
24 benefit program established under Article 16 of the Illinois  
25 Pension Code, as authorized in this Section. Beginning July 1,  
26 1995, the Department of Central Management Services may make

1 expenditures from the Teacher Health Insurance Security Fund  
2 for those costs.

3 After other funds authorized for the payment of the costs  
4 of the health benefit program established under Article 16 of  
5 the Illinois Pension Code are exhausted and until January 1,  
6 1996 (or such later date as may be agreed upon by the Director  
7 of Central Management Services and the Secretary of the  
8 Teachers' Retirement System), the Secretary of the Teachers'  
9 Retirement System may make expenditures from the Teacher Health  
10 Insurance Security Fund as necessary to pay up to 75% of the  
11 cost of providing health coverage to eligible benefit  
12 recipients (as defined in Sections 16-153.1 and 16-153.3 of the  
13 Illinois Pension Code) who are enrolled in the Article 16  
14 health benefit program and to facilitate the transfer of  
15 administration of the health benefit program to the Department  
16 of Central Management Services.

17 The Department of Central Management Services, or any  
18 successor agency designated to procure healthcare contracts  
19 pursuant to this Act, is authorized to establish funds,  
20 separate accounts provided by any bank or banks as defined by  
21 the Illinois Banking Act, or separate accounts provided by any  
22 savings and loan association or associations as defined by the  
23 Illinois Savings and Loan Act of 1985 to be held by the  
24 Director, outside the State treasury, for the purpose of  
25 receiving the transfer of moneys from the Teacher Health  
26 Insurance Security Fund. The Department may promulgate rules



1 further defining the methodology for the transfers. Any  
2 interest earned by moneys in the funds or accounts shall inure  
3 to the Teacher Health Insurance Security Fund. The transferred  
4 moneys, and interest accrued thereon, shall be used exclusively  
5 for transfers to administrative service organizations or their  
6 financial institutions for payments of claims to claimants and  
7 providers under the self-insurance health plan. The  
8 transferred moneys, and interest accrued thereon, shall not be  
9 used for any other purpose including, but not limited to,  
10 reimbursement of administration fees due the administrative  
11 service organization pursuant to its contract or contracts with  
12 the Department.

13 (g) Contract for benefits. The Director shall by contract,  
14 self-insurance, or otherwise make available the program of  
15 health benefits for TRS benefit recipients and their TRS  
16 dependent beneficiaries that is provided for in this Section.  
17 The contract or other arrangement for the provision of these  
18 health benefits shall be on terms deemed by the Director to be  
19 in the best interest of the State of Illinois and the TRS  
20 benefit recipients based on, but not limited to, such criteria  
21 as administrative cost, service capabilities of the carrier or  
22 other contractor, and the costs of the benefits.

23 (g-5) Committee. A Teacher Retirement Insurance Program  
24 Committee shall be established, to consist of 10 persons  
25 appointed by the Governor.

26 The Committee shall convene at least 4 times each year, and

1 shall consider and make recommendations on issues affecting the  
2 program of health benefits provided under this Section.  
3 Recommendations of the Committee shall be based on a consensus  
4 of the members of the Committee.

5 If the Teacher Health Insurance Security Fund experiences a  
6 deficit balance based upon the contribution and subsidy rates  
7 established in this Section and Section 6.6 for Fiscal Year  
8 2008 or thereafter, the Committee shall make recommendations  
9 for adjustments to the funding sources established under these  
10 Sections.

11 In addition, the Committee shall identify proposed  
12 solutions to the funding shortfalls that are affecting the  
13 Teacher Health Insurance Security Fund, and it shall report  
14 those solutions to the Governor and the General Assembly within  
15 6 months after August 15, 2011 (the effective date of Public  
16 Act 97-386).

17 (h) Continuation of program. It is the intention of the  
18 General Assembly that the program of health benefits provided  
19 under this Section be maintained on an ongoing, affordable  
20 basis.

21 The program of health benefits provided under this Section  
22 may be amended by the State and is not intended to be a pension  
23 or retirement benefit subject to protection under Article XIII,  
24 Section 5 of the Illinois Constitution.

25 (i) Repeal. (Blank).

26 (Source: P.A. 97-386, eff. 8-15-11; 97-813, eff. 7-13-12;

1 98-488, eff. 8-16-13.)

2 (5 ILCS 375/6.9)

3 Sec. 6.9. Health benefits for community college benefit  
4 recipients and community college dependent beneficiaries.

5 (a) Purpose. It is the purpose of this amendatory Act of  
6 1997 to establish a uniform program of health benefits for  
7 community college benefit recipients and their dependent  
8 beneficiaries under the administration of the Department of  
9 Central Management Services.

10 (b) Creation of program. Beginning July 1, 1999, the  
11 Department of Central Management Services shall be responsible  
12 for administering a program of health benefits for community  
13 college benefit recipients and community college dependent  
14 beneficiaries under this Section. The State Universities  
15 Retirement System and the boards of trustees of the various  
16 community college districts shall cooperate with the  
17 Department in this endeavor.

18 (c) Eligibility. All community college benefit recipients  
19 and community college dependent beneficiaries shall be  
20 eligible to participate in the program established under this  
21 Section, without any interruption or delay in coverage or  
22 limitation as to pre-existing medical conditions. Eligibility  
23 to participate shall be determined by the State Universities  
24 Retirement System. Eligibility information shall be  
25 communicated to the Department of Central Management Services

1 in a format acceptable to the Department.

2 Eligible community college benefit recipients may enroll  
3 or re-enroll in the program of health benefits established  
4 under this Section during any applicable annual open enrollment  
5 period and as otherwise permitted by the Department of Central  
6 Management Services. A community college benefit recipient  
7 shall not be deemed ineligible to participate solely by reason  
8 of the community college benefit recipient having made a  
9 previous election to disenroll or otherwise not participate in  
10 the program of health benefits.

11 (d) Coverage. The health benefit coverage provided under  
12 this Section shall be a program of health, dental, and vision  
13 benefits.

14 The program of health benefits under this Section may  
15 include any or all of the benefit limitations, including but  
16 not limited to a reduction in benefits based on eligibility for  
17 federal Medicare ~~medicare~~ benefits, that are provided under  
18 subsection (a) of Section 6 of this Act for other health  
19 benefit programs under this Act.

20 (e) Insurance rates and premiums. The Director shall  
21 determine the insurance rates and premiums for community  
22 college benefit recipients and community college dependent  
23 beneficiaries. Rates and premiums may be based in part on age  
24 and eligibility for federal Medicare coverage. The Director  
25 shall also determine premiums that will allow for the  
26 establishment of an actuarially sound reserve for this program.

1           The cost of health benefits under the program shall be paid  
2 as follows:

3           (1) For a community college benefit recipient, up to  
4 75% of the total insurance rate shall be paid from the  
5 Community College Health Insurance Security Fund.

6           (2) The balance of the rate of insurance, including the  
7 entire premium for any coverage for community college  
8 dependent beneficiaries that has been elected, shall be  
9 paid by deductions authorized by the community college  
10 benefit recipient to be withheld from his or her monthly  
11 annuity or benefit payment from the State Universities  
12 Retirement System; except that (i) if the balance of the  
13 cost of coverage exceeds the amount of the monthly annuity  
14 or benefit payment, the difference shall be paid directly  
15 to the State Universities Retirement System by the  
16 community college benefit recipient, and (ii) all or part  
17 of the balance of the cost of coverage may, at the option  
18 of the board of trustees of the community college district,  
19 be paid to the State Universities Retirement System by the  
20 board of the community college district from which the  
21 community college benefit recipient retired. The State  
22 Universities Retirement System shall promptly deposit all  
23 moneys withheld by or paid to it under this subdivision  
24 (e)(2) into the Community College Health Insurance  
25 Security Fund. These moneys shall not be considered assets  
26 of the State Universities Retirement System.

1           (f)     Financing.     All     revenues     arising     from     the  
2     administration of the health benefit program established under  
3     this Section shall be deposited into the Community College  
4     Health Insurance Security Fund, which is hereby created as a  
5     nonappropriated trust fund to be held outside the State  
6     Treasury, with the State Treasurer as custodian. Any interest  
7     earned on moneys in the Community College Health Insurance  
8     Security Fund shall be deposited into the Fund.

9           Moneys in the Community College Health Insurance Security  
10    Fund shall be used only to pay the costs of the health benefit  
11    program established under this Section, including associated  
12    administrative costs and the establishment of a program  
13    reserve. Beginning January 1, 1999, the Department of Central  
14    Management Services may make expenditures from the Community  
15    College Health Insurance Security Fund for those costs.

16          (g) Contract for benefits. The Director shall by contract,  
17    self-insurance, or otherwise make available the program of  
18    health benefits for community college benefit recipients and  
19    their community college dependent beneficiaries that is  
20    provided for in this Section. The contract or other arrangement  
21    for the provision of these health benefits shall be on terms  
22    deemed by the Director to be in the best interest of the State  
23    of Illinois and the community college benefit recipients based  
24    on, but not limited to, such criteria as administrative cost,  
25    service capabilities of the carrier or other contractor, and  
26    the costs of the benefits.

1           (h) Continuation of program. It is the intention of the  
2 General Assembly that the program of health benefits provided  
3 under this Section be maintained on an ongoing, affordable  
4 basis. The program of health benefits provided under this  
5 Section may be amended by the State and is not intended to be a  
6 pension or retirement benefit subject to protection under  
7 Article XIII, Section 5 of the Illinois Constitution.

8           (i) Other health benefit plans. A health benefit plan  
9 provided by a community college district (other than a  
10 community college district subject to Article VII of the Public  
11 Community College Act) under the terms of a collective  
12 bargaining agreement in effect on or prior to the effective  
13 date of this amendatory Act of 1997 shall continue in force  
14 according to the terms of that agreement, unless otherwise  
15 mutually agreed by the parties to that agreement and the  
16 affected retiree. A community college benefit recipient or  
17 community college dependent beneficiary whose coverage under  
18 such a plan expires shall be eligible to begin participating in  
19 the program established under this Section without any  
20 interruption or delay in coverage or limitation as to  
21 pre-existing medical conditions.

22           This Act does not prohibit any community college district  
23 from offering additional health benefits for its retirees or  
24 their dependents or survivors.

25           (Source: P.A. 90-497, eff. 8-18-97; 90-655, eff. 7-30-98.)

1           Section 99. Effective date. This Act takes effect upon  
2    becoming law.".