



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB3312

Introduced 2/19/2021, by Rep. David A. Welter

SYNOPSIS AS INTRODUCED:

5 ILCS 375/6.11	
55 ILCS 5/5-1069.3	
65 ILCS 5/10-4-2.3	
105 ILCS 5/10-22.3f	
215 ILCS 5/356z.43 new	
215 ILCS 125/5-3	from Ch. 111 1/2, par. 1411.2
215 ILCS 130/4003	from Ch. 73, par. 1504-3
215 ILCS 165/10	from Ch. 32, par. 604

Amends the Illinois Insurance Code. Requires insurers that provide coverage for prescription inhalant drugs to limit the total amount an insured is required to pay for a covered prescription inhalant drug to \$100 per 30-day supply regardless of the type and amount of inhalant drug needed by the insured. Provides that the Department of Insurance may adopt rules as necessary to implement and administer the provisions. Provides that on January 1 of each year, the limit on the amount that an insured is required to pay for a 30-day supply of a covered prescription inhalant drug shall increase by a percentage equal to the percentage change from the preceding year in the medical care component of the Consumer Price Index of the Bureau of Labor Statistics of the United States Department of Labor. Makes conforming changes in the State Employees Group Insurance Act of 1971, the Counties Code, the Illinois Municipal Code, the School Code, the Health Maintenance Organization Act, the Limited Health Service Organization Act, and the Voluntary Health Services Plans Act.

LRB102 13831 BMS 19182 b

FISCAL NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

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
9 provide the post-mastectomy care benefits required to be
10 covered by a policy of accident and health insurance under
11 Section 356t of the Illinois Insurance Code. The program of
12 health benefits shall provide the coverage required under
13 Sections 356g, 356g.5, 356g.5-1, 356m, 356u, 356w, 356x,
14 356z.2, 356z.4, 356z.4a, 356z.6, 356z.8, 356z.9, 356z.10,
15 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17, 356z.22,
16 356z.25, 356z.26, 356z.29, 356z.30a, 356z.32, 356z.33,
17 356z.36, ~~and~~ 356z.41, and 356z.43 of the Illinois Insurance
18 Code. The program of health benefits must comply with Sections
19 155.22a, 155.37, 355b, 356z.19, 370c, and 370c.1 and Article
20 XXXIIB of the Illinois Insurance Code. The Department of
21 Insurance shall enforce the requirements of this Section with
22 respect to Sections 370c and 370c.1 of the Illinois Insurance
23 Code; all other requirements of this Section shall be enforced

1 by the Department of Central Management Services.

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;
9 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff.
10 1-1-19; 100-1102, eff. 1-1-19; 100-1170, eff. 6-1-19; 101-13,
11 eff. 6-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20;
12 101-452, eff. 1-1-20; 101-461, eff. 1-1-20; 101-625, eff.
13 1-1-21.)

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

16 (55 ILCS 5/5-1069.3)

17 Sec. 5-1069.3. Required health benefits. If a county,
18 including a home rule county, is a self-insurer for purposes
19 of providing health insurance coverage for its employees, the
20 coverage shall include coverage for the post-mastectomy care
21 benefits required to be covered by a policy of accident and
22 health insurance under Section 356t and the coverage required
23 under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x,
24 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,

1 356z.14, 356z.15, 356z.22, 356z.25, 356z.26, 356z.29,
2 356z.30a, 356z.32, 356z.33, 356z.36, ~~and~~ 356z.41, and 356z.43
3 of the Illinois Insurance Code. The coverage shall comply with
4 Sections 155.22a, 355b, 356z.19, and 370c of the Illinois
5 Insurance Code. The Department of Insurance shall enforce the
6 requirements of this Section. The requirement that health
7 benefits be covered as provided in this Section is an
8 exclusive power and function of the State and is a denial and
9 limitation under Article VII, Section 6, subsection (h) of the
10 Illinois Constitution. A home rule county to which this
11 Section applies must comply with every provision of this
12 Section.

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

19 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;
20 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff.
21 1-1-19; 100-1102, eff. 1-1-19; 101-81, eff. 7-12-19; 101-281,
22 eff. 1-1-20; 101-393, eff. 1-1-20; 101-461, eff. 1-1-20;
23 101-625, eff. 1-1-21.)

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

1 (65 ILCS 5/10-4-2.3)

2 Sec. 10-4-2.3. Required health benefits. If a
3 municipality, including a home rule municipality, is a
4 self-insurer for purposes of providing health insurance
5 coverage for its employees, the coverage shall include
6 coverage for the post-mastectomy care benefits required to be
7 covered by a policy of accident and health insurance under
8 Section 356t and the coverage required under Sections 356g,
9 356g.5, 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9,
10 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.22,
11 356z.25, 356z.26, 356z.29, 356z.30a, 356z.32, 356z.33,
12 356z.36, ~~and~~ 356z.41, and 356z.43 of the Illinois Insurance
13 Code. The coverage shall comply with Sections 155.22a, 355b,
14 356z.19, and 370c of the Illinois Insurance Code. The
15 Department of Insurance shall enforce the requirements of this
16 Section. The requirement that health benefits be covered as
17 provided in this is an exclusive power and function of the
18 State and is a denial and limitation under Article VII,
19 Section 6, subsection (h) of the Illinois Constitution. A home
20 rule municipality to which this Section applies must comply
21 with every provision of this Section.

22 Rulemaking authority to implement Public Act 95-1045, if
23 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

1 Administrative Rules; any purported rule not so adopted, for
2 whatever reason, is unauthorized.

3 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;
4 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff.
5 1-1-19; 100-1102, eff. 1-1-19; 101-81, eff. 7-12-19; 101-281,
6 eff. 1-1-20; 101-393, eff. 1-1-20; 101-461, eff. 1-1-20;
7 101-625, eff. 1-1-21.)

8 Section 20. The School Code is amended by changing Section
9 10-22.3f as follows:

10 (105 ILCS 5/10-22.3f)

11 Sec. 10-22.3f. Required health benefits. Insurance
12 protection and benefits for employees shall provide the
13 post-mastectomy care benefits required to be covered by a
14 policy of accident and health insurance under Section 356t and
15 the coverage required under Sections 356g, 356g.5, 356g.5-1,
16 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.11, 356z.12,
17 356z.13, 356z.14, 356z.15, 356z.22, 356z.25, 356z.26, 356z.29,
18 356z.30a, 356z.32, 356z.33, 356z.36, ~~and~~ 356z.41, and 356z.43
19 of the Illinois Insurance Code. Insurance policies shall
20 comply with Section 356z.19 of the Illinois Insurance Code.
21 The coverage shall comply with Sections 155.22a, 355b, and
22 370c of the Illinois Insurance Code. The Department of
23 Insurance shall enforce the requirements 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. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;
7 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff.
8 1-1-19; 100-1102, eff. 1-1-19; 101-81, eff. 7-12-19; 101-281,
9 eff. 1-1-20; 101-393, eff. 1-1-20; 101-461, eff. 1-1-20;
10 101-625, eff. 1-1-21.)

11 Section 25. The Illinois Insurance Code is amended by
12 adding Section 356z.43 as follows:

13 (215 ILCS 5/356z.43 new)

14 Sec. 356z.43. Cost sharing for prescription inhalants;
15 limits.

16 (a) This Section applies to a group or individual policy
17 of accident and health insurance amended, delivered, issued,
18 or renewed on or after the effective date of this amendatory
19 Act of the 102nd General Assembly.

20 (b) An insurance policy that provides coverage for
21 prescription inhalant drugs shall limit the total amount that
22 an insured is required to pay for a 30-day supply of covered
23 prescription inhalant drugs at an amount not to exceed \$100,
24 regardless of the quantity or type of covered prescription

1 inhalant drug used to fill the insured's prescription.

2 (c) Nothing in this Section prevents an insurer from
3 reducing an insured's cost sharing by an amount greater than
4 the amount specified in subsection (b).

5 (d) The Director may use any of the Director's enforcement
6 powers to obtain an insurer's compliance with this Section.

7 (e) The Department may adopt rules as necessary to
8 implement and administer this Section and to align it with
9 federal requirements.

10 (f) On January 1 of each year, the limit on the amount that
11 an insured is required to pay for a 30-day supply of a covered
12 prescription inhalant drug shall increase by a percentage
13 equal to the percentage change from the preceding year in the
14 medical care component of the Consumer Price Index of the
15 Bureau of Labor Statistics of the United States Department of
16 Labor.

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

19 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

20 Sec. 5-3. Insurance Code provisions.

21 (a) Health Maintenance Organizations shall be subject to
22 the provisions of Sections 133, 134, 136, 137, 139, 140,
23 141.1, 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153,
24 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2,

1 355.3, 355b, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2,
2 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10,
3 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17, 356z.18,
4 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30,
5 356z.30a, 356z.32, 356z.33, 356z.35, 356z.36, 356z.41,
6 356z.43, 364, 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c,
7 368d, 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A, 408,
8 408.2, 409, 412, 444, and 444.1, paragraph (c) of subsection
9 (2) of Section 367, and Articles IIA, VIII 1/2, XII, XII 1/2,
10 XIII, XIII 1/2, XXV, XXVI, and XXXIIB of the Illinois
11 Insurance Code.

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

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

18 (2) a corporation organized under the laws of this
19 State; or

20 (3) a corporation organized under the laws of another
21 state, 30% or more of the enrollees of which are residents
22 of this State, except a corporation subject to
23 substantially the same requirements in its state of
24 organization as is a "domestic company" under Article VIII
25 1/2 of the Illinois Insurance Code.

26 (c) In considering the merger, consolidation, or other

1 acquisition of control of a Health Maintenance Organization
2 pursuant to Article VIII 1/2 of the Illinois Insurance Code,

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

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

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

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

20 (B) pro forma financial statements reflecting the
21 combined balance sheets of the acquiring company and
22 the Health Maintenance Organization sought to be
23 acquired as of the end of the preceding year and as of
24 a date 90 days prior to the acquisition, as well as pro
25 forma financial statements reflecting projected
26 combined operation for a period of 2 years;

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

5 (D) such other information as the Director shall
6 require.

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

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

23 (f) Except for small employer groups as defined in the
24 Small Employer Rating, Renewability and Portability Health
25 Insurance Act and except for medicare supplement policies as
26 defined in Section 363 of the Illinois Insurance Code, a

1 Health Maintenance Organization may by contract agree with a
2 group or other enrollment unit to effect refunds or charge
3 additional premiums under the following terms and conditions:

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

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

25 The Health Maintenance Organization shall include a
26 statement in the evidence of coverage issued to each enrollee

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

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

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

21 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;
22 100-863, eff. 8-14-18; 100-1026, eff. 8-22-18; 100-1057, eff.
23 1-1-19; 100-1102, eff. 1-1-19; 101-13, eff. 6-12-19; 101-81,
24 eff. 7-12-19; 101-281, eff. 1-1-20; 101-371, eff. 1-1-20;
25 101-393, eff. 1-1-20; 101-452, eff. 1-1-20; 101-461, eff.
26 1-1-20; 101-625, eff. 1-1-21.)

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

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

4 Sec. 4003. Illinois Insurance Code provisions. Limited
5 health service organizations shall be subject to the
6 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, 155.37, 355.2, 355.3,
9 355b, 356v, 356z.10, 356z.21, 356z.22, 356z.25, 356z.26,
10 356z.29, 356z.30a, 356z.32, 356z.33, 356z.41, 356z.43, 368a,
11 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444, and
12 444.1 and Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2,
13 XXV, and XXVI of the Illinois Insurance Code. For purposes of
14 the Illinois Insurance Code, except for Sections 444 and 444.1
15 and Articles XIII and XIII 1/2, limited health service
16 organizations in the following categories are deemed to be
17 domestic companies:

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

19 (2) a corporation organized under the laws of another
20 state, 30% or more of the enrollees of which are residents
21 of this State, except a corporation subject to
22 substantially the same requirements in its state of
23 organization as is a domestic company under Article VIII
24 1/2 of the Illinois Insurance Code.

1 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;
2 100-201, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1057, eff.
3 1-1-19; 100-1102, eff. 1-1-19; 101-81, eff. 7-12-19; 101-281,
4 eff. 1-1-20; 101-393, eff. 1-1-20; 101-625, eff. 1-1-21.)

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

7 (215 ILCS 165/10) (from Ch. 32, par. 604)

8 Sec. 10. Application of Insurance Code provisions. Health
9 services plan corporations and all persons interested therein
10 or dealing therewith shall be subject to the provisions of
11 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,
12 143, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3, 355b,
13 356g, 356g.5, 356g.5-1, 356r, 356t, 356u, 356v, 356w, 356x,
14 356y, 356z.1, 356z.2, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8,
15 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15,
16 356z.18, 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29,
17 356z.30, 356z.30a, 356z.32, 356z.33, 356z.41, 356z.43, 364.01,
18 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412,
19 and paragraphs (7) and (15) of Section 367 of the Illinois
20 Insurance Code.

21 Rulemaking authority to implement Public Act 95-1045, if
22 any, is conditioned on the rules being adopted in accordance
23 with all provisions of the Illinois Administrative Procedure
24 Act and all rules and procedures of the Joint Committee on

1 Administrative Rules; any purported rule not so adopted, for
2 whatever reason, is unauthorized.

3 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;
4 100-863, eff. 8-14-18; 100-1026, eff. 8-22-18; 100-1057, eff.
5 1-1-19; 100-1102, eff. 1-1-19; 101-13, eff. 6-12-19; 101-81,
6 eff. 7-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20;
7 101-625, eff. 1-1-21.)