



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

SB4236

Introduced 11/14/2022, by Sen. Chapin Rose

#### SYNOPSIS AS INTRODUCED:

5 ILCS 375/8

from Ch. 127, par. 528

Amends the State Employees Group Insurance Act of 1971. Provides that beginning January 1, 2023, the Director of Central Management Services shall establish a program of financial incentives to encourage Medicare-primary members to elect not to participate in the group health benefits program for Medicare-primary members and their Medicare-primary dependents. Provides that the program of financial incentives shall include a monthly voucher in the amount that the State would have contributed toward that member's monthly premium if the Medicare-primary member elected to participate in the group health benefits program. Provides that the voucher shall be used by the Medicare-primary member to pay the monthly premium cost of an individual Medicare Advantage plan of his or her choosing. Effective immediately.

LRB102 29332 BMS 41318 b

1 AN ACT concerning State government.

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 8 as follows:

6 (5 ILCS 375/8) (from Ch. 127, par. 528)

7 Sec. 8. Eligibility.

8 (a) Each employee eligible under the provisions of this  
9 Act and any rules and regulations promulgated and adopted  
10 hereunder by the Director shall become immediately eligible  
11 and covered for all benefits available under the programs.  
12 Employees electing coverage for eligible dependents shall have  
13 the coverage effective immediately, provided that the election  
14 is properly filed in accordance with required filing dates and  
15 procedures specified by the Director, including the completion  
16 and submission of all documentation and forms required by the  
17 Director.

18 (1) Every member originally eligible to elect  
19 dependent coverage, but not electing it during the  
20 original eligibility period, may subsequently obtain  
21 dependent coverage only in the event of a qualifying  
22 change in status, special enrollment, special circumstance  
23 as defined by the Director, or during the annual Benefit

1 Choice Period.

2 (2) Members described above being transferred from  
3 previous coverage towards which the State has been  
4 contributing shall be transferred regardless of  
5 preexisting conditions, waiting periods, or other  
6 requirements that might jeopardize claim payments to which  
7 they would otherwise have been entitled.

8 (3) Eligible and covered members that are eligible for  
9 coverage as dependents except for the fact of being  
10 members shall be transferred to, and covered under,  
11 dependent status regardless of preexisting conditions,  
12 waiting periods, or other requirements that might  
13 jeopardize claim payments to which they would otherwise  
14 have been entitled upon cessation of member status and the  
15 election of dependent coverage by a member eligible to  
16 elect that coverage.

17 (b) New employees shall be immediately insured for the  
18 basic group life insurance and covered by the program of  
19 health benefits on the first day of active State service.  
20 Optional life insurance coverage one to 4 times the basic  
21 amount, if elected during the relevant eligibility period,  
22 will become effective on the date of employment. Optional life  
23 insurance coverage exceeding 4 times the basic amount and all  
24 life insurance amounts applied for after the eligibility  
25 period will be effective, subject to satisfactory evidence of  
26 insurability when applicable, or other necessary

1 qualifications, pursuant to the requirements of the applicable  
2 benefit program, unless there is a change in status that would  
3 confer new eligibility for change of enrollment under rules  
4 established supplementing this Act, in which event application  
5 must be made within the new eligibility period.

6 (c) As to the group health benefits program contracted to  
7 begin or continue after June 30, 1973, each annuitant,  
8 survivor, and retired employee shall become immediately  
9 eligible for all benefits available under that program. Each  
10 annuitant, survivor, and retired employee shall have coverage  
11 effective immediately, provided that the election is properly  
12 filed in accordance with the required filing dates and  
13 procedures specified by the Director, including the completion  
14 and submission of all documentation and forms required by the  
15 Director. Annuitants, survivors, and retired employees may  
16 elect coverage for eligible dependents and shall have the  
17 coverage effective immediately, provided that the election is  
18 properly filed in accordance with required filing dates and  
19 procedures specified by the Director, except that, for a  
20 survivor, the dependent sought to be added on or after the  
21 effective date of this amendatory Act of the 97th General  
22 Assembly must have been eligible for coverage as a dependent  
23 under the deceased member upon whom the survivor's annuity is  
24 based in order to be eligible for coverage under the survivor.

25 Except as otherwise provided in this Act, where husband  
26 and wife are both eligible members, each shall be enrolled as a

1 member and coverage on their eligible dependent children, if  
2 any, may be under the enrollment and election of either.

3       Regardless of other provisions herein regarding late  
4 enrollment or other qualifications, as appropriate, the  
5 Director may periodically authorize open enrollment periods  
6 for each of the benefit programs at which time each member may  
7 elect enrollment or change of enrollment without regard to  
8 age, sex, health, or other qualification under the conditions  
9 as may be prescribed in rules and regulations supplementing  
10 this Act. Special open enrollment periods may be declared by  
11 the Director for certain members only when special  
12 circumstances occur that affect only those members.

13       (d) Eligible members may elect not to participate in the  
14 program of health benefits as defined in this Act. The  
15 election must be made during the annual benefit choice period  
16 or upon showing a qualifying change in status as defined in the  
17 U.S. Internal Revenue Code, subject to the conditions in this  
18 subsection.

19             (1) (Blank).

20             (2) Members may re-enroll in the Department of Central  
21 Management Services program of health benefits upon  
22 showing a qualifying change in status, as defined in the  
23 U.S. Internal Revenue Code, without evidence of  
24 insurability and with no limitations on coverage for  
25 pre-existing conditions.

26             (3) Members may also re-enroll in the program of

1 health benefits during any annual benefit choice period,  
2 without evidence of insurability.

3 (4) Members who elect not to participate in the  
4 program of health benefits shall be furnished a written  
5 explanation of the requirements and limitations for the  
6 election not to participate in the program and for  
7 re-enrolling in the program. The explanation shall also be  
8 included in the annual benefit choice options booklets  
9 furnished to members.

10 (d-5) Beginning July 1, 2005, the Director may establish a  
11 program of financial incentives to encourage annuitants  
12 receiving a retirement annuity, but who are not eligible for  
13 benefits under the federal Medicare health insurance program  
14 (Title XVIII of the Social Security Act, as added by Public Law  
15 89-97) to elect not to participate in the program of health  
16 benefits provided under this Act. The election by an annuitant  
17 not to participate under this program must be made in  
18 accordance with the requirements set forth under subsection  
19 (d). The financial incentives provided to these annuitants  
20 under the program may not exceed \$150 per month for each  
21 annuitant electing not to participate in the program of health  
22 benefits provided under this Act.

23 (d-6) Beginning July 1, 2013, the Director may establish a  
24 program of financial incentives to encourage annuitants with  
25 20 or more years of creditable service but who are not eligible  
26 for benefits under the federal Medicare health insurance

1 program (Title XVIII of the Social Security Act, as added by  
2 Public Law 89-97) to elect not to participate in the program of  
3 health benefits provided under this Act. The election by an  
4 annuitant not to participate under this program must be made  
5 in accordance with the requirements set forth under subsection  
6 (d). The program established under this subsection (d-6) may  
7 include a prorated incentive for annuitants with fewer than 20  
8 years of creditable service, as determined by the Director.  
9 The financial incentives provided to these annuitants under  
10 this program may not exceed \$500 per month for each annuitant  
11 electing not to participate in the program of health benefits  
12 provided under this Act.

13 (d-7) Beginning January 1, 2023, the Director shall  
14 establish a program of financial incentives to encourage  
15 Medicare-primary members to elect not to participate in the  
16 group health benefits program for Medicare-primary members and  
17 their Medicare-primary dependents provided under this Act. The  
18 program of financial incentives established under this  
19 subsection (d-7) shall include a voucher, to be issued  
20 monthly, in the amount that the State would have contributed  
21 toward that member's monthly premium if the Medicare-primary  
22 member elected to participate in the group health benefits  
23 program for Medicare-primary members and their  
24 Medicare-primary dependents provided under this Act. The  
25 voucher shall be used by the Medicare-primary member to pay  
26 the monthly premium cost of an individual Medicare Advantage

1 plan of his or her choosing. Any amount of premium cost in  
2 excess of the amount of the voucher is the Medicare-primary  
3 member's responsibility.

4 (e) Notwithstanding any other provision of this Act or the  
5 rules adopted under this Act, if a person participating in the  
6 program of health benefits as the dependent spouse of an  
7 eligible member becomes an annuitant, the person may elect, at  
8 the time of becoming an annuitant or during any subsequent  
9 annual benefit choice period, to continue participation as a  
10 dependent rather than as an eligible member for as long as the  
11 person continues to be an eligible dependent. In order to be  
12 eligible to make such an election, the person must have been  
13 enrolled as a dependent under the program of health benefits  
14 for no less than one year prior to becoming an annuitant.

15 An eligible member who has elected to participate as a  
16 dependent may re-enroll in the program of health benefits as  
17 an eligible member (i) during any subsequent annual benefit  
18 choice period or (ii) upon showing a qualifying change in  
19 status, as defined in the U.S. Internal Revenue Code, without  
20 evidence of insurability and with no limitations on coverage  
21 for pre-existing conditions.

22 A person who elects to participate in the program of  
23 health benefits as a dependent rather than as an eligible  
24 member shall be furnished a written explanation of the  
25 consequences of electing to participate as a dependent and the  
26 conditions and procedures for re-enrolling as an eligible



1 member. The explanation shall also be included in the annual  
2 benefit choice options booklet furnished to members.

3 (Source: P.A. 102-19, eff. 7-1-21.)

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