



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB3920

Introduced 2/17/2023, by Rep. Debbie Meyers-Martin

#### SYNOPSIS AS INTRODUCED:

215 ILCS 5/356z.61 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
305 ILCS 5/5-16.8	

Amends the Accident and Health Article of the Illinois Insurance Code. Provides that a group or individual policy of accident and health insurance or a managed care plan that is amended, delivered, issued, or renewed on or after the effective date of the amendatory Act shall provide coverage for cranial prostheses when prescribed as part of a course of rehabilitative treatment by a physician licensed to practice medicine in all of its branches. Makes conforming changes in the Health Maintenance Organization Act, the Limited Health Service Organization Act, the Voluntary Health Services Plans Act, and the Medical Assistance Article of the Illinois Public Aid Code.

LRB103 26433 BMS 52796 b

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 Illinois Insurance Code is amended by  
5 adding Section 356z.61 as follows:

6 (215 ILCS 5/356z.61 new)

7 Sec. 356z.61. Coverage for cranial prostheses. A group or  
8 individual policy of accident and health insurance or a  
9 managed care plan that is amended, delivered, issued, or  
10 renewed on or after the effective date of this amendatory Act  
11 of the 103rd General Assembly shall provide coverage for  
12 cranial prostheses when prescribed as part of a course of  
13 rehabilitative treatment by a physician licensed to practice  
14 medicine in all of its branches.

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

17 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

18 Sec. 5-3. Insurance Code provisions.

19 (a) Health Maintenance Organizations shall be subject to  
20 the provisions of Sections 133, 134, 136, 137, 139, 140,  
21 141.1, 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153,

1 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2,  
2 355.3, 355b, 355c, 356g.5-1, 356m, 356q, 356v, 356w, 356x,  
3 356y, 356z.2, 356z.3a, 356z.4, 356z.4a, 356z.5, 356z.6,  
4 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14,  
5 356z.15, 356z.17, 356z.18, 356z.19, 356z.21, 356z.22, 356z.25,  
6 356z.26, 356z.29, 356z.30, 356z.30a, 356z.32, 356z.33,  
7 356z.35, 356z.36, 356z.40, 356z.41, 356z.46, 356z.47, 356z.48,  
8 356z.50, 356z.51, 356z.53 ~~256z.53~~, 356z.54, 356z.56, 356z.57,  
9 356z.59, 356z.60, 356z.61, 364, 364.01, 364.3, 367.2, 367.2-5,  
10 367i, 368a, 368b, 368c, 368d, 368e, 370c, 370c.1, 401, 401.1,  
11 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1,  
12 paragraph (c) of subsection (2) of Section 367, and Articles  
13 IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, XXVI, and  
14 XXXIIB of the Illinois Insurance Code.

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

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

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

23 (3) a corporation organized under the laws of another  
24 state, 30% or more of the enrollees of which are residents  
25 of this State, except a corporation subject to  
26 substantially the same requirements in its state of

1 organization as is a "domestic company" under Article VIII  
2 1/2 of the Illinois Insurance Code.

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

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

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

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

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

23 (B) pro forma financial statements reflecting the  
24 combined balance sheets of the acquiring company and  
25 the Health Maintenance Organization sought to be  
26 acquired as of the end of the preceding year and as of

1 a date 90 days prior to the acquisition, as well as pro  
2 forma financial statements reflecting projected  
3 combined operation for a period of 2 years;

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

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

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

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

26 (f) Except for small employer groups as defined in the

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

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

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

1 plan years.

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

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

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

24 (Source: P.A. 101-13, eff. 6-12-19; 101-81, eff. 7-12-19;  
25 101-281, eff. 1-1-20; 101-371, eff. 1-1-20; 101-393, eff.  
26 1-1-20; 101-452, eff. 1-1-20; 101-461, eff. 1-1-20; 101-625,

1 eff. 1-1-21; 102-30, eff. 1-1-22; 102-34, eff. 6-25-21;  
2 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.  
3 1-1-22; 102-589, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665,  
4 eff. 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22;  
5 102-804, eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff.  
6 1-1-23; 102-860, eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093,  
7 eff. 1-1-23; 102-1117, eff. 1-13-23; revised 1-22-23.)

8 Section 15. The Limited Health Service Organization Act is  
9 amended by changing Section 4003 as follows:

10 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

11 Sec. 4003. Illinois Insurance Code provisions. Limited  
12 health service organizations shall be subject to the  
13 provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,  
14 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154,  
15 154.5, 154.6, 154.7, 154.8, 155.04, 155.37, 355.2, 355.3,  
16 355b, 356q, 356v, 356z.4, 356z.4a, 356z.10, 356z.21, 356z.22,  
17 356z.25, 356z.26, 356z.29, 356z.30a, 356z.32, 356z.33,  
18 356z.41, 356z.46, 356z.47, 356z.51, 356z.53, 356z.54, 356z.57,  
19 356z.59, 356z.61, 364.3, 368a, 401, 401.1, 402, 403, 403A,  
20 408, 408.2, 409, 412, 444, and 444.1 and Articles IIA, VIII  
21 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of the  
22 Illinois Insurance Code. Nothing in this Section shall require  
23 a limited health care plan to cover any service that is not a  
24 limited health service. For purposes of the Illinois Insurance



1 Code, except for Sections 444 and 444.1 and Articles XIII and  
2 XIII 1/2, limited health service organizations in the  
3 following categories are deemed to be domestic companies:

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

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

11 (Source: P.A. 101-81, eff. 7-12-19; 101-281, eff. 1-1-20;  
12 101-393, eff. 1-1-20; 101-625, eff. 1-1-21; 102-30, eff.  
13 1-1-22; 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-642,  
14 eff. 1-1-22; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22;  
15 102-813, eff. 5-13-22; 102-816, eff. 1-1-23; 102-860, eff.  
16 1-1-23; 102-1093, eff. 1-1-23; 102-1117, eff. 1-13-23.)

17 Section 20. The Voluntary Health Services Plans Act is  
18 amended by changing Section 10 as follows:

19 (215 ILCS 165/10) (from Ch. 32, par. 604)

20 Sec. 10. Application of Insurance Code provisions. Health  
21 services plan corporations and all persons interested therein  
22 or dealing therewith shall be subject to the provisions of  
23 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,  
24 143, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3, 355b,

1 356g, 356g.5, 356g.5-1, 356q, 356r, 356t, 356u, 356v, 356w,  
2 356x, 356y, 356z.1, 356z.2, 356z.3a, 356z.4, 356z.4a, 356z.5,  
3 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,  
4 356z.14, 356z.15, 356z.18, 356z.19, 356z.21, 356z.22, 356z.25,  
5 356z.26, 356z.29, 356z.30, 356z.30a, 356z.32, 356z.33,  
6 356z.40, 356z.41, 356z.46, 356z.47, 356z.51, 356z.53, 356z.54,  
7 356z.56, 356z.57, 356z.59, 356z.60, 356z.61, 364.01, 364.3,  
8 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412,  
9 and paragraphs (7) and (15) of Section 367 of the Illinois  
10 Insurance Code.

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

17 (Source: P.A. 101-13, eff. 6-12-19; 101-81, eff. 7-12-19;  
18 101-281, eff. 1-1-20; 101-393, eff. 1-1-20; 101-625, eff.  
19 1-1-21; 102-30, eff. 1-1-22; 102-203, eff. 1-1-22; 102-306,  
20 eff. 1-1-22; 102-642, eff. 1-1-22; 102-665, eff. 10-8-21;  
21 102-731, eff. 1-1-23; 102-775, eff. 5-13-22; 102-804, eff.  
22 1-1-23; 102-813, eff. 5-13-22; 102-816, eff. 1-1-23; 102-860,  
23 eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093, eff. 1-1-23;  
24 102-1117, eff. 1-13-23.)

25 Section 25. The Illinois Public Aid Code is amended by

1 changing Section 5-16.8 as follows:

2 (305 ILCS 5/5-16.8)

3 Sec. 5-16.8. Required health benefits. The medical  
4 assistance program shall (i) provide the post-mastectomy care  
5 benefits required to be covered by a policy of accident and  
6 health insurance under Section 356t and the coverage required  
7 under Sections 356g.5, 356q, 356u, 356w, 356x, 356z.6,  
8 356z.26, 356z.29, 356z.32, 356z.33, 356z.34, 356z.35, 356z.46,  
9 356z.47, 356z.51, 356z.53, 356z.56, 356z.59, ~~and~~ 356z.60, and  
10 356z.61 of the Illinois Insurance Code, (ii) be subject to the  
11 provisions of Sections 356z.19, 356z.44, 356z.49, 364.01,  
12 370c, and 370c.1 of the Illinois Insurance Code, and (iii) be  
13 subject to the provisions of subsection (d-5) of Section 10 of  
14 the Network Adequacy and Transparency Act.

15 The Department, by rule, shall adopt a model similar to  
16 the requirements of Section 356z.39 of the Illinois Insurance  
17 Code.

18 On and after July 1, 2012, the Department shall reduce any  
19 rate of reimbursement for services or other payments or alter  
20 any methodologies authorized by this Code to reduce any rate  
21 of reimbursement for services or other payments in accordance  
22 with Section 5-5e.

23 To ensure full access to the benefits set forth in this  
24 Section, on and after January 1, 2016, the Department shall  
25 ensure that provider and hospital reimbursement for

1 post-mastectomy care benefits required under this Section are  
2 no lower than the Medicare reimbursement rate.

3 (Source: P.A. 101-81, eff. 7-12-19; 101-218, eff. 1-1-20;  
4 101-281, eff. 1-1-20; 101-371, eff. 1-1-20; 101-574, eff.  
5 1-1-20; 101-649, eff. 7-7-20; 102-30, eff. 1-1-22; 102-144,  
6 eff. 1-1-22; 102-203, eff. 1-1-22; 102-306, eff. 1-1-22;  
7 102-530, eff. 1-1-22; 102-642, eff. 1-1-22; 102-804, eff.  
8 1-1-23; 102-813, eff. 5-13-22; 102-816, eff. 1-1-23; 102-1093,  
9 eff. 1-1-23; 102-1117, eff. 1-13-23.)