

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 355.6 as follows:

6 (215 ILCS 5/355.6 new)

7 Sec. 355.6. Health care provider reimbursement.

8 (a) In this Section, "health care provider" has the
9 meaning given to the term "provider" in Section 370g.

10 (b) Any group or individual policy of accident and health
11 insurance or managed care plan amended, delivered, issued, or
12 renewed on or after January 1, 2026 shall offer all reasonably
13 available methods of payment from the insurer or managed care
14 plan, or its contracted vendor, to the contracted health care
15 provider, which shall include, but not be limited to, payment
16 by check and electronic funds transfer. An insurer or managed
17 care plan shall not mandate payment by credit card. For
18 purposes of this subsection, "credit card" means a single-use
19 or virtual credit card provided in an electronic, digital,
20 facsimile, physical, or paper format.

21 (c) If one of the available payment methods has a fee
22 associated with it, the insurer or managed care plan, or its
23 contracted vendor, shall, prior to initiating the first

1 payment to an in-network health care provider or upon changing
2 the payment methods available to a health care provider:

3 (1) notify the health care provider that there may be
4 fees associated with a particular payment method and that
5 the insurer or managed care plan, or its contracted
6 vendor, shall disclose any fees beyond what the health
7 care provider would normally pay to process a payment
8 using that payment method; and

9 (2) provide the health care provider with clear
10 instructions on the insurer's or managed care plan's, or
11 its contracted vendor's, website or through means other
12 than the contract offered to the health care provider as
13 to how to select each method.

14 (d) If a health care provider requests a change in the
15 available payment method, the insurer or managed care plan, or
16 its contracted vendor, shall implement the change to the
17 payment method selected by the health care provider within 30
18 business days, subject to federal and State verification
19 measures to prevent fraud and abuse.

20 (e) An insurer or managed care plan shall not use a health
21 care provider's preferred method of payment as a factor when
22 deciding whether to provide credentials to a health care
23 provider.

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

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

2 Sec. 5-3. Insurance Code provisions.

3 (a) Health Maintenance Organizations shall be subject to
4 the provisions of Sections 133, 134, 136, 137, 139, 140,
5 141.1, 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153,
6 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 155.49,
7 355.2, 355.3, 355.6, 355b, 355c, 356f, 356g.5-1, 356m, 356q,
8 356v, 356w, 356x, 356z.2, 356z.3a, 356z.4, 356z.4a, 356z.5,
9 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
10 356z.14, 356z.15, 356z.17, 356z.18, 356z.19, 356z.20, 356z.21,
11 356z.22, 356z.23, 356z.24, 356z.25, 356z.26, 356z.28, 356z.29,
12 356z.30, 356z.30a, 356z.31, 356z.32, 356z.33, 356z.34,
13 356z.35, 356z.36, 356z.37, 356z.38, 356z.39, 356z.40, 356z.41,
14 356z.44, 356z.45, 356z.46, 356z.47, 356z.48, 356z.49, 356z.50,
15 356z.51, 356z.53, 356z.54, 356z.55, 356z.56, 356z.57, 356z.58,
16 356z.59, 356z.60, 356z.61, 356z.62, 356z.64, 356z.65, 356z.67,
17 356z.68, 364, 364.01, 364.3, 367.2, 367.2-5, 367i, 368a, 368b,
18 368c, 368d, 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A,
19 408, 408.2, 409, 412, 444, and 444.1, paragraph (c) of
20 subsection (2) of Section 367, and Articles IIA, VIII 1/2,
21 XII, XII 1/2, XIII, XIII 1/2, XXV, XXVI, and XXXIIB of the
22 Illinois Insurance Code.

23 (b) For purposes of the Illinois Insurance Code, except
24 for Sections 444 and 444.1 and Articles XIII and XIII 1/2,
25 Health Maintenance Organizations in the following categories

1 are deemed to be "domestic companies":

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

4 (2) a corporation organized under the laws of this
5 State; or

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

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

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

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

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

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

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

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

17 (D) such other information as the Director shall
18 require.

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

25 (e) In considering any management contract or service
26 agreement subject to Section 141.1 of the Illinois Insurance

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

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

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

22 (ii) the amount of the refund or additional premium
23 shall not exceed 20% of the Health Maintenance
24 Organization's profitable or unprofitable experience with
25 respect to the group or other enrollment unit for the
26 period (and, for purposes of a refund or additional

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

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

23 In no event shall the Illinois Health Maintenance
24 Organization Guaranty Association be liable to pay any
25 contractual obligation of an insolvent organization to pay any
26 refund authorized under this Section.

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

7 (Source: P.A. 102-30, eff. 1-1-22; 102-34, eff. 6-25-21;
8 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.
9 1-1-22; 102-589, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665,
10 eff. 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22;
11 102-804, eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff.
12 1-1-23; 102-860, eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093,
13 eff. 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24;
14 103-91, eff. 1-1-24; 103-123, eff. 1-1-24; 103-154, eff.
15 6-30-23; 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445,
16 eff. 1-1-24; 103-551, eff. 8-11-23; revised 8-29-23.)