



Sen. Laura Fine

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10300SB2735sam001

LRB103 34765 RPS 70577 a

1 AMENDMENT TO SENATE BILL 2735

2 AMENDMENT NO. _____. Amend Senate Bill 2735 by replacing
3 everything after the enacting clause with the following:

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

1 care plan shall not mandate payment by credit card. For
2 purposes of this subsection, "credit card" means a single-use
3 or virtual credit card provided in an electronic, digital,
4 facsimile, physical, or paper format.

5 (c) If one of the available payment methods has a fee
6 associated with it, the insurer or managed care plan, or its
7 contracted vendor, shall, prior to initiating the first
8 payment to an in-network health care provider or upon changing
9 the payment methods available to a health care provider:

10 (1) notify the health care provider that there may be
11 fees associated with a particular payment method and that
12 the insurer or managed care plan, or its contracted
13 vendor, shall disclose any fees beyond what the health
14 care provider would normally pay to process a payment
15 using that payment method; and

16 (2) provide the health care provider with clear
17 instructions on the insurer's or managed care plan's, or
18 its contracted vendor's, website or through means other
19 than the contract offered to the health care provider as
20 to how to select each method.

21 (d) If a health care provider requests a change in the
22 available payment method, the insurer or managed care plan, or
23 its contracted vendor, shall implement the change to the
24 payment method selected by the health care provider within 30
25 business days, subject to federal and State verification
26 measures to prevent fraud and abuse.

1 (e) An insurer or managed care plan shall not use a health
2 care provider's preferred method of payment as a factor when
3 deciding whether to provide credentials to a health care
4 provider.

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

7 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

8 Sec. 5-3. Insurance Code provisions.

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

1 408, 408.2, 409, 412, 444, and 444.1, paragraph (c) of
2 subsection (2) of Section 367, and Articles IIA, VIII 1/2,
3 XII, XII 1/2, XIII, XIII 1/2, XXV, XXVI, and XXXIIB of the
4 Illinois Insurance Code.

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

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

11 (2) a corporation organized under the laws of this
12 State; or

13 (3) a corporation organized under the laws of another
14 state, 30% or more of the enrollees of which are residents
15 of this State, except a corporation subject to
16 substantially the same requirements in its state of
17 organization as is a "domestic company" under Article VIII
18 1/2 of the Illinois Insurance Code.

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

22 (1) the Director shall give primary consideration to
23 the continuation of benefits to enrollees and the
24 financial conditions of the acquired Health Maintenance
25 Organization after the merger, consolidation, or other
26 acquisition of control takes effect;

1 (2) (i) the criteria specified in subsection (1) (b) of
2 Section 131.8 of the Illinois Insurance Code shall not
3 apply and (ii) the Director, in making his determination
4 with respect to the merger, consolidation, or other
5 acquisition of control, need not take into account the
6 effect on competition of the merger, consolidation, or
7 other acquisition of control;

8 (3) the Director shall have the power to require the
9 following information:

10 (A) certification by an independent actuary of the
11 adequacy of the reserves of the Health Maintenance
12 Organization sought to be acquired;

13 (B) pro forma financial statements reflecting the
14 combined balance sheets of the acquiring company and
15 the Health Maintenance Organization sought to be
16 acquired as of the end of the preceding year and as of
17 a date 90 days prior to the acquisition, as well as pro
18 forma financial statements reflecting projected
19 combined operation for a period of 2 years;

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

24 (D) such other information as the Director shall
25 require.

26 (d) The provisions of Article VIII 1/2 of the Illinois

1 Insurance Code and this Section 5-3 shall apply to the sale by
2 any health maintenance organization of greater than 10% of its
3 enrollee population (including, without limitation, the health
4 maintenance organization's right, title, and interest in and
5 to its health care certificates).

6 (e) In considering any management contract or service
7 agreement subject to Section 141.1 of the Illinois Insurance
8 Code, the Director (i) shall, in addition to the criteria
9 specified in Section 141.2 of the Illinois Insurance Code,
10 take into account the effect of the management contract or
11 service agreement on the continuation of benefits to enrollees
12 and the financial condition of the health maintenance
13 organization to be managed or serviced, and (ii) need not take
14 into account the effect of the management contract or service
15 agreement on competition.

16 (f) Except for small employer groups as defined in the
17 Small Employer Rating, Renewability and Portability Health
18 Insurance Act and except for medicare supplement policies as
19 defined in Section 363 of the Illinois Insurance Code, a
20 Health Maintenance Organization may by contract agree with a
21 group or other enrollment unit to effect refunds or charge
22 additional premiums under the following terms and conditions:

23 (i) the amount of, and other terms and conditions with
24 respect to, the refund or additional premium are set forth
25 in the group or enrollment unit contract agreed in advance
26 of the period for which a refund is to be paid or

1 additional premium is to be charged (which period shall
2 not be less than one year); and

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

18 The Health Maintenance Organization shall include a
19 statement in the evidence of coverage issued to each enrollee
20 describing the possibility of a refund or additional premium,
21 and upon request of any group or enrollment unit, provide to
22 the group or enrollment unit a description of the method used
23 to calculate (1) the Health Maintenance Organization's
24 profitable experience with respect to the group or enrollment
25 unit and the resulting refund to the group or enrollment unit
26 or (2) the Health Maintenance Organization's unprofitable

1 experience with respect to the group or enrollment unit and
2 the resulting additional premium to be paid by the group or
3 enrollment unit.

4 In no event shall the Illinois Health Maintenance
5 Organization Guaranty Association be liable to pay any
6 contractual obligation of an insolvent organization to pay any
7 refund authorized under this Section.

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

14 (Source: P.A. 102-30, eff. 1-1-22; 102-34, eff. 6-25-21;
15 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.
16 1-1-22; 102-589, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665,
17 eff. 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22;
18 102-804, eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff.
19 1-1-23; 102-860, eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093,
20 eff. 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24;
21 103-91, eff. 1-1-24; 103-123, eff. 1-1-24; 103-154, eff.
22 6-30-23; 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445,
23 eff. 1-1-24; 103-551, eff. 8-11-23; revised 8-29-23.)".