

1 AN ACT concerning health coverage under State employee
2 programs.

3 Be it enacted by the People of the State of Illinois,
4 represented in the General Assembly:

5 Section 5. The State Employees Group Insurance Act of
6 1971 is amended by changing Sections 2, 3, 10, 13.2, and 15
7 as follows:

8 (5 ILCS 375/2) (from Ch. 127, par. 522)

9 Sec. 2. Purpose. The purpose of this Act is to provide a
10 program of group life insurance, a program of health benefits
11 and other employee benefits for persons in the service of the
12 State of Illinois, employees of local governments, employees
13 of rehabilitation facilities and employees of domestic
14 violence shelters and services, and certain of their
15 dependents. It is also the purpose of this Act to provide a
16 program of health benefits (i) for certain benefit recipients
17 of the Teachers' Retirement System of the State of Illinois
18 and their dependent beneficiaries and (ii) for certain
19 eligible retired community college employees and their
20 dependent beneficiaries. It is also the purpose of this Act
21 to provide a program of health benefits for owners and
22 employees of qualified small businesses and their dependents.

23 (Source: P.A. 89-25, eff. 6-21-95; 90-497, eff. 8-18-97.)

24 (5 ILCS 375/3) (from Ch. 127, par. 523)

25 Sec. 3. Definitions. Unless the context otherwise
26 requires, the following words and phrases as used in this Act
27 shall have the following meanings. The Department may define
28 these and other words and phrases separately for the purpose
29 of implementing specific programs providing benefits under
30 this Act.

1 (a) "Administrative service organization" means any
2 person, firm or corporation experienced in the handling of
3 claims which is fully qualified, financially sound and
4 capable of meeting the service requirements of a contract of
5 administration executed with the Department.

6 (b) "Annuitant" means (1) an employee who retires, or
7 has retired, on or after January 1, 1966 on an immediate
8 annuity under the provisions of Articles 2, 14, 15 (including
9 an employee who has retired under the optional retirement
10 program established under Section 15-158.2), paragraphs (2),
11 (3), or (5) of Section 16-106, or Article 18 of the Illinois
12 Pension Code; (2) any person who was receiving group
13 insurance coverage under this Act as of March 31, 1978 by
14 reason of his status as an annuitant, even though the annuity
15 in relation to which such coverage was provided is a
16 proportional annuity based on less than the minimum period of
17 service required for a retirement annuity in the system
18 involved; (3) any person not otherwise covered by this Act
19 who has retired as a participating member under Article 2 of
20 the Illinois Pension Code but is ineligible for the
21 retirement annuity under Section 2-119 of the Illinois
22 Pension Code; (4) the spouse of any person who is receiving a
23 retirement annuity under Article 18 of the Illinois Pension
24 Code and who is covered under a group health insurance
25 program sponsored by a governmental employer other than the
26 State of Illinois and who has irrevocably elected to waive
27 his or her coverage under this Act and to have his or her
28 spouse considered as the "annuitant" under this Act and not
29 as a "dependent"; ~~or~~ (5) an employee who retires, or has
30 retired, from a qualified position, as determined according
31 to rules promulgated by the Director, under a qualified local
32 government or a qualified rehabilitation facility or a
33 qualified domestic violence shelter or service; or (6) an
34 owner or employee who retires, or has retired, from a

1 qualified position, as determined according to rules
2 promulgated by the Director, with a qualified small business.

3 (For definition of "retired employee", see (p) post).

4 (b-5) "New SERS annuitant" means a person who, on or
5 after January 1, 1998, becomes an annuitant, as defined in
6 subsection (b), by virtue of beginning to receive a
7 retirement annuity under Article 14 of the Illinois Pension
8 Code, and is eligible to participate in the basic program of
9 group health benefits provided for annuitants under this Act.

10 (b-6) "New SURS annuitant" means a person who (1) on or
11 after January 1, 1998, becomes an annuitant, as defined in
12 subsection (b), by virtue of beginning to receive a
13 retirement annuity under Article 15 of the Illinois Pension
14 Code, (2) has not made the election authorized under Section
15 15-135.1 of the Illinois Pension Code, and (3) is eligible to
16 participate in the basic program of group health benefits
17 provided for annuitants under this Act.

18 (b-7) "New TRS State annuitant" means a person who, on
19 or after July 1, 1998, becomes an annuitant, as defined in
20 subsection (b), by virtue of beginning to receive a
21 retirement annuity under Article 16 of the Illinois Pension
22 Code based on service as a teacher as defined in paragraph
23 (2), (3), or (5) of Section 16-106 of that Code, and is
24 eligible to participate in the basic program of group health
25 benefits provided for annuitants under this Act.

26 (c) "Carrier" means (1) an insurance company, a
27 corporation organized under the Limited Health Service
28 Organization Act or the Voluntary Health Services Plan Act, a
29 partnership, or other nongovernmental organization, which is
30 authorized to do group life or group health insurance
31 business in Illinois, or (2) the State of Illinois as a
32 self-insurer.

33 (d) "Compensation" means salary or wages payable on a
34 regular payroll by the State Treasurer on a warrant of the

1 State Comptroller out of any State, trust or federal fund, or
2 by the Governor of the State through a disbursing officer of
3 the State out of a trust or out of federal funds, or by any
4 Department out of State, trust, federal or other funds held
5 by the State Treasurer or the Department, to any person for
6 personal services currently performed, and ordinary or
7 accidental disability benefits under Articles 2, 14, 15
8 (including ordinary or accidental disability benefits under
9 the optional retirement program established under Section
10 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
11 Article 18 of the Illinois Pension Code, for disability
12 incurred after January 1, 1966, or benefits payable under the
13 Workers' Compensation or Occupational Diseases Act or
14 benefits payable under a sick pay plan established in
15 accordance with Section 36 of the State Finance Act.
16 "Compensation" also means salary or wages paid to an employee
17 of any qualified local government or qualified rehabilitation
18 facility or a qualified domestic violence shelter or service.
19 "Compensation" also means salary or wages paid to an employee
20 or owner of a qualified small business.

21 (e) "Commission" means the State Employees Group
22 Insurance Advisory Commission authorized by this Act.
23 Commencing July 1, 1984, "Commission" as used in this Act
24 means the Illinois Economic and Fiscal Commission as
25 established by the Legislative Commission Reorganization Act
26 of 1984.

27 (f) "Contributory", when referred to as contributory
28 coverage, shall mean optional coverages or benefits elected
29 by the member toward the cost of which such member makes
30 contribution, or which are funded in whole or in part through
31 the acceptance of a reduction in earnings or the foregoing of
32 an increase in earnings by an employee, as distinguished from
33 noncontributory coverage or benefits which are paid entirely
34 by the State of Illinois without reduction of the member's

1 salary.

2 (g) "Department" means any department, institution,
3 board, commission, officer, court or any agency of the State
4 government receiving appropriations and having power to
5 certify payrolls to the Comptroller authorizing payments of
6 salary and wages against such appropriations as are made by
7 the General Assembly from any State fund, or against trust
8 funds held by the State Treasurer and includes boards of
9 trustees of the retirement systems created by Articles 2, 14,
10 15, 16 and 18 of the Illinois Pension Code. "Department"
11 also includes the Illinois Comprehensive Health Insurance
12 Board, the Board of Examiners established under the Illinois
13 Public Accounting Act, and the Illinois Rural Bond Bank.

14 (h) "Dependent", when the term is used in the context of
15 the health and life plan, means a member's spouse and any
16 unmarried child (1) from birth to age 19 including an adopted
17 child, a child who lives with the member from the time of the
18 filing of a petition for adoption until entry of an order of
19 adoption, a stepchild or recognized child who lives with the
20 member in a parent-child relationship, or a child who lives
21 with the member if such member is a court appointed guardian
22 of the child, or (2) age 19 to 23 enrolled as a full-time
23 student in any accredited school, financially dependent upon
24 the member, and eligible to be claimed as a dependent for
25 income tax purposes, or (3) age 19 or over who is mentally or
26 physically handicapped. For the health plan only, the term
27 "dependent" also includes any person enrolled prior to the
28 effective date of this Section who is dependent upon the
29 member to the extent that the member may claim such person as
30 a dependent for income tax deduction purposes; no other such
31 person may be enrolled. For the health plan only, the term
32 "dependent" also includes any person who has received after
33 June 30, 2000 an organ transplant and who is financially
34 dependent upon the member and eligible to be claimed as a

1 dependent for income tax purposes.

2 (i) "Director" means the Director of the Illinois
3 Department of Central Management Services.

4 (j) "Eligibility period" means the period of time a
5 member has to elect enrollment in programs or to select
6 benefits without regard to age, sex or health.

7 (k) "Employee" means and includes each officer or
8 employee in the service of a department who (1) receives his
9 compensation for service rendered to the department on a
10 warrant issued pursuant to a payroll certified by a
11 department or on a warrant or check issued and drawn by a
12 department upon a trust, federal or other fund or on a
13 warrant issued pursuant to a payroll certified by an elected
14 or duly appointed officer of the State or who receives
15 payment of the performance of personal services on a warrant
16 issued pursuant to a payroll certified by a Department and
17 drawn by the Comptroller upon the State Treasurer against
18 appropriations made by the General Assembly from any fund or
19 against trust funds held by the State Treasurer, and (2) is
20 employed full-time or part-time in a position normally
21 requiring actual performance of duty during not less than 1/2
22 of a normal work period, as established by the Director in
23 cooperation with each department, except that persons elected
24 by popular vote will be considered employees during the
25 entire term for which they are elected regardless of hours
26 devoted to the service of the State, and (3) except that
27 "employee" does not include any person who is not eligible by
28 reason of such person's employment to participate in one of
29 the State retirement systems under Articles 2, 14, 15 (either
30 the regular Article 15 system or the optional retirement
31 program established under Section 15-158.2) or 18, or under
32 paragraph (2), (3), or (5) of Section 16-106, of the Illinois
33 Pension Code, but such term does include persons who are
34 employed during the 6 month qualifying period under Article

1 14 of the Illinois Pension Code. Such term also includes any
2 person who (1) after January 1, 1966, is receiving ordinary
3 or accidental disability benefits under Articles 2, 14, 15
4 (including ordinary or accidental disability benefits under
5 the optional retirement program established under Section
6 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
7 Article 18 of the Illinois Pension Code, for disability
8 incurred after January 1, 1966, (2) receives total permanent
9 or total temporary disability under the Workers' Compensation
10 Act or Occupational Disease Act as a result of injuries
11 sustained or illness contracted in the course of employment
12 with the State of Illinois, or (3) is not otherwise covered
13 under this Act and has retired as a participating member
14 under Article 2 of the Illinois Pension Code but is
15 ineligible for the retirement annuity under Section 2-119 of
16 the Illinois Pension Code. However, a person who satisfies
17 the criteria of the foregoing definition of "employee" except
18 that such person is made ineligible to participate in the
19 State Universities Retirement System by clause (4) of
20 subsection (a) of Section 15-107 of the Illinois Pension Code
21 is also an "employee" for the purposes of this Act.
22 "Employee" also includes any person receiving or eligible for
23 benefits under a sick pay plan established in accordance with
24 Section 36 of the State Finance Act. "Employee" also includes
25 each officer or employee in the service of a qualified local
26 government, including persons appointed as trustees of
27 sanitary districts regardless of hours devoted to the service
28 of the sanitary district, and each employee in the service of
29 a qualified rehabilitation facility and each full-time
30 employee in the service of a qualified domestic violence
31 shelter or service, as determined according to rules
32 promulgated by the Director. "Employee" also includes an
33 owner and a full-time employee in the service of a qualified
34 small business, as determined according to rules promulgated

1 by the Director.

2 (l) "Member" means an employee, annuitant, retired
3 employee or survivor.

4 (m) "Optional coverages or benefits" means those
5 coverages or benefits available to the member on his or her
6 voluntary election, and at his or her own expense.

7 (n) "Program" means the group life insurance, health
8 benefits and other employee benefits designed and contracted
9 for by the Director under this Act.

10 (o) "Health plan" means a health benefits program
11 offered by the State of Illinois for persons eligible for the
12 plan.

13 (p) "Retired employee" means any person who would be an
14 annuitant as that term is defined herein but for the fact
15 that such person retired prior to January 1, 1966. Such term
16 also includes any person formerly employed by the University
17 of Illinois in the Cooperative Extension Service who would be
18 an annuitant but for the fact that such person was made
19 ineligible to participate in the State Universities
20 Retirement System by clause (4) of subsection (a) of Section
21 15-107 of the Illinois Pension Code.

22 (q) "Survivor" means a person receiving an annuity as a
23 survivor of an employee or of an annuitant. "Survivor" also
24 includes: (1) the surviving dependent of a person who
25 satisfies the definition of "employee" except that such
26 person is made ineligible to participate in the State
27 Universities Retirement System by clause (4) of subsection
28 (a) of Section 15-107 of the Illinois Pension Code; and (2)
29 the surviving dependent of any person formerly employed by
30 the University of Illinois in the Cooperative Extension
31 Service who would be an annuitant except for the fact that
32 such person was made ineligible to participate in the State
33 Universities Retirement System by clause (4) of subsection
34 (a) of Section 15-107 of the Illinois Pension Code.

1 (q-5) "New SERS survivor" means a survivor, as defined
2 in subsection (q), whose annuity is paid under Article 14 of
3 the Illinois Pension Code and is based on the death of (i) an
4 employee whose death occurs on or after January 1, 1998, or
5 (ii) a new SERS annuitant as defined in subsection (b-5).

6 (q-6) "New SERS survivor" means a survivor, as defined
7 in subsection (q), whose annuity is paid under Article 15 of
8 the Illinois Pension Code and is based on the death of (i) an
9 employee whose death occurs on or after January 1, 1998, or
10 (ii) a new SERS annuitant as defined in subsection (b-6).

11 (q-7) "New TRS State survivor" means a survivor, as
12 defined in subsection (q), whose annuity is paid under
13 Article 16 of the Illinois Pension Code and is based on the
14 death of (i) an employee who is a teacher as defined in
15 paragraph (2), (3), or (5) of Section 16-106 of that Code and
16 whose death occurs on or after July 1, 1998, or (ii) a new
17 TRS State annuitant as defined in subsection (b-7).

18 (r) "Medical services" means the services provided
19 within the scope of their licenses by practitioners in all
20 categories licensed under the Medical Practice Act of 1987.

21 (s) "Unit of local government" means any county,
22 municipality, township, school district (including a
23 combination of school districts under the Intergovernmental
24 Cooperation Act), special district or other unit, designated
25 as a unit of local government by law, which exercises limited
26 governmental powers or powers in respect to limited
27 governmental subjects, any not-for-profit association with a
28 membership that primarily includes townships and township
29 officials, that has duties that include provision of research
30 service, dissemination of information, and other acts for the
31 purpose of improving township government, and that is funded
32 wholly or partly in accordance with Section 85-15 of the
33 Township Code; any not-for-profit corporation or association,
34 with a membership consisting primarily of municipalities,

1 that operates its own utility system, and provides research,
 2 training, dissemination of information, or other acts to
 3 promote cooperation between and among municipalities that
 4 provide utility services and for the advancement of the goals
 5 and purposes of its membership; the Southern Illinois
 6 Collegiate Common Market, which is a consortium of higher
 7 education institutions in Southern Illinois; and the Illinois
 8 Association of Park Districts. "Qualified local government"
 9 means a unit of local government approved by the Director and
 10 participating in a program created under subsection (i) of
 11 Section 10 of this Act.

12 (t) "Qualified rehabilitation facility" means any
 13 not-for-profit organization that is accredited by the
 14 Commission on Accreditation of Rehabilitation Facilities or
 15 certified by the Department of Human Services (as successor
 16 to the Department of Mental Health and Developmental
 17 Disabilities) to provide services to persons with
 18 disabilities and which receives funds from the State of
 19 Illinois for providing those services, approved by the
 20 Director and participating in a program created under
 21 subsection (j) of Section 10 of this Act.

22 (u) "Qualified domestic violence shelter or service"
 23 means any Illinois domestic violence shelter or service and
 24 its administrative offices funded by the Department of Human
 25 Services (as successor to the Illinois Department of Public
 26 Aid), approved by the Director and participating in a program
 27 created under subsection (k) of Section 10.

28 (v) "TRS benefit recipient" means a person who:
 29 (1) is not a "member" as defined in this Section;
 30 and
 31 (2) is receiving a monthly benefit or retirement
 32 annuity under Article 16 of the Illinois Pension Code;
 33 and
 34 (3) either (i) has at least 8 years of creditable

1 service under Article 16 of the Illinois Pension Code, or
2 (ii) was enrolled in the health insurance program offered
3 under that Article on January 1, 1996, or (iii) is the
4 survivor of a benefit recipient who had at least 8 years
5 of creditable service under Article 16 of the Illinois
6 Pension Code or was enrolled in the health insurance
7 program offered under that Article on the effective date
8 of this amendatory Act of 1995, or (iv) is a recipient or
9 survivor of a recipient of a disability benefit under
10 Article 16 of the Illinois Pension Code.

11 (w) "TRS dependent beneficiary" means a person who:

12 (1) is not a "member" or "dependent" as defined in
13 this Section; and

14 (2) is a TRS benefit recipient's: (A) spouse, (B)
15 dependent parent who is receiving at least half of his or
16 her support from the TRS benefit recipient, or (C)
17 unmarried natural or adopted child who is (i) under age
18 19, or (ii) enrolled as a full-time student in an
19 accredited school, financially dependent upon the TRS
20 benefit recipient, eligible to be claimed as a dependent
21 for income tax purposes, and either is under age 24 or
22 was, on January 1, 1996, participating as a dependent
23 beneficiary in the health insurance program offered under
24 Article 16 of the Illinois Pension Code, or (iii) age 19
25 or over who is mentally or physically handicapped.

26 (x) "Military leave with pay and benefits" refers to
27 individuals in basic training for reserves, special/advanced
28 training, annual training, emergency call up, or activation
29 by the President of the United States with approved pay and
30 benefits.

31 (y) "Military leave without pay and benefits" refers to
32 individuals who enlist for active duty in a regular component
33 of the U.S. Armed Forces or other duty not specified or
34 authorized under military leave with pay and benefits.

1 (z) "Community college benefit recipient" means a person
2 who:

3 (1) is not a "member" as defined in this Section;
4 and

5 (2) is receiving a monthly survivor's annuity or
6 retirement annuity under Article 15 of the Illinois
7 Pension Code; and

8 (3) either (i) was a full-time employee of a
9 community college district or an association of community
10 college boards created under the Public Community College
11 Act (other than an employee whose last employer under
12 Article 15 of the Illinois Pension Code was a community
13 college district subject to Article VII of the Public
14 Community College Act) and was eligible to participate in
15 a group health benefit plan as an employee during the
16 time of employment with a community college district
17 (other than a community college district subject to
18 Article VII of the Public Community College Act) or an
19 association of community college boards, or (ii) is the
20 survivor of a person described in item (i).

21 (aa) "Community college dependent beneficiary" means a
22 person who:

23 (1) is not a "member" or "dependent" as defined in
24 this Section; and

25 (2) is a community college benefit recipient's: (A)
26 spouse, (B) dependent parent who is receiving at least
27 half of his or her support from the community college
28 benefit recipient, or (C) unmarried natural or adopted
29 child who is (i) under age 19, or (ii) enrolled as a
30 full-time student in an accredited school, financially
31 dependent upon the community college benefit recipient,
32 eligible to be claimed as a dependent for income tax
33 purposes and under age 23, or (iii) age 19 or over and
34 mentally or physically handicapped.

1 (bb) "Qualified small business" means a business
2 situated in Illinois having 50 or fewer employees, approved
3 by the Director and participating in a program created under
4 subsection (k-5) of Section 10.

5 (Source: P.A. 91-390, eff. 7-30-99; 91-395, eff. 7-30-99;
6 91-617, eff. 8-19-99; 92-16, eff. 6-28-01; 92-186, eff.
7 1-1-02; 92-204, eff. 8-1-01; 92-651, eff. 7-11-02.)

8 (5 ILCS 375/10) (from Ch. 127, par. 530)

9 Sec. 10. Payments by State; premiums.

10 (a) The State shall pay the cost of basic
11 non-contributory group life insurance and, subject to member
12 paid contributions set by the Department or required by this
13 Section, the basic program of group health benefits on each
14 eligible member, except a member, not otherwise covered by
15 this Act, who has retired as a participating member under
16 Article 2 of the Illinois Pension Code but is ineligible for
17 the retirement annuity under Section 2-119 of the Illinois
18 Pension Code, and part of each eligible member's and retired
19 member's premiums for health insurance coverage for enrolled
20 dependents as provided by Section 9. The State shall pay the
21 cost of the basic program of group health benefits only after
22 benefits are reduced by the amount of benefits covered by
23 Medicare for all members and dependents who are eligible for
24 benefits under Social Security or the Railroad Retirement
25 system or who had sufficient Medicare-covered government
26 employment, except that such reduction in benefits shall
27 apply only to those members and dependents who (1) first
28 become eligible for such Medicare coverage on or after July
29 1, 1992; or (2) are Medicare-eligible members or dependents
30 of a local government unit which began participation in the
31 program on or after July 1, 1992; or (3) remain eligible for,
32 but no longer receive Medicare coverage which they had been
33 receiving on or after July 1, 1992. The Department may

1 determine the aggregate level of the State's contribution on
2 the basis of actual cost of medical services adjusted for
3 age, sex or geographic or other demographic characteristics
4 which affect the costs of such programs.

5 The cost of participation in the basic program of group
6 health benefits for the dependent or survivor of a living or
7 deceased retired employee who was formerly employed by the
8 University of Illinois in the Cooperative Extension Service
9 and would be an annuitant but for the fact that he or she was
10 made ineligible to participate in the State Universities
11 Retirement System by clause (4) of subsection (a) of Section
12 15-107 of the Illinois Pension Code shall not be greater than
13 the cost of participation that would otherwise apply to that
14 dependent or survivor if he or she were the dependent or
15 survivor of an annuitant under the State Universities
16 Retirement System.

17 (a-1) Beginning January 1, 1998, for each person who
18 becomes a new SERS annuitant and participates in the basic
19 program of group health benefits, the State shall contribute
20 toward the cost of the annuitant's coverage under the basic
21 program of group health benefits an amount equal to 5% of
22 that cost for each full year of creditable service upon which
23 the annuitant's retirement annuity is based, up to a maximum
24 of 100% for an annuitant with 20 or more years of creditable
25 service. The remainder of the cost of a new SERS annuitant's
26 coverage under the basic program of group health benefits
27 shall be the responsibility of the annuitant.

28 (a-2) Beginning January 1, 1998, for each person who
29 becomes a new SERS survivor and participates in the basic
30 program of group health benefits, the State shall contribute
31 toward the cost of the survivor's coverage under the basic
32 program of group health benefits an amount equal to 5% of
33 that cost for each full year of the deceased employee's or
34 deceased annuitant's creditable service in the State

1 Employees' Retirement System of Illinois on the date of
2 death, up to a maximum of 100% for a survivor of an employee
3 or annuitant with 20 or more years of creditable service.
4 The remainder of the cost of the new SERS survivor's coverage
5 under the basic program of group health benefits shall be the
6 responsibility of the survivor.

7 (a-3) Beginning January 1, 1998, for each person who
8 becomes a new SURS annuitant and participates in the basic
9 program of group health benefits, the State shall contribute
10 toward the cost of the annuitant's coverage under the basic
11 program of group health benefits an amount equal to 5% of
12 that cost for each full year of creditable service upon which
13 the annuitant's retirement annuity is based, up to a maximum
14 of 100% for an annuitant with 20 or more years of creditable
15 service. The remainder of the cost of a new SURS annuitant's
16 coverage under the basic program of group health benefits
17 shall be the responsibility of the annuitant.

18 (a-4) (Blank).

19 (a-5) Beginning January 1, 1998, for each person who
20 becomes a new SURS survivor and participates in the basic
21 program of group health benefits, the State shall contribute
22 toward the cost of the survivor's coverage under the basic
23 program of group health benefits an amount equal to 5% of
24 that cost for each full year of the deceased employee's or
25 deceased annuitant's creditable service in the State
26 Universities Retirement System on the date of death, up to a
27 maximum of 100% for a survivor of an employee or annuitant
28 with 20 or more years of creditable service. The remainder
29 of the cost of the new SURS survivor's coverage under the
30 basic program of group health benefits shall be the
31 responsibility of the survivor.

32 (a-6) Beginning July 1, 1998, for each person who
33 becomes a new TRS State annuitant and participates in the
34 basic program of group health benefits, the State shall

1 contribute toward the cost of the annuitant's coverage under
2 the basic program of group health benefits an amount equal to
3 5% of that cost for each full year of creditable service as a
4 teacher as defined in paragraph (2), (3), or (5) of Section
5 16-106 of the Illinois Pension Code upon which the
6 annuitant's retirement annuity is based, up to a maximum of
7 100%; except that the State contribution shall be 12.5% per
8 year (rather than 5%) for each full year of creditable
9 service as a regional superintendent or assistant regional
10 superintendent of schools. The remainder of the cost of a
11 new TRS State annuitant's coverage under the basic program of
12 group health benefits shall be the responsibility of the
13 annuitant.

14 (a-7) Beginning July 1, 1998, for each person who
15 becomes a new TRS State survivor and participates in the
16 basic program of group health benefits, the State shall
17 contribute toward the cost of the survivor's coverage under
18 the basic program of group health benefits an amount equal to
19 5% of that cost for each full year of the deceased employee's
20 or deceased annuitant's creditable service as a teacher as
21 defined in paragraph (2), (3), or (5) of Section 16-106 of
22 the Illinois Pension Code on the date of death, up to a
23 maximum of 100%; except that the State contribution shall be
24 12.5% per year (rather than 5%) for each full year of the
25 deceased employee's or deceased annuitant's creditable
26 service as a regional superintendent or assistant regional
27 superintendent of schools. The remainder of the cost of the
28 new TRS State survivor's coverage under the basic program of
29 group health benefits shall be the responsibility of the
30 survivor.

31 (a-8) A new SERS annuitant, new SERS survivor, new SERS
32 annuitant, new SERS survivor, new TRS State annuitant, or new
33 TRS State survivor may waive or terminate coverage in the
34 program of group health benefits. Any such annuitant or

1 survivor who has waived or terminated coverage may enroll or
2 re-enroll in the program of group health benefits only during
3 the annual benefit choice period, as determined by the
4 Director; except that in the event of termination of coverage
5 due to nonpayment of premiums, the annuitant or survivor may
6 not re-enroll in the program.

7 (a-9) No later than May 1 of each calendar year, the
8 Director of Central Management Services shall certify in
9 writing to the Executive Secretary of the State Employees'
10 Retirement System of Illinois the amounts of the Medicare
11 supplement health care premiums and the amounts of the health
12 care premiums for all other retirees who are not Medicare
13 eligible.

14 A separate calculation of the premiums based upon the
15 actual cost of each health care plan shall be so certified.

16 The Director of Central Management Services shall provide
17 to the Executive Secretary of the State Employees' Retirement
18 System of Illinois such information, statistics, and other
19 data as he or she may require to review the premium amounts
20 certified by the Director of Central Management Services.

21 (b) State employees who become eligible for this program
22 on or after January 1, 1980 in positions normally requiring
23 actual performance of duty not less than 1/2 of a normal work
24 period but not equal to that of a normal work period, shall
25 be given the option of participating in the available
26 program. If the employee elects coverage, the State shall
27 contribute on behalf of such employee to the cost of the
28 employee's benefit and any applicable dependent supplement,
29 that sum which bears the same percentage as that percentage
30 of time the employee regularly works when compared to normal
31 work period.

32 (c) The basic non-contributory coverage from the basic
33 program of group health benefits shall be continued for each
34 employee not in pay status or on active service by reason of

1 (1) leave of absence due to illness or injury, (2) authorized
2 educational leave of absence or sabbatical leave, or (3)
3 military leave with pay and benefits. This coverage shall
4 continue until expiration of authorized leave and return to
5 active service, but not to exceed 24 months for leaves under
6 item (1) or (2). This 24-month limitation and the requirement
7 of returning to active service shall not apply to persons
8 receiving ordinary or accidental disability benefits or
9 retirement benefits through the appropriate State retirement
10 system or benefits under the Workers' Compensation or
11 Occupational Disease Act.

12 (d) The basic group life insurance coverage shall
13 continue, with full State contribution, where such person is
14 (1) absent from active service by reason of disability
15 arising from any cause other than self-inflicted, (2) on
16 authorized educational leave of absence or sabbatical leave,
17 or (3) on military leave with pay and benefits.

18 (e) Where the person is in non-pay status for a period
19 in excess of 30 days or on leave of absence, other than by
20 reason of disability, educational or sabbatical leave, or
21 military leave with pay and benefits, such person may
22 continue coverage only by making personal payment equal to
23 the amount normally contributed by the State on such person's
24 behalf. Such payments and coverage may be continued: (1)
25 until such time as the person returns to a status eligible
26 for coverage at State expense, but not to exceed 24 months,
27 (2) until such person's employment or annuitant status with
28 the State is terminated, or (3) for a maximum period of 4
29 years for members on military leave with pay and benefits and
30 military leave without pay and benefits (exclusive of any
31 additional service imposed pursuant to law).

32 (f) The Department shall establish by rule the extent
33 to which other employee benefits will continue for persons in
34 non-pay status or who are not in active service.

1 (g) The State shall not pay the cost of the basic
2 non-contributory group life insurance, program of health
3 benefits and other employee benefits for members who are
4 survivors as defined by paragraphs (1) and (2) of subsection
5 (q) of Section 3 of this Act. The costs of benefits for
6 these survivors shall be paid by the survivors or by the
7 University of Illinois Cooperative Extension Service, or any
8 combination thereof. However, the State shall pay the amount
9 of the reduction in the cost of participation, if any,
10 resulting from the amendment to subsection (a) made by this
11 amendatory Act of the 91st General Assembly.

12 (h) Those persons occupying positions with any
13 department as a result of emergency appointments pursuant to
14 Section 8b.8 of the Personnel Code who are not considered
15 employees under this Act shall be given the option of
16 participating in the programs of group life insurance, health
17 benefits and other employee benefits. Such persons electing
18 coverage may participate only by making payment equal to the
19 amount normally contributed by the State for similarly
20 situated employees. Such amounts shall be determined by the
21 Director. Such payments and coverage may be continued until
22 such time as the person becomes an employee pursuant to this
23 Act or such person's appointment is terminated.

24 (i) Any unit of local government within the State of
25 Illinois may apply to the Director to have its employees,
26 annuitants, and their dependents provided group health
27 coverage under this Act on a non-insured basis. To
28 participate, a unit of local government must agree to enroll
29 all of its employees, who may select coverage under either
30 the State group health benefits plan or a health maintenance
31 organization that has contracted with the State to be
32 available as a health care provider for employees as defined
33 in this Act. A unit of local government must remit the
34 entire cost of providing coverage under the State group

1 health benefits plan or, for coverage under a health
2 maintenance organization, an amount determined by the
3 Director based on an analysis of the sex, age, geographic
4 location, or other relevant demographic variables for its
5 employees, except that the unit of local government shall not
6 be required to enroll those of its employees who are covered
7 spouses or dependents under this plan or another group policy
8 or plan providing health benefits as long as (1) an
9 appropriate official from the unit of local government
10 attests that each employee not enrolled is a covered spouse
11 or dependent under this plan or another group policy or plan,
12 and (2) at least 85% of the employees are enrolled and the
13 unit of local government remits the entire cost of providing
14 coverage to those employees, except that a participating
15 school district must have enrolled at least 85% of its
16 full-time employees who have not waived coverage under the
17 district's group health plan by participating in a component
18 of the district's cafeteria plan. A participating school
19 district is not required to enroll a full-time employee who
20 has waived coverage under the district's health plan,
21 provided that an appropriate official from the participating
22 school district attests that the full-time employee has
23 waived coverage by participating in a component of the
24 district's cafeteria plan. For the purposes of this
25 subsection, "participating school district" includes a unit
26 of local government whose primary purpose is education as
27 defined by the Department's rules.

28 Employees of a participating unit of local government who
29 are not enrolled due to coverage under another group health
30 policy or plan may enroll in the event of a qualifying change
31 in status, special enrollment, special circumstance as
32 defined by the Director, or during the annual Benefit Choice
33 Period. A participating unit of local government may also
34 elect to cover its annuitants. Dependent coverage shall be

1 offered on an optional basis, with the costs paid by the unit
2 of local government, its employees, or some combination of
3 the two as determined by the unit of local government. The
4 unit of local government shall be responsible for timely
5 collection and transmission of dependent premiums.

6 The Director shall annually determine monthly rates of
7 payment, subject to the following constraints:

8 (1) In the first year of coverage, the rates shall
9 be equal to the amount normally charged to State
10 employees for elected optional coverages or for enrolled
11 dependents coverages or other contributory coverages, or
12 contributed by the State for basic insurance coverages on
13 behalf of its employees, adjusted for differences between
14 State employees and employees of the local government in
15 age, sex, geographic location or other relevant
16 demographic variables, plus an amount sufficient to pay
17 for the additional administrative costs of providing
18 coverage to employees of the unit of local government and
19 their dependents.

20 (2) In subsequent years, a further adjustment shall
21 be made to reflect the actual prior years' claims
22 experience of the employees of the unit of local
23 government.

24 In the case of coverage of local government employees
25 under a health maintenance organization, the Director shall
26 annually determine for each participating unit of local
27 government the maximum monthly amount the unit may contribute
28 toward that coverage, based on an analysis of (i) the age,
29 sex, geographic location, and other relevant demographic
30 variables of the unit's employees and (ii) the cost to cover
31 those employees under the State group health benefits plan.
32 The Director may similarly determine the maximum monthly
33 amount each unit of local government may contribute toward
34 coverage of its employees' dependents under a health

1 maintenance organization.

2 Monthly payments by the unit of local government or its
3 employees for group health benefits plan or health
4 maintenance organization coverage shall be deposited in the
5 Local Government Health Insurance Reserve Fund.

6 The Local Government Health Insurance Reserve Fund shall
7 be a continuing fund not subject to fiscal year limitations.
8 All expenditures from this Fund shall be used for payments
9 for health care benefits for local government, domestic
10 violence shelter or service, and rehabilitation facility
11 employees, annuitants, and dependents, and to reimburse the
12 Department or its administrative service organization for all
13 expenses incurred in the administration of benefits. No
14 other State funds may be used for these purposes.

15 A local government employer's participation or desire to
16 participate in a program created under this subsection shall
17 not limit that employer's duty to bargain with the
18 representative of any collective bargaining unit of its
19 employees.

20 (j) Any rehabilitation facility within the State of
21 Illinois may apply to the Director to have its employees,
22 annuitants, and their eligible dependents provided group
23 health coverage under this Act on a non-insured basis. To
24 participate, a rehabilitation facility must agree to enroll
25 all of its employees and remit the entire cost of providing
26 such coverage for its employees, except that the
27 rehabilitation facility shall not be required to enroll those
28 of its employees who are covered spouses or dependents under
29 this plan or another group policy or plan providing health
30 benefits as long as (1) an appropriate official from the
31 rehabilitation facility attests that each employee not
32 enrolled is a covered spouse or dependent under this plan or
33 another group policy or plan, and (2) at least 85% of the
34 employees are enrolled and the rehabilitation facility remits

1 the entire cost of providing coverage to those employees.
2 Employees of a participating rehabilitation facility who are
3 not enrolled due to coverage under another group health
4 policy or plan may enroll in the event of a qualifying change
5 in status, special enrollment, special circumstance as
6 defined by the Director, or during the annual Benefit Choice
7 Period. A participating rehabilitation facility may also
8 elect to cover its annuitants. Dependent coverage shall be
9 offered on an optional basis, with the costs paid by the
10 rehabilitation facility, its employees, or some combination
11 of the 2 as determined by the rehabilitation facility. The
12 rehabilitation facility shall be responsible for timely
13 collection and transmission of dependent premiums.

14 The Director shall annually determine quarterly rates of
15 payment, subject to the following constraints:

16 (1) In the first year of coverage, the rates shall
17 be equal to the amount normally charged to State
18 employees for elected optional coverages or for enrolled
19 dependents coverages or other contributory coverages on
20 behalf of its employees, adjusted for differences between
21 State employees and employees of the rehabilitation
22 facility in age, sex, geographic location or other
23 relevant demographic variables, plus an amount sufficient
24 to pay for the additional administrative costs of
25 providing coverage to employees of the rehabilitation
26 facility and their dependents.

27 (2) In subsequent years, a further adjustment shall
28 be made to reflect the actual prior years' claims
29 experience of the employees of the rehabilitation
30 facility.

31 Monthly payments by the rehabilitation facility or its
32 employees for group health benefits shall be deposited in the
33 Local Government Health Insurance Reserve Fund.

34 (k) Any domestic violence shelter or service within the

1 State of Illinois may apply to the Director to have its
2 employees, annuitants, and their dependents provided group
3 health coverage under this Act on a non-insured basis. To
4 participate, a domestic violence shelter or service must
5 agree to enroll all of its employees and pay the entire cost
6 of providing such coverage for its employees. A
7 participating domestic violence shelter may also elect to
8 cover its annuitants. Dependent coverage shall be offered on
9 an optional basis, with the costs paid by the domestic
10 violence shelter or service, its employees, or some
11 combination of the 2 as determined by the domestic violence
12 shelter or service. The domestic violence shelter or service
13 shall be responsible for timely collection and transmission
14 of dependent premiums.

15 The Director shall annually determine rates of payment,
16 subject to the following constraints:

17 (1) In the first year of coverage, the rates shall
18 be equal to the amount normally charged to State
19 employees for elected optional coverages or for enrolled
20 dependents coverages or other contributory coverages on
21 behalf of its employees, adjusted for differences between
22 State employees and employees of the domestic violence
23 shelter or service in age, sex, geographic location or
24 other relevant demographic variables, plus an amount
25 sufficient to pay for the additional administrative costs
26 of providing coverage to employees of the domestic
27 violence shelter or service and their dependents.

28 (2) In subsequent years, a further adjustment shall
29 be made to reflect the actual prior years' claims
30 experience of the employees of the domestic violence
31 shelter or service.

32 Monthly payments by the domestic violence shelter or
33 service or its employees for group health insurance shall be
34 deposited in the Local Government Health Insurance Reserve

1 Fund.

2 (k-5) Any qualified small business within the State of
3 Illinois may apply to the Director to have its employees,
4 annuitants, and their dependents provided group health
5 coverage under this Act on a non-insured basis. The
6 Department may set a limit on the number of qualified small
7 businesses that may receive group health coverage under this
8 subsection (k-5). In order to control its costs, the
9 Department may designate which plans it will offer to
10 qualified small businesses under this subsection (k-5). Those
11 plans may include, but need not be limited to, minimum,
12 limited, or comprehensive coverage plans; Health Maintenance
13 Organization and Preferred Provider Organization plans; and
14 medical savings plans. The plans may include the utilization
15 of insurance producers in the marketing of coverage under the
16 plans. In offering plans under this subsection (k-5) the
17 Department shall be subject to ratings and minimum coverage
18 in the same manner as a private insurer. Any plan offered
19 under this subsection (k-5) may provide for employee
20 contributions to the cost of the plan. A qualified small
21 business may select one or more of the plans offered by the
22 Department to offer to its employees. To participate, a
23 qualified small business must agree to offer to enroll all of
24 its employees and remit the entire cost of providing such
25 coverage for its employees, except that the qualified small
26 business shall not be required to enroll those of its
27 employees who waive coverage under this subsection (k-5)
28 because they are covered spouses or dependents under another
29 group policy or plan providing health benefits as long as (1)
30 an appropriate official from the qualified small business
31 attests that each employee not enrolled is a covered spouse
32 or dependent under another group policy or plan and (2) at
33 least 75% of the remaining employees are enrolled. A
34 participating qualified small business may also elect to

1 cover its annuitants. Dependent coverage shall be offered on
2 an optional basis, with the costs paid by the small business,
3 its employees, or some combination of the 2 as determined by
4 the qualified small business. The qualified small business
5 shall be responsible for timely collection and transmission
6 of all premiums.

7 The Director shall annually determine rates of payment
8 taking into consideration, among other things, the following:

9 (1) In the first year of coverage, the rates shall
10 be equal to the amount normally charged to State
11 employees for elected optional coverages or for enrolled
12 dependents coverages or other contributory coverages on
13 behalf of its employees, adjusted for differences between
14 State employees and employees of the qualified small
15 business in age, sex, geographic location or other
16 relevant demographic variables, plus an amount sufficient
17 to pay for the additional administrative costs of
18 providing coverage to employees of the qualified small
19 business and their dependents.

20 (2) In subsequent years, a further adjustment shall
21 be made to reflect the actual prior years' claims
22 experience of the employees of the qualified small
23 business.

24 Monthly payments by the qualified small business for
25 group health insurance shall be deposited into the Small
26 Employers Health Insurance Reserve Fund. The Small Employers
27 Health Insurance Reserve Fund shall be a continuing fund not
28 subject to fiscal year limitations. All expenditures from
29 this fund shall be used for payments for health care benefits
30 for employees of qualified small businesses and their
31 annuitants and dependents and to reimburse the Department or
32 its administrative service organization for all expenses
33 incurred in the administration of benefits. No State funds,
34 other than those specifically appropriated, may be used for

1 these purposes.

2 (1) A public community college or entity organized
3 pursuant to the Public Community College Act may apply to the
4 Director initially to have only annuitants not covered prior
5 to July 1, 1992 by the district's health plan provided health
6 coverage under this Act on a non-insured basis. The
7 community college must execute a 2-year contract to
8 participate in the Local Government Health Plan. Any
9 annuitant may enroll in the event of a qualifying change in
10 status, special enrollment, special circumstance as defined
11 by the Director, or during the annual Benefit Choice Period.

12 The Director shall annually determine monthly rates of
13 payment subject to the following constraints: for those
14 community colleges with annuitants only enrolled, first year
15 rates shall be equal to the average cost to cover claims for
16 a State member adjusted for demographics, Medicare
17 participation, and other factors; and in the second year, a
18 further adjustment of rates shall be made to reflect the
19 actual first year's claims experience of the covered
20 annuitants.

21 (1-5) The provisions of subsection (1) become
22 inoperative on July 1, 1999.

23 (m) The Director shall adopt any rules deemed necessary
24 for implementation of this amendatory Act of 1989 (Public Act
25 86-978).

26 (Source: P.A. 91-280, eff. 7-23-99; 91-311; eff. 7-29-99;
27 91-357, eff. 7-29-99; 91-390, eff. 7-30-99; 91-395, eff.
28 7-30-99; 91-617, eff. 8-19-99; 92-16, eff. 6-28-01; revised
29 2-25-02.)

30 (5 ILCS 375/13.2) (from Ch. 127, par. 533.2)

31 Sec. 13.2. Insurance reserve funds; investments. All
32 amounts held in the Health Insurance Reserve Fund, the Group
33 Insurance Premium Fund, the Small Employers Health Insurance

1 Reserve Fund, and the Local Government Health Insurance
2 Reserve Fund shall be invested, at interest, by the State
3 Treasurer. The investments shall be subject to terms,
4 conditions, and limitations imposed by the laws of Illinois
5 on State funds. All income derived from the investments
6 shall accrue and be deposited to the respective funds no less
7 frequently than quarterly. The Health Insurance Reserve
8 Fund, the Small Employers Health Insurance Reserve Fund, and
9 the Local Government Health Insurance Reserve Fund shall be
10 administered by the Director.

11 (Source: P.A. 91-390, eff. 7-30-99.)

12 (5 ILCS 375/15) (from Ch. 127, par. 535)

13 Sec. 15. Administration; rules; audit; review.

14 (a) The Director shall administer this Act and shall
15 prescribe such rules and regulations as are necessary to give
16 full effect to the purposes of this Act.

17 (b) These rules may fix reasonable standards for the
18 group life and group health programs and other benefit
19 programs offered under this Act, and for the contractors
20 providing them.

21 (c) These rules shall specify that covered and optional
22 medical services of the program are services provided within
23 the scope of their licenses by practitioners in all
24 categories licensed under the Medical Practice Act of 1987
25 and shall provide that all eligible persons be fully informed
26 of this specification.

27 (d) These rules shall establish eligibility requirements
28 for members and dependents as may be necessary to supplement
29 or clarify requirements contained in this Act.

30 (e) Each affected department of the State, the State
31 Universities Retirement System, the Teachers' Retirement
32 System, and each qualified local government, rehabilitation
33 facility, or domestic violence shelter or service, or small

1 business shall keep such records, make such certifications,
2 and furnish the Director such information as may be necessary
3 for the administration of this Act, including information
4 concerning number and total amounts of payroll of employees
5 of the department who are paid from trust funds or federal
6 funds.

7 (f) Each member, each community college benefit
8 recipient to whom this Act applies, and each TRS benefit
9 recipient to whom this Act applies shall furnish the
10 Director, in such form as may be required, any information
11 that may be necessary to enroll such member or benefit
12 recipient and, if applicable, his or her dependents or
13 dependent beneficiaries under the programs or plan, including
14 such data as may be required to allow the Director to
15 accumulate statistics on data normally considered in
16 actuarial studies of employee groups. Information about
17 community college benefit recipients and community college
18 dependent beneficiaries shall be furnished through the State
19 Universities Retirement System. Information about TRS
20 benefit recipients and TRS dependent beneficiaries shall be
21 furnished through the Teachers' Retirement System.

22 (g) There shall be audits and reports on the programs
23 authorized and established by this Act prepared by the
24 Director with the assistance of a qualified, independent
25 accounting firm. The reports shall provide information on
26 the experience, and administrative effectiveness and adequacy
27 of the program including, when applicable, recommendations on
28 up-grading of benefits and improvement of the program.

29 (h) Any final order, decision or other determination
30 made, issued or executed by the Director under the provisions
31 of this Act whereby any contractor or person is aggrieved
32 shall be subject to review in accordance with the provisions
33 of the Administrative Review Law and all amendments and
34 modifications thereof, and the rules adopted pursuant

1 thereto, shall apply to and govern all proceedings for the
2 judicial review of final administrative decisions of the
3 Director.

4 (Source: P.A. 90-497, eff. 8-18-97; 91-390, eff. 7-30-99.)

5 Section 10. The State Finance Act is amended by changing
6 Section 25 as follows:

7 (30 ILCS 105/25) (from Ch. 127, par. 161)

8 Sec. 25. Fiscal year limitations.

9 (a) All appropriations shall be available for
10 expenditure for the fiscal year or for a lesser period if the
11 Act making that appropriation so specifies. A deficiency or
12 emergency appropriation shall be available for expenditure
13 only through June 30 of the year when the Act making that
14 appropriation is enacted unless that Act otherwise provides.

15 (b) Outstanding liabilities as of June 30, payable from
16 appropriations which have otherwise expired, may be paid out
17 of the expiring appropriations during the 2-month period
18 ending at the close of business on August 31. Any service
19 involving professional or artistic skills or any personal
20 services by an employee whose compensation is subject to
21 income tax withholding must be performed as of June 30 of the
22 fiscal year in order to be considered an "outstanding
23 liability as of June 30" that is thereby eligible for payment
24 out of the expiring appropriation.

25 However, payment of tuition reimbursement claims under
26 Section 14-7.03 or 18-3 of the School Code may be made by the
27 State Board of Education from its appropriations for those
28 respective purposes for any fiscal year, even though the
29 claims reimbursed by the payment may be claims attributable
30 to a prior fiscal year, and payments may be made at the
31 direction of the State Superintendent of Education from the
32 fund from which the appropriation is made without regard to

1 any fiscal year limitations.

2 Medical payments may be made by the Department of
3 Veterans' Affairs from its appropriations for those purposes
4 for any fiscal year, without regard to the fact that the
5 medical services being compensated for by such payment may
6 have been rendered in a prior fiscal year.

7 Medical payments may be made by the Department of Public
8 Aid and child care payments may be made by the Department of
9 Human Services (as successor to the Department of Public Aid)
10 from appropriations for those purposes for any fiscal year,
11 without regard to the fact that the medical or child care
12 services being compensated for by such payment may have been
13 rendered in a prior fiscal year; and payments may be made at
14 the direction of the Department of Central Management
15 Services from the Health Insurance Reserve Fund, the Small
16 Employers Health Insurance Reserve Fund, and the Local
17 Government Health Insurance Reserve Fund without regard to
18 any fiscal year limitations.

19 Additionally, payments may be made by the Department of
20 Human Services from its appropriations, or any other State
21 agency from its appropriations with the approval of the
22 Department of Human Services, from the Immigration Reform and
23 Control Fund for purposes authorized pursuant to the
24 Immigration Reform and Control Act of 1986, without regard to
25 any fiscal year limitations.

26 Further, with respect to costs incurred in fiscal years
27 2002 and 2003 only, payments may be made by the State
28 Treasurer from its appropriations from the Capital Litigation
29 Trust Fund without regard to any fiscal year limitations.

30 (c) Further, payments may be made by the Department of
31 Public Health and the Department of Human Services (acting as
32 successor to the Department of Public Health under the
33 Department of Human Services Act) from their respective
34 appropriations for grants for medical care to or on behalf of

1 persons suffering from chronic renal disease, persons
2 suffering from hemophilia, rape victims, and premature and
3 high-mortality risk infants and their mothers and for grants
4 for supplemental food supplies provided under the United
5 States Department of Agriculture Women, Infants and Children
6 Nutrition Program, for any fiscal year without regard to the
7 fact that the services being compensated for by such payment
8 may have been rendered in a prior fiscal year.

9 (d) The Department of Public Health and the Department
10 of Human Services (acting as successor to the Department of
11 Public Health under the Department of Human Services Act)
12 shall each annually submit to the State Comptroller, Senate
13 President, Senate Minority Leader, Speaker of the House,
14 House Minority Leader, and the respective Chairmen and
15 Minority Spokesmen of the Appropriations Committees of the
16 Senate and the House, on or before December 31, a report of
17 fiscal year funds used to pay for services provided in any
18 prior fiscal year. This report shall document by program or
19 service category those expenditures from the most recently
20 completed fiscal year used to pay for services provided in
21 prior fiscal years.

22 (e) The Department of Public Aid and the Department of
23 Human Services (acting as successor to the Department of
24 Public Aid) shall each annually submit to the State
25 Comptroller, Senate President, Senate Minority Leader,
26 Speaker of the House, House Minority Leader, the respective
27 Chairmen and Minority Spokesmen of the Appropriations
28 Committees of the Senate and the House, on or before November
29 30, a report that shall document by program or service
30 category those expenditures from the most recently completed
31 fiscal year used to pay for (i) services provided in prior
32 fiscal years and (ii) services for which claims were received
33 in prior fiscal years.

34 (f) The Department of Human Services (as successor to

1 the Department of Public Aid) shall annually submit to the
2 State Comptroller, Senate President, Senate Minority Leader,
3 Speaker of the House, House Minority Leader, and the
4 respective Chairmen and Minority Spokesmen of the
5 Appropriations Committees of the Senate and the House, on or
6 before December 31, a report of fiscal year funds used to pay
7 for services (other than medical care) provided in any prior
8 fiscal year. This report shall document by program or
9 service category those expenditures from the most recently
10 completed fiscal year used to pay for services provided in
11 prior fiscal years.

12 (g) In addition, each annual report required to be
13 submitted by the Department of Public Aid under subsection
14 (e) shall include the following information with respect to
15 the State's Medicaid program:

16 (1) Explanations of the exact causes of the
17 variance between the previous year's estimated and actual
18 liabilities.

19 (2) Factors affecting the Department of Public
20 Aid's liabilities, including but not limited to numbers
21 of aid recipients, levels of medical service utilization
22 by aid recipients, and inflation in the cost of medical
23 services.

24 (3) The results of the Department's efforts to
25 combat fraud and abuse.

26 (h) As provided in Section 4 of the General Assembly
27 Compensation Act, any utility bill for service provided to a
28 General Assembly member's district office for a period
29 including portions of 2 consecutive fiscal years may be paid
30 from funds appropriated for such expenditure in either fiscal
31 year.

32 (i) An agency which administers a fund classified by the
33 Comptroller as an internal service fund may issue rules for:

34 (1) billing user agencies in advance based on

1 estimated charges for goods or services;
2 (2) issuing credits during the subsequent fiscal
3 year for all user agency payments received during the
4 prior fiscal year which were in excess of the final
5 amounts owed by the user agency for that period; and
6 (3) issuing catch-up billings to user agencies
7 during the subsequent fiscal year for amounts remaining
8 due when payments received from the user agency during
9 the prior fiscal year were less than the total amount
10 owed for that period.

11 User agencies are authorized to reimburse internal service
12 funds for catch-up billings by vouchers drawn against their
13 respective appropriations for the fiscal year in which the
14 catch-up billing was issued.

15 (Source: P.A. 92-885, eff. 1-13-03.)

16 Section 99. Effective date. This Act takes effect on
17 January 1, 2004.