

1 AN ACT concerning insurance.

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

4 Section 5. The Comprehensive Health Insurance Plan Act is  
5 amended by changing Section 3 as follows:

6 (215 ILCS 105/3) (from Ch. 73, par. 1303)

7 Sec. 3. Operation of the Plan.

8 a. There is hereby created an Illinois Comprehensive Health  
9 Insurance Plan.

10 b. The Plan shall operate subject to the supervision and  
11 control of the board. The board is created as a political  
12 subdivision and body politic and corporate and, as such, is not  
13 a State agency. The board shall consist of 10 public members,  
14 appointed by the Governor with the advice and consent of the  
15 Senate.

16 Initial members shall be appointed to the Board by the  
17 Governor as follows: 2 members to serve until July 1, 1988, and  
18 until their successors are appointed and qualified; 2 members  
19 to serve until July 1, 1989, and until their successors are  
20 appointed and qualified; 3 members to serve until July 1, 1990,  
21 and until their successors are appointed and qualified; and 3  
22 members to serve until July 1, 1991, and until their successors  
23 are appointed and qualified. As terms of initial members  
24 expire, their successors shall be appointed for terms to expire  
25 the first day in July 3 years thereafter, and until their  
26 successors are appointed and qualified.

27 Any vacancy in the Board occurring for any reason other  
28 than the expiration of a term shall be filled for the unexpired  
29 term in the same manner as the original appointment.

30 Any member of the Board may be removed by the Governor for  
31 neglect of duty, misfeasance, malfeasance, or nonfeasance in  
32 office.

1           In addition, a representative of the Governor's Office of  
2 Management and Budget, a representative of the Office of the  
3 Attorney General and the Director or the Director's designated  
4 representative shall be members of the board. Four members of  
5 the General Assembly, one each appointed by the President and  
6 Minority Leader of the Senate and by the Speaker and Minority  
7 Leader of the House of Representatives, shall serve as  
8 nonvoting members of the board. At least 2 of the public  
9 members shall be individuals reasonably expected to qualify for  
10 coverage under the Plan, the parent or spouse of such an  
11 individual, or a surviving family member of an individual who  
12 could have qualified for the plan during his lifetime. The  
13 Director or Director's representative shall be the chairperson  
14 of the board. Members of the board shall receive no  
15 compensation, but shall be reimbursed for reasonable expenses  
16 incurred in the necessary performance of their duties.

17           c. The board shall make an annual report in September and  
18 shall file the report with the Secretary of the Senate and the  
19 Clerk of the House of Representatives. The report shall  
20 summarize the activities of the Plan in the preceding calendar  
21 year, including net written and earned premiums, the expense of  
22 administration, the paid and incurred losses for the year and  
23 other information as may be requested by the General Assembly.  
24 The report shall also include analysis and recommendations  
25 regarding utilization review, quality assurance and access to  
26 cost effective quality health care.

27           d. In its plan of operation the board shall:

28               (1) Establish procedures for selecting a plan  
29 administrator in accordance with Section 5 of this Act.

30               (2) Establish procedures for the operation of the  
31 board.

32               (3) Create a Plan fund, under management of the board,  
33 to fund administrative, claim, and other expenses of the  
34 Plan.

35               (4) Establish procedures for the handling and  
36 accounting of assets and monies of the Plan.

1           (5) Develop and implement a program to publicize the  
2           existence of the Plan, the eligibility requirements and  
3           procedures for enrollment and to maintain public awareness  
4           of the Plan.

5           (6) Establish procedures under which applicants and  
6           participants may have grievances reviewed by a grievance  
7           committee appointed by the board. The grievances shall be  
8           reported to the board immediately after completion of the  
9           review. The Department and the board shall retain all  
10          written complaints regarding the Plan for at least 3 years.  
11          Oral complaints shall be reduced to written form and  
12          maintained for at least 3 years.

13          (7) Provide for other matters as may be necessary and  
14          proper for the execution of its powers, duties and  
15          obligations under the Plan.

16          e. No later than 5 years after the Plan is operative the  
17          board and the Department shall conduct cooperatively a study of  
18          the Plan and the persons insured by the Plan to determine: (1)  
19          claims experience including a breakdown of medical conditions  
20          for which claims were paid; (2) whether availability of the  
21          Plan affected employment opportunities for participants; (3)  
22          whether availability of the Plan affected the receipt of  
23          medical assistance benefits by Plan participants; (4) whether a  
24          change occurred in the number of personal bankruptcies due to  
25          medical or other health related costs; (5) data regarding all  
26          complaints received about the Plan including its operation and  
27          services; (6) and any other significant observations regarding  
28          utilization of the Plan. The study shall culminate in a written  
29          report to be presented to the Governor, the President of the  
30          Senate, the Speaker of the House and the chairpersons of the  
31          House and Senate Insurance Committees. The report shall be  
32          filed with the Secretary of the Senate and the Clerk of the  
33          House of Representatives. The report shall also be available to  
34          members of the general public upon request.

35          (e-5) The board shall conduct a feasibility study of  
36          establishing a small employer health insurance pool in which

1 employers may provide affordable health insurance coverage to  
2 their employees. The board may contract with a private entity  
3 or enter into intergovernmental agreements with State agencies  
4 for the completion of all or part of the study. The study  
5 shall:

6 (i) Analyze other states' experience in establishing  
7 small employer health insurance pools;

8 (ii) Assess the need for a small employer health  
9 insurance pool, including the number of individuals who  
10 might benefit from it;

11 (iii) Recommend means of establishing a small employer  
12 health insurance pool; and

13 (iv) Estimate the cost of providing a small employer  
14 health insurance pool through the Illinois Comprehensive  
15 Health Insurance Plan or another, public or private entity.

16 The board may accept donations, in trust, from any legal  
17 source, public or private, for deposit into a trust account  
18 specifically created for expenditure, without the necessity of  
19 being appropriated, solely for the purpose of conducting all or  
20 part of the study. The board shall issue a report with  
21 recommendations to the Governor and the General Assembly by  
22 January 1, 2005. As used in this subsection e-5, "small  
23 employer" means an employer having between one and 50  
24 employees.

25 f. The board may:

26 (1) Prepare and distribute certificate of eligibility  
27 forms and enrollment instruction forms to insurance  
28 producers and to the general public in this State.

29 (2) Provide for reinsurance of risks incurred by the  
30 Plan and enter into reinsurance agreements with insurers to  
31 establish a reinsurance plan for risks of coverage  
32 described in the Plan, or obtain commercial reinsurance to  
33 reduce the risk of loss through the Plan.

34 (3) Issue additional types of health insurance  
35 policies to provide optional coverages as are otherwise  
36 permitted by this Act including a Medicare supplement

1 policy designed to supplement Medicare.

2 (4) Provide for and employ cost containment measures  
3 and requirements including, but not limited to,  
4 preadmission certification, second surgical opinion,  
5 concurrent utilization review programs, and individual  
6 case management for the purpose of making the pool more  
7 cost effective.

8 (5) Design, utilize, contract, or otherwise arrange  
9 for the delivery of cost effective health care services,  
10 including establishing or contracting with preferred  
11 provider organizations, health maintenance organizations,  
12 and other limited network provider arrangements.

13 (6) Adopt bylaws, rules, regulations, policies and  
14 procedures as may be necessary or convenient for the  
15 implementation of the Act and the operation of the Plan.

16 (7) Administer separate pools, separate accounts, or  
17 other plans or arrangements as required by this Act to  
18 separate federally eligible individuals or groups of  
19 federally eligible individuals who qualify for plan  
20 coverage under Section 15 of this Act from eligible persons  
21 or groups of eligible persons who qualify for plan coverage  
22 under Section 7 of this Act and apportion the costs of the  
23 administration among such separate pools, separate  
24 accounts, or other plans or arrangements.

25 g. The Director may, by rule, establish additional powers  
26 and duties of the board and may adopt rules for any other  
27 purposes, including the operation of the Plan, as are necessary  
28 or proper to implement this Act.

29 h. The board is not liable for any obligation of the Plan.  
30 There is no liability on the part of any member or employee of  
31 the board or the Department, and no cause of action of any  
32 nature may arise against them, for any action taken or omission  
33 made by them in the performance of their powers and duties  
34 under this Act, unless the action or omission constitutes  
35 willful or wanton misconduct. The board may provide in its  
36 bylaws or rules for indemnification of, and legal

1 representation for, its members and employees.

2 i. There is no liability on the part of any insurance  
3 producer for the failure of any applicant to be accepted by the  
4 Plan unless the failure of the applicant to be accepted by the  
5 Plan is due to an act or omission by the insurance producer  
6 which constitutes willful or wanton misconduct.

7 (Source: P.A. 92-597, eff. 6-28-02; 93-622, eff. 12-18-03.)

8 Section 99. Effective date. This Act takes effect upon  
9 becoming law.