



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

Introduced 02/09/04, by Carolyn H. Krause - Elizabeth Coulson,
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SYNOPSIS AS INTRODUCED:

5 ILCS 375/3	from Ch. 127, par. 523
5 ILCS 375/10	from Ch. 127, par. 530
20 ILCS 2310/2310-610 new	

Amends the State Employees Group Insurance Act of 1971. Permits long-term health care entities to provide their employees and annuitants, and their dependents, group health insurance coverage through participation in the State employee group health insurance program. Amends the Department of Public Health Powers and Duties Law of the Civil Administrative Code of Illinois. Requires that the Director of Public Health serve as (i) coordinator of loan forgiveness, grant, tuition waiver, and training programs for long-term health care workers and (ii) a clearinghouse for information on programs available to those workers. Effective immediately.

LRB093 20172 JAM 45917 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning public health.

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

4 Section 5. The State Employees Group Insurance Act of 1971
5 is amended by changing Sections 3 and 10 as follows:

6 (5 ILCS 375/3) (from Ch. 127, par. 523)

7 Sec. 3. Definitions. Unless the context otherwise
8 requires, the following words and phrases as used in this Act
9 shall have the following meanings. The Department may define
10 these and other words and phrases separately for the purpose of
11 implementing specific programs providing benefits under this
12 Act.

13 (a) "Administrative service organization" means any
14 person, firm or corporation experienced in the handling of
15 claims which is fully qualified, financially sound and capable
16 of meeting the service requirements of a contract of
17 administration executed with the Department.

18 (b) "Annuitant" means (1) an employee who retires, or has
19 retired, on or after January 1, 1966 on an immediate annuity
20 under the provisions of Articles 2, 14, 15 (including an
21 employee who has retired under the optional retirement program
22 established under Section 15-158.2), paragraphs (2), (3), or
23 (5) of Section 16-106, or Article 18 of the Illinois Pension
24 Code; (2) any person who was receiving group insurance coverage
25 under this Act as of March 31, 1978 by reason of his status as
26 an annuitant, even though the annuity in relation to which such
27 coverage was provided is a proportional annuity based on less
28 than the minimum period of service required for a retirement
29 annuity in the system involved; (3) any person not otherwise
30 covered by this Act who has retired as a participating member
31 under Article 2 of the Illinois Pension Code but is ineligible
32 for the retirement annuity under Section 2-119 of the Illinois

1 Pension Code; (4) the spouse of any person who is receiving a
2 retirement annuity under Article 18 of the Illinois Pension
3 Code and who is covered under a group health insurance program
4 sponsored by a governmental employer other than the State of
5 Illinois and who has irrevocably elected to waive his or her
6 coverage under this Act and to have his or her spouse
7 considered as the "annuitant" under this Act and not as a
8 "dependent"; or (5) an employee who retires, or has retired,
9 from a qualified position, as determined according to rules
10 promulgated by the Director, under a qualified local government
11 or a qualified rehabilitation facility or a qualified domestic
12 violence shelter or service. (For definition of "retired
13 employee", see (p) post).

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

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

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

36 (c) "Carrier" means (1) an insurance company, a corporation

1 organized under the Limited Health Service Organization Act or
2 the Voluntary Health Services Plan Act, a partnership, or other
3 nongovernmental organization, which is authorized to do group
4 life or group health insurance business in Illinois, or (2) the
5 State of Illinois as a self-insurer.

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

26 (e) "Commission" means the State Employees Group Insurance
27 Advisory Commission authorized by this Act. Commencing July 1,
28 1984, "Commission" as used in this Act means the Illinois
29 Economic and Fiscal Commission as established by the
30 Legislative Commission Reorganization Act of 1984.

31 (f) "Contributory", when referred to as contributory
32 coverage, shall mean optional coverages or benefits elected by
33 the member toward the cost of which such member makes
34 contribution, or which are funded in whole or in part through
35 the acceptance of a reduction in earnings or the foregoing of
36 an increase in earnings by an employee, as distinguished from

1 noncontributory coverage or benefits which are paid entirely by
2 the State of Illinois without reduction of the member's salary.

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

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

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

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

6 (k) "Employee" means and includes each officer or employee
7 in the service of a department who (1) receives his
8 compensation for service rendered to the department on a
9 warrant issued pursuant to a payroll certified by a department
10 or on a warrant or check issued and drawn by a department upon
11 a trust, federal or other fund or on a warrant issued pursuant
12 to a payroll certified by an elected or duly appointed officer
13 of the State or who receives payment of the performance of
14 personal services on a warrant issued pursuant to a payroll
15 certified by a Department and drawn by the Comptroller upon the
16 State Treasurer against appropriations made by the General
17 Assembly from any fund or against trust funds held by the State
18 Treasurer, and (2) is employed full-time or part-time in a
19 position normally requiring actual performance of duty during
20 not less than 1/2 of a normal work period, as established by
21 the Director in cooperation with each department, except that
22 persons elected by popular vote will be considered employees
23 during the entire term for which they are elected regardless of
24 hours devoted to the service of the State, and (3) except that
25 "employee" does not include any person who is not eligible by
26 reason of such person's employment to participate in one of the
27 State retirement systems under Articles 2, 14, 15 (either the
28 regular Article 15 system or the optional retirement program
29 established under Section 15-158.2) or 18, or under paragraph
30 (2), (3), or (5) of Section 16-106, of the Illinois Pension
31 Code, but such term does include persons who are employed
32 during the 6 month qualifying period under Article 14 of the
33 Illinois Pension Code. Such term also includes any person who
34 (1) after January 1, 1966, is receiving ordinary or accidental
35 disability benefits under Articles 2, 14, 15 (including
36 ordinary or accidental disability benefits under the optional

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

28 (l) "Member" means an employee, annuitant, retired
29 employee or survivor.

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

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

36 (o) "Health plan" means a health benefits program offered

1 by the State of Illinois for persons eligible for the plan.

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

11 (q) "Survivor" means a person receiving an annuity as a
12 survivor of an employee or of an annuitant. "Survivor" also
13 includes: (1) the surviving dependent of a person who satisfies
14 the definition of "employee" except that such person is made
15 ineligible to participate in the State Universities Retirement
16 System by clause (4) of subsection (a) of Section 15-107 of the
17 Illinois Pension Code; and (2) the surviving dependent of any
18 person formerly employed by the University of Illinois in the
19 Cooperative Extension Service who would be an annuitant except
20 for the fact that such person was made ineligible to
21 participate in the State Universities Retirement System by
22 clause (4) of subsection (a) of Section 15-107 of the Illinois
23 Pension Code.

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

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

34 (q-7) "New TRS State survivor" means a survivor, as defined
35 in subsection (q), whose annuity is paid under Article 16 of
36 the Illinois Pension Code and is based on the death of (i) an

1 employee who is a teacher as defined in paragraph (2), (3), or
2 (5) of Section 16-106 of that Code and whose death occurs on or
3 after July 1, 1998, or (ii) a new TRS State annuitant as
4 defined in subsection (b-7).

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

8 (s) "Unit of local government" means any county,
9 municipality, township, school district (including a
10 combination of school districts under the Intergovernmental
11 Cooperation Act), special district or other unit, designated as
12 a unit of local government by law, which exercises limited
13 governmental powers or powers in respect to limited
14 governmental subjects, any not-for-profit association with a
15 membership that primarily includes townships and township
16 officials, that has duties that include provision of research
17 service, dissemination of information, and other acts for the
18 purpose of improving township government, and that is funded
19 wholly or partly in accordance with Section 85-15 of the
20 Township Code; any not-for-profit corporation or association,
21 with a membership consisting primarily of municipalities, that
22 operates its own utility system, and provides research,
23 training, dissemination of information, or other acts to
24 promote cooperation between and among municipalities that
25 provide utility services and for the advancement of the goals
26 and purposes of its membership; the Southern Illinois
27 Collegiate Common Market, which is a consortium of higher
28 education institutions in Southern Illinois; and the Illinois
29 Association of Park Districts. "Qualified local government"
30 means a unit of local government approved by the Director and
31 participating in a program created under subsection (i) of
32 Section 10 of this Act.

33 (s-1) "Long-term care entity" means any entity (i) that is
34 licensed under the Nursing Home Care Act by the Department of
35 Public Health to provide services to the elderly or
36 developmentally disabled, (ii) that participates in Title 18 or

1 Title 19 of the Social Security Act, and (iii) that
2 participates in a program created under subsection (j-1) of
3 Section 10 of this Act.

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

14 (u) "Qualified domestic violence shelter or service" means
15 any Illinois domestic violence shelter or service and its
16 administrative offices funded by the Department of Human
17 Services (as successor to the Illinois Department of Public
18 Aid), approved by the Director and participating in a program
19 created under subsection (k) of Section 10.

20 (v) "TRS benefit recipient" means a person who:

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

22 (2) is receiving a monthly benefit or retirement
23 annuity under Article 16 of the Illinois Pension Code; and

24 (3) either (i) has at least 8 years of creditable
25 service under Article 16 of the Illinois Pension Code, or
26 (ii) was enrolled in the health insurance program offered
27 under that Article on January 1, 1996, or (iii) is the
28 survivor of a benefit recipient who had at least 8 years of
29 creditable service under Article 16 of the Illinois Pension
30 Code or was enrolled in the health insurance program
31 offered under that Article on the effective date of this
32 amendatory Act of 1995, or (iv) is a recipient or survivor
33 of a recipient of a disability benefit under Article 16 of
34 the Illinois Pension Code.

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

36 (1) is not a "member" or "dependent" as defined in this

1 Section; and

2 (2) is a TRS benefit recipient's: (A) spouse, (B)
3 dependent parent who is receiving at least half of his or
4 her support from the TRS benefit recipient, or (C)
5 unmarried natural or adopted child who is (i) under age 19,
6 or (ii) enrolled as a full-time student in an accredited
7 school, financially dependent upon the TRS benefit
8 recipient, eligible to be claimed as a dependent for income
9 tax purposes, and either is under age 24 or was, on January
10 1, 1996, participating as a dependent beneficiary in the
11 health insurance program offered under Article 16 of the
12 Illinois Pension Code, or (iii) age 19 or over who is
13 mentally or physically handicapped.

14 (x) "Military leave with pay and benefits" refers to
15 individuals in basic training for reserves, special/advanced
16 training, annual training, emergency call up, or activation by
17 the President of the United States with approved pay and
18 benefits.

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

23 (z) "Community college benefit recipient" means a person
24 who:

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

26 (2) is receiving a monthly survivor's annuity or
27 retirement annuity under Article 15 of the Illinois Pension
28 Code; and

29 (3) either (i) was a full-time employee of a community
30 college district or an association of community college
31 boards created under the Public Community College Act
32 (other than an employee whose last employer under Article
33 15 of the Illinois Pension Code was a community college
34 district subject to Article VII of the Public Community
35 College Act) and was eligible to participate in a group
36 health benefit plan as an employee during the time of

1 employment with a community college district (other than a
2 community college district subject to Article VII of the
3 Public Community College Act) or an association of
4 community college boards, or (ii) is the survivor of a
5 person described in item (i).

6 (aa) "Community college dependent beneficiary" means a
7 person who:

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

10 (2) is a community college benefit recipient's: (A)
11 spouse, (B) dependent parent who is receiving at least half
12 of his or her support from the community college benefit
13 recipient, or (C) unmarried natural or adopted child who is
14 (i) under age 19, or (ii) enrolled as a full-time student
15 in an accredited school, financially dependent upon the
16 community college benefit recipient, eligible to be
17 claimed as a dependent for income tax purposes and under
18 age 23, or (iii) age 19 or over and mentally or physically
19 handicapped.

20 (Source: P.A. 92-16, eff. 6-28-01; 92-186, eff. 1-1-02; 92-204,
21 eff. 8-1-01; 92-651, eff. 7-11-02; 93-205, eff. 1-1-04.)

22 (5 ILCS 375/10) (from Ch. 127, par. 530)

23 Sec. 10. Payments by State; premiums.

24 (a) The State shall pay the cost of basic non-contributory
25 group life insurance and, subject to member paid contributions
26 set by the Department or required by this Section, the basic
27 program of group health benefits on each eligible member,
28 except a member, not otherwise covered by this Act, who has
29 retired as a participating member under Article 2 of the
30 Illinois Pension Code but is ineligible for the retirement
31 annuity under Section 2-119 of the Illinois Pension Code, and
32 part of each eligible member's and retired member's premiums
33 for health insurance coverage for enrolled dependents as
34 provided by Section 9. The State shall pay the cost of the
35 basic program of group health benefits only after benefits are

1 reduced by the amount of benefits covered by Medicare for all
2 members and dependents who are eligible for benefits under
3 Social Security or the Railroad Retirement system or who had
4 sufficient Medicare-covered government employment, except that
5 such reduction in benefits shall apply only to those members
6 and dependents who (1) first become eligible for such Medicare
7 coverage on or after July 1, 1992; or (2) are Medicare-eligible
8 members or dependents of a local government unit which began
9 participation in the program on or after July 1, 1992; or (3)
10 remain eligible for, but no longer receive Medicare coverage
11 which they had been receiving on or after July 1, 1992. The
12 Department may determine the aggregate level of the State's
13 contribution on the basis of actual cost of medical services
14 adjusted for age, sex or geographic or other demographic
15 characteristics which affect the costs of such programs.

16 The cost of participation in the basic program of group
17 health benefits for the dependent or survivor of a living or
18 deceased retired employee who was formerly employed by the
19 University of Illinois in the Cooperative Extension Service and
20 would be an annuitant but for the fact that he or she was made
21 ineligible to participate in the State Universities Retirement
22 System by clause (4) of subsection (a) of Section 15-107 of the
23 Illinois Pension Code shall not be greater than the cost of
24 participation that would otherwise apply to that dependent or
25 survivor if he or she were the dependent or survivor of an
26 annuitant under the State Universities Retirement System.

27 (a-1) Beginning January 1, 1998, for each person who
28 becomes a new SERS annuitant and participates in the basic
29 program of group health benefits, the State shall contribute
30 toward the cost of the annuitant's coverage under the basic
31 program of group health benefits an amount equal to 5% of that
32 cost for each full year of creditable service upon which the
33 annuitant's retirement annuity is based, up to a maximum of
34 100% for an annuitant with 20 or more years of creditable
35 service. The remainder of the cost of a new SERS annuitant's
36 coverage under the basic program of group health benefits shall

1 be the responsibility of the annuitant.

2 (a-2) Beginning January 1, 1998, for each person who
3 becomes a new SERS survivor and participates in the basic
4 program of group health benefits, the State shall contribute
5 toward the cost of the survivor's coverage under the basic
6 program of group health benefits an amount equal to 5% of that
7 cost for each full year of the deceased employee's or deceased
8 annuitant's creditable service in the State Employees'
9 Retirement System of Illinois on the date of death, up to a
10 maximum of 100% for a survivor of an employee or annuitant with
11 20 or more years of creditable service. The remainder of the
12 cost of the new SERS survivor's coverage under the basic
13 program of group health benefits shall be the responsibility of
14 the survivor.

15 (a-3) Beginning January 1, 1998, for each person who
16 becomes a new SURS annuitant and participates in the basic
17 program of group health benefits, the State shall contribute
18 toward the cost of the annuitant's coverage under the basic
19 program of group health benefits an amount equal to 5% of that
20 cost for each full year of creditable service upon which the
21 annuitant's retirement annuity is based, up to a maximum of
22 100% for an annuitant with 20 or more years of creditable
23 service. The remainder of the cost of a new SURS annuitant's
24 coverage under the basic program of group health benefits shall
25 be the responsibility of the annuitant.

26 (a-4) (Blank).

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

1 new SURS survivor's coverage under the basic program of group
2 health benefits shall be the responsibility of the survivor.

3 (a-6) Beginning July 1, 1998, for each person who becomes a
4 new TRS State annuitant and participates in the basic program
5 of group health benefits, the State shall contribute toward the
6 cost of the annuitant's coverage under the basic program of
7 group health benefits an amount equal to 5% of that cost for
8 each full year of creditable service as a teacher as defined in
9 paragraph (2), (3), or (5) of Section 16-106 of the Illinois
10 Pension Code upon which the annuitant's retirement annuity is
11 based, up to a maximum of 100%; except that the State
12 contribution shall be 12.5% per year (rather than 5%) for each
13 full year of creditable service as a regional superintendent or
14 assistant regional superintendent of schools. The remainder of
15 the cost of a new TRS State annuitant's coverage under the
16 basic program of group health benefits shall be the
17 responsibility of the annuitant.

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

34 (a-8) A new SERS annuitant, new SERS survivor, new SURS
35 annuitant, new SURS survivor, new TRS State annuitant, or new
36 TRS State survivor may waive or terminate coverage in the

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

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

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

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

22 (b) State employees who become eligible for this program on
23 or after January 1, 1980 in positions normally requiring actual
24 performance of duty not less than 1/2 of a normal work period
25 but not equal to that of a normal work period, shall be given
26 the option of participating in the available program. If the
27 employee elects coverage, the State shall contribute on behalf
28 of such employee to the cost of the employee's benefit and any
29 applicable dependent supplement, that sum which bears the same
30 percentage as that percentage of time the employee regularly
31 works when compared to normal 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
35 (1) leave of absence due to illness or injury, (2) authorized
36 educational leave of absence or sabbatical leave, or (3)

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

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

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

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

33 (g) The State shall not pay the cost of the basic
34 non-contributory group life insurance, program of health
35 benefits and other employee benefits for members who are
36 survivors as defined by paragraphs (1) and (2) of subsection

1 (q) of Section 3 of this Act. The costs of benefits for these
2 survivors shall be paid by the survivors or by the University
3 of Illinois Cooperative Extension Service, or any combination
4 thereof. However, the State shall pay the amount of the
5 reduction in the cost of participation, if any, resulting from
6 the amendment to subsection (a) made by this amendatory Act of
7 the 91st General Assembly.

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

20 (i) Any unit of local government within the State of
21 Illinois may apply to the Director to have its employees,
22 annuitants, and their dependents provided group health
23 coverage under this Act on a non-insured basis. To participate,
24 a unit of local government must agree to enroll all of its
25 employees, who may select coverage under either the State group
26 health benefits plan or a health maintenance organization that
27 has contracted with the State to be available as a health care
28 provider for employees as defined in this Act. A unit of local
29 government must remit the entire cost of providing coverage
30 under the State group health benefits plan or, for coverage
31 under a health maintenance organization, an amount determined
32 by the Director based on an analysis of the sex, age,
33 geographic location, or other relevant demographic variables
34 for its employees, except that the unit of local government
35 shall not be required to enroll those of its employees who are
36 covered spouses or dependents under this plan or another group

1 policy or plan providing health benefits as long as (1) an
2 appropriate official from the unit of local government attests
3 that each employee not enrolled is a covered spouse or
4 dependent under this plan or another group policy or plan, and
5 (2) at least 85% of the employees are enrolled and the unit of
6 local government remits the entire cost of providing coverage
7 to those employees, except that a participating school district
8 must have enrolled at least 85% of its full-time employees who
9 have not waived coverage under the district's group health plan
10 by participating in a component of the district's cafeteria
11 plan. A participating school district is not required to enroll
12 a full-time employee who has waived coverage under the
13 district's health plan, provided that an appropriate official
14 from the participating school district attests that the
15 full-time employee has waived coverage by participating in a
16 component of the district's cafeteria plan. For the purposes of
17 this subsection, "participating school district" includes a
18 unit of local government whose primary purpose is education as
19 defined by the Department's rules.

20 Employees of a participating unit of local government who
21 are not enrolled due to coverage under another group health
22 policy or plan may enroll in the event of a qualifying change
23 in status, special enrollment, special circumstance as defined
24 by the Director, or during the annual Benefit Choice Period. A
25 participating unit of local government may also elect to cover
26 its annuitants. Dependent coverage shall be offered on an
27 optional basis, with the costs paid by the unit of local
28 government, its employees, or some combination of the two as
29 determined by the unit of local government. The unit of local
30 government shall be responsible for timely collection and
31 transmission of dependent premiums.

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

- 34 (1) In the first year of coverage, the rates shall be
35 equal to the amount normally charged to State employees for
36 elected optional coverages or for enrolled dependents

1 coverages or other contributory coverages, or contributed
2 by the State for basic insurance coverages on behalf of its
3 employees, adjusted for differences between State
4 employees and employees of the local government in age,
5 sex, geographic location or other relevant demographic
6 variables, plus an amount sufficient to pay for the
7 additional administrative costs of providing coverage to
8 employees of the unit of local government and their
9 dependents.

10 (2) In subsequent years, a further adjustment shall be
11 made to reflect the actual prior years' claims experience
12 of the employees of the unit of local government.

13 In the case of coverage of local government employees under
14 a health maintenance organization, the Director shall annually
15 determine for each participating unit of local government the
16 maximum monthly amount the unit may contribute toward that
17 coverage, based on an analysis of (i) the age, sex, geographic
18 location, and other relevant demographic variables of the
19 unit's employees and (ii) the cost to cover those employees
20 under the State group health benefits plan. The Director may
21 similarly determine the maximum monthly amount each unit of
22 local government may contribute toward coverage of its
23 employees' dependents under a health maintenance organization.

24 Monthly payments by the unit of local government or its
25 employees for group health benefits plan or health maintenance
26 organization coverage shall be deposited in the Local
27 Government Health Insurance Reserve Fund.

28 The Local Government Health Insurance Reserve Fund shall be
29 a continuing fund not subject to fiscal year limitations. All
30 expenditures from this Fund shall be used for payments for
31 health care benefits for local government, domestic violence
32 shelter or service, and rehabilitation facility employees,
33 annuitants, and dependents, and to reimburse the Department or
34 its administrative service organization for all expenses
35 incurred in the administration of benefits. No other State
36 funds may be used for these purposes.

1 A local government employer's participation or desire to
2 participate in a program created under this subsection shall
3 not limit that employer's duty to bargain with the
4 representative of any collective bargaining unit of its
5 employees.

6 (j) Any rehabilitation facility within the State of
7 Illinois may apply to the Director to have its employees,
8 annuitants, and their eligible dependents provided group
9 health coverage under this Act on a non-insured basis. To
10 participate, a rehabilitation facility must agree to enroll all
11 of its employees and remit the entire cost of providing such
12 coverage for its employees, except that the rehabilitation
13 facility shall not be required to enroll those of its employees
14 who are covered spouses or dependents under this plan or
15 another group policy or plan providing health benefits as long
16 as (1) an appropriate official from the rehabilitation facility
17 attests that each employee not enrolled is a covered spouse or
18 dependent under this plan or another group policy or plan, and
19 (2) at least 85% of the employees are enrolled and the
20 rehabilitation facility remits the entire cost of providing
21 coverage to those employees. Employees of a participating
22 rehabilitation facility who are not enrolled due to coverage
23 under another group health policy or plan may enroll in the
24 event of a qualifying change in status, special enrollment,
25 special circumstance as defined by the Director, or during the
26 annual Benefit Choice Period. A participating rehabilitation
27 facility may also elect to cover its annuitants. Dependent
28 coverage shall be offered on an optional basis, with the costs
29 paid by the rehabilitation facility, its employees, or some
30 combination of the 2 as determined by the rehabilitation
31 facility. The rehabilitation facility shall be responsible for
32 timely collection and transmission of dependent premiums.

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

35 (1) In the first year of coverage, the rates shall be
36 equal to the amount normally charged to State employees for

1 elected optional coverages or for enrolled dependents
2 coverages or other contributory coverages on behalf of its
3 employees, adjusted for differences between State
4 employees and employees of the rehabilitation facility in
5 age, sex, geographic location or other relevant
6 demographic variables, plus an amount sufficient to pay for
7 the additional administrative costs of providing coverage
8 to employees of the rehabilitation facility and their
9 dependents.

10 (2) In subsequent years, a further adjustment shall be
11 made to reflect the actual prior years' claims experience
12 of the employees of the rehabilitation facility.

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

16 (j-1) Any long-term care entity within the State of
17 Illinois may apply to the Director to have its employees,
18 annuitants, and their eligible dependents provided group
19 health coverage under this Act on a non-insured basis. To
20 participate, an entity must agree to enroll all of its
21 employees and pay the entire cost of providing the coverage for
22 its employees. A participating entity may also elect to cover
23 its annuitants. Dependent coverage shall be offered on an
24 optional basis with employees, or some combination of the 2 as
25 determined by the entity. The entity shall be responsible for
26 timely collection and transmission of dependent premiums.

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

29 (1) In the first year of coverage, the rates shall be
30 equal to the amount normally charged to State employees for
31 elected optional coverages or for enrolled dependents
32 coverages or other contributory coverages on behalf of its
33 employees, adjusted for differences between State
34 employees and employees of the entity in age, sex,
35 geographic location, or other relevant demographic
36 variables, plus an amount sufficient to pay for the

1 additional administrative costs of providing coverage to
2 employees of the long-term care entity and their
3 dependents.

4 (2) In subsequent years, a further adjustment shall be
5 made to reflect the actual prior years' claims experience
6 of the employees of the entity.

7 Monthly payments by the entity or its employees for group
8 health benefits shall be deposited into the Local Government
9 Health Insurance Reserve Fund.

10 (k) Any domestic violence shelter or service within the
11 State of Illinois may apply to the Director to have its
12 employees, annuitants, and their dependents provided group
13 health coverage under this Act on a non-insured basis. To
14 participate, a domestic violence shelter or service must agree
15 to enroll all of its employees and pay the entire cost of
16 providing such coverage for its employees. A participating
17 domestic violence shelter may also elect to cover its
18 annuitants. Dependent coverage shall be offered on an optional
19 basis, with the costs paid by the domestic violence shelter or
20 service, its employees, or some combination of the 2 as
21 determined by the domestic violence shelter or service. The
22 domestic violence shelter or service shall be responsible for
23 timely collection and transmission of dependent premiums.

24 The Director shall annually determine rates of payment,
25 subject to the following constraints:

26 (1) In the first year of coverage, the rates shall be
27 equal to the amount normally charged to State employees for
28 elected optional coverages or for enrolled dependents
29 coverages or other contributory coverages on behalf of its
30 employees, adjusted for differences between State
31 employees and employees of the domestic violence shelter or
32 service in age, sex, geographic location or other relevant
33 demographic variables, plus an amount sufficient to pay for
34 the additional administrative costs of providing coverage
35 to employees of the domestic violence shelter or service
36 and their dependents.

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

5 Monthly payments by the domestic violence shelter or
6 service or its employees for group health insurance shall be
7 deposited in the Local Government Health Insurance Reserve
8 Fund.

9 (1) A public community college or entity organized pursuant
10 to the Public Community College Act may apply to the Director
11 initially to have only annuitants not covered prior to July 1,
12 1992 by the district's health plan provided health coverage
13 under this Act on a non-insured basis. The community college
14 must execute a 2-year contract to participate in the Local
15 Government Health Plan. Any annuitant may enroll in the event
16 of a qualifying change in status, special enrollment, special
17 circumstance as defined by the Director, or during the annual
18 Benefit Choice Period.

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

27 (1-5) The provisions of subsection (1) become inoperative
28 on July 1, 1999.

29 (m) The Director shall adopt any rules deemed necessary for
30 implementation of this amendatory Act of 1989 (Public Act
31 86-978).

32 (Source: P.A. 91-280, eff. 7-23-99; 91-311; eff. 7-29-99;
33 91-357, eff. 7-29-99; 91-390, eff. 7-30-99; 91-395, eff.
34 7-30-99; 91-617, eff. 8-19-99; 92-16, eff. 6-28-01; revised
35 2-25-02.)

1 Section 10. The Department of Public Health Powers and
2 Duties Law of the Civil Administrative Code of Illinois is
3 amended by adding Section 2310-610 as follows:

4 (20 ILCS 2310/2310-610 new)

5 Sec. 2310-610. Long-term care worker programs. The
6 Director of Public Health shall coordinate all loan
7 forgiveness, grant, and tuition waiver programs and training
8 programs available for licensed and unlicensed health care
9 workers who work or pledge to work in long-term health care
10 settings. The Director shall serve as a clearinghouse on those
11 available programs through the dissemination of information to
12 interested individuals and entities and through the
13 development and performance of public education activities,
14 including outreach.

15 Section 99. Effective date. This Act takes effect upon
16 becoming law.