

1 AMENDMENT TO SENATE BILL 908

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 908 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Insurance Code is amended by  
5 adding Section 352b as follows:

6 (215 ILCS 5/352b new)

7 Sec. 352b. Flexible health plans.

8 (a) The Illinois General Assembly finds that a  
9 significant proportion of the residents of this State are  
10 unable to obtain affordable health insurance coverage. The  
11 General Assembly recognizes the need for individuals and  
12 employers in this State to have the opportunity to choose  
13 health insurance plans that are more affordable and flexible  
14 than standard market policies of accident and health  
15 insurance and the need to increase the availability of health  
16 insurance coverage by authorizing the transaction of this  
17 type of plan or policy by carriers licensed to provide health  
18 insurance in this State. Therefore, it is the intent of the  
19 Illinois General Assembly to expand the availability of  
20 affordable and flexible health insurance options for  
21 individuals and employers by allowing health insurance  
22 carriers to develop alternative approaches to traditional

1 accident and health insurance policies currently offered in  
2 this State. This Section shall in no way prevent carriers  
3 from offering or any individual or employer from choosing in  
4 whole or in part any health insurance coverages that are  
5 offered or mandated under this Code.

6 (b) As used in this Section:

7 "Carrier" means any entity authorized by the Department  
8 to provide a health insurance plan, including a licensed  
9 insurance company, a prepaid hospital or medical service  
10 plan, or a health maintenance organization.

11 "Health benefit plan" means any hospital or medical  
12 expense-incurred policy, hospital or medical service plan  
13 contract, or health maintenance organization subscriber  
14 contract.

15 "Health flex plan" means a health benefit plan offered by  
16 a carrier authorized to transact business in this State that,  
17 either in whole or in part, does not provide State mandated  
18 health benefits.

19 "State mandated health benefits" means coverage for  
20 specific health care services, benefits, or treatment  
21 required by State law or rule, limitations or restrictions on  
22 deductibles, coinsurance, copayments, or any annual or  
23 lifetime maximum benefit amounts, or inclusion of a specific  
24 health care provider to be provided to a person covered under  
25 a health benefit plan issued in the State of Illinois. "State  
26 mandated health benefits" does not mean standard provisions  
27 or rights required to be present in a health benefit plan  
28 pursuant to state law or regulations including, but not  
29 limited to, those contained in Article IV of the Health  
30 Maintenance Organization Act, Sections 356b through 356L,  
31 Sections 356n through 356z.2, Section 367b, Section 367e,  
32 Section 367i, Section 367.2, and Section 370c of the Illinois  
33 Insurance Code.

34 (c)In addition to offering within this State health

1 benefit plans that must contain State mandated health  
2 benefits, any carrier authorized to transact business in this  
3 State shall be authorized to offer, as an option, a health  
4 flex plan beginning on January 1, 2004.

5 (d) In each sale of a health benefit plan in which the  
6 proposed group has chosen a health flex plan, the carrier  
7 shall:

8 (1) provide notice that identifies to the  
9 policyholder the State mandated benefits not included in  
10 the health flex plan. Such notice shall be provided by  
11 the employer to each employee participating in the health  
12 flex plan;

13 (2) provide to the policy holder a notice with the  
14 following language in bold type:

15 "This health flex plan, either in whole or in part,  
16 does not provide State mandated health benefits normally  
17 required in accident and health insurance policies in  
18 Illinois. This health flex plan may provide a more  
19 affordable health insurance policy for you, although, at  
20 the same time, it may provide you with fewer health  
21 benefits than those normally included as State mandated  
22 health benefits in policies in Illinois.";

23 (3) provide to the policyholder a statement to be  
24 signed acknowledging that the health flex plan being  
25 purchased does not provide the State mandated health  
26 benefits listed on the form; and

27 (4) maintain the signed notice to provide  
28 information as may be needed by the Director of  
29 Insurance.

30 (e) The Director may promulgate rules as necessary to  
31 implement the provisions of this Section.

32 Section 99. Effective date. This Act takes effect upon  
33 becoming law."