

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

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

26 (5 ILCS 375/3) (from Ch. 127, par. 523)

27 Sec. 3. Definitions. Unless the context otherwise
28 requires, the following words and phrases as used in this Act
29 shall have the following meanings. The Department may define
30 these and other words and phrases separately for the purpose

1 of implementing specific programs providing benefits under
2 this Act.

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

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

1 qualified domestic violence shelter or service; or (6) an
2 owner or employee who retires, or has retired, from a
3 qualified position, as determined according to rules
4 promulgated by the Director, with a qualified small business
5 or as self-employed person. (For definition of "retired
6 employee", see (p) post).

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

13 (b-6) "New SURS annuitant" means a person who (1) on or
14 after January 1, 1998, becomes an annuitant, as defined in
15 subsection (b), by virtue of beginning to receive a
16 retirement annuity under Article 15 of the Illinois Pension
17 Code, (2) has not made the election authorized under Section
18 15-135.1 of the Illinois Pension Code, and (3) is eligible to
19 participate in the basic program of group health benefits
20 provided for annuitants under this Act.

21 (b-7) "New TRS State annuitant" means a person who, on
22 or after July 1, 1998, becomes an annuitant, as defined in
23 subsection (b), by virtue of beginning to receive a
24 retirement annuity under Article 16 of the Illinois Pension
25 Code based on service as a teacher as defined in paragraph
26 (2), (3), or (5) of Section 16-106 of that Code, and is
27 eligible to participate in the basic program of group health
28 benefits provided for annuitants under this Act.

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

1 self-insurer.

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

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

31 (f) "Contributory", when referred to as contributory
32 coverage, shall mean optional coverages or benefits elected
33 by the member toward the cost of which such member makes
34 contribution, or which are funded in whole or in part through

1 the acceptance of a reduction in earnings or the foregoing of
2 an increase in earnings by an employee, as distinguished from
3 noncontributory coverage or benefits which are paid entirely
4 by the State of Illinois without reduction of the member's
5 salary.

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

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

1 person may be enrolled. For the health plan only, the term
2 "dependent" also includes any person who has received after
3 June 30, 2000 an organ transplant and who is financially
4 dependent upon the member and eligible to be claimed as a
5 dependent for income tax purposes.

6 (i) "Director" means the Director of the Illinois
7 Department of Central Management Services.

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

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

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

1 shelter or service, as determined according to rules
2 promulgated by the Director. "Employee" also includes an
3 owner and a full-time employee in the service of a qualified
4 small business and a self-employed person, as determined
5 according to rules promulgated by the Director.

6 (l) "Member" means an employee, annuitant, retired
7 employee or survivor.

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

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

14 (o) "Health plan" means a health benefits program
15 offered by the State of Illinois for persons eligible for the
16 plan.

17 (p) "Retired employee" means any person who would be an
18 annuitant as that term is defined herein but for the fact
19 that such person retired prior to January 1, 1966. Such term
20 also includes any person formerly employed by the University
21 of Illinois in the Cooperative Extension Service who would be
22 an annuitant but for the fact that such person was made
23 ineligible to participate in the State Universities
24 Retirement System by clause (4) of subsection (a) of Section
25 15-107 of the Illinois Pension Code.

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

1 Service who would be an annuitant except for the fact that
2 such person was made ineligible to participate in the State
3 Universities Retirement System by clause (4) of subsection
4 (a) of Section 15-107 of the Illinois Pension Code.

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

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

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

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

25 (s) "Unit of local government" means any county,
26 municipality, township, school district (including a
27 combination of school districts under the Intergovernmental
28 Cooperation Act), special district or other unit, designated
29 as a unit of local government by law, which exercises limited
30 governmental powers or powers in respect to limited
31 governmental subjects, any not-for-profit association with a
32 membership that primarily includes townships and township
33 officials, that has duties that include provision of research
34 service, dissemination of information, and other acts for the

1 purpose of improving township government, and that is funded
2 wholly or partly in accordance with Section 85-15 of the
3 Township Code; any not-for-profit corporation or association,
4 with a membership consisting primarily of municipalities,
5 that operates its own utility system, and provides research,
6 training, dissemination of information, or other acts to
7 promote cooperation between and among municipalities that
8 provide utility services and for the advancement of the goals
9 and purposes of its membership; the Southern Illinois
10 Collegiate Common Market, which is a consortium of higher
11 education institutions in Southern Illinois; and the Illinois
12 Association of Park Districts. "Qualified local government"
13 means a unit of local government approved by the Director and
14 participating in a program created under subsection (i) of
15 Section 10 of this Act.

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

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

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

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

34 and

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

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

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

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

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

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

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

5 (z) "Community college benefit recipient" means a person
6 who:

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

9 (2) is receiving a monthly survivor's annuity or
10 retirement annuity under Article 15 of the Illinois
11 Pension Code; and

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

25 (aa) "Community college dependent beneficiary" means a
26 person who:

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

29 (2) is a community college benefit recipient's: (A)
30 spouse, (B) dependent parent who is receiving at least
31 half of his or her support from the community college
32 benefit recipient, or (C) unmarried natural or adopted
33 child who is (i) under age 19, or (ii) enrolled as a
34 full-time student in an accredited school, financially

1 dependent upon the community college benefit recipient,
2 eligible to be claimed as a dependent for income tax
3 purposes and under age 23, or (iii) age 19 or over and
4 mentally or physically handicapped.

5 (bb) "Qualified small business" means a business
6 situated in Illinois having 25 or fewer employees, approved
7 by the Director and participating in a program created under
8 subsection (k-5) of Section 10.

9 (cc) "Self-employed person" means a person engaged in a
10 business enterprise as a self-employed person or who is
11 conducting another self-employed occupation or profession and
12 is participating in a program created under subsection (k-5)
13 of Section 10.

14 (Source: P.A. 91-390, eff. 7-30-99; 91-395, eff. 7-30-99;
15 91-617, eff. 8-19-99; 92-16, eff. 6-28-01; 92-186, eff.
16 1-1-02; 92-204, eff. 8-1-01; 92-651, eff. 7-11-02.)

17 (5 ILCS 375/10) (from Ch. 127, par. 530)

18 Sec. 10. Payments by State; premiums.

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

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

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

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

1 coverage under the basic program of group health benefits
2 shall be the responsibility of the annuitant.

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

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

27 (a-4) (Blank).

28 (a-5) Beginning January 1, 1998, for each person who
29 becomes a new SURS 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 Universities Retirement System on the date of death, up to a
2 maximum of 100% for a survivor of an employee or annuitant
3 with 20 or more years of creditable service. The remainder
4 of the cost of the new SURS survivor's coverage under the
5 basic program of group health benefits shall be the
6 responsibility of the survivor.

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

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

1 service as a regional superintendent or assistant regional
2 superintendent of schools. The remainder of the cost of the
3 new TRS State survivor's coverage under the basic program of
4 group health benefits shall be the responsibility of the
5 survivor.

6 (a-8) A new SERS annuitant, new SERS survivor, new SURS
7 annuitant, new SURS survivor, new TRS State annuitant, or new
8 TRS State survivor may waive or terminate coverage in the
9 program of group health benefits. Any such annuitant or
10 survivor who has waived or terminated coverage may enroll or
11 re-enroll in the program of group health benefits only during
12 the annual benefit choice period, as determined by the
13 Director; except that in the event of termination of coverage
14 due to nonpayment of premiums, the annuitant or survivor may
15 not re-enroll in the program.

16 (a-9) No later than May 1 of each calendar year, the
17 Director of Central Management Services shall certify in
18 writing to the Executive Secretary of the State Employees'
19 Retirement System of Illinois the amounts of the Medicare
20 supplement health care premiums and the amounts of the health
21 care premiums for all other retirees who are not Medicare
22 eligible.

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

25 The Director of Central Management Services shall provide
26 to the Executive Secretary of the State Employees' Retirement
27 System of Illinois such information, statistics, and other
28 data as he or she may require to review the premium amounts
29 certified by the Director of Central Management Services.

30 (b) State employees who become eligible for this program
31 on or after January 1, 1980 in positions normally requiring
32 actual performance of duty not less than 1/2 of a normal work
33 period but not equal to that of a normal work period, shall
34 be given the option of participating in the available

1 program. If the employee elects coverage, the State shall
2 contribute on behalf of such employee to the cost of the
3 employee's benefit and any applicable dependent supplement,
4 that sum which bears the same percentage as that percentage
5 of time the employee regularly works when compared to normal
6 work period.

7 (c) The basic non-contributory coverage from the basic
8 program of group health benefits shall be continued for each
9 employee not in pay status or on active service by reason of
10 (1) leave of absence due to illness or injury, (2) authorized
11 educational leave of absence or sabbatical leave, or (3)
12 military leave with pay and benefits. This coverage shall
13 continue until expiration of authorized leave and return to
14 active service, but not to exceed 24 months for leaves under
15 item (1) or (2). This 24-month limitation and the requirement
16 of returning to active service shall not apply to persons
17 receiving ordinary or accidental disability benefits or
18 retirement benefits through the appropriate State retirement
19 system or benefits under the Workers' Compensation or
20 Occupational Disease Act.

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

27 (e) Where the person is in non-pay status for a period
28 in excess of 30 days or on leave of absence, other than by
29 reason of disability, educational or sabbatical leave, or
30 military leave with pay and benefits, such person may
31 continue coverage only by making personal payment equal to
32 the amount normally contributed by the State on such person's
33 behalf. Such payments and coverage may be continued: (1)
34 until such time as the person returns to a status eligible

1 for coverage at State expense, but not to exceed 24 months,
2 (2) until such person's employment or annuitant status with
3 the State is terminated, or (3) for a maximum period of 4
4 years for members on military leave with pay and benefits and
5 military leave without pay and benefits (exclusive of any
6 additional service imposed pursuant to law).

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

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

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

33 (i) Any unit of local government within the State of
34 Illinois may apply to the Director to have its employees,

1 annuitants, and their dependents provided group health
2 coverage under this Act on a non-insured basis. To
3 participate, a unit of local government must agree to enroll
4 all of its employees, who may select coverage under either
5 the State group health benefits plan or a health maintenance
6 organization that has contracted with the State to be
7 available as a health care provider for employees as defined
8 in this Act. A unit of local government must remit the
9 entire cost of providing coverage under the State group
10 health benefits plan or, for coverage under a health
11 maintenance organization, an amount determined by the
12 Director based on an analysis of the sex, age, geographic
13 location, or other relevant demographic variables for its
14 employees, except that the unit of local government shall not
15 be required to enroll those of its employees who are covered
16 spouses or dependents under this plan or another group policy
17 or plan providing health benefits as long as (1) an
18 appropriate official from the unit of local government
19 attests that each employee not enrolled is a covered spouse
20 or dependent under this plan or another group policy or plan,
21 and (2) at least 85% of the employees are enrolled and the
22 unit of local government remits the entire cost of providing
23 coverage to those employees, except that a participating
24 school district must have enrolled at least 85% of its
25 full-time employees who have not waived coverage under the
26 district's group health plan by participating in a component
27 of the district's cafeteria plan. A participating school
28 district is not required to enroll a full-time employee who
29 has waived coverage under the district's health plan,
30 provided that an appropriate official from the participating
31 school district attests that the full-time employee has
32 waived coverage by participating in a component of the
33 district's cafeteria plan. For the purposes of this
34 subsection, "participating school district" includes a unit

1 of local government whose primary purpose is education as
2 defined by the Department's rules.

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

15 The Director shall annually determine monthly rates of
16 payment, 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, or
21 contributed by the State for basic insurance coverages on
22 behalf of its employees, adjusted for differences between
23 State employees and employees of the local government in
24 age, sex, geographic location or other relevant
25 demographic variables, plus an amount sufficient to pay
26 for the additional administrative costs of providing
27 coverage to employees of the unit of local government and
28 their dependents.

29 (2) In subsequent years, a further adjustment shall
30 be made to reflect the actual prior years' claims
31 experience of the employees of the unit of local
32 government.

33 In the case of coverage of local government employees
34 under a health maintenance organization, the Director shall

1 annually determine for each participating unit of local
2 government the maximum monthly amount the unit may contribute
3 toward that coverage, based on an analysis of (i) the age,
4 sex, geographic location, and other relevant demographic
5 variables of the unit's employees and (ii) the cost to cover
6 those employees under the State group health benefits plan.
7 The Director may similarly determine the maximum monthly
8 amount each unit of local government may contribute toward
9 coverage of its employees' dependents under a health
10 maintenance organization.

11 Monthly payments by the unit of local government or its
12 employees for group health benefits plan or health
13 maintenance organization coverage shall be deposited in the
14 Local Government Health Insurance Reserve Fund.

15 The Local Government Health Insurance Reserve Fund shall
16 be a continuing fund not subject to fiscal year limitations.
17 All expenditures from this Fund shall be used for payments
18 for health care benefits for local government, domestic
19 violence shelter or service, and rehabilitation facility
20 employees, annuitants, and dependents, and to reimburse the
21 Department or its administrative service organization for all
22 expenses incurred in the administration of benefits. No
23 other State funds may be used for these purposes.

24 A local government employer's participation or desire to
25 participate in a program created under this subsection shall
26 not limit that employer's duty to bargain with the
27 representative of any collective bargaining unit of its
28 employees.

29 (j) Any rehabilitation facility within the State of
30 Illinois may apply to the Director to have its employees,
31 annuitants, and their eligible dependents provided group
32 health coverage under this Act on a non-insured basis. To
33 participate, a rehabilitation facility must agree to enroll
34 all of its employees and remit the entire cost of providing

1 such coverage for its employees, except that the
2 rehabilitation facility shall not be required to enroll those
3 of its employees who are covered spouses or dependents under
4 this plan or another group policy or plan providing health
5 benefits as long as (1) an appropriate official from the
6 rehabilitation facility attests that each employee not
7 enrolled is a covered spouse or dependent under this plan or
8 another group policy or plan, and (2) at least 85% of the
9 employees are enrolled and the rehabilitation facility remits
10 the entire cost of providing coverage to those employees.
11 Employees of a participating rehabilitation facility who are
12 not enrolled due to coverage under another group health
13 policy or plan may enroll in the event of a qualifying change
14 in status, special enrollment, special circumstance as
15 defined by the Director, or during the annual Benefit Choice
16 Period. A participating rehabilitation facility may also
17 elect to cover its annuitants. Dependent coverage shall be
18 offered on an optional basis, with the costs paid by the
19 rehabilitation facility, its employees, or some combination
20 of the 2 as determined by the rehabilitation facility. The
21 rehabilitation facility shall be responsible for timely
22 collection and transmission of dependent premiums.

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

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

1 facility and their dependents.

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

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

9 (k) Any domestic violence shelter or service within the
10 State of Illinois may apply to the Director to have its
11 employees, annuitants, and their dependents provided group
12 health coverage under this Act on a non-insured basis. To
13 participate, a domestic violence shelter or service must
14 agree to enroll all of its employees and pay the entire cost
15 of providing such coverage for its employees. A
16 participating domestic violence shelter may also elect to
17 cover its annuitants. Dependent coverage shall be offered on
18 an optional basis, with the costs paid by the domestic
19 violence shelter or service, its employees, or some
20 combination of the 2 as determined by the domestic violence
21 shelter or service. The domestic violence shelter or service
22 shall be responsible for timely collection and transmission
23 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
27 be equal to the amount normally charged to State
28 employees for elected optional coverages or for enrolled
29 dependents coverages or other contributory coverages on
30 behalf of its employees, adjusted for differences between
31 State employees and employees of the domestic violence
32 shelter or service in age, sex, geographic location or
33 other relevant demographic variables, plus an amount
34 sufficient to pay for the additional administrative costs

1 of providing coverage to employees of the domestic
2 violence shelter or service and their dependents.

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

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

11 (k-5) Any qualified small business or self-employed
12 person within the State of Illinois may apply to the Director
13 to have its employees, annuitants, and their dependents
14 provided group health coverage under this Act on a
15 non-insured basis. To participate, a qualified small
16 business or self-employed person must agree to enroll all of
17 its employees and pay the entire cost of providing such
18 coverage for its employees. A participating qualified small
19 business or self-employed person may also elect to cover its
20 annuitants. Dependent coverage shall be offered on an
21 optional basis, with employees, or some combination of the 2
22 as determined by the qualified small business or
23 self-employed person. The qualified small business or
24 self-employed person shall be responsible for timely
25 collection and transmission of dependent premiums.

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

28 (1) In the first year of coverage, the rates shall
29 be equal to the amount normally charged to State
30 employees for elected optional coverages or for enrolled
31 dependents coverages or other contributory coverages on
32 behalf of its employees, adjusted for differences between
33 State employees and employees of the qualified small
34 business or self-employed person in age, sex, geographic

1 location or other relevant demographic variables, plus an
2 amount sufficient to pay for the additional
3 administrative costs of providing coverage to employees
4 of the qualified small business or self-employed person
5 and their dependents.

6 (2) In subsequent years, a further adjustment shall
7 be made to reflect the actual prior years' claims
8 experience of the employees of the qualified small
9 business or self-employed person.

10 Monthly payments by the qualified small business or
11 self-employed person for group health insurance shall be
12 deposited into the Small Employers Health Insurance Reserve
13 Fund. The Small Employers Health Insurance Reserve Fund
14 shall be a continuing fund not subject to fiscal year
15 limitations. All expenditures from this fund shall be used
16 for payments for health care benefits for self-employed
17 persons and employees of qualified small businesses and their
18 annuitants and dependents and to reimburse the Department or
19 its administrative service organization for all expenses
20 incurred in the administration of benefits. No other State
21 funds may be used for these purposes.

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

32 The Director shall annually determine monthly rates of
33 payment subject to the following constraints: for those
34 community colleges with annuitants only enrolled, first year

1 rates shall be equal to the average cost to cover claims for
2 a State member adjusted for demographics, Medicare
3 participation, and other factors; and in the second year, a
4 further adjustment of rates shall be made to reflect the
5 actual first year's claims experience of the covered
6 annuitants.

7 (l-5) The provisions of subsection (l) become
8 inoperative on July 1, 1999.

9 (m) The Director shall adopt any rules deemed necessary
10 for implementation of this amendatory Act of 1989 (Public Act
11 86-978).

12 (Source: P.A. 91-280, eff. 7-23-99; 91-311; eff. 7-29-99;
13 91-357, eff. 7-29-99; 91-390, eff. 7-30-99; 91-395, eff.
14 7-30-99; 91-617, eff. 8-19-99; 92-16, eff. 6-28-01; revised
15 2-25-02.)

16 (5 ILCS 375/13.2) (from Ch. 127, par. 533.2)

17 Sec. 13.2. Insurance reserve funds; investments. All
18 amounts held in the Health Insurance Reserve Fund, the Group
19 Insurance Premium Fund, the Small Employers Health Insurance
20 Reserve Fund, and the Local Government Health Insurance
21 Reserve Fund shall be invested, at interest, by the State
22 Treasurer. The investments shall be subject to terms,
23 conditions, and limitations imposed by the laws of Illinois
24 on State funds. All income derived from the investments
25 shall accrue and be deposited to the respective funds no less
26 frequently than quarterly. The Health Insurance Reserve
27 Fund, the Small Employers Health Insurance Reserve Fund, and
28 the Local Government Health Insurance Reserve Fund shall be
29 administered by the Director.

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

31 (5 ILCS 375/15) (from Ch. 127, par. 535)

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

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

4 (b) These rules may fix reasonable standards for the
5 group life and group health programs and other benefit
6 programs offered under this Act, and for the contractors
7 providing them.

8 (c) These rules shall specify that covered and optional
9 medical services of the program are services provided within
10 the scope of their licenses by practitioners in all
11 categories licensed under the Medical Practice Act of 1987
12 and shall provide that all eligible persons be fully informed
13 of this specification.

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

17 (e) Each affected department of the State, the State
18 Universities Retirement System, the Teachers' Retirement
19 System, and each qualified local government, rehabilitation
20 facility, ~~or~~ domestic violence shelter or service, small
21 business, or self-employed person shall keep such records,
22 make such certifications, and furnish the Director such
23 information as may be necessary for the administration of
24 this Act, including information concerning number and total
25 amounts of payroll of employees of the department who are
26 paid from trust funds or federal funds.

27 (f) Each member, each community college benefit
28 recipient to whom this Act applies, and each TRS benefit
29 recipient to whom this Act applies shall furnish the
30 Director, in such form as may be required, any information
31 that may be necessary to enroll such member or benefit
32 recipient and, if applicable, his or her dependents or
33 dependent beneficiaries under the programs or plan, including
34 such data as may be required to allow the Director to

1 accumulate statistics on data normally considered in
2 actuarial studies of employee groups. Information about
3 community college benefit recipients and community college
4 dependent beneficiaries shall be furnished through the State
5 Universities Retirement System. Information about TRS
6 benefit recipients and TRS dependent beneficiaries shall be
7 furnished through the Teachers' Retirement System.

8 (g) There shall be audits and reports on the programs
9 authorized and established by this Act prepared by the
10 Director with the assistance of a qualified, independent
11 accounting firm. The reports shall provide information on
12 the experience, and administrative effectiveness and adequacy
13 of the program including, when applicable, recommendations on
14 up-grading of benefits and improvement of the program.

15 (h) Any final order, decision or other determination
16 made, issued or executed by the Director under the provisions
17 of this Act whereby any contractor or person is aggrieved
18 shall be subject to review in accordance with the provisions
19 of the Administrative Review Law and all amendments and
20 modifications thereof, and the rules adopted pursuant
21 thereto, shall apply to and govern all proceedings for the
22 judicial review of final administrative decisions of the
23 Director.

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

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

27 (30 ILCS 105/25) (from Ch. 127, par. 161)

28 Sec. 25. Fiscal year limitations.

29 (a) All appropriations shall be available for
30 expenditure for the fiscal year or for a lesser period if the
31 Act making that appropriation so specifies. A deficiency or
32 emergency appropriation shall be available for expenditure

1 only through June 30 of the year when the Act making that
2 appropriation is enacted unless that Act otherwise provides.

3 (b) Outstanding liabilities as of June 30, payable from
4 appropriations which have otherwise expired, may be paid out
5 of the expiring appropriations during the 2-month period
6 ending at the close of business on August 31. Any service
7 involving professional or artistic skills or any personal
8 services by an employee whose compensation is subject to
9 income tax withholding must be performed as of June 30 of the
10 fiscal year in order to be considered an "outstanding
11 liability as of June 30" that is thereby eligible for payment
12 out of the expiring appropriation.

13 However, payment of tuition reimbursement claims under
14 Section 14-7.03 or 18-3 of the School Code may be made by the
15 State Board of Education from its appropriations for those
16 respective purposes for any fiscal year, even though the
17 claims reimbursed by the payment may be claims attributable
18 to a prior fiscal year, and payments may be made at the
19 direction of the State Superintendent of Education from the
20 fund from which the appropriation is made without regard to
21 any fiscal year limitations.

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

27 Medical payments may be made by the Department of Public
28 Aid and child care payments may be made by the Department of
29 Human Services (as successor to the Department of Public Aid)
30 from appropriations for those purposes for any fiscal year,
31 without regard to the fact that the medical or child care
32 services being compensated for by such payment may have been
33 rendered in a prior fiscal year; and payments may be made at
34 the direction of the Department of Central Management

1 Services from the Health Insurance Reserve Fund, the Small
2 Employers Health Insurance Reserve Fund, and the Local
3 Government Health Insurance Reserve Fund without regard to
4 any fiscal year limitations.

5 Additionally, payments may be made by the Department of
6 Human Services from its appropriations, or any other State
7 agency from its appropriations with the approval of the
8 Department of Human Services, from the Immigration Reform and
9 Control Fund for purposes authorized pursuant to the
10 Immigration Reform and Control Act of 1986, without regard to
11 any fiscal year limitations.

12 Further, with respect to costs incurred in fiscal years
13 2002 and 2003 only, payments may be made by the State
14 Treasurer from its appropriations from the Capital Litigation
15 Trust Fund without regard to any fiscal year limitations.

16 (c) Further, payments may be made by the Department of
17 Public Health and the Department of Human Services (acting as
18 successor to the Department of Public Health under the
19 Department of Human Services Act) from their respective
20 appropriations for grants for medical care to or on behalf of
21 persons suffering from chronic renal disease, persons
22 suffering from hemophilia, rape victims, and premature and
23 high-mortality risk infants and their mothers and for grants
24 for supplemental food supplies provided under the United
25 States Department of Agriculture Women, Infants and Children
26 Nutrition Program, for any fiscal year without regard to the
27 fact that the services being compensated for by such payment
28 may have been rendered in a prior fiscal year.

29 (d) The Department of Public Health and the Department
30 of Human Services (acting as successor to the Department of
31 Public Health under the Department of Human Services Act)
32 shall each annually submit to the State Comptroller, Senate
33 President, Senate Minority Leader, Speaker of the House,
34 House Minority Leader, and the respective Chairmen and

1 Minority Spokesmen of the Appropriations Committees of the
2 Senate and the House, on or before December 31, a report of
3 fiscal year funds used to pay for services provided in any
4 prior fiscal year. This report shall document by program or
5 service category those expenditures from the most recently
6 completed fiscal year used to pay for services provided in
7 prior fiscal years.

8 (e) The Department of Public Aid and the Department of
9 Human Services (acting as successor to the Department of
10 Public Aid) shall each annually submit to the State
11 Comptroller, Senate President, Senate Minority Leader,
12 Speaker of the House, House Minority Leader, the respective
13 Chairmen and Minority Spokesmen of the Appropriations
14 Committees of the Senate and the House, on or before November
15 30, a report that shall document by program or service
16 category those expenditures from the most recently completed
17 fiscal year used to pay for (i) services provided in prior
18 fiscal years and (ii) services for which claims were received
19 in prior fiscal years.

20 (f) The Department of Human Services (as successor to
21 the Department of Public Aid) shall annually submit to the
22 State Comptroller, Senate President, Senate Minority Leader,
23 Speaker of the House, House Minority Leader, and the
24 respective Chairmen and Minority Spokesmen of the
25 Appropriations Committees of the Senate and the House, on or
26 before December 31, a report of fiscal year funds used to pay
27 for services (other than medical care) provided in any prior
28 fiscal year. This report shall document by program or
29 service category those expenditures from the most recently
30 completed fiscal year used to pay for services provided in
31 prior fiscal years.

32 (g) In addition, each annual report required to be
33 submitted by the Department of Public Aid under subsection
34 (e) shall include the following information with respect to

1 the State's Medicaid program:

2 (1) Explanations of the exact causes of the
3 variance between the previous year's estimated and actual
4 liabilities.

5 (2) Factors affecting the Department of Public
6 Aid's liabilities, including but not limited to numbers
7 of aid recipients, levels of medical service utilization
8 by aid recipients, and inflation in the cost of medical
9 services.

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

12 (h) As provided in Section 4 of the General Assembly
13 Compensation Act, any utility bill for service provided to a
14 General Assembly member's district office for a period
15 including portions of 2 consecutive fiscal years may be paid
16 from funds appropriated for such expenditure in either fiscal
17 year.

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

20 (1) billing user agencies in advance based on
21 estimated charges for goods or services;

22 (2) issuing credits during the subsequent fiscal
23 year for all user agency payments received during the
24 prior fiscal year which were in excess of the final
25 amounts owed by the user agency for that period; and

26 (3) issuing catch-up billings to user agencies
27 during the subsequent fiscal year for amounts remaining
28 due when payments received from the user agency during
29 the prior fiscal year were less than the total amount
30 owed for that period.

31 User agencies are authorized to reimburse internal service
32 funds for catch-up billings by vouchers drawn against their
33 respective appropriations for the fiscal year in which the
34 catch-up billing was issued.

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

2 Section 99. Effective date. This Act takes effect on

3 January 1, 2004.