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09400HB3498sam002

LRB094 05056 RAS 46884 a

1 AMENDMENT TO HOUSE BILL 3498

2 AMENDMENT NO. _____. Amend House Bill 3498 on page 1,
3 immediately below line 3, by inserting the following:

4 "Section 5. The Illinois Insurance Code is amended by
5 adding Section 356z.7 as follows:

6 (215 ILCS 5/356z.7 new)

7 Sec. 356z.7. Coverage for hearing aids for minors.

8 (a) An individual or group policy of accident and health
9 insurance or managed care plan that is amended, delivered,
10 issued, or renewed after the effective date of this amendatory
11 Act of the 94th General Assembly must provide coverage for
12 hearing instruments and related services for children from
13 birth to the age of 18 years when a hearing care professional
14 dispenses a hearing instrument to augment communication.

15 (b) As used in this Section:

16 "Hearing care professional" means a person who is a
17 licensed audiologist, a licensed hearing instrument dispenser,
18 or a physician licensed to practice medicine in all its
19 branches.

20 "Hearing instrument" or "hearing aid" means any wearable
21 non-disposable instrument or device designed to aid or
22 compensate for impaired human hearing that cannot be restored
23 either medically or surgically and any parts, attachments, or
24 accessories for the instrument or device, including an ear mold

1 but excluding batteries and cords.

2 "Related services" means those services necessary to
3 assess, select, and adjust or fit the hearing instrument to
4 ensure optimal performance.

5 (c) An insurer shall provide coverage, subject to all
6 applicable co-payments, co-insurance, deductibles, and
7 out-of-pocket limits, for the full cost of one hearing aid per
8 hearing impaired ear, up to \$1,400 every 36 months, and all
9 related services for insured individuals under 18 years of age
10 when the hearing aid is dispensed and the services are provided
11 by a hearing care professional. The insured may choose a higher
12 priced hearing aid and may pay the difference in cost above the
13 \$1,400 limit without any financial or contractual penalty to
14 the insured or the provider of the hearing aid.

15 (d) An insurer shall not be required to pay a claim filed
16 by its insured for the payment of the cost of a hearing aid
17 covered by this Section if less than 3 years prior to the date
18 of the claim its insured filed a claim for payment of the cost
19 of the hearing aid and the claim was paid by any insurer.

20 Section 10. The Health Maintenance Organization Act is
21 amended by changing Section 5-3 as follows:

22 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

23 Sec. 5-3. Insurance Code provisions.

24 (a) Health Maintenance Organizations shall be subject to
25 the provisions of Sections 133, 134, 137, 140, 141.1, 141.2,
26 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5,
27 154.6, 154.7, 154.8, 155.04, 355.2, 356m, 356v, 356w, 356x,
28 356y, 356z.2, 356z.4, 356z.5, 356z.6, 356z.7, 364.01, 367.2,
29 367.2-5, 367i, 368a, 368b, 368c, 368d, 368e, 401, 401.1, 402,
30 403, 403A, 408, 408.2, 409, 412, 444, and 444.1, paragraph (c)
31 of subsection (2) of Section 367, and Articles IIA, VIII 1/2,
32 XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of the Illinois

1 Insurance Code.

2 (b) For purposes of the Illinois Insurance Code, except for
3 Sections 444 and 444.1 and Articles XIII and XIII 1/2, Health
4 Maintenance Organizations in the following categories are
5 deemed to be "domestic companies":

6 (1) a corporation authorized under the Dental Service
7 Plan Act or the Voluntary Health Services Plans Act;

8 (2) a corporation organized under the laws of this
9 State; or

10 (3) a corporation organized under the laws of another
11 state, 30% or more of the enrollees of which are residents
12 of this State, except a corporation subject to
13 substantially the same requirements in its state of
14 organization as is a "domestic company" under Article VIII
15 1/2 of the Illinois Insurance Code.

16 (c) In considering the merger, consolidation, or other
17 acquisition of control of a Health Maintenance Organization
18 pursuant to Article VIII 1/2 of the Illinois Insurance Code,

19 (1) the Director shall give primary consideration to
20 the continuation of benefits to enrollees and the financial
21 conditions of the acquired Health Maintenance Organization
22 after the merger, consolidation, or other acquisition of
23 control takes effect;

24 (2) (i) the criteria specified in subsection (1)(b) of
25 Section 131.8 of the Illinois Insurance Code shall not
26 apply and (ii) the Director, in making his determination
27 with respect to the merger, consolidation, or other
28 acquisition of control, need not take into account the
29 effect on competition of the merger, consolidation, or
30 other acquisition of control;

31 (3) the Director shall have the power to require the
32 following information:

33 (A) certification by an independent actuary of the
34 adequacy of the reserves of the Health Maintenance

1 Organization sought to be acquired;

2 (B) pro forma financial statements reflecting the
3 combined balance sheets of the acquiring company and
4 the Health Maintenance Organization sought to be
5 acquired as of the end of the preceding year and as of
6 a date 90 days prior to the acquisition, as well as pro
7 forma financial statements reflecting projected
8 combined operation for a period of 2 years;

9 (C) a pro forma business plan detailing an
10 acquiring party's plans with respect to the operation
11 of the Health Maintenance Organization sought to be
12 acquired for a period of not less than 3 years; and

13 (D) such other information as the Director shall
14 require.

15 (d) The provisions of Article VIII 1/2 of the Illinois
16 Insurance Code and this Section 5-3 shall apply to the sale by
17 any health maintenance organization of greater than 10% of its
18 enrollee population (including without limitation the health
19 maintenance organization's right, title, and interest in and to
20 its health care certificates).

21 (e) In considering any management contract or service
22 agreement subject to Section 141.1 of the Illinois Insurance
23 Code, the Director (i) shall, in addition to the criteria
24 specified in Section 141.2 of the Illinois Insurance Code, take
25 into account the effect of the management contract or service
26 agreement on the continuation of benefits to enrollees and the
27 financial condition of the health maintenance organization to
28 be managed or serviced, and (ii) need not take into account the
29 effect of the management contract or service agreement on
30 competition.

31 (f) Except for small employer groups as defined in the
32 Small Employer Rating, Renewability and Portability Health
33 Insurance Act and except for medicare supplement policies as
34 defined in Section 363 of the Illinois Insurance Code, a Health

1 Maintenance Organization may by contract agree with a group or
2 other enrollment unit to effect refunds or charge additional
3 premiums under the following terms and conditions:

4 (i) the amount of, and other terms and conditions with
5 respect to, the refund or additional premium are set forth
6 in the group or enrollment unit contract agreed in advance
7 of the period for which a refund is to be paid or
8 additional premium is to be charged (which period shall not
9 be less than one year); and

10 (ii) the amount of the refund or additional premium
11 shall not exceed 20% of the Health Maintenance
12 Organization's profitable or unprofitable experience with
13 respect to the group or other enrollment unit for the
14 period (and, for purposes of a refund or additional
15 premium, the profitable or unprofitable experience shall
16 be calculated taking into account a pro rata share of the
17 Health Maintenance Organization's administrative and
18 marketing expenses, but shall not include any refund to be
19 made or additional premium to be paid pursuant to this
20 subsection (f)). The Health Maintenance Organization and
21 the group or enrollment unit may agree that the profitable
22 or unprofitable experience may be calculated taking into
23 account the refund period and the immediately preceding 2
24 plan years.

25 The Health Maintenance Organization shall include a
26 statement in the evidence of coverage issued to each enrollee
27 describing the possibility of a refund or additional premium,
28 and upon request of any group or enrollment unit, provide to
29 the group or enrollment unit a description of the method used
30 to calculate (1) the Health Maintenance Organization's
31 profitable experience with respect to the group or enrollment
32 unit and the resulting refund to the group or enrollment unit
33 or (2) the Health Maintenance Organization's unprofitable
34 experience with respect to the group or enrollment unit and the

1 resulting additional premium to be paid by the group or
2 enrollment unit.

3 In no event shall the Illinois Health Maintenance
4 Organization Guaranty Association be liable to pay any
5 contractual obligation of an insolvent organization to pay any
6 refund authorized under this Section.

7 (Source: P.A. 92-764, eff. 1-1-03; 93-102, eff. 1-1-04; 93-261,
8 eff. 1-1-04; 93-477, eff. 8-8-03; 93-529, eff. 8-14-03; 93-853,
9 eff. 1-1-05; 93-1000, eff. 1-1-05; revised 10-14-04.)

10 Section 15. The Voluntary Health Services Plans Act is
11 amended by changing Section 10 as follows:

12 (215 ILCS 165/10) (from Ch. 32, par. 604)

13 Sec. 10. Application of Insurance Code provisions. Health
14 services plan corporations and all persons interested therein
15 or dealing therewith shall be subject to the provisions of
16 Articles IIA and XII 1/2 and Sections 3.1, 133, 140, 143, 143c,
17 149, 155.37, 354, 355.2, 356r, 356t, 356u, 356v, 356w, 356x,
18 356y, 356z.1, 356z.2, 356z.4, 356z.5, 356z.6, 356z.7, 364.01,
19 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412,
20 and paragraphs (7) and (15) of Section 367 of the Illinois
21 Insurance Code.

22 (Source: P.A. 92-130, eff. 7-20-01; 92-440, eff. 8-17-01;
23 92-651, eff. 7-11-02; 92-764, eff. 1-1-03; 93-102, eff. 1-1-04;
24 93-529, eff. 8-14-03; 93-853, eff. 1-1-05; 93-1000, eff.
25 1-1-05; revised 10-14-04.)"; and

26 on page 1, line 4, by replacing "Section 5." with "Section
27 20.".