

1 AN ACT concerning insurance.

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

4 Section 5. The Health Maintenance Organization Act is  
5 amended by changing Section 2-3 as follows:

6 (215 ILCS 125/2-3) (from Ch. 111 1/2, par. 1405)

7 Sec. 2-3. Powers of health maintenance organizations. The  
8 powers of a health maintenance organization include, but are  
9 not limited to the following:

10 (a) The purchase, lease, construction, renovation,  
11 operation, or maintenance of hospitals, medical facilities  
12 or both, and their ancillary equipment, and such property  
13 as may reasonably be required for its principal office or  
14 for such other purposes as may be necessary in the  
15 transaction of the business of the organization.

16 (b) The making of loans to a medical group under  
17 contract with it and in furtherance of its program or the  
18 making of loans to a corporation or corporations under its  
19 control for the purpose of acquiring or constructing  
20 medical facilities at hospitals or in furtherance of a  
21 program providing health care services for enrollees.

22 (c) The furnishing of health care services through  
23 providers which are under contract with or employed by the  
24 health maintenance organization.

25 (d) The contracting with any person for the performance  
26 on its behalf of certain functions such as marketing,  
27 enrollment and administration.

28 (e) The contracting with an insurance company licensed  
29 in this State, or with a hospital, medical, dental, vision  
30 or pharmaceutical service corporation authorized to do  
31 business in this State, for the provision of insurance,  
32 indemnity, or reimbursement against the cost of health care

1 service provided by the health maintenance organization.

2 (f) The offering, in addition to basic health care  
3 services, of (1) health care services, (2) indemnity  
4 benefits covering out of area or emergency services, (3)  
5 indemnity benefits provided through insurers or hospital,  
6 medical, dental, vision, or pharmaceutical service  
7 corporations, and (4) health maintenance organization  
8 point-of-service benefits as authorized under Article 4.5.

9 (g) Rendering services related to the functions  
10 involved in the operating of its health maintenance  
11 organization business including but not limited to  
12 providing health services, data processing, accounting, or  
13 claims.

14 (g-5) Indemnification for services provided to a child  
15 as required under subdivision (e) (3) of Section 4-2.

16 (h) Any other business activity reasonably  
17 complementary or supplementary to its health maintenance  
18 organization business to the extent approved by the  
19 Director.

20 Nothing in this Section shall be construed or interpreted  
21 to prohibit or prevent a health care plan that qualifies as a  
22 high deductible health plan, as defined by Section 223 of the  
23 federal Internal Revenue Code, as now or hereafter amended,  
24 from requiring the application of deductibles to benefits  
25 provided under the plan.

26 (Source: P.A. 92-135, eff. 1-1-02.)

27 Section 99. Effective date. This Act takes effect upon  
28 becoming law.