



Sen. Gary Forby

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1 AMENDMENT TO SENATE BILL 1618

2 AMENDMENT NO. _____. Amend Senate Bill 1618 by replacing
3 everything after the enacting clause with the following:

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

6 (5 ILCS 375/10) (from Ch. 127, par. 530)

7 Sec. 10. Payments by State; premiums.

8 (a) The State shall pay the cost of basic non-contributory
9 group life insurance and, subject to member paid contributions
10 set by the Department or required by this Section, the basic
11 program of group health benefits on each eligible member,
12 except a member, not otherwise covered by this Act, who has
13 retired as a participating member under Article 2 of the
14 Illinois Pension Code but is ineligible for the retirement
15 annuity under Section 2-119 of the Illinois Pension Code, and
16 part of each eligible member's and retired member's premiums
17 for health insurance coverage for enrolled dependents as
18 provided by Section 9. The State shall pay the cost of the
19 basic program of group health benefits only after benefits are
20 reduced by the amount of benefits covered by Medicare for all
21 members and dependents who are eligible for benefits under
22 Social Security or the Railroad Retirement system or who had
23 sufficient Medicare-covered government employment, except that
24 such reduction in benefits shall apply only to those members

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

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

22 (a-1) Beginning January 1, 1998, for each person who
23 becomes a new SERS annuitant and participates in the basic
24 program of group health benefits, the State shall contribute
25 toward the cost of the annuitant's coverage under the basic
26 program of group health benefits an amount equal to 5% of that
27 cost for each full year of creditable service upon which the
28 annuitant's retirement annuity is based, up to a maximum of
29 100% for an annuitant with 20 or more years of creditable
30 service. The remainder of the cost of a new SERS annuitant's
31 coverage under the basic program of group health benefits shall
32 be the responsibility of the annuitant. In the case of a new
33 SERS annuitant who has elected to receive an alternative
34 retirement cancellation payment under Section 14-108.5 of the

1 Illinois Pension Code in lieu of an annuity, for the purposes
2 of this subsection the annuitant shall be deemed to be
3 receiving a retirement annuity based on the number of years of
4 creditable service that the annuitant had established at the
5 time of his or her termination of service under SERS.

6 (a-2) Beginning January 1, 1998, for each person who
7 becomes a new SERS survivor and participates in the basic
8 program of group health benefits, the State shall contribute
9 toward the cost of the survivor's coverage under the basic
10 program of group health benefits an amount equal to 5% of that
11 cost for each full year of the deceased employee's or deceased
12 annuitant's creditable service in the State Employees'
13 Retirement System of Illinois on the date of death, up to a
14 maximum of 100% for a survivor of an employee or annuitant with
15 20 or more years of creditable service. The remainder of the
16 cost of the new SERS survivor's coverage under the basic
17 program of group health benefits shall be the responsibility of
18 the survivor. In the case of a new SERS survivor who was the
19 dependent of an annuitant who elected to receive an alternative
20 retirement cancellation payment under Section 14-108.5 of the
21 Illinois Pension Code in lieu of an annuity, for the purposes
22 of this subsection the deceased annuitant's creditable service
23 shall be determined as of the date of termination of service
24 rather than the date of death.

25 (a-3) Beginning January 1, 1998, for each person who
26 becomes a new SURS annuitant and participates in the basic
27 program of group health benefits, the State shall contribute
28 toward the cost of the annuitant's coverage under the basic
29 program of group health benefits an amount equal to 5% of that
30 cost for each full year of creditable service upon which the
31 annuitant's retirement annuity is based, up to a maximum of
32 100% for an annuitant with 20 or more years of creditable
33 service. The remainder of the cost of a new SURS annuitant's
34 coverage under the basic program of group health benefits shall

1 be the responsibility of the annuitant.

2 (a-4) (Blank).

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

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

30 (a-7) Beginning July 1, 1998, for each person who becomes a
31 new TRS State survivor and participates in the basic program of
32 group health benefits, the State shall contribute toward the
33 cost of the survivor's coverage under the basic program of
34 group health benefits an amount equal to 5% of that cost for

1 each full year of the deceased employee's or deceased
2 annuitant's creditable service as a teacher as defined in
3 paragraph (2), (3), or (5) of Section 16-106 of the Illinois
4 Pension Code on the date of death, up to a maximum of 100%;
5 except that the State contribution shall be 12.5% per year
6 (rather than 5%) for each full year of the deceased employee's
7 or deceased annuitant's creditable service as a regional
8 superintendent or assistant regional superintendent of
9 schools. The remainder of the cost of the new TRS State
10 survivor's coverage under the basic program of group health
11 benefits shall be the responsibility of the survivor.

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

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

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

31 The Director of Central Management Services shall provide
32 to the Executive Secretary of the State Employees' Retirement
33 System of Illinois such information, statistics, and other data
34 as he or she may require to review the premium amounts

1 certified by the Director of Central Management Services.

2 (b) State employees who become eligible for this program on
3 or after January 1, 1980 in positions normally requiring actual
4 performance of duty not less than 1/2 of a normal work period
5 but not equal to that of a normal work period, shall be given
6 the option of participating in the available program. If the
7 employee elects coverage, the State shall contribute on behalf
8 of such employee to the cost of the employee's benefit and any
9 applicable dependent supplement, that sum which bears the same
10 percentage as that percentage of time the employee regularly
11 works when compared to normal work period.

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

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

32 (e) Where the person is in non-pay status for a period in
33 excess of 30 days or on leave of absence, other than by reason
34 of disability, educational or sabbatical leave, or military

1 leave with pay and benefits, such person may continue coverage
2 only by making personal payment equal to the amount normally
3 contributed by the State on such person's behalf. Such payments
4 and coverage may be continued: (1) until such time as the
5 person returns to a status eligible for coverage at State
6 expense, but not to exceed 36 ~~24~~ months, (2) until such
7 person's employment or annuitant status with the State is
8 terminated, or (3) for a maximum period of 4 years for members
9 on military leave with pay and benefits and military leave
10 without pay and benefits (exclusive of any additional service
11 imposed pursuant to law).

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

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

26 (h) Those persons occupying positions with any department
27 as a result of emergency appointments pursuant to Section 8b.8
28 of the Personnel Code who are not considered employees under
29 this Act shall be given the option of participating in the
30 programs of group life insurance, health benefits and other
31 employee benefits. Such persons electing coverage may
32 participate only by making payment equal to the amount normally
33 contributed by the State for similarly situated employees. Such
34 amounts shall be determined by the Director. Such payments and

1 coverage may be continued until such time as the person becomes
2 an employee pursuant to this Act or such person's appointment
3 is terminated.

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

1 full-time employee has waived coverage by participating in a
2 component of the district's cafeteria plan. For the purposes of
3 this subsection, "participating school district" includes a
4 unit of local government whose primary purpose is education as
5 defined by the Department's rules.

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

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

20 (1) In the first year of coverage, the rates shall be
21 equal to the amount normally charged to State employees for
22 elected optional coverages or for enrolled dependents
23 coverages or other contributory coverages, or contributed
24 by the State for basic insurance coverages on behalf of its
25 employees, adjusted for differences between State
26 employees and employees of the local government in age,
27 sex, geographic location or other relevant demographic
28 variables, plus an amount sufficient to pay for the
29 additional administrative costs of providing coverage to
30 employees of the unit of local government and their
31 dependents.

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

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

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

16 The Local Government Health Insurance Reserve Fund shall be
17 a continuing fund not subject to fiscal year limitations. All
18 expenditures from this Fund shall be used for payments for
19 health care benefits for local government and rehabilitation
20 facility employees, annuitants, and dependents, and to
21 reimburse the Department or its administrative service
22 organization for all expenses incurred in the administration of
23 benefits. No 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 all
34 of its employees and remit the entire cost of providing such

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

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

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

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

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

20 The Director shall annually determine rates of payment,
21 subject to the following constraints:

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

33 (2) In subsequent years, a further adjustment shall be
34 made to reflect the actual prior years' claims experience

1 of the employees of the domestic violence shelter or
2 service.

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

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

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

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

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

30 (Source: P.A. 92-16, eff. 6-28-01; 93-839, eff. 7-30-04.)

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