



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

SB2592

Introduced 1/20/2006, by Sen. Jeffrey M. Schoenberg

#### SYNOPSIS AS INTRODUCED:

215 ILCS 105/12	from Ch. 73, par. 1312
215 ILCS 105/16 new	
215 ILCS 105/17 new	
215 ILCS 105/18 new	
765 ILCS 1025/18	from Ch. 141, par. 118

Amends the Comprehensive Health Insurance Plan Act. Changes the funding sources for deficits for both federally eligible individuals and all other eligible individuals to the Plan fund and assessments on insurance companies, including stop-loss insurers (now, assessments only for federally eligible individuals and General Assembly appropriation for other eligible individuals). Provides that assessments of stop-loss insurers shall be made on the basis of the number of covered lives. Requires the Comprehensive Health Insurance Board to develop baseline statistics for asthma, diabetes, coronary artery disease, and congestive heart failure as part of any disease management program instituted by the Board. Requires participation in a disease management program established by the Board by any covered person diagnosed with one or more of these diseases and provides penalties for refusal to participate. Requires the Board to contract with the Plan administrator to provide 24-hour telephone access to trained nurses in order to facilitate better patient self-care and to reduce avoidable care and emergency room visits. Requires an amount of money representing the total net receipt of moneys from health insurers by the State as unclaimed property to be deposited into the Plan fund as provided in the Uniform Disposition of Unclaimed Property Act. Amends the Uniform Disposition of Unclaimed Property Act to require the State Treasurer to deposit 95% of the amount in the trust fund exceeding \$2,500,000 into the State Pensions Fund, and to deposit 5% of that amount into the Plan fund. Effective immediately.

LRB094 18970 LJB 54436 b

FISCAL NOTE ACT  
MAY APPLY

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 Comprehensive Health Insurance Plan Act is  
5 amended by changing Section 12 and by adding Sections 16, 17,  
6 and 18 as follows:

7 (215 ILCS 105/12) (from Ch. 73, par. 1312)

8 Sec. 12. Deficit or surplus.

9 a. If premiums or other receipts by the Board exceed the  
10 amount required for the operation of the Plan, including actual  
11 losses and administrative expenses of the Plan, the Board shall  
12 direct that the excess be held at interest, in a bank  
13 designated by the Board, or used to offset future losses or to  
14 reduce Plan premiums. In this subsection, the term "future  
15 losses" includes reserves for incurred but not reported claims.

16 b. Any deficit incurred or expected to be incurred on  
17 behalf of eligible persons who qualify for Plan ~~plan~~ coverage  
18 under Section 7 of this Act or federally eligible individuals  
19 who qualify for Plan coverage under Section 15 of this Act  
20 shall be recouped from the Plan fund ~~by an appropriation made~~  
21 ~~by the General Assembly.~~

22 c. For the purposes of this Section, a deficit shall be  
23 incurred when anticipated losses and incurred but not reported  
24 claims expenses exceed anticipated income from earned premiums  
25 net of administrative expenses.

26 d. Any deficit incurred or expected to be incurred on  
27 behalf of eligible persons who qualify for Plan coverage under  
28 Section 7 of this Act or federally eligible individuals who  
29 qualify for Plan coverage under Section 15 of this Act that  
30 exceeds the amount of funds in the Plan fund shall be recouped  
31 by an assessment of all insurers, as defined in Section 2 of  
32 this Act and including stop-loss insurers, made in accordance

1 with the provisions of this Section. The Board shall within 90  
2 days of the effective date of this amendatory Act of 1997 and  
3 within the first quarter of each fiscal year thereafter assess  
4 all insurers for the anticipated deficit in accordance with the  
5 provisions of this Section. The board may also make additional  
6 assessments no more than 4 times a year to fund unanticipated  
7 deficits, implementation expenses, and cash flow needs.

8 e. An insurer's assessment, other than an assessment of a  
9 stop-loss insurer, shall be determined by multiplying the total  
10 assessment, as determined in subsection d. of this Section, by  
11 a fraction, the numerator of which equals that insurer's direct  
12 Illinois premiums during the preceding calendar year and the  
13 denominator of which equals the total of all insurers' direct  
14 Illinois premiums. Assessments of stop-loss insurers shall be  
15 made on the basis of the number of covered lives of that  
16 insurer. The Board may exempt those insurers whose share as  
17 determined under this subsection would be so minimal as to not  
18 exceed the estimated cost of levying the assessment.

19 f. The Board shall charge and collect from each insurer the  
20 amounts determined to be due under this Section. The assessment  
21 shall be billed by Board invoice based upon the insurer's  
22 direct Illinois premium income as shown in its annual statement  
23 for the preceding calendar year as filed with the Director. The  
24 invoice shall be due upon receipt and must be paid no later  
25 than 30 days after receipt by the insurer.

26 g. When an insurer fails to pay the full amount of any  
27 assessment of \$100 or more due under this Section there shall  
28 be added to the amount due as a penalty the greater of \$50 or an  
29 amount equal to 5% of the deficiency for each month or part of  
30 a month that the deficiency remains unpaid.

31 h. Amounts collected under this Section shall be paid to  
32 the Board for deposit into the Plan Fund authorized by Section  
33 3 of this Act.

34 i. An insurer may petition the Director for an abatement or  
35 deferment of all or part of an assessment imposed by the Board.  
36 The Director may abate or defer, in whole or in part, the

1 assessment if, in the opinion of the Director, payment of the  
2 assessment would endanger the ability of the insurer to fulfill  
3 its contractual obligations. In the event an assessment against  
4 an insurer is abated or deferred in whole or in part, the  
5 amount by which the assessment is abated or deferred shall be  
6 assessed against the other insurers in a manner consistent with  
7 the basis for assessments set forth in this subsection. The  
8 insurer receiving a deferment shall remain liable to the plan  
9 for the deficiency for 4 years.

10 j. The board shall establish procedures for appeal by any  
11 insurer subject to assessment pursuant to this Section. Such  
12 procedures shall require that:

13 (1) Any insurer that wishes to appeal all or any part  
14 of an assessment made pursuant to this Section shall first  
15 pay the amount of the assessment as set forth in the  
16 invoice provided by the board within the time provided in  
17 subsection f. of this Section. The board shall hold such  
18 payments in a separate interest-bearing account. The  
19 payments shall be accompanied by a statement in writing  
20 that the payment is made under appeal. The statement shall  
21 specify the grounds for the appeal. The insurer may be  
22 represented in its appeal by counsel or other  
23 representative of its choosing.

24 (2) Within 90 days following the payment of an  
25 assessment under appeal by any insurer, the board shall  
26 notify the insurer or representative designated by the  
27 insurer in writing of its determination with respect to the  
28 appeal and the basis or bases for that determination unless  
29 the Board notifies the insurer that a reasonable amount of  
30 additional time is required to resolve the issues raised by  
31 the appeal.

32 (3) The board shall refer to the Director any question  
33 concerning the amount of direct Illinois premium income as  
34 shown in an insurer's annual statement for the preceding  
35 calendar year on file with the Director on the invoice date  
36 of the assessment. Unless additional time is required to

1 resolve the question, the Director shall within 60 days  
2 report to the board in writing his determination respecting  
3 the amount of direct Illinois premium income on file on the  
4 invoice date of the assessment.

5 (4) In the event the board determines that the insurer  
6 is entitled to a refund, the refund shall be paid within 30  
7 days following the date upon which the board makes its  
8 determination, together with the accrued interest.  
9 Interest on any refund due an insurer shall be paid at the  
10 rate actually earned by the Board on the separate account.

11 (5) The amount of any such refund shall then be  
12 assessed against all insurers in a manner consistent with  
13 the basis for assessment as otherwise authorized by this  
14 Section.

15 (6) The board's determination with respect to any  
16 appeal received pursuant to this subsection shall be a  
17 final administrative decision as defined in Section 3-101  
18 of the Code of Civil Procedure. The provisions of the  
19 Administrative Review Law shall apply to and govern all  
20 proceedings for the judicial review of final  
21 administrative decisions of the board.

22 (7) If an insurer fails to appeal an assessment in  
23 accordance with the provisions of this subsection, the  
24 insurer shall be deemed to have waived its right of appeal.

25 The provisions of this subsection apply to all assessments  
26 made in any calendar year ending on or after December 31, 1997.

27 (Source: P.A. 90-30, eff. 7-1-97; 90-567, eff. 1-23-98.)

28 (215 ILCS 105/16 new)

29 Sec. 16. Disease management program; required  
30 participation.

31 (a) The Board shall develop baseline statistics for asthma,  
32 diabetes, coronary artery disease, and congestive heart  
33 failure and the co-morbidity of these and other commonly  
34 occurring peripheral diseases among covered persons as part of  
35 any disease management program instituted by the Board.

1       (b) All covered persons diagnosed with any of the diseases  
2       listed in subsection (a) of this Section shall participate in  
3       any disease management program instituted by the Board. A  
4       covered person who refuses to participate in a disease  
5       management program as required by this subsection (b) shall (i)  
6       have his benefits reduced or (ii) be terminated from the Plan,  
7       at the discretion of the Board.

8           (215 ILCS 105/17 new)

9       Sec. 17. Patient hotline. The Board shall contract with the  
10       Plan administrator to provide 24-hour telephone access for  
11       covered persons to a trained nurse in order to facilitate  
12       better patient self-care and to reduce avoidable care and  
13       emergency room visits.

14           (215 ILCS 105/18 new)

15       Sec. 18. Unclaimed insurance moneys. An amount of money  
16       representing the total net receipt of moneys from health  
17       insurers by the State as unclaimed property shall be deposited  
18       into the Plan fund as provided in Section 18 of the Uniform  
19       Disposition of Unclaimed Property Act.

20           Section 10. The Uniform Disposition of Unclaimed Property  
21       Act is amended by changing Section 18 as follows:

22           (765 ILCS 1025/18) (from Ch. 141, par. 118)

23       Sec. 18. Deposit of funds received under the Act.

24       (a) The State Treasurer shall retain all funds received  
25       under this Act, including the proceeds from the sale of  
26       abandoned property under Section 17, in a trust fund and shall,  
27       on April 15 and October 15 of each year, deposit any amount in  
28       the trust fund exceeding \$2,500,000 as follows: 95% of that  
29       amount shall be deposited into the State Pensions Fund, and 5%  
30       of that amount shall be deposited into the Plan fund  
31       established under Section 3 of the Comprehensive Health  
32       Insurance Plan Act. He or she shall make prompt payment of

1 claims he or she duly allows as provided for in this Act for  
2 the trust fund. Before making the deposit the State Treasurer  
3 shall record the name and last known address of each person  
4 appearing from the holders' reports to be entitled to the  
5 abandoned property. The record shall be available for public  
6 inspection during reasonable business hours.

7 (b) Before making any deposit to the credit of the State  
8 Pensions Fund or the Plan fund established under Section 3 of  
9 the Comprehensive Health Insurance Plan Act, the State  
10 Treasurer may deduct: (1) any costs in connection with sale of  
11 abandoned property, (2) any costs of mailing and publication in  
12 connection with any abandoned property, and (3) any costs in  
13 connection with the maintenance of records or disposition of  
14 claims made pursuant to this Act. The State Treasurer shall  
15 semiannually file an itemized report of all such expenses with  
16 the Legislative Audit Commission.

17 (Source: P.A. 93-531, eff. 8-14-03.)

18 Section 99. Effective date. This Act takes effect upon  
19 becoming law.