Sen. Jeffrey M. Schoenberg

Filed: 2/1/2006

AMENDMENT TO SENATE BILL 2592

AMENDMENT NO. ______. Amend Senate Bill 2592 by replacing everything after the enacting clause with the following:

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

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

Sec. 12. Deficit or surplus.

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

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

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

net of administrative expenses.

d. Any deficit incurred or expected to be incurred on behalf of eligible persons who qualify for Plan coverage under Section 7 of this Act or federally eligible individuals who qualify for Plan coverage under Section 15 of this Act that exceeds the amount of funds in the Plan fund and the amount appropriated by the General Assembly shall be recouped by an assessment of all insurers, as defined in Section 2 of this Act, made in accordance with the provisions of this Section. The Board shall within 90 days of the effective date of this amendatory Act of 1997 and within the first quarter of each fiscal year thereafter assess all insurers for the anticipated deficit in accordance with the provisions of this Section. The board may also make additional assessments no more than 4 times a year to fund unanticipated deficits, implementation expenses, and cash flow needs.

e. An insurer's assessment shall be determined by multiplying the total assessment, as determined in subsection d. of this Section, by a fraction, the numerator of which equals that insurer's direct Illinois premiums during the preceding calendar year and the denominator of which equals the total of all insurers' direct Illinois premiums. The Board may exempt those insurers whose share as determined under this subsection would be so minimal as to not exceed the estimated cost of levying the assessment.

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

g. When an insurer fails to pay the full amount of any assessment of $100 or more due under this Section there shall

be added to the amount due as a penalty the greater of $50 or an amount equal to 5% of the deficiency for each month or part of a month that the deficiency remains unpaid.

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

i. An insurer may petition the Director for an abatement or deferment of all or part of an assessment imposed by the Board. The Director may abate or defer, in whole or in part, the assessment if, in the opinion of the Director, payment of the assessment would endanger the ability of the insurer to fulfill its contractual obligations. In the event an assessment against an insurer is abated or deferred in whole or in part, the amount by which the assessment is abated or deferred shall be assessed against the other insurers in a manner consistent with the basis for assessments set forth in this subsection. The insurer receiving a deferment shall remain liable to the plan for the deficiency for 4 years.

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

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

(2) Within 90 days following the payment of an assessment under appeal by any insurer, the board shall

1 notify the insurer or representative designated by the
2 insurer in writing of its determination with respect to the
3 appeal and the basis or bases for that determination unless
4 the Board notifies the insurer that a reasonable amount of
5 additional time is required to resolve the issues raised by
6 the appeal.
7 (3) The board shall refer to the Director any question
8 concerning the amount of direct Illinois premium income as
9 shown in an insurer's annual statement for the preceding
10 calendar year on file with the Director on the invoice date
11 of the assessment. Unless additional time is required to
12 resolve the question, the Director shall within 60 days
13 report to the board in writing his determination respecting
14 the amount of direct Illinois premium income on file on the
15 invoice date of the assessment.
16 (4) In the event the board determines that the insurer
17 is entitled to a refund, the refund shall be paid within 30
18 days following the date upon which the board makes its
19 determination, together with the accrued interest.
20 Interest on any refund due an insurer shall be paid at the
21 rate actually earned by the Board on the separate account.
22 (5) The amount of any such refund shall then be
23 assessed against all insurers in a manner consistent with
24 the basis for assessment as otherwise authorized by this
25 Section.
26 (6) The board's determination with respect to any
27 appeal received pursuant to this subsection shall be a
28 final administrative decision as defined in Section 3-101
29 of the Code of Civil Procedure. The provisions of the
30 Administrative Review Law shall apply to and govern all
31 proceedings for the judicial review of final
32 administrative decisions of the board.
33 (7) If an insurer fails to appeal an assessment in
34 accordance with the provisions of this subsection, the

1 insurer shall be deemed to have waived its right of appeal.
2 The provisions of this subsection apply to all assessments
3 made in any calendar year ending on or after December 31, 1997.
4 (Source: P.A. 90-30, eff. 7-1-97; 90-567, eff. 1-23-98.)

5 (215 ILCS 105/16 new)
6 Sec. 16. Disease management program; required
7 participation.
8 (a) The Board shall develop baseline statistics for asthma,
9 diabetes, coronary artery disease, and congestive heart
10 failure and the co-morbidity of these and other commonly
11 occurring peripheral diseases among covered persons as part of
12 any disease management program instituted by the Board.
13 (b) All covered persons diagnosed with any of the diseases
14 listed in subsection (a) of this Section shall participate in
15 any disease management program instituted by the Board. A
16 covered person who refuses to participate in a disease
17 management program as required by this subsection (b) shall (i)
18 have his benefits reduced or (ii) be terminated from the Plan,
19 at the discretion of the Board.

20 (215 ILCS 105/17 new)
21 Sec. 17. Patient hotline. The Board shall contract with the
22 Plan administrator to provide 24-hour telephone access for
23 covered persons to a trained nurse in order to facilitate
24 better patient self-care and to reduce avoidable care and
25 emergency room visits.

26 (215 ILCS 105/18 new)
27 Sec. 18. Unclaimed insurance moneys. An amount of money
28 representing the total net receipt of moneys from health
29 insurers by the State as unclaimed property shall be deposited
30 into the Plan fund as provided in Section 18 of the Uniform
31 Disposition of Unclaimed Property Act.

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

3 (765 ILCS 1025/18) (from Ch. 141, par. 118)
4 Sec. 18. Deposit of funds received under the Act.
5 (a) The State Treasurer shall retain all funds received
6 under this Act, including the proceeds from the sale of
7 abandoned property under Section 17, in a trust fund and shall,
8 on April 15 and October 15 of each year, deposit any amount in
9 the trust fund exceeding $2,500,000 as follows: 95% of that
10 amount shall be deposited into the State Pensions Fund, and 5%
11 of that amount shall be deposited into the Plan fund
12 established under Section 3 of the Comprehensive Health
13 Insurance Plan Act. He or she shall make prompt payment of
14 claims he or she duly allows as provided for in this Act for
15 the trust fund. Before making the deposit the State Treasurer
16 shall record the name and last known address of each person
17 appearing from the holders' reports to be entitled to the
18 abandoned property. The record shall be available for public
19 inspection during reasonable business hours.
20 (b) Before making any deposit to the credit of the State
21 Pensions Fund or the Plan fund established under Section 3 of
22 the Comprehensive Health Insurance Plan Act, the State
23 Treasurer may deduct: (1) any costs in connection with sale of
24 abandoned property, (2) any costs of mailing and publication in
25 connection with any abandoned property, and (3) any costs in
26 connection with the maintenance of records or disposition of
27 claims made pursuant to this Act. The State Treasurer shall
28 semiannually file an itemized report of all such expenses with
29 the Legislative Audit Commission.
30 (Source: P.A. 93-531, eff. 8-14-03.)

31 Section 99. Effective date. This Act takes effect upon

1 becoming law.".