



Rep. Elizabeth Coulson

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1 AMENDMENT TO HOUSE BILL 5595

2 AMENDMENT NO. _____. Amend House Bill 5595, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Section 5. The State Employees Group Insurance Act of 1971
6 is amended by changing Section 6.11 as follows:

7 (5 ILCS 375/6.11)

8 Sec. 6.11. Required health benefits; Illinois Insurance
9 Code requirements. The program of health benefits shall provide
10 the post-mastectomy care benefits required to be covered by a
11 policy of accident and health insurance under Section 356t of
12 the Illinois Insurance Code. The program of health benefits
13 shall provide the coverage required under Sections 356g.5,
14 356u, 356w, 356x, 356z.2, 356z.4, 356z.6, ~~and~~ 356z.9, 356z.10,
15 and 356z.11 ~~and 356z.9~~ of the Illinois Insurance Code. The
16 program of health benefits must comply with Section 155.37 of

1 the Illinois Insurance Code.

2 (Source: P.A. 95-189, eff. 8-16-07; 95-422, eff. 8-24-07;
3 95-520, eff. 8-28-07; revised 12-4-07.)

4 Section 10. The Counties Code is amended by changing
5 Section 5-1069.3 as follows:

6 (55 ILCS 5/5-1069.3)

7 Sec. 5-1069.3. Required health benefits. If a county,
8 including a home rule county, is a self-insurer for purposes of
9 providing health insurance coverage for its employees, the
10 coverage shall include coverage for the post-mastectomy care
11 benefits required to be covered by a policy of accident and
12 health insurance under Section 356t and the coverage required
13 under Sections 356g.5, 356u, 356w, 356x, 356z.6, ~~and~~ 356z.9,
14 356z.10, and 356z.11 ~~and 356z.9~~ of the Illinois Insurance Code.
15 The requirement that health benefits be covered as provided in
16 this Section is an exclusive power and function of the State
17 and is a denial and limitation under Article VII, Section 6,
18 subsection (h) of the Illinois Constitution. A home rule county
19 to which this Section applies must comply with every provision
20 of this Section.

21 (Source: P.A. 95-189, eff. 8-16-07; 95-422, eff. 8-24-07;
22 95-520, eff. 8-28-07; revised 12-4-07.)

23 Section 15. The Illinois Municipal Code is amended by

1 changing Section 10-4-2.3 as follows:

2 (65 ILCS 5/10-4-2.3)

3 Sec. 10-4-2.3. Required health benefits. If a
4 municipality, including a home rule municipality, is a
5 self-insurer for purposes of providing health insurance
6 coverage for its employees, the coverage shall include coverage
7 for the post-mastectomy care benefits required to be covered by
8 a policy of accident and health insurance under Section 356t
9 and the coverage required under Sections 356g.5, 356u, 356w,
10 356x, 356z.6, ~~and 356z.9, 356z.10, and 356z.11~~ ~~and 356z.9~~ of
11 the Illinois Insurance Code. The requirement that health
12 benefits be covered as provided in this is an exclusive power
13 and function of the State and is a denial and limitation under
14 Article VII, Section 6, subsection (h) of the Illinois
15 Constitution. A home rule municipality to which this Section
16 applies must comply with every provision of this Section.

17 (Source: P.A. 95-189, eff. 8-16-07; 95-422, eff. 8-24-07;
18 95-520, eff. 8-28-07; revised 12-4-07.)

19 Section 20. The School Code is amended by changing Section
20 10-22.3f as follows:

21 (105 ILCS 5/10-22.3f)

22 Sec. 10-22.3f. Required health benefits. Insurance
23 protection and benefits for employees shall provide the

1 post-mastectomy care benefits required to be covered by a
2 policy of accident and health insurance under Section 356t and
3 the coverage required under Sections 356g.5, 356u, 356w, 356x,
4 356z.6, ~~and 356z.9,~~ and 356z.11 of the Illinois Insurance Code.
5 (Source: P.A. 95-189, eff. 8-16-07; 95-422, eff. 8-24-07;
6 revised 12-4-07.)

7 Section 25. The Illinois Insurance Code is amended by
8 adding Section 356z.11 as follows:

9 (215 ILCS 5/356z.11 new)

10 Sec. 356z.11. Habilitative services for children.

11 (a) As used in this Section, "habilitative services" means
12 occupational therapy, physical therapy, speech therapy, and
13 other services prescribed by the insured's treating physician
14 pursuant to a treatment plan to enhance the ability of a child
15 to function with a congenital, genetic, or early acquired
16 disorder. A congenital or genetic disorder includes, but is not
17 limited to, hereditary disorders. An early acquired disorder
18 refers to a disorder resulting from illness, trauma, injury, or
19 some other event or condition suffered by a child prior to that
20 child developing functional life skills such as, but not
21 limited to, walking, talking, or self-help skills. Congenital,
22 genetic, and early acquired disorders may include, but are not
23 limited to, autism or an autism spectrum disorder, cerebral
24 palsy, and other disorders resulting from early childhood

1 illness, trauma, or injury.

2 (b) A group or individual policy of accident and health
3 insurance or managed care plan amended, delivered, issued, or
4 renewed after the effective date of this amendatory Act of the
5 95th General Assembly must provide coverage for habilitative
6 services for children under 19 years of age with a congenital,
7 genetic, or early acquired disorder so long as all of the
8 following conditions are met:

9 (1) A physician licensed to practice medicine in all
10 its branches has:

11 (A) diagnosed the child's congenital, genetic, or
12 early acquired disorder; and

13 (B) determined the treatment to be therapeutic and
14 not solely experimental or investigational.

15 (2) The treatment is administered under the
16 supervision of a physician licensed to practice medicine in
17 all its branches.

18 (c) The coverage required by this Section shall be subject
19 to other general exclusions and limitations of the policy,
20 including coordination of benefits, participating provider
21 requirements, restrictions on services provided by family or
22 household members, utilization review of health care services,
23 including review of medical necessity, case management,
24 experimental, and investigational treatments, and other
25 managed care provisions.

26 (d) Upon request of the reimbursing insurer, the provider

1 under whose supervision the habilitative services are being
2 provided shall furnish medical records, clinical notes, or
3 other necessary data to allow the insurer to substantiate that
4 initial or continued medical treatment is medically necessary
5 and that the patient's condition is clinically improving. When
6 the treating provider anticipates that continued treatment is
7 or will be required to permit the patient to achieve
8 demonstrable progress, the insurer may request that the
9 provider furnish a treatment plan consisting of diagnosis,
10 proposed treatment by type, frequency, anticipated duration of
11 treatment, the anticipated goals of treatment, and how
12 frequently the treatment plan will be updated.

13 (e) Notwithstanding any other rulemaking authority that
14 may exist, neither the Governor nor any agency or agency head
15 under the jurisdiction of the Governor has any authority to
16 make or promulgate rules to implement or enforce the provisions
17 of this amendatory Act of the 95th General Assembly. If,
18 however, the Governor believes that rules are necessary to
19 implement or enforce the provisions of this amendatory Act of
20 the 95th General Assembly, the Governor may suggest rules to
21 the General Assembly by filing them with the Clerk of the House
22 and the Secretary of the Senate and by requesting that the
23 General Assembly authorize such rulemaking by law, enact those
24 suggested rules into law, or take any other appropriate action
25 in the General Assembly's discretion. Nothing contained in this
26 amendatory Act of the 95th General Assembly shall be

1 interpreted to grant rulemaking authority under any other
2 Illinois statute where such authority is not otherwise
3 explicitly given. For the purposes of this amendatory Act of
4 the 95th General Assembly, "rules" is given the meaning
5 contained in Section 1-70 of the Illinois Administrative
6 Procedure Act, and "agency" and "agency head" are given the
7 meanings contained in Sections 1-20 and 1-25 of the Illinois
8 Administrative Procedure Act to the extent that such
9 definitions apply to agencies or agency heads under the
10 jurisdiction of the Governor.

11 Section 30. The Health Maintenance Organization Act is
12 amended by changing Section 5-3 as follows:

13 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

14 Sec. 5-3. Insurance Code provisions.

15 (a) Health Maintenance Organizations shall be subject to
16 the provisions of Sections 133, 134, 137, 140, 141.1, 141.2,
17 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5,
18 154.6, 154.7, 154.8, 155.04, 355.2, 356m, 356v, 356w, 356x,
19 356y, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10,
20 356z.11 ~~356z.9~~, 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c,
21 368d, 368e, 370c, 401, 401.1, 402, 403, 403A, 408, 408.2, 409,
22 412, 444, and 444.1, paragraph (c) of subsection (2) of Section
23 367, and Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2,
24 XXV, and XXVI of the Illinois Insurance Code.

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

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

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

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

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

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

23 (2) (i) the criteria specified in subsection (1) (b) of
24 Section 131.8 of the Illinois Insurance Code shall not
25 apply and (ii) the Director, in making his determination
26 with respect to the merger, consolidation, or other

1 acquisition of control, need not take into account the
2 effect on competition of the merger, consolidation, or
3 other acquisition of control;

4 (3) the Director shall have the power to require the
5 following information:

6 (A) certification by an independent actuary of the
7 adequacy of the reserves of the Health Maintenance
8 Organization sought to be acquired;

9 (B) pro forma financial statements reflecting the
10 combined balance sheets of the acquiring company and
11 the Health Maintenance Organization sought to be
12 acquired as of the end of the preceding year and as of
13 a date 90 days prior to the acquisition, as well as pro
14 forma financial statements reflecting projected
15 combined operation for a period of 2 years;

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

20 (D) such other information as the Director shall
21 require.

22 (d) The provisions of Article VIII 1/2 of the Illinois
23 Insurance Code and this Section 5-3 shall apply to the sale by
24 any health maintenance organization of greater than 10% of its
25 enrollee population (including without limitation the health
26 maintenance organization's right, title, and interest in and to

1 its health care certificates).

2 (e) In considering any management contract or service
3 agreement subject to Section 141.1 of the Illinois Insurance
4 Code, the Director (i) shall, in addition to the criteria
5 specified in Section 141.2 of the Illinois Insurance Code, take
6 into account the effect of the management contract or service
7 agreement on the continuation of benefits to enrollees and the
8 financial condition of the health maintenance organization to
9 be managed or serviced, and (ii) need not take into account the
10 effect of the management contract or service agreement on
11 competition.

12 (f) Except for small employer groups as defined in the
13 Small Employer Rating, Renewability and Portability Health
14 Insurance Act and except for medicare supplement policies as
15 defined in Section 363 of the Illinois Insurance Code, a Health
16 Maintenance Organization may by contract agree with a group or
17 other enrollment unit to effect refunds or charge additional
18 premiums under the following terms and conditions:

19 (i) the amount of, and other terms and conditions with
20 respect to, the refund or additional premium are set forth
21 in the group or enrollment unit contract agreed in advance
22 of the period for which a refund is to be paid or
23 additional premium is to be charged (which period shall not
24 be less than one year); and

25 (ii) the amount of the refund or additional premium
26 shall not exceed 20% of the Health Maintenance

1 Organization's profitable or unprofitable experience with
2 respect to the group or other enrollment unit for the
3 period (and, for purposes of a refund or additional
4 premium, the profitable or unprofitable experience shall
5 be calculated taking into account a pro rata share of the
6 Health Maintenance Organization's administrative and
7 marketing expenses, but shall not include any refund to be
8 made or additional premium to be paid pursuant to this
9 subsection (f)). The Health Maintenance Organization and
10 the group or enrollment unit may agree that the profitable
11 or unprofitable experience may be calculated taking into
12 account the refund period and the immediately preceding 2
13 plan years.

14 The Health Maintenance Organization shall include a
15 statement in the evidence of coverage issued to each enrollee
16 describing the possibility of a refund or additional premium,
17 and upon request of any group or enrollment unit, provide to
18 the group or enrollment unit a description of the method used
19 to calculate (1) the Health Maintenance Organization's
20 profitable experience with respect to the group or enrollment
21 unit and the resulting refund to the group or enrollment unit
22 or (2) the Health Maintenance Organization's unprofitable
23 experience with respect to the group or enrollment unit and the
24 resulting additional premium to be paid by the group or
25 enrollment unit.

26 In no event shall the Illinois Health Maintenance

1 Organization Guaranty Association be liable to pay any
2 contractual obligation of an insolvent organization to pay any
3 refund authorized under this Section.

4 (Source: P.A. 94-906, eff. 1-1-07; 94-1076, eff. 12-29-06;
5 95-422, eff. 8-24-07; 95-520, eff. 8-28-07; revised 12-4-07.)

6 Section 35. The Voluntary Health Services Plans Act is
7 amended by changing Section 10 as follows:

8 (215 ILCS 165/10) (from Ch. 32, par. 604)

9 Sec. 10. Application of Insurance Code provisions. Health
10 services plan corporations and all persons interested therein
11 or dealing therewith shall be subject to the provisions of
12 Articles IIA and XII 1/2 and Sections 3.1, 133, 140, 143, 143c,
13 149, 155.37, 354, 355.2, 356g.5, 356r, 356t, 356u, 356v, 356w,
14 356x, 356y, 356z.1, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8,
15 356z.9, 356z.10, 356z.11 ~~356z.9~~, 364.01, 367.2, 368a, 401,
16 401.1, 402, 403, 403A, 408, 408.2, and 412, and paragraphs (7)
17 and (15) of Section 367 of the Illinois Insurance Code.

18 (Source: P.A. 94-1076, eff. 12-29-06; 95-189, eff. 8-16-07;
19 95-331, eff. 8-21-07; 95-422, eff. 8-24-07; 95-520, eff.
20 8-28-07; revised 12-5-07.)

21 Section 90. The State Mandates Act is amended by adding
22 Section 8.32 as follows:

1 (30 ILCS 805/8.32 new)

2 Sec. 8.32. Exempt mandate. Notwithstanding Sections 6 and 8
3 of this Act, no reimbursement by the State is required for the
4 implementation of any mandate created by this amendatory Act of
5 the 95th General Assembly."