



Insurance Committee

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09500HB5648ham001

LRB095 19208 AMC 46996 a

1 AMENDMENT TO HOUSE BILL 5648

2 AMENDMENT NO. _____. Amend House Bill 5648 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Comprehensive Health Insurance Plan Act is
5 amended by changing Section 2 as follows:

6 (215 ILCS 105/2) (from Ch. 73, par. 1302)

7 Sec. 2. Definitions. As used in this Act, unless the
8 context otherwise requires:

9 "Plan administrator" means the insurer or third party
10 administrator designated under Section 5 of this Act.

11 "Benefits plan" means the coverage to be offered by the
12 Plan to eligible persons and federally eligible individuals
13 pursuant to this Act.

14 "Board" means the Illinois Comprehensive Health Insurance
15 Board.

16 "Church plan" has the same meaning given that term in the

1 federal Health Insurance Portability and Accountability Act of
2 1996.

3 "Continuation coverage" means continuation of coverage
4 under a group health plan or other health insurance coverage
5 for former employees or dependents of former employees that
6 would otherwise have terminated under the terms of that
7 coverage pursuant to any continuation provisions under federal
8 or State law, including the Consolidated Omnibus Budget
9 Reconciliation Act of 1985 (COBRA), as amended, Sections 367.2,
10 367e, and 367e.1 of the Illinois Insurance Code, or any other
11 similar requirement in another State.

12 "Covered person" means a person who is and continues to
13 remain eligible for Plan coverage and is covered under one of
14 the benefit plans offered by the Plan.

15 "Creditable coverage" means, with respect to a federally
16 eligible individual, coverage of the individual under any of
17 the following:

18 (A) A group health plan.

19 (B) Health insurance coverage (including group health
20 insurance coverage).

21 (C) Medicare.

22 (D) Medical assistance.

23 (E) Chapter 55 of title 10, United States Code.

24 (F) A medical care program of the Indian Health Service
25 or of a tribal organization.

26 (G) A state health benefits risk pool.

1 (H) A health plan offered under Chapter 89 of title 5,
2 United States Code.

3 (I) A public health plan (as defined in regulations
4 consistent with Section 104 of the Health Care Portability
5 and Accountability Act of 1996 that may be promulgated by
6 the Secretary of the U.S. Department of Health and Human
7 Services).

8 (J) A health benefit plan under Section 5(e) of the
9 Peace Corps Act (22 U.S.C. 2504(e)).

10 (K) Any other qualifying coverage required by the
11 federal Health Insurance Portability and Accountability
12 Act of 1996, as it may be amended, or regulations under
13 that Act.

14 "Creditable coverage" does not include coverage consisting
15 solely of coverage of excepted benefits, as defined in Section
16 2791(c) of title XXVII of the Public Health Service Act (42
17 U.S.C. 300 gg-91), nor does it include any period of coverage
18 under any of items (A) through (K) that occurred before a break
19 of more than 90 days or, if the individual has been certified
20 as eligible pursuant to the federal Trade Act of 2002, a break
21 of more than 63 days during all of which the individual was not
22 covered under any of items (A) through (K) above.

23 Any period that an individual is in a waiting period for
24 any coverage under a group health plan (or for group health
25 insurance coverage) or is in an affiliation period under the
26 terms of health insurance coverage offered by a health

1 maintenance organization shall not be taken into account in
2 determining if there has been a break of more than 90 days in
3 any creditable coverage.

4 "Department" means the Illinois Department of Insurance.

5 "Dependent" means an Illinois resident: who is a spouse; or
6 who is claimed as a dependent by the principal insured for
7 purposes of filing a federal income tax return and resides in
8 the principal insured's household, and is a resident unmarried
9 child under the age of 19 years; or who is an unmarried child
10 who also is a full-time student under the age of 23 years and
11 who is financially dependent upon the principal insured; or who
12 is a child of any age and who is disabled and financially
13 dependent upon the principal insured.

14 "Direct Illinois premiums" means, for Illinois business,
15 an insurer's direct premium income for the kinds of business
16 described in clause (b) of Class 1 or clause (a) of Class 2 of
17 Section 4 of the Illinois Insurance Code, and direct premium
18 income of a health maintenance organization or a voluntary
19 health services plan, except it shall not include credit health
20 insurance as defined in Article IX 1/2 of the Illinois
21 Insurance Code.

22 "Director" means the Director of the Illinois Department of
23 Insurance.

24 "Effective date of medical assistance" means the date that
25 eligibility for medical assistance for a person is approved by
26 the Department of Human Services, except when the Department of

1 Human Services determines eligibility retroactively. In such
2 circumstances, the effective date of the medical assistance is
3 the date the Department of Human Services determines the person
4 to be eligible for medical assistance.

5 "Eligible person" means a resident of this State who
6 qualifies for Plan coverage under Section 7 of this Act.

7 "Employee" means a resident of this State who is employed
8 by an employer or has entered into the employment of or works
9 under contract or service of an employer including the
10 officers, managers and employees of subsidiary or affiliated
11 corporations and the individual proprietors, partners and
12 employees of affiliated individuals and firms when the business
13 of the subsidiary or affiliated corporations, firms or
14 individuals is controlled by a common employer through stock
15 ownership, contract, or otherwise.

16 "Employer" means any individual, partnership, association,
17 corporation, business trust, or any person or group of persons
18 acting directly or indirectly in the interest of an employer in
19 relation to an employee, for which one or more persons is
20 gainfully employed.

21 "Family" coverage means the coverage provided by the Plan
22 for the covered person and his or her eligible dependents who
23 also are covered persons.

24 "Federally eligible individual" means an individual
25 resident of this State:

26 (1) (A) for whom, as of the date on which the individual

1 seeks Plan coverage under Section 15 of this Act, the
2 aggregate of the periods of creditable coverage is 18 or
3 more months or, if the individual has been certified as
4 eligible pursuant to the federal Trade Act of 2002, 3 or
5 more months, and (B) whose most recent prior creditable
6 coverage was under group health insurance coverage offered
7 by a health insurance issuer, a group health plan, a
8 governmental plan, or a church plan (or health insurance
9 coverage offered in connection with any such plans) or any
10 other type of creditable coverage that may be required by
11 the federal Health Insurance Portability and
12 Accountability Act of 1996, as it may be amended, or the
13 regulations under that Act;

14 (2) who is not eligible for coverage under (A) a group
15 health plan (other than an individual who has been
16 certified as eligible pursuant to the federal Trade Act of
17 2002), (B) part A or part B of Medicare due to age (other
18 than an individual who has been certified as eligible
19 pursuant to the federal Trade Act of 2002), or (C) medical
20 assistance, and does not have other health insurance
21 coverage (other than an individual who has been certified
22 as eligible pursuant to the federal Trade Act of 2002);

23 (3) with respect to whom (other than an individual who
24 has been certified as eligible pursuant to the federal
25 Trade Act of 2002) the most recent coverage within the
26 coverage period described in paragraph (1)(A) of this

1 definition was not terminated based upon a factor relating
2 to nonpayment of premiums or fraud;

3 (4) if the individual (other than an individual who has
4 been certified as eligible pursuant to the federal Trade
5 Act of 2002) had been offered the option of continuation
6 coverage under a COBRA continuation provision or under a
7 similar State program, who elected such coverage; and

8 (5) who, if the individual elected such continuation
9 coverage, has exhausted such continuation coverage under
10 such provision or program.

11 However, an individual who has been certified as eligible
12 pursuant to the federal Trade Act of 2002 shall not be required
13 to elect continuation coverage under a COBRA continuation
14 provision or under a similar state program.

15 "Group health insurance coverage" means, in connection
16 with a group health plan, health insurance coverage offered in
17 connection with that plan.

18 "Group health plan" has the same meaning given that term in
19 the federal Health Insurance Portability and Accountability
20 Act of 1996.

21 "Governmental plan" has the same meaning given that term in
22 the federal Health Insurance Portability and Accountability
23 Act of 1996.

24 "Health insurance coverage" means benefits consisting of
25 medical care (provided directly, through insurance or
26 reimbursement, or otherwise and including items and services

1 paid for as medical care) under any hospital and medical
2 expense-incurred policy, certificate, or contract provided by
3 an insurer, non-profit health care service plan contract,
4 health maintenance organization or other subscriber contract,
5 or any other health care plan or arrangement that pays for or
6 furnishes medical or health care services whether by insurance
7 or otherwise. Health insurance coverage shall not include short
8 term, accident only, disability income, hospital confinement
9 or fixed indemnity, dental only, vision only, limited benefit,
10 or credit insurance, coverage issued as a supplement to
11 liability insurance, insurance arising out of a workers'
12 compensation or similar law, automobile medical-payment
13 insurance, or insurance under which benefits are payable with
14 or without regard to fault and which is statutorily required to
15 be contained in any liability insurance policy or equivalent
16 self-insurance.

17 "Health insurance issuer" means an insurance company,
18 insurance service, or insurance organization (including a
19 health maintenance organization and a voluntary health
20 services plan) that is authorized to transact health insurance
21 business in this State. Such term does not include a group
22 health plan.

23 "Health Maintenance Organization" means an organization as
24 defined in the Health Maintenance Organization Act.

25 "Hospice" means a program as defined in and licensed under
26 the Hospice Program Licensing Act.

1 "Hospital" means a duly licensed institution as defined in
2 the Hospital Licensing Act, an institution that meets all
3 comparable conditions and requirements in effect in the state
4 in which it is located, or the University of Illinois Hospital
5 as defined in the University of Illinois Hospital Act.

6 "Individual health insurance coverage" means health
7 insurance coverage offered to individuals in the individual
8 market, but does not include short-term, limited-duration
9 insurance.

10 "Insured" means any individual resident of this State who
11 is eligible to receive benefits from any insurer (including
12 health insurance coverage offered in connection with a group
13 health plan) or health insurance issuer as defined in this
14 Section.

15 "Insurer" means any insurance company authorized to
16 transact health insurance business in this State and any
17 corporation that provides medical services and is organized
18 under the Voluntary Health Services Plans Act or the Health
19 Maintenance Organization Act.

20 "Medical assistance" means the State medical assistance or
21 medical assistance no grant (MANG) programs provided under
22 Title XIX of the Social Security Act and Articles V (Medical
23 Assistance) and VI (General Assistance) of the Illinois Public
24 Aid Code (or any successor program) or under any similar
25 program of health care benefits in a state other than Illinois.

26 "Medically necessary" means that a service, drug, or supply

1 is necessary and appropriate for the diagnosis or treatment of
2 an illness or injury in accord with generally accepted
3 standards of medical practice at the time the service, drug, or
4 supply is provided. When specifically applied to a confinement
5 it further means that the diagnosis or treatment of the covered
6 person's medical symptoms or condition cannot be safely
7 provided to that person as an outpatient. A service, drug, or
8 supply shall not be medically necessary if it: (i) is
9 investigational, experimental, or for research purposes; or
10 (ii) is provided solely for the convenience of the patient, the
11 patient's family, physician, hospital, or any other provider;
12 or (iii) exceeds in scope, duration, or intensity that level of
13 care that is needed to provide safe, adequate, and appropriate
14 diagnosis or treatment; or (iv) could have been omitted without
15 adversely affecting the covered person's condition or the
16 quality of medical care; or (v) involves the use of a medical
17 device, drug, or substance not formally approved by the United
18 States Food and Drug Administration.

19 "Medical care" means the ordinary and usual professional
20 services rendered by a physician or other specified provider
21 during a professional visit for treatment of an illness or
22 injury.

23 "Medicare" means coverage under both Part A and Part B of
24 Title XVIII of the Social Security Act, 42 U.S.C. Sec. 1395, et
25 seq.

26 "Minimum premium plan" means an arrangement whereby a

1 specified amount of health care claims is self-funded, but the
2 insurance company assumes the risk that claims will exceed that
3 amount.

4 "Participating transplant center" means a hospital
5 designated by the Board as a preferred or exclusive provider of
6 services for one or more specified human organ or tissue
7 transplants for which the hospital has signed an agreement with
8 the Board to accept a transplant payment allowance for all
9 expenses related to the transplant during a transplant benefit
10 period.

11 "Physician" means a person licensed to practice medicine
12 pursuant to the Medical Practice Act of 1987.

13 "Plan" means the Comprehensive Health Insurance Plan
14 established by this Act.

15 "Plan of operation" means the plan of operation of the
16 Plan, including articles, bylaws and operating rules, adopted
17 by the board pursuant to this Act.

18 "Provider" means any hospital, skilled nursing facility,
19 hospice, home health agency, physician, registered pharmacist
20 acting within the scope of that registration, or any other
21 person or entity licensed in Illinois to furnish medical care.

22 "Qualified high risk pool" has the same meaning given that
23 term in the federal Health Insurance Portability and
24 Accountability Act of 1996.

25 "Resident" means a person who is and continues to be
26 legally domiciled and physically residing on a permanent and

1 full-time basis in a place of permanent habitation in this
2 State that remains that person's principal residence and from
3 which that person is absent only for temporary or transitory
4 purpose.

5 "Skilled nursing facility" means a facility or that portion
6 of a facility that is licensed by the Illinois Department of
7 Public Health under the Nursing Home Care Act or a comparable
8 licensing authority in another state to provide skilled nursing
9 care.

10 "Stop-loss coverage" means an arrangement whereby an
11 insurer insures against the risk that any one claim will exceed
12 a specific dollar amount or that the entire loss of a
13 self-insurance plan will exceed a specific amount.

14 "Third party administrator" means an administrator as
15 defined in Section 511.101 of the Illinois Insurance Code who
16 is licensed under Article XXXI 1/4 of that Code.

17 (Source: P.A. 92-153, eff. 7-25-01; 93-33, eff. 6-23-03; 93-34,
18 eff. 6-23-03; 93-477, eff. 8-8-03; 93-622, eff. 12-18-03.)

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