

1 AN ACT concerning health.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

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

6 (5 ILCS 375/6.11)

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

17 (Source: P.A. 95-189, eff. 8-16-07; 95-422, eff. 8-24-07;
18 95-520, eff. 8-28-07; 95-876, eff. 8-21-08.)

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

21 (55 ILCS 5/5-1069.3)

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

15 (Source: P.A. 95-189, eff. 8-16-07; 95-422, eff. 8-24-07;
16 95-520, eff. 8-28-07; 95-876, eff. 8-21-08.)

17 Section 15. The Illinois Municipal Code is amended by
18 changing Section 10-4-2.3 as follows:

19 (65 ILCS 5/10-4-2.3)

20 Sec. 10-4-2.3. Required health benefits. If a
21 municipality, including a home rule municipality, is a
22 self-insurer for purposes of providing health insurance
23 coverage for its employees, the coverage shall include coverage
24 for the post-mastectomy care benefits required to be covered by

1 a policy of accident and health insurance under Section 356t
2 and the coverage required under Sections 356g.5, 356u, 356w,
3 356x, 356z.6, 356z.9, ~~and~~ 356z.10, and 356z.14 of the Illinois
4 Insurance Code. The requirement that health benefits be covered
5 as provided in this is an exclusive power and function of the
6 State and is a denial and limitation under Article VII, Section
7 6, subsection (h) of the Illinois Constitution. A home rule
8 municipality to which this Section applies must comply with
9 every provision of this Section.

10 (Source: P.A. 95-189, eff. 8-16-07; 95-422, eff. 8-24-07;
11 95-520, eff. 8-28-07; 95-876, eff. 8-21-08.)

12 Section 20. The School Code is amended by changing Section
13 10-22.3f as follows:

14 (105 ILCS 5/10-22.3f)

15 Sec. 10-22.3f. Required health benefits. Insurance
16 protection and benefits for employees shall provide the
17 post-mastectomy care benefits required to be covered by a
18 policy of accident and health insurance under Section 356t and
19 the coverage required under Sections 356g.5, 356u, 356w, 356x,
20 356z.6, ~~and~~ 356z.9, and 356z.14 of the Illinois Insurance Code.

21 (Source: P.A. 95-189, eff. 8-16-07; 95-422, eff. 8-24-07;
22 95-876, eff. 8-21-08.)

23 Section 25. The Illinois Insurance Code is amended by

1 adding Section 356z.14 as follows:

2 (215 ILCS 5/356z.14 new)

3 Sec. 356z.14. Autism spectrum disorders.

4 (a) A group or individual policy of accident and health
5 insurance or managed care plan amended, delivered, issued, or
6 renewed after the effective date of this amendatory Act of the
7 95th General Assembly must provide individuals under 21 years
8 of age coverage for the diagnosis of autism spectrum disorders
9 and for the treatment of autism spectrum disorders to the
10 extent that the diagnosis and treatment of autism spectrum
11 disorders are not already covered by the policy of accident and
12 health insurance or managed care plan.

13 (b) Coverage provided under this Section shall be subject
14 to a maximum benefit of \$36,000 per year, but shall not be
15 subject to any limits on the number of visits to a service
16 provider. After December 30, 2009, the Director of the Division
17 of Insurance shall, on an annual basis, adjust the maximum
18 benefit for inflation using the Medical Care Component of the
19 United States Department of Labor Consumer Price Index for All
20 Urban Consumers. Payments made by an insurer on behalf of a
21 covered individual for any care, treatment, intervention,
22 service, or item, the provision of which was for the treatment
23 of a health condition not diagnosed as an autism spectrum
24 disorder, shall not be applied toward any maximum benefit
25 established under this subsection.

1 (c) Coverage under this Section shall be subject to
2 copayment, deductible, and coinsurance provisions of a policy
3 of accident and health insurance or managed care plan to the
4 extent that other medical services covered by the policy of
5 accident and health insurance or managed care plan are subject
6 to these provisions.

7 (d) This Section shall not be construed as limiting
8 benefits that are otherwise available to an individual under a
9 policy of accident and health insurance or managed care plan
10 and benefits provided under this Section may not be subject to
11 dollar limits, deductibles, copayments, or coinsurance
12 provisions that are less favorable to the insured than the
13 dollar limits, deductibles, or coinsurance provisions that
14 apply to physical illness generally.

15 (e) An insurer may not deny or refuse to provide otherwise
16 covered services, or refuse to renew, refuse to reissue, or
17 otherwise terminate or restrict coverage under an individual
18 contract to provide services to an individual because the
19 individual or their dependent is diagnosed with an autism
20 spectrum disorder or due to the individual utilizing benefits
21 in this Section.

22 (f) Upon request of the reimbursing insurer, a provider of
23 treatment for autism spectrum disorders shall furnish medical
24 records, clinical notes, or other necessary data that
25 substantiate that initial or continued medical treatment is
26 medically necessary and is resulting in improved clinical

1 status. When treatment is anticipated to require continued
2 services to achieve demonstrable progress, the insurer may
3 request a treatment plan consisting of diagnosis, proposed
4 treatment by type, frequency, anticipated duration of
5 treatment, the anticipated outcomes stated as goals, and the
6 frequency by which the treatment plan will be updated.

7 (g) When making a determination of medical necessity for a
8 treatment modality for autism spectrum disorders, an insurer
9 must make the determination in a manner that is consistent with
10 the manner used to make that determination with respect to
11 other diseases or illnesses covered under the policy, including
12 an appeals process. During the appeals process, any challenge
13 to medical necessity must be viewed as reasonable only if the
14 review includes a physician with expertise in the most current
15 and effective treatment modalities for autism spectrum
16 disorders.

17 (h) Coverage for medically necessary early intervention
18 services must be delivered by certified early intervention
19 specialists, as defined in 89 Ill. Admin. Code 500 and any
20 subsequent amendments thereto.

21 (i) As used in this Section:

22 "Autism spectrum disorders" means pervasive developmental
23 disorders as defined in the most recent edition of the
24 Diagnostic and Statistical Manual of Mental Disorders,
25 including autism, Asperger's disorder, and pervasive
26 developmental disorder not otherwise specified.

1 "Diagnosis of autism spectrum disorders" means one or more
2 tests, evaluations, or assessments to diagnose whether an
3 individual has autism spectrum disorder that is prescribed,
4 performed, or ordered by (A) a physician licensed to practice
5 medicine in all its branches or (B) a licensed clinical
6 psychologist with expertise in diagnosing autism spectrum
7 disorders.

8 "Medically necessary" means any care, treatment,
9 intervention, service or item which will or is reasonably
10 expected to do any of the following: (i) prevent the onset of
11 an illness, condition, injury, disease or disability; (ii)
12 reduce or ameliorate the physical, mental or developmental
13 effects of an illness, condition, injury, disease or
14 disability; or (iii) assist to achieve or maintain maximum
15 functional activity in performing daily activities.

16 "Treatment for autism spectrum disorders" shall include
17 the following care prescribed, provided, or ordered for an
18 individual diagnosed with an autism spectrum disorder by (A) a
19 physician licensed to practice medicine in all its branches or
20 (B) a certified, registered, or licensed health care
21 professional with expertise in treating effects of autism
22 spectrum disorders when the care is determined to be medically
23 necessary and ordered by a physician licensed to practice
24 medicine in all its branches:

25 (1) Psychiatric care, meaning direct, consultative, or
26 diagnostic services provided by a licensed psychiatrist.

1 (2) Psychological care, meaning direct or consultative
2 services provided by a licensed psychologist.

3 (3) Habilitative or rehabilitative care, meaning
4 professional, counseling, and guidance services and
5 treatment programs, including applied behavior analysis,
6 that are intended to develop, maintain, and restore the
7 functioning of an individual. As used in this subsection
8 (i), "applied behavior analysis" means the design,
9 implementation, and evaluation of environmental
10 modifications using behavioral stimuli and consequences to
11 produce socially significant improvement in human
12 behavior, including the use of direct observation,
13 measurement, and functional analysis of the relations
14 between environment and behavior.

15 (4) Therapeutic care, including behavioral, speech,
16 occupational, and physical therapies that provide
17 treatment in the following areas: (i) self care and
18 feeding, (ii) pragmatic, receptive, and expressive
19 language, (iii) cognitive functioning, (iv) applied
20 behavior analysis, intervention, and modification, (v)
21 motor planning, and (vi) sensory processing.

22 (j) Rulemaking authority to implement this amendatory Act
23 of the 95th General Assembly, if any, is conditioned on the
24 rules being adopted in accordance with all provisions of the
25 Illinois Administrative Procedure Act and all rules and
26 procedures of the Joint Committee on Administrative Rules; any

1 purported rule not so adopted, for whatever reason, is
2 unauthorized.

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

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

6 Sec. 5-3. Insurance Code provisions.

7 (a) Health Maintenance Organizations shall be subject to
8 the provisions of Sections 133, 134, 137, 140, 141.1, 141.2,
9 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5,
10 154.6, 154.7, 154.8, 155.04, 355.2, 356m, 356v, 356w, 356x,
11 356y, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10,
12 356z.14, 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c, 368d,
13 368e, 370c, 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412,
14 444, and 444.1, paragraph (c) of subsection (2) of Section 367,
15 and Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV,
16 and XXVI of the Illinois Insurance Code.

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

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

23 (2) a corporation organized under the laws of this
24 State; or

1 (3) a corporation organized under the laws of another
2 state, 30% or more of the enrollees of which are residents
3 of this State, except a corporation subject to
4 substantially the same requirements in its state of
5 organization as is a "domestic company" under Article VIII
6 1/2 of the Illinois Insurance Code.

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

10 (1) the Director shall give primary consideration to
11 the continuation of benefits to enrollees and the financial
12 conditions of the acquired Health Maintenance Organization
13 after the merger, consolidation, or other acquisition of
14 control takes effect;

15 (2) (i) the criteria specified in subsection (1)(b) of
16 Section 131.8 of the Illinois Insurance Code shall not
17 apply and (ii) the Director, in making his determination
18 with respect to the merger, consolidation, or other
19 acquisition of control, need not take into account the
20 effect on competition of the merger, consolidation, or
21 other acquisition of control;

22 (3) the Director shall have the power to require the
23 following information:

24 (A) certification by an independent actuary of the
25 adequacy of the reserves of the Health Maintenance
26 Organization sought to be acquired;

1 (B) pro forma financial statements reflecting the
2 combined balance sheets of the acquiring company and
3 the Health Maintenance Organization sought to be
4 acquired as of the end of the preceding year and as of
5 a date 90 days prior to the acquisition, as well as pro
6 forma financial statements reflecting projected
7 combined operation for a period of 2 years;

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

12 (D) such other information as the Director shall
13 require.

14 (d) The provisions of Article VIII 1/2 of the Illinois
15 Insurance Code and this Section 5-3 shall apply to the sale by
16 any health maintenance organization of greater than 10% of its
17 enrollee population (including without limitation the health
18 maintenance organization's right, title, and interest in and to
19 its health care certificates).

20 (e) In considering any management contract or service
21 agreement subject to Section 141.1 of the Illinois Insurance
22 Code, the Director (i) shall, in addition to the criteria
23 specified in Section 141.2 of the Illinois Insurance Code, take
24 into account the effect of the management contract or service
25 agreement on the continuation of benefits to enrollees and the
26 financial condition of the health maintenance organization to

1 be managed or serviced, and (ii) need not take into account the
2 effect of the management contract or service agreement on
3 competition.

4 (f) Except for small employer groups as defined in the
5 Small Employer Rating, Renewability and Portability Health
6 Insurance Act and except for medicare supplement policies as
7 defined in Section 363 of the Illinois Insurance Code, a Health
8 Maintenance Organization may by contract agree with a group or
9 other enrollment unit to effect refunds or charge additional
10 premiums under the following terms and conditions:

11 (i) the amount of, and other terms and conditions with
12 respect to, the refund or additional premium are set forth
13 in the group or enrollment unit contract agreed in advance
14 of the period for which a refund is to be paid or
15 additional premium is to be charged (which period shall not
16 be less than one year); and

17 (ii) the amount of the refund or additional premium
18 shall not exceed 20% of the Health Maintenance
19 Organization's profitable or unprofitable experience with
20 respect to the group or other enrollment unit for the
21 period (and, for purposes of a refund or additional
22 premium, the profitable or unprofitable experience shall
23 be calculated taking into account a pro rata share of the
24 Health Maintenance Organization's administrative and
25 marketing expenses, but shall not include any refund to be
26 made or additional premium to be paid pursuant to this

1 subsection (f)). The Health Maintenance Organization and
2 the group or enrollment unit may agree that the profitable
3 or unprofitable experience may be calculated taking into
4 account the refund period and the immediately preceding 2
5 plan years.

6 The Health Maintenance Organization shall include a
7 statement in the evidence of coverage issued to each enrollee
8 describing the possibility of a refund or additional premium,
9 and upon request of any group or enrollment unit, provide to
10 the group or enrollment unit a description of the method used
11 to calculate (1) the Health Maintenance Organization's
12 profitable experience with respect to the group or enrollment
13 unit and the resulting refund to the group or enrollment unit
14 or (2) the Health Maintenance Organization's unprofitable
15 experience with respect to the group or enrollment unit and the
16 resulting additional premium to be paid by the group or
17 enrollment unit.

18 In no event shall the Illinois Health Maintenance
19 Organization Guaranty Association be liable to pay any
20 contractual obligation of an insolvent organization to pay any
21 refund authorized under this Section.

22 (Source: P.A. 94-906, eff. 1-1-07; 94-1076, eff. 12-29-06;
23 95-422, eff. 8-24-07; 95-520, eff. 8-28-07; 95-876, eff.
24 8-21-08.)

25 Section 35. The Voluntary Health Services Plans Act is

1 amended by changing Section 10 as follows:

2 (215 ILCS 165/10) (from Ch. 32, par. 604)

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

12 (Source: P.A. 94-1076, eff. 12-29-06; 95-189, eff. 8-16-07;
13 95-331, eff. 8-21-07; 95-422, eff. 8-24-07; 95-520, eff.
14 8-28-07; 95-876, eff. 8-21-08.)

15 Section 99. Effective date. This Act takes effect upon
16 becoming law.