

1 AN ACT concerning government.

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

4 Section 3. House Bill 938 of the 95th General Assembly is  
5 amended, if and only if that bill becomes law, by adding  
6 Section 99 as follows:

7 (H.B. 938, 95th G.A., Sec. 99 new)

8 Sec. 99. This Act (House Bill 938 of the 95th General  
9 Assembly) takes effect on the effective date of this amendatory  
10 Act of the 95th General Assembly (Senate Bill 1523 of the 95th  
11 General Assembly).

12 Section 5. The State Employees Group Insurance Act of 1971  
13 is amended by changing Sections 3, 6.5, 6.10, 10, 12, 13, and  
14 13.1 as follows:

15 (5 ILCS 375/3) (from Ch. 127, par. 523)

16 Sec. 3. Definitions. Unless the context otherwise  
17 requires, the following words and phrases as used in this Act  
18 shall have the following meanings. The Department may define  
19 these and other words and phrases separately for the purpose of  
20 implementing specific programs providing benefits under this  
21 Act.

1           (a) "Administrative service organization" means any  
2 person, firm or corporation experienced in the handling of  
3 claims which is fully qualified, financially sound and capable  
4 of meeting the service requirements of a contract of  
5 administration executed with the Department.

6           (b) "Annuitant" means (1) an employee who retires, or has  
7 retired, on or after January 1, 1966 on an immediate annuity  
8 under the provisions of Articles 2, 14 (including an employee  
9 who has elected to receive an alternative retirement  
10 cancellation payment under Section 14-108.5 of the Illinois  
11 Pension Code in lieu of an annuity), 15 (including an employee  
12 who has retired under the optional retirement program  
13 established under Section 15-158.2), paragraphs (2), (3), or  
14 (5) of Section 16-106, or Article 18 of the Illinois Pension  
15 Code; (2) any person who was receiving group insurance coverage  
16 under this Act as of March 31, 1978 by reason of his status as  
17 an annuitant, even though the annuity in relation to which such  
18 coverage was provided is a proportional annuity based on less  
19 than the minimum period of service required for a retirement  
20 annuity in the system involved; (3) any person not otherwise  
21 covered by this Act who has retired as a participating member  
22 under Article 2 of the Illinois Pension Code but is ineligible  
23 for the retirement annuity under Section 2-119 of the Illinois  
24 Pension Code; (4) the spouse of any person who is receiving a  
25 retirement annuity under Article 18 of the Illinois Pension  
26 Code and who is covered under a group health insurance program

1 sponsored by a governmental employer other than the State of  
2 Illinois and who has irrevocably elected to waive his or her  
3 coverage under this Act and to have his or her spouse  
4 considered as the "annuitant" under this Act and not as a  
5 "dependent"; or (5) an employee who retires, or has retired,  
6 from a qualified position, as determined according to rules  
7 promulgated by the Director, under a qualified local  
8 government, a qualified rehabilitation facility, a qualified  
9 domestic violence shelter or service, or a qualified child  
10 advocacy center. (For definition of "retired employee", see (p)  
11 post).

12 (b-5) "New SERS annuitant" means a person who, on or after  
13 January 1, 1998, becomes an annuitant, as defined in subsection  
14 (b), by virtue of beginning to receive a retirement annuity  
15 under Article 14 of the Illinois Pension Code (including an  
16 employee who has elected to receive an alternative retirement  
17 cancellation payment under Section 14-108.5 of that Code in  
18 lieu of an annuity), and is eligible to participate in the  
19 basic program of group health benefits provided for annuitants  
20 under this Act.

21 (b-6) "New SURS annuitant" means a person who (1) on or  
22 after January 1, 1998, becomes an annuitant, as defined in  
23 subsection (b), by virtue of beginning to receive a retirement  
24 annuity under Article 15 of the Illinois Pension Code, (2) has  
25 not made the election authorized under Section 15-135.1 of the  
26 Illinois Pension Code, and (3) is eligible to participate in

1 the basic program of group health benefits provided for  
2 annuitants under this Act.

3 (b-7) "New TRS State annuitant" means a person who, on or  
4 after July 1, 1998, becomes an annuitant, as defined in  
5 subsection (b), by virtue of beginning to receive a retirement  
6 annuity under Article 16 of the Illinois Pension Code based on  
7 service as a teacher as defined in paragraph (2), (3), or (5)  
8 of Section 16-106 of that Code, and is eligible to participate  
9 in the basic program of group health benefits provided for  
10 annuitants under this Act.

11 (c) "Carrier" means (1) an insurance company, a corporation  
12 organized under the Limited Health Service Organization Act or  
13 the Voluntary Health Services Plan Act, a partnership, or other  
14 nongovernmental organization, which is authorized to do group  
15 life or group health insurance business in Illinois, or (2) the  
16 State of Illinois as a self-insurer.

17 (d) "Compensation" means salary or wages payable on a  
18 regular payroll by the State Treasurer on a warrant of the  
19 State Comptroller out of any State, trust or federal fund, or  
20 by the Governor of the State through a disbursing officer of  
21 the State out of a trust or out of federal funds, or by any  
22 Department out of State, trust, federal or other funds held by  
23 the State Treasurer or the Department, to any person for  
24 personal services currently performed, and ordinary or  
25 accidental disability benefits under Articles 2, 14, 15  
26 (including ordinary or accidental disability benefits under

1 the optional retirement program established under Section  
2 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or  
3 Article 18 of the Illinois Pension Code, for disability  
4 incurred after January 1, 1966, or benefits payable under the  
5 Workers' Compensation or Occupational Diseases Act or benefits  
6 payable under a sick pay plan established in accordance with  
7 Section 36 of the State Finance Act. "Compensation" also means  
8 salary or wages paid to an employee of any qualified local  
9 government, qualified rehabilitation facility, qualified  
10 domestic violence shelter or service, or qualified child  
11 advocacy center.

12 (e) "Commission" means the State Employees Group Insurance  
13 Advisory Commission authorized by this Act. Commencing July 1,  
14 1984, "Commission" as used in this Act means the Commission on  
15 Government Forecasting and Accountability as established by  
16 the Legislative Commission Reorganization Act of 1984.

17 (f) "Contributory", when referred to as contributory  
18 coverage, shall mean optional coverages or benefits elected by  
19 the member toward the cost of which such member makes  
20 contribution, or which are funded in whole or in part through  
21 the acceptance of a reduction in earnings or the foregoing of  
22 an increase in earnings by an employee, as distinguished from  
23 noncontributory coverage or benefits which are paid entirely by  
24 the State of Illinois without reduction of the member's salary.

25 (g) "Department" means any department, institution, board,  
26 commission, officer, court or any agency of the State

1 government receiving appropriations and having power to  
2 certify payrolls to the Comptroller authorizing payments of  
3 salary and wages against such appropriations as are made by the  
4 General Assembly from any State fund, or against trust funds  
5 held by the State Treasurer and includes boards of trustees of  
6 the retirement systems created by Articles 2, 14, 15, 16 and 18  
7 of the Illinois Pension Code. "Department" also includes the  
8 Illinois Comprehensive Health Insurance Board, the Board of  
9 Examiners established under the Illinois Public Accounting  
10 Act, and the Illinois Finance Authority.

11 (h) "Dependent", when the term is used in the context of  
12 the health and life plan, means a member's spouse and any  
13 unmarried child (1) from birth to age 19 including an adopted  
14 child, a child who lives with the member from the time of the  
15 filing of a petition for adoption until entry of an order of  
16 adoption, a stepchild or recognized child who lives with the  
17 member in a parent-child relationship, or a child who lives  
18 with the member if such member is a court appointed guardian of  
19 the child, or (2) age 19 to 23 enrolled as a full-time student  
20 in any accredited school, financially dependent upon the  
21 member, and eligible to be claimed as a dependent for income  
22 tax purposes, or (3) age 19 or over who is mentally or  
23 physically handicapped. For the purposes of item (2), an  
24 unmarried child age 19 to 23 who is a member of the United  
25 States Armed Services, including the Illinois National Guard,  
26 and is mobilized to active duty shall qualify as a dependent

1 beyond the age of 23 and until the age of 25 and while a  
2 full-time student for the amount of time spent on active duty  
3 between the ages of 19 and 23. The individual attempting to  
4 qualify for this additional time must submit written  
5 documentation of active duty service to the Director. The  
6 changes made by this amendatory Act of the 94th General  
7 Assembly apply only to individuals mobilized to active duty in  
8 the United States Armed Services, including the Illinois  
9 National Guard, on or after January 1, 2002. For the health  
10 plan only, the term "dependent" also includes any person  
11 enrolled prior to the effective date of this Section who is  
12 dependent upon the member to the extent that the member may  
13 claim such person as a dependent for income tax deduction  
14 purposes; no other such person may be enrolled. For the health  
15 plan only, the term "dependent" also includes any person who  
16 has received after June 30, 2000 an organ transplant and who is  
17 financially dependent upon the member and eligible to be  
18 claimed as a dependent for income tax purposes.

19 (i) "Director" means the Director of the Illinois  
20 Department of Central Management Services or of any successor  
21 agency designated to administer this Act.

22 (j) "Eligibility period" means the period of time a member  
23 has to elect enrollment in programs or to select benefits  
24 without regard to age, sex or health.

25 (k) "Employee" means and includes each officer or employee  
26 in the service of a department who (1) receives his

1 compensation for service rendered to the department on a  
2 warrant issued pursuant to a payroll certified by a department  
3 or on a warrant or check issued and drawn by a department upon  
4 a trust, federal or other fund or on a warrant issued pursuant  
5 to a payroll certified by an elected or duly appointed officer  
6 of the State or who receives payment of the performance of  
7 personal services on a warrant issued pursuant to a payroll  
8 certified by a Department and drawn by the Comptroller upon the  
9 State Treasurer against appropriations made by the General  
10 Assembly from any fund or against trust funds held by the State  
11 Treasurer, and (2) is employed full-time or part-time in a  
12 position normally requiring actual performance of duty during  
13 not less than 1/2 of a normal work period, as established by  
14 the Director in cooperation with each department, except that  
15 persons elected by popular vote will be considered employees  
16 during the entire term for which they are elected regardless of  
17 hours devoted to the service of the State, and (3) except that  
18 "employee" does not include any person who is not eligible by  
19 reason of such person's employment to participate in one of the  
20 State retirement systems under Articles 2, 14, 15 (either the  
21 regular Article 15 system or the optional retirement program  
22 established under Section 15-158.2) or 18, or under paragraph  
23 (2), (3), or (5) of Section 16-106, of the Illinois Pension  
24 Code, but such term does include persons who are employed  
25 during the 6 month qualifying period under Article 14 of the  
26 Illinois Pension Code. Such term also includes any person who



1 (1) after January 1, 1966, is receiving ordinary or accidental  
2 disability benefits under Articles 2, 14, 15 (including  
3 ordinary or accidental disability benefits under the optional  
4 retirement program established under Section 15-158.2),  
5 paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of  
6 the Illinois Pension Code, for disability incurred after  
7 January 1, 1966, (2) receives total permanent or total  
8 temporary disability under the Workers' Compensation Act or  
9 Occupational Disease Act as a result of injuries sustained or  
10 illness contracted in the course of employment with the State  
11 of Illinois, or (3) is not otherwise covered under this Act and  
12 has retired as a participating member under Article 2 of the  
13 Illinois Pension Code but is ineligible for the retirement  
14 annuity under Section 2-119 of the Illinois Pension Code.  
15 However, a person who satisfies the criteria of the foregoing  
16 definition of "employee" except that such person is made  
17 ineligible to participate in the State Universities Retirement  
18 System by clause (4) of subsection (a) of Section 15-107 of the  
19 Illinois Pension Code is also an "employee" for the purposes of  
20 this Act. "Employee" also includes any person receiving or  
21 eligible for benefits under a sick pay plan established in  
22 accordance with Section 36 of the State Finance Act. "Employee"  
23 also includes (i) each officer or employee in the service of a  
24 qualified local government, including persons appointed as  
25 trustees of sanitary districts regardless of hours devoted to  
26 the service of the sanitary district, (ii) each employee in the

1 service of a qualified rehabilitation facility, (iii) each  
2 full-time employee in the service of a qualified domestic  
3 violence shelter or service, and (iv) each full-time employee  
4 in the service of a qualified child advocacy center, as  
5 determined according to rules promulgated by the Director.

6 (l) "Member" means an employee, annuitant, retired  
7 employee or survivor.

8 (m) "Optional coverages or benefits" means those coverages  
9 or benefits available to the member on his or her voluntary  
10 election, and at his or her own expense.

11 (n) "Program" means the group life insurance, health  
12 benefits and other employee benefits designed and contracted  
13 for by the Director under this Act.

14 (o) "Health plan" means a health benefits program offered  
15 by the State of Illinois for persons eligible for the plan.

16 (p) "Retired employee" means any person who would be an  
17 annuitant as that term is defined herein but for the fact that  
18 such person retired prior to January 1, 1966. Such term also  
19 includes any person formerly employed by the University of  
20 Illinois in the Cooperative Extension Service who would be an  
21 annuitant but for the fact that such person was made ineligible  
22 to participate in the State Universities Retirement System by  
23 clause (4) of subsection (a) of Section 15-107 of the Illinois  
24 Pension Code.

25 (q) "Survivor" means a person receiving an annuity as a  
26 survivor of an employee or of an annuitant. "Survivor" also

1 includes: (1) the surviving dependent of a person who satisfies  
2 the definition of "employee" except that such person is made  
3 ineligible to participate in the State Universities Retirement  
4 System by clause (4) of subsection (a) of Section 15-107 of the  
5 Illinois Pension Code; (2) the surviving dependent of any  
6 person formerly employed by the University of Illinois in the  
7 Cooperative Extension Service who would be an annuitant except  
8 for the fact that such person was made ineligible to  
9 participate in the State Universities Retirement System by  
10 clause (4) of subsection (a) of Section 15-107 of the Illinois  
11 Pension Code; and (3) the surviving dependent of a person who  
12 was an annuitant under this Act by virtue of receiving an  
13 alternative retirement cancellation payment under Section  
14 14-108.5 of the Illinois Pension Code.

15 (q-2) "SERS" means the State Employees' Retirement System  
16 of Illinois, created under Article 14 of the Illinois Pension  
17 Code.

18 (q-3) "SURS" means the State Universities Retirement  
19 System, created under Article 15 of the Illinois Pension Code.

20 (q-4) "TRS" means the Teachers' Retirement System of the  
21 State of Illinois, created under Article 16 of the Illinois  
22 Pension Code.

23 (q-5) "New SERS survivor" means a survivor, as defined in  
24 subsection (q), whose annuity is paid under Article 14 of the  
25 Illinois Pension Code and is based on the death of (i) an  
26 employee whose death occurs on or after January 1, 1998, or

1 (ii) a new SERS annuitant as defined in subsection (b-5). "New  
2 SERS survivor" includes the surviving dependent of a person who  
3 was an annuitant under this Act by virtue of receiving an  
4 alternative retirement cancellation payment under Section  
5 14-108.5 of the Illinois Pension Code.

6 (q-6) "New SURS survivor" means a survivor, as defined in  
7 subsection (q), whose annuity is paid under Article 15 of the  
8 Illinois Pension Code and is based on the death of (i) an  
9 employee whose death occurs on or after January 1, 1998, or  
10 (ii) a new SURS annuitant as defined in subsection (b-6).

11 (q-7) "New TRS State survivor" means a survivor, as defined  
12 in subsection (q), whose annuity is paid under Article 16 of  
13 the Illinois Pension Code and is based on the death of (i) an  
14 employee who is a teacher as defined in paragraph (2), (3), or  
15 (5) of Section 16-106 of that Code and whose death occurs on or  
16 after July 1, 1998, or (ii) a new TRS State annuitant as  
17 defined in subsection (b-7).

18 (r) "Medical services" means the services provided within  
19 the scope of their licenses by practitioners in all categories  
20 licensed under the Medical Practice Act of 1987.

21 (s) "Unit of local government" means any county,  
22 municipality, township, school district (including a  
23 combination of school districts under the Intergovernmental  
24 Cooperation Act), special district or other unit, designated as  
25 a unit of local government by law, which exercises limited  
26 governmental powers or powers in respect to limited

1 governmental subjects, any not-for-profit association with a  
2 membership that primarily includes townships and township  
3 officials, that has duties that include provision of research  
4 service, dissemination of information, and other acts for the  
5 purpose of improving township government, and that is funded  
6 wholly or partly in accordance with Section 85-15 of the  
7 Township Code; any not-for-profit corporation or association,  
8 with a membership consisting primarily of municipalities, that  
9 operates its own utility system, and provides research,  
10 training, dissemination of information, or other acts to  
11 promote cooperation between and among municipalities that  
12 provide utility services and for the advancement of the goals  
13 and purposes of its membership; the Southern Illinois  
14 Collegiate Common Market, which is a consortium of higher  
15 education institutions in Southern Illinois; the Illinois  
16 Association of Park Districts; and any hospital provider that  
17 is owned by a county that has 100 or fewer hospital beds and  
18 has not already joined the program. "Qualified local  
19 government" means a unit of local government approved by the  
20 Director and participating in a program created under  
21 subsection (i) of Section 10 of this Act.

22 (t) "Qualified rehabilitation facility" means any  
23 not-for-profit organization that is accredited by the  
24 Commission on Accreditation of Rehabilitation Facilities or  
25 certified by the Department of Human Services (as successor to  
26 the Department of Mental Health and Developmental

1 Disabilities) to provide services to persons with disabilities  
2 and which receives funds from the State of Illinois for  
3 providing those services, approved by the Director and  
4 participating in a program created under subsection (j) of  
5 Section 10 of this Act.

6 (u) "Qualified domestic violence shelter or service" means  
7 any Illinois domestic violence shelter or service and its  
8 administrative offices funded by the Department of Human  
9 Services (as successor to the Illinois Department of Public  
10 Aid), approved by the Director and participating in a program  
11 created under subsection (k) of Section 10.

12 (v) "TRS benefit recipient" means a person who:

13 (1) is not a "member" as defined in this Section; and

14 (2) is receiving a monthly benefit or retirement  
15 annuity under Article 16 of the Illinois Pension Code; and

16 (3) either (i) has at least 8 years of creditable  
17 service under Article 16 of the Illinois Pension Code, or  
18 (ii) was enrolled in the health insurance program offered  
19 under that Article on January 1, 1996, or (iii) is the  
20 survivor of a benefit recipient who had at least 8 years of  
21 creditable service under Article 16 of the Illinois Pension  
22 Code or was enrolled in the health insurance program  
23 offered under that Article on the effective date of this  
24 amendatory Act of 1995, or (iv) is a recipient or survivor  
25 of a recipient of a disability benefit under Article 16 of  
26 the Illinois Pension Code.

1 (w) "TRS dependent beneficiary" means a person who:

2 (1) is not a "member" or "dependent" as defined in this  
3 Section; and

4 (2) is a TRS benefit recipient's: (A) spouse, (B)  
5 dependent parent who is receiving at least half of his or  
6 her support from the TRS benefit recipient, or (C)  
7 unmarried natural or adopted child who is (i) under age 19,  
8 or (ii) enrolled as a full-time student in an accredited  
9 school, financially dependent upon the TRS benefit  
10 recipient, eligible to be claimed as a dependent for income  
11 tax purposes, and either is under age 24 or was, on January  
12 1, 1996, participating as a dependent beneficiary in the  
13 health insurance program offered under Article 16 of the  
14 Illinois Pension Code, or (iii) age 19 or over who is  
15 mentally or physically handicapped.

16 (x) "Military leave with pay and benefits" refers to  
17 individuals in basic training for reserves, special/advanced  
18 training, annual training, emergency call up, or activation by  
19 the President of the United States with approved pay and  
20 benefits.

21 (y) "Military leave without pay and benefits" refers to  
22 individuals who enlist for active duty in a regular component  
23 of the U.S. Armed Forces or other duty not specified or  
24 authorized under military leave with pay and benefits.

25 (z) "Community college benefit recipient" means a person  
26 who:

1 (1) is not a "member" as defined in this Section; and

2 (2) is receiving a monthly survivor's annuity or  
3 retirement annuity under Article 15 of the Illinois Pension  
4 Code; and

5 (3) either (i) was a full-time employee of a community  
6 college district or an association of community college  
7 boards created under the Public Community College Act  
8 (other than an employee whose last employer under Article  
9 15 of the Illinois Pension Code was a community college  
10 district subject to Article VII of the Public Community  
11 College Act) and was eligible to participate in a group  
12 health benefit plan as an employee during the time of  
13 employment with a community college district (other than a  
14 community college district subject to Article VII of the  
15 Public Community College Act) or an association of  
16 community college boards, or (ii) is the survivor of a  
17 person described in item (i).

18 (aa) "Community college dependent beneficiary" means a  
19 person who:

20 (1) is not a "member" or "dependent" as defined in this  
21 Section; and

22 (2) is a community college benefit recipient's: (A)  
23 spouse, (B) dependent parent who is receiving at least half  
24 of his or her support from the community college benefit  
25 recipient, or (C) unmarried natural or adopted child who is  
26 (i) under age 19, or (ii) enrolled as a full-time student



1 in an accredited school, financially dependent upon the  
2 community college benefit recipient, eligible to be  
3 claimed as a dependent for income tax purposes and under  
4 age 23, or (iii) age 19 or over and mentally or physically  
5 handicapped.

6 (bb) "Qualified child advocacy center" means any Illinois  
7 child advocacy center and its administrative offices funded by  
8 the Department of Children and Family Services, as defined by  
9 the Children's Advocacy Center Act (55 ILCS 80/), approved by  
10 the Director and participating in a program created under  
11 subsection (n) of Section 10.

12 (Source: P.A. 93-205, eff. 1-1-04; 93-839, eff. 7-30-04;  
13 93-1067, eff. 1-15-05; 94-32, eff. 6-15-05; 94-82, eff. 1-1-06;  
14 94-860, eff. 6-16-06; revised 8-3-06.)

15 (5 ILCS 375/6.5)

16 Sec. 6.5. Health benefits for TRS benefit recipients and  
17 TRS dependent beneficiaries.

18 (a) Purpose. It is the purpose of this amendatory Act of  
19 1995 to transfer the administration of the program of health  
20 benefits established for benefit recipients and their  
21 dependent beneficiaries under Article 16 of the Illinois  
22 Pension Code to the Department of Central Management Services.

23 (b) Transition provisions. The Board of Trustees of the  
24 Teachers' Retirement System shall continue to administer the  
25 health benefit program established under Article 16 of the

1 Illinois Pension Code through December 31, 1995. Beginning  
2 January 1, 1996, the Department of Central Management Services  
3 shall be responsible for administering a program of health  
4 benefits for TRS benefit recipients and TRS dependent  
5 beneficiaries under this Section. The Department of Central  
6 Management Services and the Teachers' Retirement System shall  
7 cooperate in this endeavor and shall coordinate their  
8 activities so as to ensure a smooth transition and  
9 uninterrupted health benefit coverage.

10 (c) Eligibility. All persons who were enrolled in the  
11 Article 16 program at the time of the transfer shall be  
12 eligible to participate in the program established under this  
13 Section without any interruption or delay in coverage or  
14 limitation as to pre-existing medical conditions. Eligibility  
15 to participate shall be determined by the Teachers' Retirement  
16 System. Eligibility information shall be communicated to the  
17 Department of Central Management Services in a format  
18 acceptable to the Department.

19 A TRS dependent beneficiary who is an unmarried child age  
20 19 or over and mentally or physically disabled does not become  
21 ineligible to participate by reason of (i) becoming ineligible  
22 to be claimed as a dependent for Illinois or federal income tax  
23 purposes or (ii) receiving earned income, so long as those  
24 earnings are insufficient for the child to be fully  
25 self-sufficient.

26 (d) Coverage. The level of health benefits provided under

1 this Section shall be similar to the level of benefits provided  
2 by the program previously established under Article 16 of the  
3 Illinois Pension Code.

4 Group life insurance benefits are not included in the  
5 benefits to be provided to TRS benefit recipients and TRS  
6 dependent beneficiaries under this Act.

7 The program of health benefits under this Section may  
8 include any or all of the benefit limitations, including but  
9 not limited to a reduction in benefits based on eligibility for  
10 federal medicare benefits, that are provided under subsection  
11 (a) of Section 6 of this Act for other health benefit programs  
12 under this Act.

13 (e) Insurance rates and premiums. The Director shall  
14 determine the insurance rates and premiums for TRS benefit  
15 recipients and TRS dependent beneficiaries, and shall present  
16 to the Teachers' Retirement System of the State of Illinois, by  
17 April 15 of each calendar year, the rate-setting methodology  
18 (including but not limited to utilization levels and costs)  
19 used to determine the amount of the health care premiums.

20 For Fiscal Year 1996, the premium shall be equal to the  
21 premium actually charged in Fiscal Year 1995; in subsequent  
22 years, the premium shall never be lower than the premium  
23 charged in Fiscal Year 1995.

24 For Fiscal Year 2003, the premium shall not exceed 110%  
25 of the premium actually charged in Fiscal Year 2002.

26 For Fiscal Year 2004, the premium shall not exceed 112%

1 of the premium actually charged in Fiscal Year 2003.

2 For Fiscal Year 2005, the premium shall not exceed a  
3 weighted average of 106.6% of the premium actually charged  
4 in Fiscal Year 2004.

5 For Fiscal Year 2006, the premium shall not exceed a  
6 weighted average of 109.1% of the premium actually charged  
7 in Fiscal Year 2005.

8 For Fiscal Year 2007, the premium shall not exceed a  
9 weighted average of 103.9% of the premium actually charged  
10 in Fiscal Year 2006.

11 For Fiscal Year 2008 and thereafter, the premium in  
12 each fiscal year shall not exceed 105% of the premium  
13 actually charged in the previous fiscal year.

14 Rates and premiums may be based in part on age and  
15 eligibility for federal medicare coverage. However, the cost of  
16 participation for a TRS dependent beneficiary who is an  
17 unmarried child age 19 or over and mentally or physically  
18 disabled shall not exceed the cost for a TRS dependent  
19 beneficiary who is an unmarried child under age 19 and  
20 participates in the same major medical or managed care program.

21 The cost of health benefits under the program shall be paid  
22 as follows:

23 (1) For a TRS benefit recipient selecting a managed  
24 care program, up to 75% of the total insurance rate shall  
25 be paid from the Teacher Health Insurance Security Fund.  
26 Effective with Fiscal Year 2007 and thereafter, for a TRS

1 benefit recipient selecting a managed care program, 75% of  
2 the total insurance rate shall be paid from the Teacher  
3 Health Insurance Security Fund.

4 (2) For a TRS benefit recipient selecting the major  
5 medical coverage program, up to 50% of the total insurance  
6 rate shall be paid from the Teacher Health Insurance  
7 Security Fund if a managed care program is accessible, as  
8 determined by the Teachers' Retirement System. Effective  
9 with Fiscal Year 2007 and thereafter, for a TRS benefit  
10 recipient selecting the major medical coverage program,  
11 50% of the total insurance rate shall be paid from the  
12 Teacher Health Insurance Security Fund if a managed care  
13 program is accessible, as determined by the Department of  
14 Central Management Services.

15 (3) For a TRS benefit recipient selecting the major  
16 medical coverage program, up to 75% of the total insurance  
17 rate shall be paid from the Teacher Health Insurance  
18 Security Fund if a managed care program is not accessible,  
19 as determined by the Teachers' Retirement System.  
20 Effective with Fiscal Year 2007 and thereafter, for a TRS  
21 benefit recipient selecting the major medical coverage  
22 program, 75% of the total insurance rate shall be paid from  
23 the Teacher Health Insurance Security Fund if a managed  
24 care program is not accessible, as determined by the  
25 Department of Central Management Services.

26 (3.1) For a TRS dependent beneficiary who is Medicare

1 primary and enrolled in a managed care plan, or the major  
2 medical coverage program if a managed care plan is not  
3 available, 25% of the total insurance rate shall be paid  
4 from the Teacher Health Security Fund as determined by the  
5 Department of Central Management Services. For the purpose  
6 of this item (3.1), the term "TRS dependent beneficiary who  
7 is Medicare primary" means a TRS dependent beneficiary who  
8 is participating in Medicare Parts A and B.

9 (4) Except as otherwise provided in item (3.1), the  
10 balance of the rate of insurance, including the entire  
11 premium of any coverage for TRS dependent beneficiaries  
12 that has been elected, shall be paid by deductions  
13 authorized by the TRS benefit recipient to be withheld from  
14 his or her monthly annuity or benefit payment from the  
15 Teachers' Retirement System; except that (i) if the balance  
16 of the cost of coverage exceeds the amount of the monthly  
17 annuity or benefit payment, the difference shall be paid  
18 directly to the Teachers' Retirement System by the TRS  
19 benefit recipient, and (ii) all or part of the balance of  
20 the cost of coverage may, at the school board's option, be  
21 paid to the Teachers' Retirement System by the school board  
22 of the school district from which the TRS benefit recipient  
23 retired, in accordance with Section 10-22.3b of the School  
24 Code. The Teachers' Retirement System shall promptly  
25 deposit all moneys withheld by or paid to it under this  
26 subdivision (e)(4) into the Teacher Health Insurance

1 Security Fund. These moneys shall not be considered assets  
2 of the Retirement System.

3 (f) Financing. Beginning July 1, 1995, all revenues arising  
4 from the administration of the health benefit programs  
5 established under Article 16 of the Illinois Pension Code or  
6 this Section shall be deposited into the Teacher Health  
7 Insurance Security Fund, which is hereby created as a  
8 nonappropriated trust fund to be held outside the State  
9 Treasury, with the State Treasurer as custodian. Any interest  
10 earned on moneys in the Teacher Health Insurance Security Fund  
11 shall be deposited into the Fund.

12 Moneys in the Teacher Health Insurance Security Fund shall  
13 be used only to pay the costs of the health benefit program  
14 established under this Section, including associated  
15 administrative costs, and the costs associated with the health  
16 benefit program established under Article 16 of the Illinois  
17 Pension Code, as authorized in this Section. Beginning July 1,  
18 1995, the Department of Central Management Services may make  
19 expenditures from the Teacher Health Insurance Security Fund  
20 for those costs.

21 After other funds authorized for the payment of the costs  
22 of the health benefit program established under Article 16 of  
23 the Illinois Pension Code are exhausted and until January 1,  
24 1996 (or such later date as may be agreed upon by the Director  
25 of Central Management Services and the Secretary of the  
26 Teachers' Retirement System), the Secretary of the Teachers'

1 Retirement System may make expenditures from the Teacher Health  
2 Insurance Security Fund as necessary to pay up to 75% of the  
3 cost of providing health coverage to eligible benefit  
4 recipients (as defined in Sections 16-153.1 and 16-153.3 of the  
5 Illinois Pension Code) who are enrolled in the Article 16  
6 health benefit program and to facilitate the transfer of  
7 administration of the health benefit program to the Department  
8 of Central Management Services.

9 The Department of Healthcare and Family Services, or any  
10 successor agency designated to procure healthcare contracts  
11 pursuant to this Act, is authorized to establish funds,  
12 separate accounts provided by any bank or banks as defined by  
13 the Illinois Banking Act, or separate accounts provided by any  
14 savings and loan association or associations as defined by the  
15 Illinois Savings and Loan Act of 1985 to be held by the  
16 Director, outside the State treasury, for the purpose of  
17 receiving the transfer of moneys from the Teacher Health  
18 Insurance Security Fund. The Department may promulgate rules  
19 further defining the methodology for the transfers. Any  
20 interest earned by moneys in the funds or accounts shall inure  
21 to the Teacher Health Insurance Security Fund. The transferred  
22 moneys, and interest accrued thereon, shall be used exclusively  
23 for transfers to administrative service organizations or their  
24 financial institutions for payments of claims to claimants and  
25 providers under the self-insurance health plan. The  
26 transferred moneys, and interest accrued thereon, shall not be



1 used for any other purpose including, but not limited to,  
2 reimbursement of administration fees due the administrative  
3 service organization pursuant to its contract or contracts with  
4 the Department.

5 (g) Contract for benefits. The Director shall by contract,  
6 self-insurance, or otherwise make available the program of  
7 health benefits for TRS benefit recipients and their TRS  
8 dependent beneficiaries that is provided for in this Section.  
9 The contract or other arrangement for the provision of these  
10 health benefits shall be on terms deemed by the Director to be  
11 in the best interest of the State of Illinois and the TRS  
12 benefit recipients based on, but not limited to, such criteria  
13 as administrative cost, service capabilities of the carrier or  
14 other contractor, and the costs of the benefits.

15 (g-5) Committee. A Teacher Retirement Insurance Program  
16 Committee shall be established, to consist of 10 persons  
17 appointed by the Governor.

18 The Committee shall convene at least 4 times each year, and  
19 shall consider and make recommendations on issues affecting the  
20 program of health benefits provided under this Section.  
21 Recommendations of the Committee shall be based on a consensus  
22 of the members of the Committee.

23 If the Teacher Health Insurance Security Fund experiences a  
24 deficit balance based upon the contribution and subsidy rates  
25 established in this Section and Section 6.6 for Fiscal Year  
26 2008 or thereafter, the Committee shall make recommendations

1 for adjustments to the funding sources established under these  
2 Sections.

3 (h) Continuation of program. It is the intention of the  
4 General Assembly that the program of health benefits provided  
5 under this Section be maintained on an ongoing, affordable  
6 basis.

7 The program of health benefits provided under this Section  
8 may be amended by the State and is not intended to be a pension  
9 or retirement benefit subject to protection under Article XIII,  
10 Section 5 of the Illinois Constitution.

11 (i) Repeal. (Blank).

12 (Source: P.A. 92-505, eff. 12-20-01; 92-862, eff. 1-3-03;  
13 93-679, eff. 6-30-04.)

14 (5 ILCS 375/6.10)

15 Sec. 6.10. Contributions to the Community College Health  
16 Insurance Security Fund.

17 (a) Beginning January 1, 1999, every active contributor of  
18 the State Universities Retirement System (established under  
19 Article 15 of the Illinois Pension Code) who (1) is a full-time  
20 employee of a community college district (other than a  
21 community college district subject to Article VII of the Public  
22 Community College Act) or an association of community college  
23 boards and (2) is not an employee as defined in Section 3 of  
24 this Act shall make contributions toward the cost of community  
25 college annuitant and survivor health benefits at the rate of

1 0.50% of salary.

2 These contributions shall be deducted by the employer and  
3 paid to the State Universities Retirement System as service  
4 agent for the Department of Central Management Services. The  
5 System may use the same processes for collecting the  
6 contributions required by this subsection that it uses to  
7 collect the contributions received from those employees under  
8 Section 15-157 of the Illinois Pension Code. An employer may  
9 agree to pick up or pay the contributions required under this  
10 subsection on behalf of the employee; such contributions shall  
11 be deemed to have been paid by the employee.

12 The State Universities Retirement System shall promptly  
13 deposit all moneys collected under this subsection (a) into the  
14 Community College Health Insurance Security Fund created in  
15 Section 6.9 of this Act. The moneys collected under this  
16 Section shall be used only for the purposes authorized in  
17 Section 6.9 of this Act and shall not be considered to be  
18 assets of the State Universities Retirement System.  
19 Contributions made under this Section are not transferable to  
20 other pension funds or retirement systems and are not  
21 refundable upon termination of service.

22 (b) Beginning January 1, 1999, every community college  
23 district (other than a community college district subject to  
24 Article VII of the Public Community College Act) or association  
25 of community college boards that is an employer under the State  
26 Universities Retirement System shall contribute toward the

1 cost of the community college health benefits provided under  
2 Section 6.9 of this Act an amount equal to 0.50% of the salary  
3 paid to its full-time employees who participate in the State  
4 Universities Retirement System and are not members as defined  
5 in Section 3 of this Act.

6 These contributions shall be paid by the employer to the  
7 State Universities Retirement System as service agent for the  
8 Department of Central Management Services. The System may use  
9 the same processes for collecting the contributions required by  
10 this subsection that it uses to collect the contributions  
11 received from those employers under Section 15-155 of the  
12 Illinois Pension Code.

13 The State Universities Retirement System shall promptly  
14 deposit all moneys collected under this subsection (b) into the  
15 Community College Health Insurance Security Fund created in  
16 Section 6.9 of this Act. The moneys collected under this  
17 Section shall be used only for the purposes authorized in  
18 Section 6.9 of this Act and shall not be considered to be  
19 assets of the State Universities Retirement System.  
20 Contributions made under this Section are not transferable to  
21 other pension funds or retirement systems and are not  
22 refundable upon termination of service.

23 The Department of Healthcare and Family Services, or any  
24 successor agency designated to procure healthcare contracts  
25 pursuant to this Act, is authorized to establish funds,  
26 separate accounts provided by any bank or banks as defined by

1 the Illinois Banking Act, or separate accounts provided by any  
2 savings and loan association or associations as defined by the  
3 Illinois Savings and Loan Act of 1985 to be held by the  
4 Director, outside the State treasury, for the purpose of  
5 receiving the transfer of moneys from the Community College  
6 Health Insurance Security Fund. The Department may promulgate  
7 rules further defining the methodology for the transfers. Any  
8 interest earned by moneys in the funds or accounts shall inure  
9 to the Community College Health Insurance Security Fund. The  
10 transferred moneys, and interest accrued thereon, shall be used  
11 exclusively for transfers to administrative service  
12 organizations or their financial institutions for payments of  
13 claims to claimants and providers under the self-insurance  
14 health plan. The transferred moneys, and interest accrued  
15 thereon, shall not be used for any other purpose including, but  
16 not limited to, reimbursement of administration fees due the  
17 administrative service organization pursuant to its contract  
18 or contracts with the Department.

19 (c) On or before November 15 of each year, the Board of  
20 Trustees of the State Universities Retirement System shall  
21 certify to the Governor, the Director of Central Management  
22 Services, and the State Comptroller its estimate of the total  
23 amount of contributions to be paid under subsection (a) of this  
24 Section for the next fiscal year. Beginning in fiscal year  
25 2008, the amount certified shall be decreased or increased each  
26 year by the amount that the actual active employee

1 contributions either fell short of or exceeded the estimate  
2 used by the Board in making the certification for the previous  
3 fiscal year. The State Universities Retirement System shall  
4 calculate the amount of actual active employee contributions in  
5 fiscal years 1999 through 2005. Based upon this calculation,  
6 the fiscal year 2008 certification shall include an amount  
7 equal to the cumulative amount that the actual active employee  
8 contributions either fell short of or exceeded the estimate  
9 used by the Board in making the certification for those fiscal  
10 years. The certification shall include a detailed explanation  
11 of the methods and information that the Board relied upon in  
12 preparing its estimate. As soon as possible after the effective  
13 date of this Section, the Board shall submit its estimate for  
14 fiscal year 1999.

15 (d) Beginning in fiscal year 1999, on the first day of each  
16 month, or as soon thereafter as may be practical, the State  
17 Treasurer and the State Comptroller shall transfer from the  
18 General Revenue Fund to the Community College Health Insurance  
19 Security Fund 1/12 of the annual amount appropriated for that  
20 fiscal year to the State Comptroller for deposit into the  
21 Community College Health Insurance Security Fund under Section  
22 1.4 of the State Pension Funds Continuing Appropriation Act.

23 (e) Except where otherwise specified in this Section, the  
24 definitions that apply to Article 15 of the Illinois Pension  
25 Code apply to this Section.

26 (Source: P.A. 94-839, eff. 6-6-06.)

1 (5 ILCS 375/10) (from Ch. 127, par. 530)

2 Sec. 10. Payments by State; premiums.

3 (a) The State shall pay the cost of basic non-contributory  
4 group life insurance and, subject to member paid contributions  
5 set by the Department or required by this Section, the basic  
6 program of group health benefits on each eligible member,  
7 except a member, not otherwise covered by this Act, who has  
8 retired as a participating member under Article 2 of the  
9 Illinois Pension Code but is ineligible for the retirement  
10 annuity under Section 2-119 of the Illinois Pension Code, and  
11 part of each eligible member's and retired member's premiums  
12 for health insurance coverage for enrolled dependents as  
13 provided by Section 9. The State shall pay the cost of the  
14 basic program of group health benefits only after benefits are  
15 reduced by the amount of benefits covered by Medicare for all  
16 members and dependents who are eligible for benefits under  
17 Social Security or the Railroad Retirement system or who had  
18 sufficient Medicare-covered government employment, except that  
19 such reduction in benefits shall apply only to those members  
20 and dependents who (1) first become eligible for such Medicare  
21 coverage on or after July 1, 1992; or (2) are Medicare-eligible  
22 members or dependents of a local government unit which began  
23 participation in the program on or after July 1, 1992; or (3)  
24 remain eligible for, but no longer receive Medicare coverage  
25 which they had been receiving on or after July 1, 1992. The

1 Department may determine the aggregate level of the State's  
2 contribution on the basis of actual cost of medical services  
3 adjusted for age, sex or geographic or other demographic  
4 characteristics which affect the costs of such programs.

5 The cost of participation in the basic program of group  
6 health benefits for the dependent or survivor of a living or  
7 deceased retired employee who was formerly employed by the  
8 University of Illinois in the Cooperative Extension Service and  
9 would be an annuitant but for the fact that he or she was made  
10 ineligible to participate in the State Universities Retirement  
11 System by clause (4) of subsection (a) of Section 15-107 of the  
12 Illinois Pension Code shall not be greater than the cost of  
13 participation that would otherwise apply to that dependent or  
14 survivor if he or she were the dependent or survivor of an  
15 annuitant under the State Universities Retirement System.

16 (a-1) Beginning January 1, 1998, for each person who  
17 becomes a new SERS annuitant and participates in the basic  
18 program of group health benefits, the State shall contribute  
19 toward the cost of the annuitant's coverage under the basic  
20 program of group health benefits an amount equal to 5% of that  
21 cost for each full year of creditable service upon which the  
22 annuitant's retirement annuity is based, up to a maximum of  
23 100% for an annuitant with 20 or more years of creditable  
24 service. The remainder of the cost of a new SERS annuitant's  
25 coverage under the basic program of group health benefits shall  
26 be the responsibility of the annuitant. In the case of a new



1 SERS annuitant who has elected to receive an alternative  
2 retirement cancellation payment under Section 14-108.5 of the  
3 Illinois Pension Code in lieu of an annuity, for the purposes  
4 of this subsection the annuitant shall be deemed to be  
5 receiving a retirement annuity based on the number of years of  
6 creditable service that the annuitant had established at the  
7 time of his or her termination of service under SERS.

8 (a-2) Beginning January 1, 1998, for each person who  
9 becomes a new SERS survivor and participates in the basic  
10 program of group health benefits, the State shall contribute  
11 toward the cost of the survivor's coverage under the basic  
12 program of group health benefits an amount equal to 5% of that  
13 cost for each full year of the deceased employee's or deceased  
14 annuitant's creditable service in the State Employees'  
15 Retirement System of Illinois on the date of death, up to a  
16 maximum of 100% for a survivor of an employee or annuitant with  
17 20 or more years of creditable service. The remainder of the  
18 cost of the new SERS survivor's coverage under the basic  
19 program of group health benefits shall be the responsibility of  
20 the survivor. In the case of a new SERS survivor who was the  
21 dependent of an annuitant who elected to receive an alternative  
22 retirement cancellation payment under Section 14-108.5 of the  
23 Illinois Pension Code in lieu of an annuity, for the purposes  
24 of this subsection the deceased annuitant's creditable service  
25 shall be determined as of the date of termination of service  
26 rather than the date of death.

1           (a-3) Beginning January 1, 1998, for each person who  
2 becomes a new SURS annuitant and participates in the basic  
3 program of group health benefits, the State shall contribute  
4 toward the cost of the annuitant's coverage under the basic  
5 program of group health benefits an amount equal to 5% of that  
6 cost for each full year of creditable service upon which the  
7 annuitant's retirement annuity is based, up to a maximum of  
8 100% for an annuitant with 20 or more years of creditable  
9 service. The remainder of the cost of a new SURS annuitant's  
10 coverage under the basic program of group health benefits shall  
11 be the responsibility of the annuitant.

12           (a-4) (Blank).

13           (a-5) Beginning January 1, 1998, for each person who  
14 becomes a new SURS survivor and participates in the basic  
15 program of group health benefits, the State shall contribute  
16 toward the cost of the survivor's coverage under the basic  
17 program of group health benefits an amount equal to 5% of that  
18 cost for each full year of the deceased employee's or deceased  
19 annuitant's creditable service in the State Universities  
20 Retirement System on the date of death, up to a maximum of 100%  
21 for a survivor of an employee or annuitant with 20 or more  
22 years of creditable service. The remainder of the cost of the  
23 new SURS survivor's coverage under the basic program of group  
24 health benefits shall be the responsibility of the survivor.

25           (a-6) Beginning July 1, 1998, for each person who becomes a  
26 new TRS State annuitant and participates in the basic program

1 of group health benefits, the State shall contribute toward the  
2 cost of the annuitant's coverage under the basic program of  
3 group health benefits an amount equal to 5% of that cost for  
4 each full year of creditable service as a teacher as defined in  
5 paragraph (2), (3), or (5) of Section 16-106 of the Illinois  
6 Pension Code upon which the annuitant's retirement annuity is  
7 based, up to a maximum of 100%; except that the State  
8 contribution shall be 12.5% per year (rather than 5%) for each  
9 full year of creditable service as a regional superintendent or  
10 assistant regional superintendent of schools. The remainder of  
11 the cost of a new TRS State annuitant's coverage under the  
12 basic program of group health benefits shall be the  
13 responsibility of the annuitant.

14 (a-7) Beginning July 1, 1998, for each person who becomes a  
15 new TRS State survivor and participates in the basic program of  
16 group health benefits, the State shall contribute toward the  
17 cost of the survivor's coverage under the basic program of  
18 group health benefits an amount equal to 5% of that cost for  
19 each full year of the deceased employee's or deceased  
20 annuitant's creditable service as a teacher as defined in  
21 paragraph (2), (3), or (5) of Section 16-106 of the Illinois  
22 Pension Code on the date of death, up to a maximum of 100%;  
23 except that the State contribution shall be 12.5% per year  
24 (rather than 5%) for each full year of the deceased employee's  
25 or deceased annuitant's creditable service as a regional  
26 superintendent or assistant regional superintendent of

1 schools. The remainder of the cost of the new TRS State  
2 survivor's coverage under the basic program of group health  
3 benefits shall be the responsibility of the survivor.

4 (a-8) A new SERS annuitant, new SERS survivor, new SURS  
5 annuitant, new SURS survivor, new TRS State annuitant, or new  
6 TRS State survivor may waive or terminate coverage in the  
7 program of group health benefits. Any such annuitant or  
8 survivor who has waived or terminated coverage may enroll or  
9 re-enroll in the program of group health benefits only during  
10 the annual benefit choice period, as determined by the  
11 Director; except that in the event of termination of coverage  
12 due to nonpayment of premiums, the annuitant or survivor may  
13 not re-enroll in the program.

14 (a-9) No later than May 1 of each calendar year, the  
15 Director of Central Management Services shall certify in  
16 writing to the Executive Secretary of the State Employees'  
17 Retirement System of Illinois the amounts of the Medicare  
18 supplement health care premiums and the amounts of the health  
19 care premiums for all other retirees who are not Medicare  
20 eligible.

21 A separate calculation of the premiums based upon the  
22 actual cost of each health care plan shall be so certified.

23 The Director of Central Management Services shall provide  
24 to the Executive Secretary of the State Employees' Retirement  
25 System of Illinois such information, statistics, and other data  
26 as he or she may require to review the premium amounts

1 certified by the Director of Central Management Services.

2 The Department of Healthcare and Family Services, or any  
3 successor agency designated to procure healthcare contracts  
4 pursuant to this Act, is authorized to establish funds,  
5 separate accounts provided by any bank or banks as defined by  
6 the Illinois Banking Act, or separate accounts provided by any  
7 savings and loan association or associations as defined by the  
8 Illinois Savings and Loan Act of 1985 to be held by the  
9 Director, outside the State treasury, for the purpose of  
10 receiving the transfer of moneys from the Local Government  
11 Health Insurance Reserve Fund. The Department may promulgate  
12 rules further defining the methodology for the transfers. Any  
13 interest earned by moneys in the funds or accounts shall inure  
14 to the Local Government Health Insurance Reserve Fund. The  
15 transferred moneys, and interest accrued thereon, shall be used  
16 exclusively for transfers to administrative service  
17 organizations or their financial institutions for payments of  
18 claims to claimants and providers under the self-insurance  
19 health plan. The transferred moneys, and interest accrued  
20 thereon, shall not be used for any other purpose including, but  
21 not limited to, reimbursement of administration fees due the  
22 administrative service organization pursuant to its contract  
23 or contracts with the Department.

24 (b) State employees who become eligible for this program on  
25 or after January 1, 1980 in positions normally requiring actual  
26 performance of duty not less than 1/2 of a normal work period

1 but not equal to that of a normal work period, shall be given  
2 the option of participating in the available program. If the  
3 employee elects coverage, the State shall contribute on behalf  
4 of such employee to the cost of the employee's benefit and any  
5 applicable dependent supplement, that sum which bears the same  
6 percentage as that percentage of time the employee regularly  
7 works when compared to normal work period.

8 (c) The basic non-contributory coverage from the basic  
9 program of group health benefits shall be continued for each  
10 employee not in pay status or on active service by reason of  
11 (1) leave of absence due to illness or injury, (2) authorized  
12 educational leave of absence or sabbatical leave, or (3)  
13 military leave with pay and benefits. This coverage shall  
14 continue until expiration of authorized leave and return to  
15 active service, but not to exceed 24 months for leaves under  
16 item (1) or (2). This 24-month limitation and the requirement  
17 of returning to active service shall not apply to persons  
18 receiving ordinary or accidental disability benefits or  
19 retirement benefits through the appropriate State retirement  
20 system or benefits under the Workers' Compensation or  
21 Occupational Disease Act.

22 (d) The basic group life insurance coverage shall continue,  
23 with full State contribution, where such person is (1) absent  
24 from active service by reason of disability arising from any  
25 cause other than self-inflicted, (2) on authorized educational  
26 leave of absence or sabbatical leave, or (3) on military leave

1 with pay and benefits.

2 (e) Where the person is in non-pay status for a period in  
3 excess of 30 days or on leave of absence, other than by reason  
4 of disability, educational or sabbatical leave, or military  
5 leave with pay and benefits, such person may continue coverage  
6 only by making personal payment equal to the amount normally  
7 contributed by the State on such person's behalf. Such payments  
8 and coverage may be continued: (1) until such time as the  
9 person returns to a status eligible for coverage at State  
10 expense, but not to exceed 24 months, (2) until such person's  
11 employment or annuitant status with the State is terminated, or  
12 (3) for a maximum period of 4 years for members on military  
13 leave with pay and benefits and military leave without pay and  
14 benefits (exclusive of any additional service imposed pursuant  
15 to law).

16 (f) The Department shall establish by rule the extent to  
17 which other employee benefits will continue for persons in  
18 non-pay status or who are not in active service.

19 (g) The State shall not pay the cost of the basic  
20 non-contributory group life insurance, program of health  
21 benefits and other employee benefits for members who are  
22 survivors as defined by paragraphs (1) and (2) of subsection  
23 (q) of Section 3 of this Act. The costs of benefits for these  
24 survivors shall be paid by the survivors or by the University  
25 of Illinois Cooperative Extension Service, or any combination  
26 thereof. However, the State shall pay the amount of the

1 reduction in the cost of participation, if any, resulting from  
2 the amendment to subsection (a) made by this amendatory Act of  
3 the 91st General Assembly.

4 (h) Those persons occupying positions with any department  
5 as a result of emergency appointments pursuant to Section 8b.8  
6 of the Personnel Code who are not considered employees under  
7 this Act shall be given the option of participating in the  
8 programs of group life insurance, health benefits and other  
9 employee benefits. Such persons electing coverage may  
10 participate only by making payment equal to the amount normally  
11 contributed by the State for similarly situated employees. Such  
12 amounts shall be determined by the Director. Such payments and  
13 coverage may be continued until such time as the person becomes  
14 an employee pursuant to this Act or such person's appointment  
15 is terminated.

16 (i) Any unit of local government within the State of  
17 Illinois may apply to the Director to have its employees,  
18 annuitants, and their dependents provided group health  
19 coverage under this Act on a non-insured basis. To participate,  
20 a unit of local government must agree to enroll all of its  
21 employees, who may select coverage under either the State group  
22 health benefits plan or a health maintenance organization that  
23 has contracted with the State to be available as a health care  
24 provider for employees as defined in this Act. A unit of local  
25 government must remit the entire cost of providing coverage  
26 under the State group health benefits plan or, for coverage



1 under a health maintenance organization, an amount determined  
2 by the Director based on an analysis of the sex, age,  
3 geographic location, or other relevant demographic variables  
4 for its employees, except that the unit of local government  
5 shall not be required to enroll those of its employees who are  
6 covered spouses or dependents under this plan or another group  
7 policy or plan providing health benefits as long as (1) an  
8 appropriate official from the unit of local government attests  
9 that each employee not enrolled is a covered spouse or  
10 dependent under this plan or another group policy or plan, and  
11 (2) at least 85% of the employees are enrolled and the unit of  
12 local government remits the entire cost of providing coverage  
13 to those employees, except that a participating school district  
14 must have enrolled at least 85% of its full-time employees who  
15 have not waived coverage under the district's group health plan  
16 by participating in a component of the district's cafeteria  
17 plan. A participating school district is not required to enroll  
18 a full-time employee who has waived coverage under the  
19 district's health plan, provided that an appropriate official  
20 from the participating school district attests that the  
21 full-time employee has waived coverage by participating in a  
22 component of the district's cafeteria plan. For the purposes of  
23 this subsection, "participating school district" includes a  
24 unit of local government whose primary purpose is education as  
25 defined by the Department's rules.

26 Employees of a participating unit of local government who

1 are not enrolled due to coverage under another group health  
2 policy or plan may enroll in the event of a qualifying change  
3 in status, special enrollment, special circumstance as defined  
4 by the Director, or during the annual Benefit Choice Period. A  
5 participating unit of local government may also elect to cover  
6 its annuitants. Dependent coverage shall be offered on an  
7 optional basis, with the costs paid by the unit of local  
8 government, its employees, or some combination of the two as  
9 determined by the unit of local government. The unit of local  
10 government shall be responsible for timely collection and  
11 transmission of dependent premiums.

12 The Director shall annually determine monthly rates of  
13 payment, subject to the following constraints:

14 (1) In the first year of coverage, the rates shall be  
15 equal to the amount normally charged to State employees for  
16 elected optional coverages or for enrolled dependents  
17 coverages or other contributory coverages, or contributed  
18 by the State for basic insurance coverages on behalf of its  
19 employees, adjusted for differences between State  
20 employees and employees of the local government in age,  
21 sex, geographic location or other relevant demographic  
22 variables, plus an amount sufficient to pay for the  
23 additional administrative costs of providing coverage to  
24 employees of the unit of local government and their  
25 dependents.

26 (2) In subsequent years, a further adjustment shall be

1           made to reflect the actual prior years' claims experience  
2           of the employees of the unit of local government.

3           In the case of coverage of local government employees under  
4 a health maintenance organization, the Director shall annually  
5 determine for each participating unit of local government the  
6 maximum monthly amount the unit may contribute toward that  
7 coverage, based on an analysis of (i) the age, sex, geographic  
8 location, and other relevant demographic variables of the  
9 unit's employees and (ii) the cost to cover those employees  
10 under the State group health benefits plan. The Director may  
11 similarly determine the maximum monthly amount each unit of  
12 local government may contribute toward coverage of its  
13 employees' dependents under a health maintenance organization.

14           Monthly payments by the unit of local government or its  
15 employees for group health benefits plan or health maintenance  
16 organization coverage shall be deposited in the Local  
17 Government Health Insurance Reserve Fund.

18           The Local Government Health Insurance Reserve Fund shall be  
19 a continuing fund not subject to fiscal year limitations. All  
20 revenues arising from the administration of the health benefits  
21 program established under this Section shall be deposited into  
22 the Local Government Health Insurance Reserve Fund. All  
23 expenditures from this Fund shall be used for payments for  
24 health care benefits for local government and rehabilitation  
25 facility employees, annuitants, and dependents, and to  
26 reimburse the Department or its administrative service

1 organization for all expenses incurred in the administration of  
2 benefits. No other State funds may be used for these purposes.

3 A local government employer's participation or desire to  
4 participate in a program created under this subsection shall  
5 not limit that employer's duty to bargain with the  
6 representative of any collective bargaining unit of its  
7 employees.

8 (j) Any rehabilitation facility within the State of  
9 Illinois may apply to the Director to have its employees,  
10 annuitants, and their eligible dependents provided group  
11 health coverage under this Act on a non-insured basis. To  
12 participate, a rehabilitation facility must agree to enroll all  
13 of its employees and remit the entire cost of providing such  
14 coverage for its employees, except that the rehabilitation  
15 facility shall not be required to enroll those of its employees  
16 who are covered spouses or dependents under this plan or  
17 another group policy or plan providing health benefits as long  
18 as (1) an appropriate official from the rehabilitation facility  
19 attests that each employee not enrolled is a covered spouse or  
20 dependent under this plan or another group policy or plan, and  
21 (2) at least 85% of the employees are enrolled and the  
22 rehabilitation facility remits the entire cost of providing  
23 coverage to those employees. Employees of a participating  
24 rehabilitation facility who are not enrolled due to coverage  
25 under another group health policy or plan may enroll in the  
26 event of a qualifying change in status, special enrollment,

1 special circumstance as defined by the Director, or during the  
2 annual Benefit Choice Period. A participating rehabilitation  
3 facility may also elect to cover its annuitants. Dependent  
4 coverage shall be offered on an optional basis, with the costs  
5 paid by the rehabilitation facility, its employees, or some  
6 combination of the 2 as determined by the rehabilitation  
7 facility. The rehabilitation facility shall be responsible for  
8 timely collection and transmission of dependent premiums.

9 The Director shall annually determine quarterly rates of  
10 payment, subject to the following constraints:

11 (1) In the first year of coverage, the rates shall be  
12 equal to the amount normally charged to State employees for  
13 elected optional coverages or for enrolled dependents  
14 coverages or other contributory coverages on behalf of its  
15 employees, adjusted for differences between State  
16 employees and employees of the rehabilitation facility in  
17 age, sex, geographic location or other relevant  
18 demographic variables, plus an amount sufficient to pay for  
19 the additional administrative costs of providing coverage  
20 to employees of the rehabilitation facility and their  
21 dependents.

22 (2) In subsequent years, a further adjustment shall be  
23 made to reflect the actual prior years' claims experience  
24 of the employees of the rehabilitation facility.

25 Monthly payments by the rehabilitation facility or its  
26 employees for group health benefits shall be deposited in the

1 Local Government Health Insurance Reserve Fund.

2 (k) Any domestic violence shelter or service within the  
3 State of Illinois may apply to the Director to have its  
4 employees, annuitants, and their dependents provided group  
5 health coverage under this Act on a non-insured basis. To  
6 participate, a domestic violence shelter or service must agree  
7 to enroll all of its employees and pay the entire cost of  
8 providing such coverage for its employees. A participating  
9 domestic violence shelter may also elect to cover its  
10 annuitants. Dependent coverage shall be offered on an optional  
11 basis, with employees, or some combination of the 2 as  
12 determined by the domestic violence shelter or service. The  
13 domestic violence shelter or service shall be responsible for  
14 timely collection and transmission of dependent premiums.

15 The Director shall annually determine rates of payment,  
16 subject to the following constraints:

17 (1) In the first year of coverage, the rates shall be  
18 equal to the amount normally charged to State employees for  
19 elected optional coverages or for enrolled dependents  
20 coverages or other contributory coverages on behalf of its  
21 employees, adjusted for differences between State  
22 employees and employees of the domestic violence shelter or  
23 service in age, sex, geographic location or other relevant  
24 demographic variables, plus an amount sufficient to pay for  
25 the additional administrative costs of providing coverage  
26 to employees of the domestic violence shelter or service

1 and their dependents.

2 (2) In subsequent years, a further adjustment shall be  
3 made to reflect the actual prior years' claims experience  
4 of the employees of the domestic violence shelter or  
5 service.

6 Monthly payments by the domestic violence shelter or  
7 service or its employees for group health insurance shall be  
8 deposited in the Local Government Health Insurance Reserve  
9 Fund.

10 (1) A public community college or entity organized pursuant  
11 to the Public Community College Act may apply to the Director  
12 initially to have only annuitants not covered prior to July 1,  
13 1992 by the district's health plan provided health coverage  
14 under this Act on a non-insured basis. The community college  
15 must execute a 2-year contract to participate in the Local  
16 Government Health Plan. Any annuitant may enroll in the event  
17 of a qualifying change in status, special enrollment, special  
18 circumstance as defined by the Director, or during the annual  
19 Benefit Choice Period.

20 The Director shall annually determine monthly rates of  
21 payment subject to the following constraints: for those  
22 community colleges with annuitants only enrolled, first year  
23 rates shall be equal to the average cost to cover claims for a  
24 State member adjusted for demographics, Medicare  
25 participation, and other factors; and in the second year, a  
26 further adjustment of rates shall be made to reflect the actual

1 first year's claims experience of the covered annuitants.

2 (l-5) The provisions of subsection (l) become inoperative  
3 on July 1, 1999.

4 (m) The Director shall adopt any rules deemed necessary for  
5 implementation of this amendatory Act of 1989 (Public Act  
6 86-978).

7 (n) Any child advocacy center within the State of Illinois  
8 may apply to the Director to have its employees, annuitants,  
9 and their dependents ~~dependants~~ provided group health coverage  
10 under this Act on a non-insured basis. To participate, a child  
11 advocacy center must agree to enroll all of its employees and  
12 pay the entire cost of providing coverage for its employees. A  
13 participating child advocacy center may also elect to cover its  
14 annuitants. Dependent coverage shall be offered on an optional  
15 basis, with the costs paid by the child advocacy center, its  
16 employees, or some combination of the 2 as determined by the  
17 child advocacy center. The child advocacy center shall be  
18 responsible for timely collection and transmission of  
19 dependent premiums.

20 The Director shall annually determine rates of payment,  
21 subject to the following constraints:

22 (1) In the first year of coverage, the rates shall be  
23 equal to the amount normally charged to State employees for  
24 elected optional coverages or for enrolled dependents  
25 coverages or other contributory coverages on behalf of its  
26 employees, adjusted for differences between State



1 employees and employees of the child advocacy center in  
2 age, sex, geographic location, or other relevant  
3 demographic variables, plus an amount sufficient to pay for  
4 the additional administrative costs of providing coverage  
5 to employees of the child advocacy center and their  
6 dependents.

7 (2) In subsequent years, a further adjustment shall be  
8 made to reflect the actual prior years' claims experience  
9 of the employees of the child advocacy center.

10 Monthly payments by the child advocacy center or its  
11 employees for group health insurance shall be deposited into  
12 the Local Government Health Insurance Reserve Fund.

13 (Source: P.A. 93-839, eff. 7-30-04; 94-839, eff. 6-6-06;  
14 94-860, eff. 6-16-06; revised 8-3-06.)

15 (5 ILCS 375/12) (from Ch. 127, par. 532)

16 Sec. 12. (a) Any surplus resulting from favorable  
17 experience of those portions of the group life insurance and  
18 group health program shall be refunded to the State of Illinois  
19 for deposit, respectively, in the Group Insurance Premium Fund  
20 or Health Insurance Reserve Fund established under this Act.  
21 Such funds may be applied to reduce member premiums, charges or  
22 fees or increase benefits, or both, in accordance with  
23 Subsection (b) of this Section.

24 (b) Surplus resulting from favorable experience may be  
25 applied to any current or future contract made under authority

1 of this Act. With respect to any surplus relating to the Group  
2 Insurance Premium Fund, the surplus shall be deposited into the  
3 Group Insurance Premium Fund and may be applied either towards  
4 ~~toward~~ the reduction of the cost of optional life insurance or  
5 the provision of additional life insurance as determined by the  
6 Director. With respect to any surplus relating to the Health  
7 Insurance Reserve Fund, the surplus shall be deposited into the  
8 Health Insurance Reserve Fund and may be applied towards  
9 contributions to the program of health benefits or other  
10 ~~employee~~ benefits or towards ~~toward~~ providing additional ~~life~~  
11 ~~insurance or~~ health or other benefits, or both, as determined  
12 by the Director.

13 (Source: P.A. 85-848.)

14 (5 ILCS 375/13) (from Ch. 127, par. 533)

15 Sec. 13. There is established a Group Insurance Premium  
16 Fund administered by the Director which shall include: (1)  
17 amounts paid by covered members for optional life insurance ~~or~~  
18 ~~health benefits coverages,~~ and (2) refunds which may be  
19 received from (a) the group carrier or carriers which may  
20 result from favorable experience as described in Section 12  
21 herein or (b) from any other source from which the State is  
22 reasonably and properly entitled to refund as a result of the  
23 life insurance ~~group health benefits~~ program. The Group  
24 Insurance Premium Fund shall be a continuing fund not subject  
25 to fiscal year limitations.

1           The State of Illinois shall at least once each month make  
2 payment on behalf of each member, except one who is a member by  
3 virtue of participation in a program created under subsection  
4 (i), (j), (k), or (l) of Section 10 of this Act, to the  
5 appropriate carrier or, if applicable, carriers insuring State  
6 members under the contracted group life insurance ~~and group~~  
7 ~~health benefits~~ program authorized by this Act.

8           Refunds to members for premiums paid for coverage may be  
9 paid from the Group Insurance Premium Fund without regard to  
10 the fact that the premium being refunded may have been paid in  
11 a different fiscal year.

12         (Source: P.A. 91-390, eff. 7-30-99.)

13           (5 ILCS 375/13.1) (from Ch. 127, par. 533.1)

14           Sec. 13.1. (a) All contributions, appropriations,  
15 interest, and dividend payments to fund the program of health  
16 benefits and other employee benefits, and all other revenues  
17 arising from the administration of any employee health benefits  
18 program, shall be deposited in a trust fund outside the State  
19 Treasury, with the State Treasurer as ex-officio custodian, to  
20 be known as the Health Insurance Reserve Fund.

21           (b) Upon the adoption of a self-insurance health plan, any  
22 monies attributable to the group health insurance program shall  
23 be deposited in or transferred to the Health Insurance Reserve  
24 Fund for use by the Department. As of the effective date of  
25 this amendatory Act of 1986, the Department shall certify to

1 the Comptroller the amount of money in the Group Insurance  
2 Premium Fund attributable to the State group health insurance  
3 program and the Comptroller shall transfer such money from the  
4 Group Insurance Premium Fund to the Health Insurance Reserve  
5 Fund. Contributions by the State to the Health Insurance  
6 Reserve Fund to meet the requirements of this Act, as  
7 established by the Director, from the General Revenue Fund and  
8 the Road Fund to the Health Insurance Reserve Fund shall be by  
9 annual appropriations, and all other contributions to meet the  
10 requirements of the programs of health benefits or other  
11 employee benefits shall be deposited in the Health Insurance  
12 Reserve Fund. The Department shall draw the appropriation from  
13 the General Revenue Fund and the Road Fund from time to time as  
14 necessary to make expenditures authorized under this Act.

15 The Director may employ such assistance and services and  
16 may purchase such goods as may be necessary for the proper  
17 development and administration of any of the benefit programs  
18 authorized by this Act. The Director may promulgate rules and  
19 regulations in regard to the administration of these programs.

20 All monies received by the Department for deposit in or  
21 transfer to the Health Insurance Reserve Fund, through  
22 appropriation or otherwise, shall be used to provide for the  
23 making of payments to claimants and providers and to reimburse  
24 the Department for all expenses directly incurred relating to  
25 Department development and administration of the program of  
26 health benefits and other employee benefits.

1 Any administrative service organization administering any  
2 self-insurance health plan and paying claims and benefits under  
3 authority of this Act may receive, pursuant to written  
4 authorization and direction of the Director, an initial  
5 transfer and periodic transfers of funds from the Health  
6 Insurance Reserve Fund in amounts determined by the Director  
7 who may consider the amount recommended by the administrative  
8 service organization. Notwithstanding any other statute, such  
9 transferred funds shall be retained by the administrative  
10 service organization in a separate account provided by any bank  
11 as defined by the Illinois Banking Act. The Department may  
12 promulgate regulations further defining the banks authorized  
13 to accept such funds and all methodology for transfer of such  
14 funds. Any interest earned by monies in such account shall  
15 inure to the Health Insurance Reserve Fund, shall remain in  
16 such account and shall be used exclusively to pay claims and  
17 benefits under this Act. Such transferred funds shall be used  
18 exclusively for administrative service organization payment of  
19 claims to claimants and providers under the self-insurance  
20 health plan by the drawing of checks against such account. The  
21 administrative service organization may not use such  
22 transferred funds, or interest accrued thereon, for any other  
23 purpose including, but not limited to, reimbursement of  
24 administrative expenses or payments of administration fees due  
25 the organization pursuant to its contract or contracts with the  
26 Department of Central Management Services.

1           The account of the administrative service organization  
2 established under this Section, any transfers from the Health  
3 Insurance Reserve Fund to such account and the use of such  
4 account and funds shall be subject to (1) audit by the  
5 Department or private contractor authorized by the Department  
6 to conduct audits, and (2) post audit pursuant to the Illinois  
7 State Auditing Act.

8           The Department of Healthcare and Family Services, or any  
9 successor agency designated to procure healthcare contracts  
10 pursuant to this Act, is authorized to establish funds,  
11 separate accounts provided by any bank or banks as defined by  
12 the Illinois Banking Act, or separate accounts provided by any  
13 savings and loan association or associations as defined by the  
14 Illinois Savings and Loan Act of 1985 to be held by the  
15 Director, outside the State treasury, for the purpose of  
16 receiving the transfer of moneys from the Health Insurance  
17 Reserve Fund. The Department may promulgate rules further  
18 defining the methodology for the transfers. Any interest earned  
19 by monies in the funds or accounts shall inure to the Health  
20 Insurance Reserve Fund. The transferred moneys, and interest  
21 accrued thereon, shall be used exclusively for transfers to  
22 administrative service organizations or their financial  
23 institutions for payments of claims to claimants and providers  
24 under the self-insurance health plan. The transferred moneys,  
25 and interest accrued thereon, shall not be used for any other  
26 purpose including, but not limited to, reimbursement of

1 administration fees due the administrative service  
2 organization pursuant to its contract or contracts with the  
3 Department.

4 (c) The Director, with the advice and consent of the  
5 Commission, shall establish premiums for optional coverage for  
6 dependents of eligible members for the health plans. The  
7 eligible members shall be responsible for their portion of such  
8 optional premium. The State shall contribute an amount per  
9 month for each eligible member who has enrolled one or more  
10 dependents under the health plans. Such contribution shall be  
11 made directly to the Health Insurance Reserve Fund. Those  
12 employees described in subsection (b) of Section 9 of this Act  
13 shall be allowed to continue in the health plan by making  
14 personal payments with the premiums to be deposited in the  
15 Health Insurance Reserve Fund.

16 (d) The Health Insurance Reserve Fund shall be a continuing  
17 fund not subject to fiscal year limitations. All expenditures  
18 from that fund shall be at the direction of the Director and  
19 shall be only for the purpose of:

20 (1) the payment of administrative expenses incurred by  
21 the Department for the program of health benefits or other  
22 employee benefit programs, including but not limited to the  
23 costs of audits or actuarial consultations, professional  
24 and contractual services, electronic data processing  
25 systems and services, and expenses in connection with the  
26 development and administration of such programs;

1 (2) the payment of administrative expenses incurred by  
2 the Administrative Service Organization;

3 (3) the payment of health benefits;

4 (4) refunds to employees for erroneous payments of  
5 their selected dependent coverage;

6 (5) payment of premium for stop-loss or re-insurance;

7 (6) payment of premium to health maintenance  
8 organizations pursuant to Section 6.1 of this Act;

9 (7) payment of adoption program benefits; and

10 (8) payment of other benefits offered to members and  
11 dependents under this Act.

12 (Source: P.A. 94-839, eff. 6-6-06.)

13 Section 10. The Illinois Insurance Code is amended by  
14 adding Section 5.5 as follows:

15 (215 ILCS 5/5.5 new)

16 Sec. 5.5. Compliance with the Department of Healthcare and  
17 Family Services. A company authorized to do business in this  
18 State or accredited by the State to issue policies of health  
19 insurance, including but not limited to, self-insured plans,  
20 group health plans (as defined in Section 607(1) of the  
21 Employee Retirement Income Security Act of 1974), service  
22 benefit plans, managed care organizations, pharmacy benefit  
23 managers, or other parties that are by statute, contract, or  
24 agreement legally responsible for payment of a claim for a



1 health care item or service as a condition of doing business in  
2 the State must:

3 (1) provide to the Department of Healthcare and Family  
4 Services, or any successor agency, upon request  
5 information to determine during what period any individual  
6 may be, or may have been, covered by a health insurer and  
7 the nature of the coverage that is or was provided by the  
8 health insurer, including the name, address, and  
9 identifying number of the plan;

10 (2) accept the State's right of recovery and the  
11 assignment to the State of any right of an individual or  
12 other entity to payment from the party for an item or  
13 service for which payment has been made under the medical  
14 programs of the Department of Healthcare and Family  
15 Services, or any successor agency, under this Code or the  
16 Illinois Public Aid Code;

17 (3) respond to any inquiry by the Department of  
18 Healthcare and Family Services regarding a claim for  
19 payment for any health care item or service that is  
20 submitted not later than 3 years after the date of the  
21 provision of such health care item or service; and

22 (4) agree not to deny a claim submitted by the  
23 Department of Healthcare and Family Services solely on the  
24 basis of the date of submission of the claim, the type or  
25 format of the claim form, or a failure to present proper  
26 documentation at the point-of-sale that is the basis of the

1       claim if (i) the claim is submitted by the Department of  
2       Healthcare and Family Services within the 3-year period  
3       beginning on the date on which the item or service was  
4       furnished and (ii) any action by the Department of  
5       Healthcare and Family Services to enforce its rights with  
6       respect to such claim is commenced within 6 years of its  
7       submission of such claim.

8       Section 99. Effective date. This Act takes effect upon  
9       becoming law.