SB2380

95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB2380

Introduced 2/14/2008, by Sen. Deanna Demuzio

SYNOPSIS AS INTRODUCED:

215 ILCS 105/7 from Ch. 73, par. 1307

Amends the Comprehensive Health Insurance Plan Act. Provides that coverage under the Plan shall automatically terminate as of the effective date of any medical assistance, except in cases where the effective date of the medical assistance is the date that the application for medical assistance was submitted to the Department of Human Services and that date is different than the date that the applicant is determined to be eligible for medical assistance. Provides that in that circumstance, coverage under the plan shall terminate on the date that the applicant was determined to be eligible for medical assistance. Effective immediately.

LRB095 19723 KBJ 46088 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning regulation.

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

4 Section 5. The Comprehensive Health Insurance Plan Act is
5 amended by changing Section 7 as follows:

6 (215 ILCS 105/7) (from Ch. 73, par. 1307)
7 Sec. 7. Eligibility.
8 a. Except as provided in subsection (e) of this Section or
9 in Section 15 of this Act, any person who is either a citizen
10 of the United States or an alien lawfully admitted for
11 permanent residence and who has been for a period of at least
12 180 days and continues to be a resident of this State shall be
13 eligible for Plan coverage under this Section if evidence is
14 provided of:
15 (1) A notice of rejection or refusal to issue
16 substantially similar individual health insurance coverage
17 for health reasons by a health insurance issuer; or
18 (2) A refusal by a health insurance issuer to issue
19 individual health insurance coverage except at a rate
20 exceeding the applicable Plan rate for which the person is
21 responsible.
22 A rejection or refusal by a group health plan or health
23 insurance issuer offering only stop-loss or excess of loss

1 insurance or contracts, agreements, or other arrangements for
2 reinsurance coverage with respect to the applicant shall not be
3 sufficient evidence under this subsection.

4 b. The board shall promulgate a list of medical or health
5 conditions for which a person who is either a citizen of the
6 United States or an alien lawfully admitted for permanent
7 residence and a resident of this State would be eligible for
8 Plan coverage without applying for health insurance coverage
9 pursuant to subsection a. of this Section. Persons who can
10 demonstrate the existence or history of any medical or health
11 conditions on the list promulgated by the board shall not be
12 required to provide the evidence specified in subsection a. of
13 this Section. The list shall be effective on the first day of
14 the operation of the Plan and may be amended from time to time
15 as appropriate.

16 c. Family members of the same household who each are
17 covered persons are eligible for optional family coverage under
18 the Plan.

19 d. For persons qualifying for coverage in accordance with
20 Section 7 of this Act, the board shall, if it determines that
21 such appropriations as are made pursuant to Section 12 of this
22 Act are insufficient to allow the board to accept all of the
23 eligible persons which it projects will apply for enrollment
24 under the Plan, limit or close enrollment to ensure that the
25 Plan is not over-subscribed and that it has sufficient
26 resources to meet its obligations to existing enrollees. The

1 board shall not limit or close enrollment for federally
2 eligible individuals.
3 e. A person shall not be eligible for coverage under the
4 Plan if:
5 (1) He or she has or obtains other coverage under a
6 group health plan or health insurance coverage
7 substantially similar to or better than a Plan policy as an
8 insured or covered dependent or would be eligible to have
9 that coverage if he or she elected to obtain it. Persons
10 otherwise eligible for Plan coverage may, however, solely
11 for the purpose of having coverage for a pre-existing
12 condition, maintain other coverage only while satisfying
13 any pre-existing condition waiting period under a Plan
14 policy or a subsequent replacement policy of a Plan policy.
15 (1.1) His or her prior coverage under a group health
16 plan or health insurance coverage, provided or arranged by
17 an employer of more than 10 employees was discontinued for
18 any reason without the entire group or plan being
19 discontinued and not replaced, provided he or she remains
20 an employee, or dependent thereof, of the same employer.
21 (2) He or she is a recipient of or is approved to
22 receive medical assistance, except that a person may
23 continue to receive medical assistance through the medical
24 assistance no grant program, but only while satisfying the
25 requirements for a preexisting condition under Section 8,
26 subsection f. of this Act. Payment of premiums pursuant to

1 this Act shall be allocable to the person's spenddown for
2 purposes of the medical assistance no grant program, but
3 that person shall not be eligible for any Plan benefits
4 while that person remains eligible for medical assistance.
5 If the person continues to receive or be approved to
6 receive medical assistance through the medical assistance
7 no grant program at or after the time that requirements for
8 a preexisting condition are satisfied, the person shall not
9 be eligible for coverage under the Plan. In that
10 circumstance, coverage under the plan shall terminate as of
11 the expiration of the preexisting condition limitation
12 period. Under all other circumstances, coverage under the
13 Plan shall automatically terminate as of the effective date
14 of any medical assistance, except in cases where the
15 effective date of the medical assistance is the date that
16 the application for medical assistance was submitted to the
17 Department of Human Services and that date is different
18 than the date that the applicant is determined to be
19 eligible for medical assistance. In that circumstance,
20 coverage under the plan shall terminate on the date that
21 the applicant was determined to be eligible for medical
22 assistance.

23 (3) Except as provided in Section 15, the person has
24 previously participated in the Plan and voluntarily
25 terminated Plan coverage, unless 12 months have elapsed
26 since the person's latest voluntary termination of

1 coverage.
2 (4) The person fails to pay the required premium under
3 the covered person's terms of enrollment and
4 participation, in which event the liability of the Plan
5 shall be limited to benefits incurred under the Plan for
6 the time period for which premiums had been paid and the
7 covered person remained eligible for Plan coverage.
8 (5) The Plan (i) until 3 years after the effective date
9 of this amendatory Act of the 95th General Assembly has
10 paid a total of $2,000,000 in benefits on behalf of the
11 covered person or (ii) 3 years or more after the effective
12 date of this amendatory Act of the 95th General Assembly
13 has paid a total of $1,500,000 in benefits on behalf of the
14 covered person.
15 (6) The person is a resident of a public institution.
16 (7) The person's premium is paid for or reimbursed
17 under any government sponsored program or by any government
18 agency or health care provider, except as an otherwise
19 qualifying full-time employee, or dependent of such
20 employee, of a government agency or health care provider
21 or, except when a person's premium is paid by the U.S.
22 Treasury Department pursuant to the federal Trade Act of
23 2002.
24 (8) The person has or later receives other benefits or
25 funds from any settlement, judgement, or award resulting
26 from any accident or injury, regardless of the date of the

1 accident or injury, or any other circumstances creating a
2 legal liability for damages due that person by a third
3 party, whether the settlement, judgment, or award is in the
4 form of a contract, agreement, or trust on behalf of a
5 minor or otherwise and whether the settlement, judgment, or
6 award is payable to the person, his or her dependent,
7 estate, personal representative, or guardian in a lump sum
8 or over time, so long as there continues to be benefits or
9 assets remaining from those sources in an amount in excess
10 of $300,000.

11 (9) Within the 5 years prior to the date a person's
12 Plan application is received by the Board, the person's
13 coverage under any health care benefit program as defined
14 in 18 U.S.C. 24, including any public or private plan or
15 contract under which any medical benefit, item, or service
16 is provided, was terminated as a result of any act or
17 practice that constitutes fraud under State or federal law
18 or as a result of an intentional misrepresentation of
19 material fact; or if that person knowingly and willfully
20 obtained or attempted to obtain, or fraudulently aided or
21 attempted to aid any other person in obtaining, any
22 coverage or benefits under the Plan to which that person
23 was not entitled.

24 f. The board or the administrator shall require
25 verification of residency and may require any additional
26 information or documentation, or statements under oath, when

1 necessary to determine residency upon initial application and
2 for the entire term of the policy.
3 g. Coverage shall cease (i) on the date a person is no
4 longer a resident of Illinois, (ii) on the date a person
5 requests coverage to end, (iii) upon the death of the covered
6 person, (iv) on the date State law requires cancellation of the
7 policy, or (v) at the Plan's option, 30 days after the Plan
8 makes any inquiry concerning a person's eligibility or place of
9 residence to which the person does not reply.
10 h. Except under the conditions set forth in subsection g of
11 this Section, the coverage of any person who ceases to meet the
12 eligibility requirements of this Section shall be terminated at
13 the end of the current policy period for which the necessary
14 premiums have been paid.
15 (Source: P.A. 94-17, eff. 1-1-06; 94-737, eff. 5-3-06; 95-547,
16 eff. 8-29-07.)

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.