

SB0300



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB0300

Introduced 2/6/2009, by Sen. Bill Brady

SYNOPSIS AS INTRODUCED:

5 ILCS 375/5

from Ch. 127, par. 525

Amends the State Employees Group Insurance Act of 1971. Permits an employee to switch to a different health insurance program after the annual benefits choice period if a health care provider with whom the employee has a long-term relationship transfers from one program to another program after the Director of Central Management Services has submitted the final program contracts before the benefits choice period. Effective immediately.

LRB096 02897 JAM 12911 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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

6 (5 ILCS 375/5) (from Ch. 127, par. 525)

7 Sec. 5. Employee benefits; declaration of State policy. The
8 General Assembly declares that it is the policy of the State
9 and in the best interest of the State to assure quality
10 benefits to members and their dependents under this Act. The
11 implementation of this policy depends upon, among other things,
12 stability and continuity of coverage, care, and services under
13 benefit programs for members and their dependents.
14 Specifically, but without limitation, members should have
15 continued access, on substantially similar terms and
16 conditions, to trusted family health care providers with whom
17 they have developed long-term relationships through a benefit
18 program under this Act. Therefore, the Director must administer
19 this Act consistent with that State policy, but may consider
20 affordability, cost of coverage and care, and competition among
21 health insurers and providers. All contracts for provision of
22 employee benefits, including those portions of any proposed
23 collective bargaining agreement that would require

1 implementation through contracts entered into under this Act,
2 are subject to the following requirements:

3 (i) By April 1 of each year, the Director must report
4 and provide information to the Commission concerning the
5 status of the employee benefits program to be offered for
6 the next fiscal year. Information includes, but is not
7 limited to, documents, reports of negotiations, bid
8 invitations, requests for proposals, specifications,
9 copies of proposed and final contracts or agreements, and
10 any other materials concerning contracts or agreements for
11 the employee benefits program. By the first of each month
12 thereafter, the Director must provide updated, and any new,
13 information to the Commission until the employee benefits
14 program for the next fiscal year is determined. In addition
15 to these monthly reporting requirements, at any time the
16 Commission makes a written request, the Director must
17 promptly, but in no event later than 5 business days after
18 receipt of the request, provide to the Commission any
19 additional requested information in the possession of the
20 Director concerning employee benefits programs. The
21 Commission may waive any of the reporting requirements of
22 this item (i) upon the written request by the Director. Any
23 waiver granted under this item (i) must be in writing.
24 Nothing in this item is intended to abrogate any
25 attorney-client privilege.

26 (ii) Within 30 days after notice of the awarding or

1 letting of a contract has appeared in the Illinois
2 Procurement Bulletin in accordance with subsection (b) of
3 Section 15-25 of the Illinois Procurement Code, the
4 Commission may request in writing from the Director and the
5 Director shall promptly, but in no event later than 5
6 business days after receipt of the request, provide to the
7 Commission information in the possession of the Director
8 concerning the proposed contract. Nothing in this item is
9 intended to waive or abrogate any privilege or right of
10 confidentiality authorized by law.

11 (iii) No contract subject to this Section may be
12 entered into until the 30-day period described in item (ii)
13 has expired, unless the Director requests in writing that
14 the Commission waive the period and the Commission grants
15 the waiver in writing.

16 (iv) If the Director seeks to make any substantive
17 modification to any provision of a proposed contract after
18 it is submitted to the Commission in accordance with item
19 (ii), the modified contract shall be subject to the
20 requirements of items (ii) and (iii) unless the Commission
21 agrees, in writing, to a waiver of those requirements with
22 respect to the modified contract.

23 (v) By the date of the beginning of the annual benefit
24 choice period, the Director must transmit to the Commission
25 a copy of each final contract or agreement for the employee
26 benefits program to be offered for the next fiscal year.

1 The annual benefit choice period for an employee benefits
2 program must begin on May 1 of the fiscal year preceding
3 the year for which the program is to be offered. If,
4 however, in any such preceding fiscal year collective
5 bargaining over employee benefit programs for the next
6 fiscal year remains pending on April 15, the beginning date
7 of the annual benefit choice period shall be not later than
8 15 days after ratification of the collective bargaining
9 agreement. If, however, after the Director submits a final
10 contract for the employee benefits program, an employee's
11 trusted health care provider, with whom the employee has
12 developed a long-term relationship, transfers from the
13 program selected by that employee to another program, that
14 employee may switch programs.

15 (vi) The Director must provide the reports,
16 information, and contracts required under items (i), (ii),
17 (iv), and (v) by electronic or other means satisfactory to
18 the Commission. Reports, information, and contracts in the
19 possession of the Commission pursuant to items (i), (ii),
20 (iv), and (v) are exempt from disclosure by the Commission
21 and its members and employees under the Freedom of
22 Information Act. Reports, information, and contracts
23 received by the Commission pursuant to items (i), (ii),
24 (iv), and (v) must be kept confidential by and may not be
25 disclosed or used by the Commission or its members or
26 employees if such disclosure or use could compromise the

1 fairness or integrity of the procurement, bidding, or
2 contract process. Commission meetings, or portions of
3 Commission meetings, in which reports, information, and
4 contracts received by the Commission pursuant to items (i),
5 (ii), (iv), and (v) are discussed must be closed if
6 disclosure or use of the report or information could
7 compromise the fairness or integrity of the procurement,
8 bidding, or contract process.

9 All contracts entered into under this Section are subject
10 to appropriation and shall comply with Section 20-60(b) of the
11 Illinois Procurement Code (30 ILCS 500/20-60(b)).

12 The Director shall contract or otherwise make available
13 group life insurance, health benefits and other employee
14 benefits to eligible members and, where elected, their eligible
15 dependents. Any contract or, if applicable, contracts or other
16 arrangement for provision of benefits shall be on terms
17 consistent with State policy and based on, but not limited to,
18 such criteria as administrative cost, service capabilities of
19 the carrier or other contractor and premiums, fees or charges
20 as related to benefits.

21 The Director may prepare and issue specifications for group
22 life insurance, health benefits, other employee benefits and
23 administrative services for the purpose of receiving proposals
24 from interested parties.

25 The Director is authorized to execute a contract, or
26 contracts, for the programs of group life insurance, health

1 benefits, other employee benefits and administrative services
2 authorized by this Act (including, without limitation,
3 prescription drug benefits). All of the benefits provided under
4 this Act may be included in one or more contracts, or the
5 benefits may be classified into different types with each type
6 included under one or more similar contracts with the same or
7 different companies.

8 The term of any contract may not extend beyond 5 fiscal
9 years. Upon recommendation of the Commission, the Director may
10 exercise renewal options of the same contract for up to a
11 period of 5 years. Any increases in premiums, fees or charges
12 requested by a contractor whose contract may be renewed
13 pursuant to a renewal option contained therein, must be
14 justified on the basis of (1) audited experience data, (2)
15 increases in the costs of health care services provided under
16 the contract, (3) contractor performance, (4) increases in
17 contractor responsibilities, or (5) any combination thereof.

18 Any contractor shall agree to abide by all requirements of
19 this Act and Rules and Regulations promulgated and adopted
20 thereto; to submit such information and data as may from time
21 to time be deemed necessary by the Director for effective
22 administration of the provisions of this Act and the programs
23 established hereunder, and to fully cooperate in any audit.

24 (Source: P.A. 93-839, eff. 7-30-04.)

25 Section 99. Effective date. This Act takes effect upon
26 becoming law.