



Rep. Patrick J. Verschoore

Filed: 3/10/2011

09700HB0450ham001

LRB097 03277 JDS 51863 a

1 AMENDMENT TO HOUSE BILL 450

2 AMENDMENT NO. _____. Amend House Bill 450 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Employees Group Insurance Act of 1971
5 is amended by changing Section 8 as follows:

6 (5 ILCS 375/8) (from Ch. 127, par. 528)

7 Sec. 8. Eligibility.

8 (a) Each member eligible under the provisions of this Act
9 and any rules and regulations promulgated and adopted hereunder
10 by the Director shall become immediately eligible and covered
11 for all benefits available under the programs. Members electing
12 coverage for eligible dependents shall have the coverage
13 effective immediately, provided that the election is properly
14 filed in accordance with required filing dates and procedures
15 specified by the Director.

16 (1) Every member originally eligible to elect

1 dependent coverage, but not electing it during the original
2 eligibility period, may subsequently obtain dependent
3 coverage only in the event of a qualifying change in
4 status, special enrollment, special circumstance as
5 defined by the Director, or during the annual Benefit
6 Choice Period.

7 (2) Members described above being transferred from
8 previous coverage towards which the State has been
9 contributing shall be transferred regardless of
10 preexisting conditions, waiting periods, or other
11 requirements that might jeopardize claim payments to which
12 they would otherwise have been entitled.

13 (3) Eligible and covered members that are eligible for
14 coverage as dependents except for the fact of being members
15 shall be transferred to, and covered under, dependent
16 status regardless of preexisting conditions, waiting
17 periods, or other requirements that might jeopardize claim
18 payments to which they would otherwise have been entitled
19 upon cessation of member status and the election of
20 dependent coverage by a member eligible to elect that
21 coverage.

22 (b) New employees shall be immediately insured for the
23 basic group life insurance and covered by the program of health
24 benefits on the first day of active State service. Optional
25 life insurance coverage one to 4 times the basic amount, if
26 elected during the relevant eligibility period, will become

1 effective on the date of employment. Optional life insurance
2 coverage exceeding 4 times the basic amount and all life
3 insurance amounts applied for after the eligibility period will
4 be effective, subject to satisfactory evidence of insurability
5 when applicable, or other necessary qualifications, pursuant
6 to the requirements of the applicable benefit program, unless
7 there is a change in status that would confer new eligibility
8 for change of enrollment under rules established supplementing
9 this Act, in which event application must be made within the
10 new eligibility period.

11 (c) As to the group health benefits program contracted to
12 begin or continue after June 30, 1973, each retired employee
13 shall become immediately eligible and covered for all benefits
14 available under that program. Retired employees may elect
15 coverage for eligible dependents and shall have the coverage
16 effective immediately, provided that the election is properly
17 filed in accordance with required filing dates and procedures
18 specified by the Director.

19 Except as otherwise provided in this Act, where husband and
20 wife are both eligible members, each shall be enrolled as a
21 member and coverage on their eligible dependent children, if
22 any, may be under the enrollment and election of either.

23 Regardless of other provisions herein regarding late
24 enrollment or other qualifications, as appropriate, the
25 Director may periodically authorize open enrollment periods
26 for each of the benefit programs at which time each member may

1 elect enrollment or change of enrollment without regard to age,
2 sex, health, or other qualification under the conditions as may
3 be prescribed in rules and regulations supplementing this Act.
4 Special open enrollment periods may be declared by the Director
5 for certain members only when special circumstances occur that
6 affect only those members.

7 (d) Beginning with fiscal year 2003 and for all subsequent
8 years, eligible members may elect not to participate in the
9 program of health benefits as defined in this Act. The election
10 must be made during the annual benefit choice period, subject
11 to the conditions in this subsection.

12 (1) Members must furnish proof of health benefit
13 coverage, either comprehensive major medical coverage or
14 comprehensive managed care plan, from a source other than
15 the Department of Central Management Services in order to
16 elect not to participate in the program.

17 (2) Members may re-enroll in the Department of Central
18 Management Services program of health benefits upon
19 showing a qualifying change in status, as defined in the
20 U.S. Internal Revenue Code, without evidence of
21 insurability and with no limitations on coverage for
22 pre-existing conditions, provided that there was not a
23 break in coverage of more than 63 days.

24 (3) Members may also re-enroll in the program of health
25 benefits during any annual benefit choice period, without
26 evidence of insurability.

1 (4) Members who elect not to participate in the program
2 of health benefits shall be furnished a written explanation
3 of the requirements and limitations for the election not to
4 participate in the program and for re-enrolling in the
5 program. The explanation shall also be included in the
6 annual benefit choice options booklets furnished to
7 members.

8 (d-5) Beginning July 1, 2005, the Director may establish a
9 program of financial incentives to encourage annuitants
10 receiving a retirement annuity from the State Employees
11 Retirement System, but who are not eligible for benefits under
12 the federal Medicare health insurance program (Title XVIII of
13 the Social Security Act, as added by Public Law 89-97) to elect
14 not to participate in the program of health benefits provided
15 under this Act. The election by an annuitant not to participate
16 under this program must be made in accordance with the
17 requirements set forth under subsection (d). The financial
18 incentives provided to these annuitants under the program may
19 not exceed \$150 per month for each annuitant electing not to
20 participate in the program of health benefits provided under
21 this Act.

22 (d-6) Beginning July 1, 2011, the Director shall establish
23 a program of financial incentives to encourage current General
24 Assembly members and annuitants of the General Assembly
25 Retirement System to elect not to participate in the program of
26 health benefits provided under this Act. The election by a

1 current member or annuitant not to participate must be a
2 one-time irrevocable election. The financial incentives
3 provided to these current General Assembly members and
4 annuitants under the program may not exceed 60% of the average
5 cost of the most affordable State-offered health benefit (as
6 determined by the Director) for which the member or annuitant
7 qualifies.

8 (e) Notwithstanding any other provision of this Act or the
9 rules adopted under this Act, if a person participating in the
10 program of health benefits as the dependent spouse of an
11 eligible member becomes an annuitant, the person may elect, at
12 the time of becoming an annuitant or during any subsequent
13 annual benefit choice period, to continue participation as a
14 dependent rather than as an eligible member for as long as the
15 person continues to be an eligible dependent.

16 An eligible member who has elected to participate as a
17 dependent may re-enroll in the program of health benefits as an
18 eligible member (i) during any subsequent annual benefit choice
19 period or (ii) upon showing a qualifying change in status, as
20 defined in the U.S. Internal Revenue Code, without evidence of
21 insurability and with no limitations on coverage for
22 pre-existing conditions.

23 A person who elects to participate in the program of health
24 benefits as a dependent rather than as an eligible member shall
25 be furnished a written explanation of the consequences of
26 electing to participate as a dependent and the conditions and

1 procedures for re-enrolling as an eligible member. The
2 explanation shall also be included in the annual benefit choice
3 options booklet furnished to members.

4 (Source: P.A. 94-95, eff. 7-1-05; 94-109, eff. 7-1-05; 95-331,
5 eff. 8-21-07.)

6 Section 99. Effective date. This Act takes effect upon
7 becoming law."