



Rep. Patrick J. Verschoore

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LRB097 03277 JDS 54401 a

1 AMENDMENT TO HOUSE BILL 450

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

5 "Section 5. The State Employees Group Insurance Act of 1971
6 is amended by changing Sections 7.1 and 8 as follows:

7 (5 ILCS 375/7.1) (from Ch. 127, par. 527.1)

8 Sec. 7.1. Any benefit received by an employee under this
9 Act pursuant to a collective bargaining agreement may be
10 extended by the Director to employees whose wages, hours and
11 other conditions of employment with the State are not subject
12 to a collective bargaining agreement. In addition, if any
13 benefit, except a benefit under subsection (d-6) of Section 8
14 of this Act, is offered by the Department of Central Management
15 Services to employees who are not members of a recognized
16 bargaining unit, then that benefit shall also be offered to all

1 bargaining unit members through their certified exclusive
2 representative.

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

4 (5 ILCS 375/8) (from Ch. 127, par. 528)

5 Sec. 8. Eligibility.

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

14 (1) Every member originally eligible to elect
15 dependent coverage, but not electing it during the original
16 eligibility period, may subsequently obtain dependent
17 coverage only in the event of a qualifying change in
18 status, special enrollment, special circumstance as
19 defined by the Director, or during the annual Benefit
20 Choice Period.

21 (2) Members described above being transferred from
22 previous coverage towards which the State has been
23 contributing shall be transferred regardless of
24 preexisting conditions, waiting periods, or other
25 requirements that might jeopardize claim payments to which

1 they would otherwise have been entitled.

2 (3) Eligible and covered members that are eligible for
3 coverage as dependents except for the fact of being members
4 shall be transferred to, and covered under, dependent
5 status regardless of preexisting conditions, waiting
6 periods, or other requirements that might jeopardize claim
7 payments to which they would otherwise have been entitled
8 upon cessation of member status and the election of
9 dependent coverage by a member eligible to elect that
10 coverage.

11 (b) New employees shall be immediately insured for the
12 basic group life insurance and covered by the program of health
13 benefits on the first day of active State service. Optional
14 life insurance coverage one to 4 times the basic amount, if
15 elected during the relevant eligibility period, will become
16 effective on the date of employment. Optional life insurance
17 coverage exceeding 4 times the basic amount and all life
18 insurance amounts applied for after the eligibility period will
19 be effective, subject to satisfactory evidence of insurability
20 when applicable, or other necessary qualifications, pursuant
21 to the requirements of the applicable benefit program, unless
22 there is a change in status that would confer new eligibility
23 for change of enrollment under rules established supplementing
24 this Act, in which event application must be made within the
25 new eligibility period.

26 (c) As to the group health benefits program contracted to

1 begin or continue after June 30, 1973, each retired employee
2 shall become immediately eligible and covered for all benefits
3 available under that program. Retired employees may elect
4 coverage for eligible dependents and shall have the coverage
5 effective immediately, provided that the election is properly
6 filed in accordance with required filing dates and procedures
7 specified by the Director.

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

12 Regardless of other provisions herein regarding late
13 enrollment or other qualifications, as appropriate, the
14 Director may periodically authorize open enrollment periods
15 for each of the benefit programs at which time each member may
16 elect enrollment or change of enrollment without regard to age,
17 sex, health, or other qualification under the conditions as may
18 be prescribed in rules and regulations supplementing this Act.
19 Special open enrollment periods may be declared by the Director
20 for certain members only when special circumstances occur that
21 affect only those members.

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

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

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

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

16 (4) Members who elect not to participate in the program
17 of health benefits shall be furnished a written explanation
18 of the requirements and limitations for the election not to
19 participate in the program and for re-enrolling in the
20 program. The explanation shall also be included in the
21 annual benefit choice options booklets furnished to
22 members.

23 (d-5) Beginning July 1, 2005, the Director may establish a
24 program of financial incentives to encourage annuitants
25 receiving a retirement annuity from the State Employees
26 Retirement System, but who are not eligible for benefits under

1 the federal Medicare health insurance program (Title XVIII of
2 the Social Security Act, as added by Public Law 89-97) to elect
3 not to participate in the program of health benefits provided
4 under this Act. The election by an annuitant not to participate
5 under this program must be made in accordance with the
6 requirements set forth under subsection (d). The financial
7 incentives provided to these annuitants under the program may
8 not exceed \$150 per month for each annuitant electing not to
9 participate in the program of health benefits provided under
10 this Act.

11 (d-6) Beginning July 1, 2012, the Director shall establish
12 a program of financial incentives to encourage current General
13 Assembly officials and annuitants of the General Assembly
14 Retirement System to elect not to participate in the program of
15 health benefits provided under this Act. The financial
16 incentives provided to these current General Assembly
17 officials and annuitants under the program may not exceed 60%
18 of the average member-only cost of the most affordable
19 State-offered health benefit (as determined by the Director)
20 for which the official or annuitant qualifies and are not
21 applicable when the official or annuitant is responsible for
22 100% of that cost. An official or annuitant who elects to opt
23 out of the program of financial incentives offered pursuant to
24 this subsection (d-6) is ineligible to enroll as a member or
25 dependent in any program of health benefits provided under this
26 Act.

1 (e) Notwithstanding any other provision of this Act or the
2 rules adopted under this Act, if a person participating in the
3 program of health benefits as the dependent spouse of an
4 eligible member becomes an annuitant, the person may elect, at
5 the time of becoming an annuitant or during any subsequent
6 annual benefit choice period, to continue participation as a
7 dependent rather than as an eligible member for as long as the
8 person continues to be an eligible dependent.

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

16 A person who elects to participate in the program of health
17 benefits as a dependent rather than as an eligible member shall
18 be furnished a written explanation of the consequences of
19 electing to participate as a dependent and the conditions and
20 procedures for re-enrolling as an eligible member. The
21 explanation shall also be included in the annual benefit choice
22 options booklet furnished to members.

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

25 Section 99. Effective date. This Act takes effect upon

1 becoming law.".