



Sen. Kimberly A. Lightford

Filed: 5/26/2011

09700HB3039sam002

LRB097 06869 RPM 56268 a

1 AMENDMENT TO HOUSE BILL 3039

2 AMENDMENT NO. _____. Amend House Bill 3039, 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 Section 6.11 as follows:

7 (5 ILCS 375/6.11)

8 Sec. 6.11. Required health benefits; Illinois Insurance
9 Code requirements. The program of health benefits shall provide
10 the post-mastectomy care benefits required to be covered by a
11 policy of accident and health insurance under Section 356t of
12 the Illinois Insurance Code. The program of health benefits
13 shall provide the coverage required under Sections 356g,
14 356g.5, 356g.5-1, 356m, 356u, 356w, 356x, 356z.2, 356z.4,
15 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
16 356z.14, 356z.15, and 356z.17 of the Illinois Insurance Code.

1 The program of health benefits must comply with Sections
2 ~~Section~~ 155.37 and 356z.19 of the Illinois Insurance Code.

3 Rulemaking authority to implement Public Act 95-1045, if
4 any, is conditioned on the rules being adopted in accordance
5 with all provisions of the Illinois Administrative Procedure
6 Act and all rules and procedures of the Joint Committee on
7 Administrative Rules; any purported rule not so adopted, for
8 whatever reason, is unauthorized.

9 (Source: P.A. 95-189, eff. 8-16-07; 95-422, eff. 8-24-07;
10 95-520, eff. 8-28-07; 95-876, eff. 8-21-08; 95-958, eff.
11 6-1-09; 95-978, eff. 1-1-09; 95-1005, eff. 12-12-08; 95-1044,
12 eff. 3-26-09; 95-1045, eff. 3-27-09; 95-1049, eff. 1-1-10;
13 96-139, eff. 1-1-10; 96-328, eff. 8-11-09; 96-639, eff. 1-1-10;
14 96-1000, eff. 7-2-10.)

15 Section 10. The Counties Code is amended by changing
16 Section 5-1069.3 as follows:

17 (55 ILCS 5/5-1069.3)

18 Sec. 5-1069.3. Required health benefits. If a county,
19 including a home rule county, is a self-insurer for purposes of
20 providing health insurance coverage for its employees, the
21 coverage shall include coverage for the post-mastectomy care
22 benefits required to be covered by a policy of accident and
23 health insurance under Section 356t and the coverage required
24 under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x,

1 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
2 356z.14, and 356z.15 of the Illinois Insurance Code. The
3 coverage shall comply with Section 356z.19 of the Illinois
4 Insurance Code. The requirement that health benefits be covered
5 as provided in this Section is an exclusive power and function
6 of the State and is a denial and limitation under Article VII,
7 Section 6, subsection (h) of the Illinois Constitution. A home
8 rule county to which this Section applies must comply with
9 every provision of this Section.

10 Rulemaking authority to implement Public Act 95-1045, if
11 any, is conditioned on the rules being adopted in accordance
12 with all provisions of the Illinois Administrative Procedure
13 Act and all rules and procedures of the Joint Committee on
14 Administrative Rules; any purported rule not so adopted, for
15 whatever reason, is unauthorized.

16 (Source: P.A. 95-189, eff. 8-16-07; 95-422, eff. 8-24-07;
17 95-520, eff. 8-28-07; 95-876, eff. 8-21-08; 95-958, eff.
18 6-1-09; 95-978, eff. 1-1-09; 95-1005, eff. 12-12-08; 95-1045,
19 eff. 3-27-09; 95-1049, eff. 1-1-10; 96-139, eff. 1-1-10;
20 96-328, eff. 8-11-09; 96-1000, eff. 7-2-10.)

21 Section 15. The Illinois Municipal Code is amended by
22 changing Section 10-4-2.3 as follows:

23 (65 ILCS 5/10-4-2.3)

24 Sec. 10-4-2.3. Required health benefits. If a

1 municipality, including a home rule municipality, is a
2 self-insurer for purposes of providing health insurance
3 coverage for its employees, the coverage shall include coverage
4 for the post-mastectomy care benefits required to be covered by
5 a policy of accident and health insurance under Section 356t
6 and the coverage required under Sections 356g, 356g.5,
7 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10,
8 356z.11, 356z.12, 356z.13, 356z.14, and 356z.15 of the Illinois
9 Insurance Code. The coverage shall comply with Section 356z.19
10 of the Illinois Insurance Code. The requirement that health
11 benefits be covered as provided in this is an exclusive power
12 and function of the State and is a denial and limitation under
13 Article VII, Section 6, subsection (h) of the Illinois
14 Constitution. A home rule municipality to which this Section
15 applies must comply with every provision of this Section.

16 Rulemaking authority to implement Public Act 95-1045, if
17 any, is conditioned on the rules being adopted in accordance
18 with all provisions of the Illinois Administrative Procedure
19 Act and all rules and procedures of the Joint Committee on
20 Administrative Rules; any purported rule not so adopted, for
21 whatever reason, is unauthorized.

22 (Source: P.A. 95-189, eff. 8-16-07; 95-422, eff. 8-24-07;
23 95-520, eff. 8-28-07; 95-876, eff. 8-21-08; 95-958, eff.
24 6-1-09; 95-978, eff. 1-1-09; 95-1005, eff. 12-12-08; 95-1045,
25 eff. 3-27-09; 95-1049, eff. 1-1-10; 96-139, eff. 1-1-10;
26 96-328, eff. 8-11-09; 96-1000, eff. 7-2-10.)

1 Section 20. The School Code is amended by changing Section
2 10-22.3f as follows:

3 (105 ILCS 5/10-22.3f)

4 Sec. 10-22.3f. Required health benefits. Insurance
5 protection and benefits for employees shall provide the
6 post-mastectomy care benefits required to be covered by a
7 policy of accident and health insurance under Section 356t and
8 the coverage required under Sections 356g, 356g.5, 356g.5-1,
9 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.11, 356z.12,
10 356z.13, 356z.14, and 356z.15 of the Illinois Insurance Code.
11 Insurance policies shall comply with Section 356z.19 of the
12 Illinois Insurance Code.

13 Rulemaking authority to implement Public Act 95-1045, if
14 any, is conditioned on the rules being adopted in accordance
15 with all provisions of the Illinois Administrative Procedure
16 Act and all rules and procedures of the Joint Committee on
17 Administrative Rules; any purported rule not so adopted, for
18 whatever reason, is unauthorized.

19 (Source: P.A. 95-189, eff. 8-16-07; 95-422, eff. 8-24-07;
20 95-876, eff. 8-21-08; 95-958, eff. 6-1-09; 95-978, eff. 1-1-09;
21 95-1005, 12-12-08; 95-1045, eff. 3-27-09; 95-1049, eff.
22 1-1-10; 96-139, eff. 1-1-10; 96-328, eff. 8-11-09; 96-1000,
23 eff. 7-2-10.)

1 Section 25. The Illinois Insurance Code is amended by
2 changing Section 356z.16 and by adding Section 356z.19 as
3 follows:

4 (215 ILCS 5/356z.16)

5 Sec. 356z.16. Applicability of mandated benefits to
6 supplemental policies. Unless specified otherwise, the
7 following Sections of the Illinois Insurance Code do not apply
8 to short-term travel, disability income, long-term care,
9 accident only, or limited or specified disease policies: 356b,
10 356c, 356d, 356g, 356k, 356m, 356n, 356p, 356q, 356r, 356t,
11 356u, 356w, 356x, 356z.1, 356z.2, 356z.4, 356z.5, 356z.6,
12 356z.8, 356z.12, 356z.19, 367.2-5, and 367e.

13 (Source: P.A. 96-180, eff. 1-1-10; 96-1000, eff. 7-2-10;
14 96-1034, eff. 1-1-11.)

15 (215 ILCS 5/356z.19 new)

16 Sec. 356z.19. Cardiovascular disease. Because
17 cardiovascular disease is a leading cause of death and
18 disability, an insurer providing group or individual policies
19 of accident and health insurance or a managed care plan shall
20 develop and implement a process to communicate with their adult
21 enrollees on an annual basis regarding the importance and value
22 of early detection and proactive management of cardiovascular
23 disease. Nothing in this Section affects any change in the
24 terms, conditions, or benefits of the policies and plans, nor

1 the criteria, standards, and procedures related to the
2 application for, enrollment in, or renewal of coverage or
3 conditions of participation of enrollees in the health plans or
4 policies subject to this Code.

5 Section 30. The Health Maintenance Organization Act is
6 amended by changing Section 5-3 as follows:

7 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

8 Sec. 5-3. Insurance Code provisions.

9 (a) Health Maintenance Organizations shall be subject to
10 the provisions of Sections 133, 134, 137, 140, 141.1, 141.2,
11 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5,
12 154.6, 154.7, 154.8, 155.04, 355.2, 356g.5-1, 356m, 356v, 356w,
13 356x, 356y, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9,
14 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17,
15 356z.18, 356z.19, 364.01, 367.2, 367.2-5, 367i, 368a, 368b,
16 368c, 368d, 368e, 370c, 401, 401.1, 402, 403, 403A, 408, 408.2,
17 409, 412, 444, and 444.1, paragraph (c) of subsection (2) of
18 Section 367, and Articles IIA, VIII 1/2, XII, XII 1/2, XIII,
19 XIII 1/2, XXV, and XXVI of the Illinois Insurance Code.

20 (b) For purposes of the Illinois Insurance Code, except for
21 Sections 444 and 444.1 and Articles XIII and XIII 1/2, Health
22 Maintenance Organizations in the following categories are
23 deemed to be "domestic companies":

24 (1) a corporation authorized under the Dental Service

1 Plan Act or the Voluntary Health Services Plans Act;

2 (2) a corporation organized under the laws of this
3 State; or

4 (3) a corporation organized under the laws of another
5 state, 30% or more of the enrollees of which are residents
6 of this State, except a corporation subject to
7 substantially the same requirements in its state of
8 organization as is a "domestic company" under Article VIII
9 1/2 of the Illinois Insurance Code.

10 (c) In considering the merger, consolidation, or other
11 acquisition of control of a Health Maintenance Organization
12 pursuant to Article VIII 1/2 of the Illinois Insurance Code,

13 (1) the Director shall give primary consideration to
14 the continuation of benefits to enrollees and the financial
15 conditions of the acquired Health Maintenance Organization
16 after the merger, consolidation, or other acquisition of
17 control takes effect;

18 (2) (i) the criteria specified in subsection (1) (b) of
19 Section 131.8 of the Illinois Insurance Code shall not
20 apply and (ii) the Director, in making his determination
21 with respect to the merger, consolidation, or other
22 acquisition of control, need not take into account the
23 effect on competition of the merger, consolidation, or
24 other acquisition of control;

25 (3) the Director shall have the power to require the
26 following information:

1 (A) certification by an independent actuary of the
2 adequacy of the reserves of the Health Maintenance
3 Organization sought to be acquired;

4 (B) pro forma financial statements reflecting the
5 combined balance sheets of the acquiring company and
6 the Health Maintenance Organization sought to be
7 acquired as of the end of the preceding year and as of
8 a date 90 days prior to the acquisition, as well as pro
9 forma financial statements reflecting projected
10 combined operation for a period of 2 years;

11 (C) a pro forma business plan detailing an
12 acquiring party's plans with respect to the operation
13 of the Health Maintenance Organization sought to be
14 acquired for a period of not less than 3 years; and

15 (D) such other information as the Director shall
16 require.

17 (d) The provisions of Article VIII 1/2 of the Illinois
18 Insurance Code and this Section 5-3 shall apply to the sale by
19 any health maintenance organization of greater than 10% of its
20 enrollee population (including without limitation the health
21 maintenance organization's right, title, and interest in and to
22 its health care certificates).

23 (e) In considering any management contract or service
24 agreement subject to Section 141.1 of the Illinois Insurance
25 Code, the Director (i) shall, in addition to the criteria
26 specified in Section 141.2 of the Illinois Insurance Code, take

1 into account the effect of the management contract or service
2 agreement on the continuation of benefits to enrollees and the
3 financial condition of the health maintenance organization to
4 be managed or serviced, and (ii) need not take into account the
5 effect of the management contract or service agreement on
6 competition.

7 (f) Except for small employer groups as defined in the
8 Small Employer Rating, Renewability and Portability Health
9 Insurance Act and except for medicare supplement policies as
10 defined in Section 363 of the Illinois Insurance Code, a Health
11 Maintenance Organization may by contract agree with a group or
12 other enrollment unit to effect refunds or charge additional
13 premiums under the following terms and conditions:

14 (i) the amount of, and other terms and conditions with
15 respect to, the refund or additional premium are set forth
16 in the group or enrollment unit contract agreed in advance
17 of the period for which a refund is to be paid or
18 additional premium is to be charged (which period shall not
19 be less than one year); and

20 (ii) the amount of the refund or additional premium
21 shall not exceed 20% of the Health Maintenance
22 Organization's profitable or unprofitable experience with
23 respect to the group or other enrollment unit for the
24 period (and, for purposes of a refund or additional
25 premium, the profitable or unprofitable experience shall
26 be calculated taking into account a pro rata share of the

1 Health Maintenance Organization's administrative and
2 marketing expenses, but shall not include any refund to be
3 made or additional premium to be paid pursuant to this
4 subsection (f)). The Health Maintenance Organization and
5 the group or enrollment unit may agree that the profitable
6 or unprofitable experience may be calculated taking into
7 account the refund period and the immediately preceding 2
8 plan years.

9 The Health Maintenance Organization shall include a
10 statement in the evidence of coverage issued to each enrollee
11 describing the possibility of a refund or additional premium,
12 and upon request of any group or enrollment unit, provide to
13 the group or enrollment unit a description of the method used
14 to calculate (1) the Health Maintenance Organization's
15 profitable experience with respect to the group or enrollment
16 unit and the resulting refund to the group or enrollment unit
17 or (2) the Health Maintenance Organization's unprofitable
18 experience with respect to the group or enrollment unit and the
19 resulting additional premium to be paid by the group or
20 enrollment unit.

21 In no event shall the Illinois Health Maintenance
22 Organization Guaranty Association be liable to pay any
23 contractual obligation of an insolvent organization to pay any
24 refund authorized under this Section.

25 (g) Rulemaking authority to implement Public Act 95-1045,
26 if any, is conditioned on the rules being adopted in accordance

1 with all provisions of the Illinois Administrative Procedure
2 Act and all rules and procedures of the Joint Committee on
3 Administrative Rules; any purported rule not so adopted, for
4 whatever reason, is unauthorized.

5 (Source: P.A. 95-422, eff. 8-24-07; 95-520, eff. 8-28-07;
6 95-876, eff. 8-21-08; 95-958, eff. 6-1-09; 95-978, eff. 1-1-09;
7 95-1005, eff. 12-12-08; 95-1045, eff. 3-27-09; 95-1049, eff.
8 1-1-10; 96-328, eff. 8-11-09; 96-639, eff. 1-1-10; 96-833, eff.
9 6-1-10; 96-1000, eff. 7-2-10.)

10 Section 35. The Voluntary Health Services Plans Act is
11 amended by changing Section 10 as follows:

12 (215 ILCS 165/10) (from Ch. 32, par. 604)

13 Sec. 10. Application of Insurance Code provisions. Health
14 services plan corporations and all persons interested therein
15 or dealing therewith shall be subject to the provisions of
16 Articles IIA and XII 1/2 and Sections 3.1, 133, 140, 143, 143c,
17 149, 155.37, 354, 355.2, 356g, 356g.5, 356g.5-1, 356r, 356t,
18 356u, 356v, 356w, 356x, 356y, 356z.1, 356z.2, 356z.4, 356z.5,
19 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
20 356z.14, 356z.15, 356z.18, 356z.19, 364.01, 367.2, 368a, 401,
21 401.1, 402, 403, 403A, 408, 408.2, and 412, and paragraphs (7)
22 and (15) of Section 367 of the Illinois Insurance Code.

23 Rulemaking authority to implement Public Act 95-1045, if
24 any, is conditioned on the rules being adopted in accordance

1 with all provisions of the Illinois Administrative Procedure
2 Act and all rules and procedures of the Joint Committee on
3 Administrative Rules; any purported rule not so adopted, for
4 whatever reason, is unauthorized.

5 (Source: P.A. 95-189, eff. 8-16-07; 95-331, eff. 8-21-07;
6 95-422, eff. 8-24-07; 95-520, eff. 8-28-07; 95-876, eff.
7 8-21-08; 95-958, eff. 6-1-09; 95-978, eff. 1-1-09; 95-1005,
8 eff. 12-12-08; 95-1045, eff. 3-27-09; 95-1049, eff. 1-1-10;
9 96-328, eff. 8-11-09; 96-833, eff. 6-1-10; 96-1000, eff.
10 7-2-10.)

11 Section 40. The Illinois Public Aid Code is amended by
12 changing Section 5-16.8 as follows:

13 (305 ILCS 5/5-16.8)

14 Sec. 5-16.8. Required health benefits. The medical
15 assistance program shall (i) provide the post-mastectomy care
16 benefits required to be covered by a policy of accident and
17 health insurance under Section 356t and the coverage required
18 under Sections 356g.5, 356u, 356w, 356x, and 356z.6 of the
19 Illinois Insurance Code and (ii) be subject to the provisions
20 of Sections 356z.19 and Section 364.01 of the Illinois
21 Insurance Code.

22 (Source: P.A. 95-189, eff. 8-16-07; 95-331, eff. 8-21-07.)

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

1 becoming law.".