



Rep. Mary E. Flowers

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09700HB4085ham007

LRB097 15077 RPM 67252 a

1 AMENDMENT TO HOUSE BILL 4085

2 AMENDMENT NO. _____. Amend House Bill 4085 on page 5,
3 immediately below line 1, by inserting the following:

4 "Section 55. The State Employees Group Insurance Act of
5 1971 is amended by changing Section 6.11 as follows:

6 (5 ILCS 375/6.11)

7 Sec. 6.11. Required health benefits; Illinois Insurance
8 Code requirements. The program of health benefits shall provide
9 the post-mastectomy care benefits required to be covered by a
10 policy of accident and health insurance under Section 356t of
11 the Illinois Insurance Code. The program of health benefits
12 shall provide the coverage required under Sections 356g,
13 356g.5, 356g.5-1, 356m, 356u, 356w, 356x, 356z.2, 356z.4,
14 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
15 356z.14, 356z.15, ~~and 356z.17,~~ and 356z.19, and 356z.22 of the
16 Illinois Insurance Code. The program of health benefits must

1 comply with Sections 155.22a, ~~and~~ 155.37, and 356z.19 of the
2 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. 96-139, eff. 1-1-10; 96-328, eff. 8-11-09;
10 96-639, eff. 1-1-10; 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11;
11 97-343, eff. 1-1-12; revised 10-14-11.)

12 Section 60. The Counties Code is amended by changing
13 Section 5-1069.3 as follows:

14 (55 ILCS 5/5-1069.3)

15 Sec. 5-1069.3. Required health benefits. If a county,
16 including a home rule county, is a self-insurer for purposes of
17 providing health insurance coverage for its employees, the
18 coverage shall include coverage for the post-mastectomy care
19 benefits required to be covered by a policy of accident and
20 health insurance under Section 356t and the coverage required
21 under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x,
22 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
23 356z.14, ~~and~~ 356z.15, and 356z.22 of the Illinois Insurance
24 Code. The coverage shall comply with Sections ~~Section~~ 155.22a

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

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

14 (Source: P.A. 96-139, eff. 1-1-10; 96-328, eff. 8-11-09;
15 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11; 97-343, eff. 1-1-12;
16 revised 10-14-11.)

17 Section 65. The Illinois Municipal Code is amended by
18 changing Section 10-4-2.3 as follows:

19 (65 ILCS 5/10-4-2.3)

20 Sec. 10-4-2.3. Required health benefits. If a
21 municipality, including a home rule municipality, is a
22 self-insurer for purposes of providing health insurance
23 coverage for its employees, the coverage shall include coverage
24 for the post-mastectomy care benefits required to be covered by

1 a policy of accident and health insurance under Section 356t
2 and the coverage required under Sections 356g, 356g.5,
3 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10,
4 356z.11, 356z.12, 356z.13, 356z.14, ~~and~~ 356z.15, and 356z.22 of
5 the Illinois Insurance Code. The coverage shall comply with
6 Sections ~~Section~~ 155.22a and 356z.19 of the Illinois Insurance
7 Code. The requirement that health benefits be covered as
8 provided in this is an exclusive power and function of the
9 State and is a denial and limitation under Article VII, Section
10 6, subsection (h) of the Illinois Constitution. A home rule
11 municipality to which this Section applies must comply with
12 every provision of this Section.

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. 96-139, eff. 1-1-10; 96-328, eff. 8-11-09;
20 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11; 97-343, eff. 1-1-12;
21 revised 10-14-11.)

22 Section 70. The School Code is amended by changing Section
23 10-22.3f as follows:

24 (105 ILCS 5/10-22.3f)

1 Sec. 10-22.3f. Required health benefits. Insurance
2 protection and benefits for employees shall provide the
3 post-mastectomy care benefits required to be covered by a
4 policy of accident and health insurance under Section 356t and
5 the coverage required under Sections 356g, 356g.5, 356g.5-1,
6 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.11, 356z.12,
7 356z.13, 356z.14, ~~and~~ 356z.15, and 356z.22 of the Illinois
8 Insurance Code. Insurance policies shall comply with Section
9 356z.19 of the Illinois Insurance Code. The coverage shall
10 comply with Section 155.22a of the Illinois Insurance Code.

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

17 (Source: P.A. 96-139, eff. 1-1-10; 96-328, eff. 8-11-09;
18 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11; 97-343, eff. 1-1-12;
19 revised 9-28-11.)

20 Section 75. The Illinois Insurance Code is amended by
21 adding Section 356z.22 as follows:

22 (215 ILCS 5/356z.22 new)

23 Sec. 356z.22. Limitation; erectile dysfunction medication.
24 A group or individual policy of accident and health insurance

1 or managed care plan amended, delivered, issued, or renewed
2 after the effective date of this amendatory Act of the 97th
3 General Assembly that does not provide coverage for
4 contraception may not provide coverage for erectile
5 dysfunction medication.

6 Section 80. The Health Maintenance Organization Act is
7 amended by changing Section 5-3 as follows:

8 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

9 Sec. 5-3. Insurance Code provisions.

10 (a) Health Maintenance Organizations shall be subject to
11 the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,
12 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154,
13 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 356g.5-1,
14 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4, 356z.5, 356z.6,
15 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14,
16 356z.15, 356z.17, 356z.18, 356z.19, 356z.21 ~~356z.19~~, 356z.22,
17 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c, 368d, 368e,
18 370c, 370c.1, 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412,
19 444, and 444.1, paragraph (c) of subsection (2) of Section 367,
20 and Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV,
21 and XXVI of the Illinois Insurance Code.

22 (b) For purposes of the Illinois Insurance Code, except for
23 Sections 444 and 444.1 and Articles XIII and XIII 1/2, Health
24 Maintenance Organizations in the following categories are

1 deemed to be "domestic companies":

2 (1) a corporation authorized under the Dental Service
3 Plan Act or the Voluntary Health Services Plans Act;

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

6 (3) a corporation organized under the laws of another
7 state, 30% or more of the enrollees of which are residents
8 of this State, except a corporation subject to
9 substantially the same requirements in its state of
10 organization as is a "domestic company" under Article VIII
11 1/2 of the Illinois Insurance Code.

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

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

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

1 (3) the Director shall have the power to require the
2 following information:

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

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

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

17 (D) such other information as the Director shall
18 require.

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

25 (e) In considering any management contract or service
26 agreement subject to Section 141.1 of the Illinois Insurance

1 Code, the Director (i) shall, in addition to the criteria
2 specified in Section 141.2 of the Illinois Insurance Code, take
3 into account the effect of the management contract or service
4 agreement on the continuation of benefits to enrollees and the
5 financial condition of the health maintenance organization to
6 be managed or serviced, and (ii) need not take into account the
7 effect of the management contract or service agreement on
8 competition.

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

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

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

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

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

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

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

7 (Source: P.A. 96-328, eff. 8-11-09; 96-639, eff. 1-1-10;
8 96-833, eff. 6-1-10; 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11;
9 97-343, eff. 1-1-12; 97-437, eff. 8-18-11; 97-486, eff. 1-1-12;
10 97-592, eff. 1-1-12; revised 10-13-11.)

11 Section 85. The Limited Health Service Organization Act is
12 amended by changing Section 4003 as follows:

13 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

14 Sec. 4003. Illinois Insurance Code provisions. Limited
15 health service organizations shall be subject to the provisions
16 of Sections 133, 134, 136, 137, 139, 140, 141.1, 141.2, 141.3,
17 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6,
18 154.7, 154.8, 155.04, 155.37, 355.2, 356v, 356z.10, 356z.21
19 ~~356z.19~~, 356z.22, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2,
20 409, 412, 444, and 444.1 and Articles IIA, VIII 1/2, XII, XII
21 1/2, XIII, XIII 1/2, XXV, and XXVI of the Illinois Insurance
22 Code. For purposes of the Illinois Insurance Code, except for
23 Sections 444 and 444.1 and Articles XIII and XIII 1/2, limited
24 health service organizations in the following categories are

1 deemed to be domestic companies:

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

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

9 (Source: P.A. 97-486, eff. 1-1-12; 97-592, 1-1-12; revised
10 10-13-11.)

11 Section 90. The Voluntary Health Services Plans Act is
12 amended by changing Section 10 as follows:

13 (215 ILCS 165/10) (from Ch. 32, par. 604)

14 Sec. 10. Application of Insurance Code provisions. Health
15 services plan corporations and all persons interested therein
16 or dealing therewith shall be subject to the provisions of
17 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,
18 143, 143c, 149, 155.22a, 155.37, 354, 355.2, 356g, 356g.5,
19 356g.5-1, 356r, 356t, 356u, 356v, 356w, 356x, 356y, 356z.1,
20 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10,
21 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18, 356z.19,
22 356z.21 ~~356z.19~~, 356z.22, 364.01, 367.2, 368a, 401, 401.1, 402,
23 403, 403A, 408, 408.2, and 412, and paragraphs (7) and (15) of
24 Section 367 of the Illinois Insurance Code.

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

7 (Source: P.A. 96-328, eff. 8-11-09; 96-833, eff. 6-1-10;
8 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11; 97-343, eff. 1-1-12;
9 97-486, eff. 1-1-12; 97-592, eff. 1-1-12; revised 10-13-11.)".