



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB6170

by Rep. Naomi D. Jakobsson

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Administrative Procedure Act to grant the Director of Central Management Services the power to adopt emergency rules to alter the contributions to be paid by the State, annuitants, survivors, retired employees, or any combination of those entities. Amends the State Employees Group Insurance Act of 1971. Deletes the following defined terms: "New SERS annuitant", "New SERS survivor", "New SURS annuitant", "New SURS survivor", "New TRS State annuitant", "New TRS State survivor". Deletes provisions that require the State to contribute toward the cost of coverage under the basic program of group health benefits an amount that is equal to 5% of that cost for each full year of creditable service. Provides that, beginning on the effective date of the amendatory Act, the Director of Central Management Services shall, on an annual basis, determine the amount that the State shall contribute toward the basic program of group health benefits on behalf of annuitants, survivors, and retired employees. Provides that contributions required of annuitants, survivors, and retired employees shall be the same for all retirement systems and shall be based on a sliding scale that takes into account the following variables: (i) length of service, (ii) ability to pay, (iii) pension income, (iv) Medicare eligibility, and (v) whether an individual has made an election under a specific provision in the State Universities Article of the Illinois Pension Code. Specifies that the amount to be contributed under these provisions by an annuitant, survivor, or retired employee for the program of health benefits provided under the Act shall not, in any event, decrease from the amount that the annuitant, survivor, or retired employee was required to contribute toward the cost of coverage for those benefits in State fiscal year 2012. Effective July 1, 2012.

LRB097 21453 JDS 69499 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 1. The Illinois Administrative Procedure Act is
5 amended by changing Section 5-45 as follows:

6 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

7 Sec. 5-45. Emergency rulemaking.

8 (a) "Emergency" means the existence of any situation that
9 any agency finds reasonably constitutes a threat to the public
10 interest, safety, or welfare.

11 (b) If any agency finds that an emergency exists that
12 requires adoption of a rule upon fewer days than is required by
13 Section 5-40 and states in writing its reasons for that
14 finding, the agency may adopt an emergency rule without prior
15 notice or hearing upon filing a notice of emergency rulemaking
16 with the Secretary of State under Section 5-70. The notice
17 shall include the text of the emergency rule and shall be
18 published in the Illinois Register. Consent orders or other
19 court orders adopting settlements negotiated by an agency may
20 be adopted under this Section. Subject to applicable
21 constitutional or statutory provisions, an emergency rule
22 becomes effective immediately upon filing under Section 5-65 or
23 at a stated date less than 10 days thereafter. The agency's

1 finding and a statement of the specific reasons for the finding
2 shall be filed with the rule. The agency shall take reasonable
3 and appropriate measures to make emergency rules known to the
4 persons who may be affected by them.

5 (c) An emergency rule may be effective for a period of not
6 longer than 150 days, but the agency's authority to adopt an
7 identical rule under Section 5-40 is not precluded. No
8 emergency rule may be adopted more than once in any 24 month
9 period, except that this limitation on the number of emergency
10 rules that may be adopted in a 24 month period does not apply
11 to (i) emergency rules that make additions to and deletions
12 from the Drug Manual under Section 5-5.16 of the Illinois
13 Public Aid Code or the generic drug formulary under Section
14 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii)
15 emergency rules adopted by the Pollution Control Board before
16 July 1, 1997 to implement portions of the Livestock Management
17 Facilities Act, (iii) emergency rules adopted by the Illinois
18 Department of Public Health under subsections (a) through (i)
19 of Section 2 of the Department of Public Health Act when
20 necessary to protect the public's health, (iv) emergency rules
21 adopted pursuant to subsection (n) of this Section, ~~or~~ (v)
22 emergency rules adopted pursuant to subsection (o) of this
23 Section, or (vi) emergency rules adopted pursuant to subsection
24 (c-5) of this Section. Two or more emergency rules having
25 substantially the same purpose and effect shall be deemed to be
26 a single rule for purposes of this Section.

1 (c-5) To facilitate the maintenance of the program of group
2 health benefits provided to annuitants, survivors, and retired
3 employees under the State Employees Group Insurance Act of
4 1971, rules to alter the contributions to be paid by the State,
5 annuitants, survivors, retired employees, or any combination
6 of those entities, for that program of group health benefits,
7 shall be adopted as emergency rules. The adoption of those
8 rules shall be considered an emergency and necessary for the
9 public interest, safety, and welfare.

10 (d) In order to provide for the expeditious and timely
11 implementation of the State's fiscal year 1999 budget,
12 emergency rules to implement any provision of Public Act 90-587
13 or 90-588 or any other budget initiative for fiscal year 1999
14 may be adopted in accordance with this Section by the agency
15 charged with administering that provision or initiative,
16 except that the 24-month limitation on the adoption of
17 emergency rules and the provisions of Sections 5-115 and 5-125
18 do not apply to rules adopted under this subsection (d). The
19 adoption of emergency rules authorized by this subsection (d)
20 shall be deemed to be necessary for the public interest,
21 safety, and welfare.

22 (e) In order to provide for the expeditious and timely
23 implementation of the State's fiscal year 2000 budget,
24 emergency rules to implement any provision of this amendatory
25 Act of the 91st General Assembly or any other budget initiative
26 for fiscal year 2000 may be adopted in accordance with this

1 Section by the agency charged with administering that provision
2 or initiative, except that the 24-month limitation on the
3 adoption of emergency rules and the provisions of Sections
4 5-115 and 5-125 do not apply to rules adopted under this
5 subsection (e). The adoption of emergency rules authorized by
6 this subsection (e) shall be deemed to be necessary for the
7 public interest, safety, and welfare.

8 (f) In order to provide for the expeditious and timely
9 implementation of the State's fiscal year 2001 budget,
10 emergency rules to implement any provision of this amendatory
11 Act of the 91st General Assembly or any other budget initiative
12 for fiscal year 2001 may be adopted in accordance with this
13 Section by the agency charged with administering that provision
14 or initiative, except that the 24-month limitation on the
15 adoption of emergency rules and the provisions of Sections
16 5-115 and 5-125 do not apply to rules adopted under this
17 subsection (f). The adoption of emergency rules authorized by
18 this subsection (f) shall be deemed to be necessary for the
19 public interest, safety, and welfare.

20 (g) In order to provide for the expeditious and timely
21 implementation of the State's fiscal year 2002 budget,
22 emergency rules to implement any provision of this amendatory
23 Act of the 92nd General Assembly or any other budget initiative
24 for fiscal year 2002 may be adopted in accordance with this
25 Section by the agency charged with administering that provision
26 or initiative, except that the 24-month limitation on the

1 adoption of emergency rules and the provisions of Sections
2 5-115 and 5-125 do not apply to rules adopted under this
3 subsection (g). The adoption of emergency rules authorized by
4 this subsection (g) shall be deemed to be necessary for the
5 public interest, safety, and welfare.

6 (h) In order to provide for the expeditious and timely
7 implementation of the State's fiscal year 2003 budget,
8 emergency rules to implement any provision of this amendatory
9 Act of the 92nd General Assembly or any other budget initiative
10 for fiscal year 2003 may be adopted in accordance with this
11 Section by the agency charged with administering that provision
12 or initiative, except that the 24-month limitation on the
13 adoption of emergency rules and the provisions of Sections
14 5-115 and 5-125 do not apply to rules adopted under this
15 subsection (h). The adoption of emergency rules authorized by
16 this subsection (h) shall be deemed to be necessary for the
17 public interest, safety, and welfare.

18 (i) In order to provide for the expeditious and timely
19 implementation of the State's fiscal year 2004 budget,
20 emergency rules to implement any provision of this amendatory
21 Act of the 93rd General Assembly or any other budget initiative
22 for fiscal year 2004 may be adopted in accordance with this
23 Section by the agency charged with administering that provision
24 or initiative, except that the 24-month limitation on the
25 adoption of emergency rules and the provisions of Sections
26 5-115 and 5-125 do not apply to rules adopted under this

1 subsection (i). The adoption of emergency rules authorized by
2 this subsection (i) shall be deemed to be necessary for the
3 public interest, safety, and welfare.

4 (j) In order to provide for the expeditious and timely
5 implementation of the provisions of the State's fiscal year
6 2005 budget as provided under the Fiscal Year 2005 Budget
7 Implementation (Human Services) Act, emergency rules to
8 implement any provision of the Fiscal Year 2005 Budget
9 Implementation (Human Services) Act may be adopted in
10 accordance with this Section by the agency charged with
11 administering that provision, except that the 24-month
12 limitation on the adoption of emergency rules and the
13 provisions of Sections 5-115 and 5-125 do not apply to rules
14 adopted under this subsection (j). The Department of Public Aid
15 may also adopt rules under this subsection (j) necessary to
16 administer the Illinois Public Aid Code and the Children's
17 Health Insurance Program Act. The adoption of emergency rules
18 authorized by this subsection (j) shall be deemed to be
19 necessary for the public interest, safety, and welfare.

20 (k) In order to provide for the expeditious and timely
21 implementation of the provisions of the State's fiscal year
22 2006 budget, emergency rules to implement any provision of this
23 amendatory Act of the 94th General Assembly or any other budget
24 initiative for fiscal year 2006 may be adopted in accordance
25 with this Section by the agency charged with administering that
26 provision or initiative, except that the 24-month limitation on

1 the adoption of emergency rules and the provisions of Sections
2 5-115 and 5-125 do not apply to rules adopted under this
3 subsection (k). The Department of Healthcare and Family
4 Services may also adopt rules under this subsection (k)
5 necessary to administer the Illinois Public Aid Code, the
6 Senior Citizens and Disabled Persons Property Tax Relief and
7 Pharmaceutical Assistance Act, the Senior Citizens and
8 Disabled Persons Prescription Drug Discount Program Act (now
9 the Illinois Prescription Drug Discount Program Act), and the
10 Children's Health Insurance Program Act. The adoption of
11 emergency rules authorized by this subsection (k) shall be
12 deemed to be necessary for the public interest, safety, and
13 welfare.

14 (1) In order to provide for the expeditious and timely
15 implementation of the provisions of the State's fiscal year
16 2007 budget, the Department of Healthcare and Family Services
17 may adopt emergency rules during fiscal year 2007, including
18 rules effective July 1, 2007, in accordance with this
19 subsection to the extent necessary to administer the
20 Department's responsibilities with respect to amendments to
21 the State plans and Illinois waivers approved by the federal
22 Centers for Medicare and Medicaid Services necessitated by the
23 requirements of Title XIX and Title XXI of the federal Social
24 Security Act. The adoption of emergency rules authorized by
25 this subsection (1) shall be deemed to be necessary for the
26 public interest, safety, and welfare.

1 (m) In order to provide for the expeditious and timely
2 implementation of the provisions of the State's fiscal year
3 2008 budget, the Department of Healthcare and Family Services
4 may adopt emergency rules during fiscal year 2008, including
5 rules effective July 1, 2008, in accordance with this
6 subsection to the extent necessary to administer the
7 Department's responsibilities with respect to amendments to
8 the State plans and Illinois waivers approved by the federal
9 Centers for Medicare and Medicaid Services necessitated by the
10 requirements of Title XIX and Title XXI of the federal Social
11 Security Act. The adoption of emergency rules authorized by
12 this subsection (m) shall be deemed to be necessary for the
13 public interest, safety, and welfare.

14 (n) In order to provide for the expeditious and timely
15 implementation of the provisions of the State's fiscal year
16 2010 budget, emergency rules to implement any provision of this
17 amendatory Act of the 96th General Assembly or any other budget
18 initiative authorized by the 96th General Assembly for fiscal
19 year 2010 may be adopted in accordance with this Section by the
20 agency charged with administering that provision or
21 initiative. The adoption of emergency rules authorized by this
22 subsection (n) shall be deemed to be necessary for the public
23 interest, safety, and welfare. The rulemaking authority
24 granted in this subsection (n) shall apply only to rules
25 promulgated during Fiscal Year 2010.

26 (o) In order to provide for the expeditious and timely

1 implementation of the provisions of the State's fiscal year
2 2011 budget, emergency rules to implement any provision of this
3 amendatory Act of the 96th General Assembly or any other budget
4 initiative authorized by the 96th General Assembly for fiscal
5 year 2011 may be adopted in accordance with this Section by the
6 agency charged with administering that provision or
7 initiative. The adoption of emergency rules authorized by this
8 subsection (o) is deemed to be necessary for the public
9 interest, safety, and welfare. The rulemaking authority
10 granted in this subsection (o) applies only to rules
11 promulgated on or after the effective date of this amendatory
12 Act of the 96th General Assembly through June 30, 2011.

13 (Source: P.A. 95-12, eff. 7-2-07; 95-331, eff. 8-21-07; 96-45,
14 eff. 7-15-09; 96-958, eff. 7-1-10; 96-1500, eff. 1-18-11.)

15 Section 5. The State Employees Group Insurance Act of 1971
16 is amended by changing Sections 3, 10, and 15 as follows:

17 (5 ILCS 375/3) (from Ch. 127, par. 523)

18 Sec. 3. Definitions. Unless the context otherwise
19 requires, the following words and phrases as used in this Act
20 shall have the following meanings. The Department may define
21 these and other words and phrases separately for the purpose of
22 implementing specific programs providing benefits under this
23 Act.

24 (a) "Administrative service organization" means any

1 person, firm or corporation experienced in the handling of
2 claims which is fully qualified, financially sound and capable
3 of meeting the service requirements of a contract of
4 administration executed with the Department.

5 (b) "Annuitant" means (1) an employee who retires, or has
6 retired, on or after January 1, 1966 on an immediate annuity
7 under the provisions of Articles 2, 14 (including an employee
8 who has elected to receive an alternative retirement
9 cancellation payment under Section 14-108.5 of the Illinois
10 Pension Code in lieu of an annuity), 15 (including an employee
11 who has retired under the optional retirement program
12 established under Section 15-158.2), paragraphs (2), (3), or
13 (5) of Section 16-106, or Article 18 of the Illinois Pension
14 Code; (2) any person who was receiving group insurance coverage
15 under this Act as of March 31, 1978 by reason of his status as
16 an annuitant, even though the annuity in relation to which such
17 coverage was provided is a proportional annuity based on less
18 than the minimum period of service required for a retirement
19 annuity in the system involved; (3) any person not otherwise
20 covered by this Act who has retired as a participating member
21 under Article 2 of the Illinois Pension Code but is ineligible
22 for the retirement annuity under Section 2-119 of the Illinois
23 Pension Code; (4) the spouse of any person who is receiving a
24 retirement annuity under Article 18 of the Illinois Pension
25 Code and who is covered under a group health insurance program
26 sponsored by a governmental employer other than the State of

1 Illinois and who has irrevocably elected to waive his or her
2 coverage under this Act and to have his or her spouse
3 considered as the "annuitant" under this Act and not as a
4 "dependent"; or (5) an employee who retires, or has retired,
5 from a qualified position, as determined according to rules
6 promulgated by the Director, under a qualified local
7 government, a qualified rehabilitation facility, a qualified
8 domestic violence shelter or service, or a qualified child
9 advocacy center. (For definition of "retired employee", see (p)
10 post).

11 (b-5) (Blank). ~~"New SERS annuitant" means a person who, on~~
12 ~~or after January 1, 1998, becomes an annuitant, as defined in~~
13 ~~subsection (b), by virtue of beginning to receive a retirement~~
14 ~~annuity under Article 14 of the Illinois Pension Code~~
15 ~~(including an employee who has elected to receive an~~
16 ~~alternative retirement cancellation payment under Section~~
17 ~~14-108.5 of that Code in lieu of an annuity), and is eligible~~
18 ~~to participate in the basic program of group health benefits~~
19 ~~provided for annuitants under this Act.~~

20 (b-6) (Blank). ~~"New SURS annuitant" means a person who (1)~~
21 ~~on or after January 1, 1998, becomes an annuitant, as defined~~
22 ~~in subsection (b), by virtue of beginning to receive a~~
23 ~~retirement annuity under Article 15 of the Illinois Pension~~
24 ~~Code, (2) has not made the election authorized under Section~~
25 ~~15-135.1 of the Illinois Pension Code, and (3) is eligible to~~
26 ~~participate in the basic program of group health benefits~~

1 ~~provided for annuitants under this Act.~~

2 (b-7) (Blank). ~~"New TRS State annuitant" means a person~~
3 ~~who, on or after July 1, 1998, becomes an annuitant, as defined~~
4 ~~in subsection (b), by virtue of beginning to receive a~~
5 ~~retirement annuity under Article 16 of the Illinois Pension~~
6 ~~Code based on service as a teacher as defined in paragraph (2),~~
7 ~~(3), or (5) of Section 16-106 of that Code, and is eligible to~~
8 ~~participate in the basic program of group health benefits~~
9 ~~provided for annuitants under this Act.~~

10 (c) "Carrier" means (1) an insurance company, a corporation
11 organized under the Limited Health Service Organization Act or
12 the Voluntary Health Services Plan Act, a partnership, or other
13 nongovernmental organization, which is authorized to do group
14 life or group health insurance business in Illinois, or (2) the
15 State of Illinois as a self-insurer.

16 (d) "Compensation" means salary or wages payable on a
17 regular payroll by the State Treasurer on a warrant of the
18 State Comptroller out of any State, trust or federal fund, or
19 by the Governor of the State through a disbursing officer of
20 the State out of a trust or out of federal funds, or by any
21 Department out of State, trust, federal or other funds held by
22 the State Treasurer or the Department, to any person for
23 personal services currently performed, and ordinary or
24 accidental disability benefits under Articles 2, 14, 15
25 (including ordinary or accidental disability benefits under
26 the optional retirement program established under Section

1 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
2 Article 18 of the Illinois Pension Code, for disability
3 incurred after January 1, 1966, or benefits payable under the
4 Workers' Compensation or Occupational Diseases Act or benefits
5 payable under a sick pay plan established in accordance with
6 Section 36 of the State Finance Act. "Compensation" also means
7 salary or wages paid to an employee of any qualified local
8 government, qualified rehabilitation facility, qualified
9 domestic violence shelter or service, or qualified child
10 advocacy center.

11 (e) "Commission" means the State Employees Group Insurance
12 Advisory Commission authorized by this Act. Commencing July 1,
13 1984, "Commission" as used in this Act means the Commission on
14 Government Forecasting and Accountability as established by
15 the Legislative Commission Reorganization Act of 1984.

16 (f) "Contributory", when referred to as contributory
17 coverage, shall mean optional coverages or benefits elected by
18 the member toward the cost of which such member makes
19 contribution, or which are funded in whole or in part through
20 the acceptance of a reduction in earnings or the foregoing of
21 an increase in earnings by an employee, as distinguished from
22 noncontributory coverage or benefits which are paid entirely by
23 the State of Illinois without reduction of the member's salary.

24 (g) "Department" means any department, institution, board,
25 commission, officer, court or any agency of the State
26 government receiving appropriations and having power to

1 certify payrolls to the Comptroller authorizing payments of
2 salary and wages against such appropriations as are made by the
3 General Assembly from any State fund, or against trust funds
4 held by the State Treasurer and includes boards of trustees of
5 the retirement systems created by Articles 2, 14, 15, 16 and 18
6 of the Illinois Pension Code. "Department" also includes the
7 Illinois Comprehensive Health Insurance Board, the Board of
8 Examiners established under the Illinois Public Accounting
9 Act, and the Illinois Finance Authority.

10 (h) "Dependent", when the term is used in the context of
11 the health and life plan, means a member's spouse and any child
12 (1) from birth to age 26 including an adopted child, a child
13 who lives with the member from the time of the filing of a
14 petition for adoption until entry of an order of adoption, a
15 stepchild or adjudicated child, or a child who lives with the
16 member if such member is a court appointed guardian of the
17 child or (2) age 19 or over who is mentally or physically
18 disabled from a cause originating prior to the age of 19 (age
19 26 if enrolled as an adult child dependent). For the health
20 plan only, the term "dependent" also includes (1) any person
21 enrolled prior to the effective date of this Section who is
22 dependent upon the member to the extent that the member may
23 claim such person as a dependent for income tax deduction
24 purposes and (2) any person who has received after June 30,
25 2000 an organ transplant and who is financially dependent upon
26 the member and eligible to be claimed as a dependent for income

1 tax purposes. A member requesting to cover any dependent must
2 provide documentation as requested by the Department of Central
3 Management Services and file with the Department any and all
4 forms required by the Department.

5 (i) "Director" means the Director of the Illinois
6 Department of Central Management Services or of any successor
7 agency designated to administer this Act.

8 (j) "Eligibility period" means the period of time a member
9 has to elect enrollment in programs or to select benefits
10 without regard to age, sex or health.

11 (k) "Employee" means and includes each officer or employee
12 in the service of a department who (1) receives his
13 compensation for service rendered to the department on a
14 warrant issued pursuant to a payroll certified by a department
15 or on a warrant or check issued and drawn by a department upon
16 a trust, federal or other fund or on a warrant issued pursuant
17 to a payroll certified by an elected or duly appointed officer
18 of the State or who receives payment of the performance of
19 personal services on a warrant issued pursuant to a payroll
20 certified by a Department and drawn by the Comptroller upon the
21 State Treasurer against appropriations made by the General
22 Assembly from any fund or against trust funds held by the State
23 Treasurer, and (2) is employed full-time or part-time in a
24 position normally requiring actual performance of duty during
25 not less than 1/2 of a normal work period, as established by
26 the Director in cooperation with each department, except that

1 persons elected by popular vote will be considered employees
2 during the entire term for which they are elected regardless of
3 hours devoted to the service of the State, and (3) except that
4 "employee" does not include any person who is not eligible by
5 reason of such person's employment to participate in one of the
6 State retirement systems under Articles 2, 14, 15 (either the
7 regular Article 15 system or the optional retirement program
8 established under Section 15-158.2) or 18, or under paragraph
9 (2), (3), or (5) of Section 16-106, of the Illinois Pension
10 Code, but such term does include persons who are employed
11 during the 6 month qualifying period under Article 14 of the
12 Illinois Pension Code. Such term also includes any person who
13 (1) after January 1, 1966, is receiving ordinary or accidental
14 disability benefits under Articles 2, 14, 15 (including
15 ordinary or accidental disability benefits under the optional
16 retirement program established under Section 15-158.2),
17 paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of
18 the Illinois Pension Code, for disability incurred after
19 January 1, 1966, (2) receives total permanent or total
20 temporary disability under the Workers' Compensation Act or
21 Occupational Disease Act as a result of injuries sustained or
22 illness contracted in the course of employment with the State
23 of Illinois, or (3) is not otherwise covered under this Act and
24 has retired as a participating member under Article 2 of the
25 Illinois Pension Code but is ineligible for the retirement
26 annuity under Section 2-119 of the Illinois Pension Code.

1 However, a person who satisfies the criteria of the foregoing
2 definition of "employee" except that such person is made
3 ineligible to participate in the State Universities Retirement
4 System by clause (4) of subsection (a) of Section 15-107 of the
5 Illinois Pension Code is also an "employee" for the purposes of
6 this Act. "Employee" also includes any person receiving or
7 eligible for benefits under a sick pay plan established in
8 accordance with Section 36 of the State Finance Act. "Employee"
9 also includes (i) each officer or employee in the service of a
10 qualified local government, including persons appointed as
11 trustees of sanitary districts regardless of hours devoted to
12 the service of the sanitary district, (ii) each employee in the
13 service of a qualified rehabilitation facility, (iii) each
14 full-time employee in the service of a qualified domestic
15 violence shelter or service, and (iv) each full-time employee
16 in the service of a qualified child advocacy center, as
17 determined according to rules promulgated by the Director.

18 (1) "Member" means an employee, annuitant, retired
19 employee or survivor. In the case of an annuitant or retired
20 employee who first becomes an annuitant or retired employee on
21 or after the effective date of this amendatory Act of the 97th
22 General Assembly, the individual must meet the minimum vesting
23 requirements of the applicable retirement system in order to be
24 eligible for group insurance benefits under that system. In the
25 case of a survivor who first becomes a survivor on or after the
26 effective date of this amendatory Act of the 97th General

1 Assembly, the deceased employee, annuitant, or retired
2 employee upon whom the annuity is based must have been eligible
3 to participate in the group insurance system under the
4 applicable retirement system in order for the survivor to be
5 eligible for group insurance benefits under that system.

6 (m) "Optional coverages or benefits" means those coverages
7 or benefits available to the member on his or her voluntary
8 election, and at his or her own expense.

9 (n) "Program" means the group life insurance, health
10 benefits and other employee benefits designed and contracted
11 for by the Director under this Act.

12 (o) "Health plan" means a health benefits program offered
13 by the State of Illinois for persons eligible for the plan.

14 (p) "Retired employee" means any person who would be an
15 annuitant as that term is defined herein but for the fact that
16 such person retired prior to January 1, 1966. Such term also
17 includes any person formerly employed by the University of
18 Illinois in the Cooperative Extension Service who would be an
19 annuitant but for the fact that such person was made ineligible
20 to participate in the State Universities Retirement System by
21 clause (4) of subsection (a) of Section 15-107 of the Illinois
22 Pension Code.

23 (q) "Survivor" means a person receiving an annuity as a
24 survivor of an employee or of an annuitant. "Survivor" also
25 includes: (1) the surviving dependent of a person who satisfies
26 the definition of "employee" except that such person is made

1 ineligible to participate in the State Universities Retirement
2 System by clause (4) of subsection (a) of Section 15-107 of the
3 Illinois Pension Code; (2) the surviving dependent of any
4 person formerly employed by the University of Illinois in the
5 Cooperative Extension Service who would be an annuitant except
6 for the fact that such person was made ineligible to
7 participate in the State Universities Retirement System by
8 clause (4) of subsection (a) of Section 15-107 of the Illinois
9 Pension Code; and (3) the surviving dependent of a person who
10 was an annuitant under this Act by virtue of receiving an
11 alternative retirement cancellation payment under Section
12 14-108.5 of the Illinois Pension Code.

13 (q-2) "SERS" means the State Employees' Retirement System
14 of Illinois, created under Article 14 of the Illinois Pension
15 Code.

16 (q-3) "SURS" means the State Universities Retirement
17 System, created under Article 15 of the Illinois Pension Code.

18 (q-4) "TRS" means the Teachers' Retirement System of the
19 State of Illinois, created under Article 16 of the Illinois
20 Pension Code.

21 (q-5) (Blank). ~~"New SERS survivor" means a survivor, as~~
22 ~~defined in subsection (q), whose annuity is paid under Article~~
23 ~~14 of the Illinois Pension Code and is based on the death of~~
24 ~~(i) an employee whose death occurs on or after January 1, 1998,~~
25 ~~or (ii) a new SERS annuitant as defined in subsection (b-5).~~
26 ~~"New SERS survivor" includes the surviving dependent of a~~

1 ~~person who was an annuitant under this Act by virtue of~~
2 ~~receiving an alternative retirement cancellation payment under~~
3 ~~Section 14-108.5 of the Illinois Pension Code.~~

4 (q-6) (Blank). ~~"New SURS survivor" means a survivor, as~~
5 ~~defined in subsection (q), whose annuity is paid under Article~~
6 ~~15 of the Illinois Pension Code and is based on the death of~~
7 ~~(i) an employee whose death occurs on or after January 1, 1998,~~
8 ~~or (ii) a new SURS annuitant as defined in subsection (b-6).~~

9 (q-7) (Blank). ~~"New TRS State survivor" means a survivor,~~
10 ~~as defined in subsection (q), whose annuity is paid under~~
11 ~~Article 16 of the Illinois Pension Code and is based on the~~
12 ~~death of (i) an employee who is a teacher as defined in~~
13 ~~paragraph (2), (3), or (5) of Section 16-106 of that Code and~~
14 ~~whose death occurs on or after July 1, 1998, or (ii) a new TRS~~
15 ~~State annuitant as defined in subsection (b-7).~~

16 (r) "Medical services" means the services provided within
17 the scope of their licenses by practitioners in all categories
18 licensed under the Medical Practice Act of 1987.

19 (s) "Unit of local government" means any county,
20 municipality, township, school district (including a
21 combination of school districts under the Intergovernmental
22 Cooperation Act), special district or other unit, designated as
23 a unit of local government by law, which exercises limited
24 governmental powers or powers in respect to limited
25 governmental subjects, any not-for-profit association with a
26 membership that primarily includes townships and township

1 officials, that has duties that include provision of research
2 service, dissemination of information, and other acts for the
3 purpose of improving township government, and that is funded
4 wholly or partly in accordance with Section 85-15 of the
5 Township Code; any not-for-profit corporation or association,
6 with a membership consisting primarily of municipalities, that
7 operates its own utility system, and provides research,
8 training, dissemination of information, or other acts to
9 promote cooperation between and among municipalities that
10 provide utility services and for the advancement of the goals
11 and purposes of its membership; the Southern Illinois
12 Collegiate Common Market, which is a consortium of higher
13 education institutions in Southern Illinois; the Illinois
14 Association of Park Districts; and any hospital provider that
15 is owned by a county that has 100 or fewer hospital beds and
16 has not already joined the program. "Qualified local
17 government" means a unit of local government approved by the
18 Director and participating in a program created under
19 subsection (i) of Section 10 of this Act.

20 (t) "Qualified rehabilitation facility" means any
21 not-for-profit organization that is accredited by the
22 Commission on Accreditation of Rehabilitation Facilities or
23 certified by the Department of Human Services (as successor to
24 the Department of Mental Health and Developmental
25 Disabilities) to provide services to persons with disabilities
26 and which receives funds from the State of Illinois for

1 providing those services, approved by the Director and
2 participating in a program created under subsection (j) of
3 Section 10 of this Act.

4 (u) "Qualified domestic violence shelter or service" means
5 any Illinois domestic violence shelter or service and its
6 administrative offices funded by the Department of Human
7 Services (as successor to the Illinois Department of Public
8 Aid), approved by the Director and participating in a program
9 created under subsection (k) of Section 10.

10 (v) "TRS benefit recipient" means a person who:

11 (1) is not a "member" as defined in this Section; and

12 (2) is receiving a monthly benefit or retirement
13 annuity under Article 16 of the Illinois Pension Code; and

14 (3) either (i) has at least 8 years of creditable
15 service under Article 16 of the Illinois Pension Code, or
16 (ii) was enrolled in the health insurance program offered
17 under that Article on January 1, 1996, or (iii) is the
18 survivor of a benefit recipient who had at least 8 years of
19 creditable service under Article 16 of the Illinois Pension
20 Code or was enrolled in the health insurance program
21 offered under that Article on the effective date of this
22 amendatory Act of 1995, or (iv) is a recipient or survivor
23 of a recipient of a disability benefit under Article 16 of
24 the Illinois Pension Code.

25 (w) "TRS dependent beneficiary" means a person who:

26 (1) is not a "member" or "dependent" as defined in this

1 Section; and

2 (2) is a TRS benefit recipient's: (A) spouse, (B)
3 dependent parent who is receiving at least half of his or
4 her support from the TRS benefit recipient, or (C) natural,
5 step, adjudicated, or adopted child who is (i) under age
6 26, (ii) was, on January 1, 1996, participating as a
7 dependent beneficiary in the health insurance program
8 offered under Article 16 of the Illinois Pension Code, or
9 (iii) age 19 or over who is mentally or physically disabled
10 from a cause originating prior to the age of 19 (age 26 if
11 enrolled as an adult child).

12 "TRS dependent beneficiary" does not include, as indicated
13 under paragraph (2) of this subsection (w), a dependent of the
14 survivor of a TRS benefit recipient who first becomes a
15 dependent of a survivor of a TRS benefit recipient on or after
16 the effective date of this amendatory Act of the 97th General
17 Assembly unless that dependent would have been eligible for
18 coverage as a dependent of the deceased TRS benefit recipient
19 upon whom the survivor benefit is based.

20 (x) "Military leave" refers to individuals in basic
21 training for reserves, special/advanced training, annual
22 training, emergency call up, activation by the President of the
23 United States, or any other training or duty in service to the
24 United States Armed Forces.

25 (y) (Blank).

26 (z) "Community college benefit recipient" means a person

1 who:

2 (1) is not a "member" as defined in this Section; and

3 (2) is receiving a monthly survivor's annuity or
4 retirement annuity under Article 15 of the Illinois Pension
5 Code; and

6 (3) either (i) was a full-time employee of a community
7 college district or an association of community college
8 boards created under the Public Community College Act
9 (other than an employee whose last employer under Article
10 15 of the Illinois Pension Code was a community college
11 district subject to Article VII of the Public Community
12 College Act) and was eligible to participate in a group
13 health benefit plan as an employee during the time of
14 employment with a community college district (other than a
15 community college district subject to Article VII of the
16 Public Community College Act) or an association of
17 community college boards, or (ii) is the survivor of a
18 person described in item (i).

19 (aa) "Community college dependent beneficiary" means a
20 person who:

21 (1) is not a "member" or "dependent" as defined in this
22 Section; and

23 (2) is a community college benefit recipient's: (A)
24 spouse, (B) dependent parent who is receiving at least half
25 of his or her support from the community college benefit
26 recipient, or (C) natural, step, adjudicated, or adopted

1 child who is (i) under age 26, or (ii) age 19 or over and
2 mentally or physically disabled from a cause originating
3 prior to the age of 19 (age 26 if enrolled as an adult
4 child).

5 "Community college dependent beneficiary" does not
6 include, as indicated under paragraph (2) of this subsection
7 (aa), a dependent of the survivor of a community college
8 benefit recipient who first becomes a dependent of a survivor
9 of a community college benefit recipient on or after the
10 effective date of this amendatory Act of the 97th General
11 Assembly unless that dependent would have been eligible for
12 coverage as a dependent of the deceased community college
13 benefit recipient upon whom the survivor annuity is based.

14 (bb) "Qualified child advocacy center" means any Illinois
15 child advocacy center and its administrative offices funded by
16 the Department of Children and Family Services, as defined by
17 the Children's Advocacy Center Act (55 ILCS 80/), approved by
18 the Director and participating in a program created under
19 subsection (n) of Section 10.

20 (Source: P.A. 96-756, eff. 1-1-10; 96-1519, eff. 2-4-11;
21 97-668, eff. 1-13-12.)

22 (5 ILCS 375/10) (from Ch. 127, par. 530)

23 Sec. 10. Contributions by the State and members. ~~Payments~~
24 ~~by State; premiums.~~

25 (a) The State shall pay the cost of basic non-contributory

1 group life insurance and, subject to member paid contributions
2 set by the Department or required by this Section and except as
3 provided in this Section, the basic program of group health
4 benefits on each eligible member, except a member, not
5 otherwise covered by this Act, who has retired as a
6 participating member under Article 2 of the Illinois Pension
7 Code but is ineligible for the retirement annuity under Section
8 2-119 of the Illinois Pension Code, and part of each eligible
9 member's and retired member's premiums for health insurance
10 coverage for enrolled dependents as provided by Section 9. The
11 State shall pay the cost of the basic program of group health
12 benefits only after benefits are reduced by the amount of
13 benefits covered by Medicare for all members and dependents who
14 are eligible for benefits under Social Security or the Railroad
15 Retirement system or who had sufficient Medicare-covered
16 government employment, except that such reduction in benefits
17 shall apply only to those members and dependents who (1) first
18 become eligible for such Medicare coverage on or after July 1,
19 1992; or (2) are Medicare-eligible members or dependents of a
20 local government unit which began participation in the program
21 on or after July 1, 1992; or (3) remain eligible for, but no
22 longer receive Medicare coverage which they had been receiving
23 on or after July 1, 1992. The Department may determine the
24 aggregate level of the State's contribution on the basis of
25 actual cost of medical services adjusted for age, sex or
26 geographic or other demographic characteristics which affect

1 the costs of such programs.

2 The cost of participation in the basic program of group
3 health benefits for the dependent or survivor of a living or
4 deceased retired employee who was formerly employed by the
5 University of Illinois in the Cooperative Extension Service and
6 would be an annuitant but for the fact that he or she was made
7 ineligible to participate in the State Universities Retirement
8 System by clause (4) of subsection (a) of Section 15-107 of the
9 Illinois Pension Code shall not be greater than the cost of
10 participation that would otherwise apply to that dependent or
11 survivor if he or she were the dependent or survivor of an
12 annuitant under the State Universities Retirement System.

13 (a-1) (Blank). ~~Beginning January 1, 1998, for each person~~
14 ~~who becomes a new SERS annuitant and participates in the basic~~
15 ~~program of group health benefits, the State shall contribute~~
16 ~~toward the cost of the annuitant's coverage under the basic~~
17 ~~program of group health benefits an amount equal to 5% of that~~
18 ~~cost for each full year of creditable service upon which the~~
19 ~~annuitant's retirement annuity is based, up to a maximum of~~
20 ~~100% for an annuitant with 20 or more years of creditable~~
21 ~~service. The remainder of the cost of a new SERS annuitant's~~
22 ~~coverage under the basic program of group health benefits shall~~
23 ~~be the responsibility of the annuitant. In the case of a new~~
24 ~~SERS annuitant who has elected to receive an alternative~~
25 ~~retirement cancellation payment under Section 14-108.5 of the~~
26 ~~Illinois Pension Code in lieu of an annuity, for the purposes~~

1 ~~of this subsection the annuitant shall be deemed to be~~
2 ~~receiving a retirement annuity based on the number of years of~~
3 ~~creditable service that the annuitant had established at the~~
4 ~~time of his or her termination of service under SERS.~~

5 (a-2) (Blank). ~~Beginning January 1, 1998, for each person~~
6 ~~who becomes a new SERS survivor and participates in the basic~~
7 ~~program of group health benefits, the State shall contribute~~
8 ~~toward the cost of the survivor's coverage under the basic~~
9 ~~program of group health benefits an amount equal to 5% of that~~
10 ~~cost for each full year of the deceased employee's or deceased~~
11 ~~annuitant's creditable service in the State Employees'~~
12 ~~Retirement System of Illinois on the date of death, up to a~~
13 ~~maximum of 100% for a survivor of an employee or annuitant with~~
14 ~~20 or more years of creditable service. The remainder of the~~
15 ~~cost of the new SERS survivor's coverage under the basic~~
16 ~~program of group health benefits shall be the responsibility of~~
17 ~~the survivor. In the case of a new SERS survivor who was the~~
18 ~~dependent of an annuitant who elected to receive an alternative~~
19 ~~retirement cancellation payment under Section 14-108.5 of the~~
20 ~~Illinois Pension Code in lieu of an annuity, for the purposes~~
21 ~~of this subsection the deceased annuitant's creditable service~~
22 ~~shall be determined as of the date of termination of service~~
23 ~~rather than the date of death.~~

24 (a-3) (Blank). ~~Beginning January 1, 1998, for each person~~
25 ~~who becomes a new SERS annuitant and participates in the basic~~
26 ~~program of group health benefits, the State shall contribute~~

1 ~~toward the cost of the annuitant's coverage under the basic~~
2 ~~program of group health benefits an amount equal to 5% of that~~
3 ~~cost for each full year of creditable service upon which the~~
4 ~~annuitant's retirement annuity is based, up to a maximum of~~
5 ~~100% for an annuitant with 20 or more years of creditable~~
6 ~~service. The remainder of the cost of a new SURS annuitant's~~
7 ~~coverage under the basic program of group health benefits shall~~
8 ~~be the responsibility of the annuitant.~~

9 (a-4) (Blank).

10 (a-5) (Blank). ~~Beginning January 1, 1998, for each person~~
11 ~~who becomes a new SURS survivor and participates in the basic~~
12 ~~program of group health benefits, the State shall contribute~~
13 ~~toward the cost of the survivor's coverage under the basic~~
14 ~~program of group health benefits an amount equal to 5% of that~~
15 ~~cost for each full year of the deceased employee's or deceased~~
16 ~~annuitant's creditable service in the State Universities~~
17 ~~Retirement System on the date of death, up to a maximum of 100%~~
18 ~~for a survivor of an employee or annuitant with 20 or more~~
19 ~~years of creditable service. The remainder of the cost of the~~
20 ~~new SURS survivor's coverage under the basic program of group~~
21 ~~health benefits shall be the responsibility of the survivor.~~

22 (a-6) (Blank). ~~Beginning July 1, 1998, for each person who~~
23 ~~becomes a new TRS State annuitant and participates in the basic~~
24 ~~program of group health benefits, the State shall contribute~~
25 ~~toward the cost of the annuitant's coverage under the basic~~
26 ~~program of group health benefits an amount equal to 5% of that~~

1 ~~cost for each full year of creditable service as a teacher as~~
2 ~~defined in paragraph (2), (3), or (5) of Section 16-106 of the~~
3 ~~Illinois Pension Code upon which the annuitant's retirement~~
4 ~~annuity is based, up to a maximum of 100%; except that the~~
5 ~~State contribution shall be 12.5% per year (rather than 5%) for~~
6 ~~each full year of creditable service as a regional~~
7 ~~superintendent or assistant regional superintendent of~~
8 ~~schools. The remainder of the cost of a new TRS State~~
9 ~~annuitant's coverage under the basic program of group health~~
10 ~~benefits shall be the responsibility of the annuitant.~~

11 (a-7) (Blank). ~~Beginning July 1, 1998, for each person who~~
12 ~~becomes a new TRS State survivor and participates in the basic~~
13 ~~program of group health benefits, the State shall contribute~~
14 ~~toward the cost of the survivor's coverage under the basic~~
15 ~~program of group health benefits an amount equal to 5% of that~~
16 ~~cost for each full year of the deceased employee's or deceased~~
17 ~~annuitant's creditable service as a teacher as defined in~~
18 ~~paragraph (2), (3), or (5) of Section 16-106 of the Illinois~~
19 ~~Pension Code on the date of death, up to a maximum of 100%;~~
20 ~~except that the State contribution shall be 12.5% per year~~
21 ~~(rather than 5%) for each full year of the deceased employee's~~
22 ~~or deceased annuitant's creditable service as a regional~~
23 ~~superintendent or assistant regional superintendent of~~
24 ~~schools. The remainder of the cost of the new TRS State~~
25 ~~survivor's coverage under the basic program of group health~~
26 ~~benefits shall be the responsibility of the survivor.~~

1 (a-8) Any ~~A new SERS annuitant, new SERS survivor, or~~
2 retired employee, new SERS annuitant, new SERS survivor, new
3 ~~TRS State annuitant, or new TRS State survivor~~ may waive or
4 terminate coverage in the program of group health benefits. Any
5 such annuitant, ~~or~~ survivor, or retired employee who has waived
6 or terminated coverage may enroll or re-enroll in the program
7 of group health benefits only during the annual benefit choice
8 period, as determined by the Director; except that in the event
9 of termination of coverage due to nonpayment of premiums, the
10 annuitant, ~~or~~ survivor, or retired employee may not re-enroll
11 in the program.

12 (a-8.5) Beginning on the effective date of this amendatory
13 Act of the 97th General Assembly, the Director of Central
14 Management Services shall, on an annual basis, determine the
15 amount that the State shall contribute toward the basic program
16 of group health benefits on behalf of annuitants (including
17 individuals who (i) participated in the General Assembly
18 Retirement System, the State Employees' Retirement System of
19 Illinois, the State Universities Retirement System, the
20 Teachers' Retirement System of the State of Illinois, or the
21 Judges Retirement System of Illinois and (ii) qualify as
22 annuitants under subsection (b) of Section 3 of this Act),
23 survivors (including individuals who (i) receive an annuity as
24 a survivor of an individual who participated in the General
25 Assembly Retirement System, the State Employees' Retirement
26 System of Illinois, the State Universities Retirement System,

1 the Teachers' Retirement System of the State of Illinois, or
2 the Judges Retirement System of Illinois and (ii) qualify as
3 survivors under subsection (q) of Section 3 of this Act), and
4 retired employees (as defined in subsection (p) of Section 3 of
5 this Act). The remainder of the cost of coverage for each
6 annuitant, survivor, or retired employee, as determined by the
7 Director of Central Management Services, shall be the
8 responsibility of that annuitant, survivor, or retired
9 employee.

10 Contributions required of annuitants, survivors, and
11 retired employees under this subsection (a-8.5) shall be the
12 same for all retirement systems and shall be based on a sliding
13 scale that takes into account the following variables: (i)
14 length of service, (ii) ability to pay, (iii) pension income,
15 (iv) Medicare eligibility, and (v) whether an individual has
16 made an election under Section 15-135.1 of the Illinois Pension
17 Code. The Director shall structure the length of service
18 variable so that a person who became an annuitant, survivor, or
19 retired employee before the effective date of this amendatory
20 Act of the 97th General Assembly makes a lesser contribution
21 than a person who becomes an annuitant, survivor, or retired
22 employee on or after the effective date of this amendatory Act
23 of the 97th General Assembly. The Director shall also structure
24 the pension income variable so that persons with higher pension
25 incomes pay higher contributions.

26 Contributions required of an annuitant, survivor, or

1 retired employee under this subsection (a-8.5) shall not be
2 based on Social Security eligibility, and the amount to be
3 contributed by an annuitant, survivor, or retired employee
4 under this subsection (a-8.5) for the program of health
5 benefits provided under this Act shall not, in any event,
6 decrease from the amount that the annuitant, survivor, or
7 retired employee was required to contribute toward the cost of
8 coverage for those benefits in State fiscal year 2012.

9 (a-9) No later than May 1 of each calendar year, the
10 Director of Central Management Services shall certify in
11 writing to the Executive Secretary of the State Employees'
12 Retirement System of Illinois the amounts of the Medicare
13 supplement health care premiums and the amounts of the health
14 care premiums for all other retirees who are not Medicare
15 eligible.

16 A separate calculation of the premiums based upon the
17 actual cost of each health care plan shall be so certified.

18 The Director of Central Management Services shall provide
19 to the Executive Secretary of the State Employees' Retirement
20 System of Illinois such information, statistics, and other data
21 as he or she may require to review the premium amounts
22 certified by the Director of Central Management Services.

23 The Department of Healthcare and Family Services, or any
24 successor agency designated to procure healthcare contracts
25 pursuant to this Act, is authorized to establish funds,
26 separate accounts provided by any bank or banks as defined by

1 the Illinois Banking Act, or separate accounts provided by any
2 savings and loan association or associations as defined by the
3 Illinois Savings and Loan Act of 1985 to be held by the
4 Director, outside the State treasury, for the purpose of
5 receiving the transfer of moneys from the Local Government
6 Health Insurance Reserve Fund. The Department may promulgate
7 rules further defining the methodology for the transfers. Any
8 interest earned by moneys in the funds or accounts shall inure
9 to the Local Government Health Insurance Reserve Fund. The
10 transferred moneys, and interest accrued thereon, shall be used
11 exclusively for transfers to administrative service
12 organizations or their financial institutions for payments of
13 claims to claimants and providers under the self-insurance
14 health plan. The transferred moneys, and interest accrued
15 thereon, shall not be used for any other purpose including, but
16 not limited to, reimbursement of administration fees due the
17 administrative service organization pursuant to its contract
18 or contracts with the Department.

19 (b) State employees who become eligible for this program on
20 or after January 1, 1980 in positions normally requiring actual
21 performance of duty not less than 1/2 of a normal work period
22 but not equal to that of a normal work period, shall be given
23 the option of participating in the available program. If the
24 employee elects coverage, the State shall contribute on behalf
25 of such employee to the cost of the employee's benefit and any
26 applicable dependent supplement, that sum which bears the same

1 percentage as that percentage of time the employee regularly
2 works when compared to normal work period.

3 (c) The basic non-contributory coverage from the basic
4 program of group health benefits shall be continued for each
5 employee not in pay status or on active service by reason of
6 (1) leave of absence due to illness or injury, (2) authorized
7 educational leave of absence or sabbatical leave, or (3)
8 military leave. This coverage shall continue until expiration
9 of authorized leave and return to active service, but not to
10 exceed 24 months for leaves under item (1) or (2). This
11 24-month limitation and the requirement of returning to active
12 service shall not apply to persons receiving ordinary or
13 accidental disability benefits or retirement benefits through
14 the appropriate State retirement system or benefits under the
15 Workers' Compensation or Occupational Disease Act.

16 (d) The basic group life insurance coverage shall continue,
17 with full State contribution, where such person is (1) absent
18 from active service by reason of disability arising from any
19 cause other than self-inflicted, (2) on authorized educational
20 leave of absence or sabbatical leave, or (3) on military leave.

21 (e) Where the person is in non-pay status for a period in
22 excess of 30 days or on leave of absence, other than by reason
23 of disability, educational or sabbatical leave, or military
24 leave, such person may continue coverage only by making
25 personal payment equal to the amount normally contributed by
26 the State on such person's behalf. Such payments and coverage

1 may be continued: (1) until such time as the person returns to
2 a status eligible for coverage at State expense, but not to
3 exceed 24 months or (2) until such person's employment or
4 annuitant status with the State is terminated (exclusive of any
5 additional service imposed pursuant to law).

6 (f) The Department shall establish by rule the extent to
7 which other employee benefits will continue for persons in
8 non-pay status or who are not in active service.

9 (g) The State shall not pay the cost of the basic
10 non-contributory group life insurance, program of health
11 benefits and other employee benefits for members who are
12 survivors as defined by paragraphs (1) and (2) of subsection
13 (q) of Section 3 of this Act. The costs of benefits for these
14 survivors shall be paid by the survivors or by the University
15 of Illinois Cooperative Extension Service, or any combination
16 thereof. However, the State shall pay the amount of the
17 reduction in the cost of participation, if any, resulting from
18 the amendment to subsection (a) made by this amendatory Act of
19 the 91st General Assembly.

20 (h) Those persons occupying positions with any department
21 as a result of emergency appointments pursuant to Section 8b.8
22 of the Personnel Code who are not considered employees under
23 this Act shall be given the option of participating in the
24 programs of group life insurance, health benefits and other
25 employee benefits. Such persons electing coverage may
26 participate only by making payment equal to the amount normally

1 contributed by the State for similarly situated employees. Such
2 amounts shall be determined by the Director. Such payments and
3 coverage may be continued until such time as the person becomes
4 an employee pursuant to this Act or such person's appointment
5 is terminated.

6 (i) Any unit of local government within the State of
7 Illinois may apply to the Director to have its employees,
8 annuitants, and their dependents provided group health
9 coverage under this Act on a non-insured basis. To participate,
10 a unit of local government must agree to enroll all of its
11 employees, who may select coverage under either the State group
12 health benefits plan or a health maintenance organization that
13 has contracted with the State to be available as a health care
14 provider for employees as defined in this Act. A unit of local
15 government must remit the entire cost of providing coverage
16 under the State group health benefits plan or, for coverage
17 under a health maintenance organization, an amount determined
18 by the Director based on an analysis of the sex, age,
19 geographic location, or other relevant demographic variables
20 for its employees, except that the unit of local government
21 shall not be required to enroll those of its employees who are
22 covered spouses or dependents under this plan or another group
23 policy or plan providing health benefits as long as (1) an
24 appropriate official from the unit of local government attests
25 that each employee not enrolled is a covered spouse or
26 dependent under this plan or another group policy or plan, and

1 (2) at least 50% of the employees are enrolled and the unit of
2 local government remits the entire cost of providing coverage
3 to those employees, except that a participating school district
4 must have enrolled at least 50% of its full-time employees who
5 have not waived coverage under the district's group health plan
6 by participating in a component of the district's cafeteria
7 plan. A participating school district is not required to enroll
8 a full-time employee who has waived coverage under the
9 district's health plan, provided that an appropriate official
10 from the participating school district attests that the
11 full-time employee has waived coverage by participating in a
12 component of the district's cafeteria plan. For the purposes of
13 this subsection, "participating school district" includes a
14 unit of local government whose primary purpose is education as
15 defined by the Department's rules.

16 Employees of a participating unit of local government who
17 are not enrolled due to coverage under another group health
18 policy or plan may enroll in the event of a qualifying change
19 in status, special enrollment, special circumstance as defined
20 by the Director, or during the annual Benefit Choice Period. A
21 participating unit of local government may also elect to cover
22 its annuitants. Dependent coverage shall be offered on an
23 optional basis, with the costs paid by the unit of local
24 government, its employees, or some combination of the two as
25 determined by the unit of local government. The unit of local
26 government shall be responsible for timely collection and

1 transmission of dependent premiums.

2 The Director shall annually determine monthly rates of
3 payment, subject to the following constraints:

4 (1) In the first year of coverage, the rates shall be
5 equal to the amount normally charged to State employees for
6 elected optional coverages or for enrolled dependents
7 coverages or other contributory coverages, or contributed
8 by the State for basic insurance coverages on behalf of its
9 employees, adjusted for differences between State
10 employees and employees of the local government in age,
11 sex, geographic location or other relevant demographic
12 variables, plus an amount sufficient to pay for the
13 additional administrative costs of providing coverage to
14 employees of the unit of local government and their
15 dependents.

16 (2) In subsequent years, a further adjustment shall be
17 made to reflect the actual prior years' claims experience
18 of the employees of the unit of local government.

19 In the case of coverage of local government employees under
20 a health maintenance organization, the Director shall annually
21 determine for each participating unit of local government the
22 maximum monthly amount the unit may contribute toward that
23 coverage, based on an analysis of (i) the age, sex, geographic
24 location, and other relevant demographic variables of the
25 unit's employees and (ii) the cost to cover those employees
26 under the State group health benefits plan. The Director may

1 similarly determine the maximum monthly amount each unit of
2 local government may contribute toward coverage of its
3 employees' dependents under a health maintenance organization.

4 Monthly payments by the unit of local government or its
5 employees for group health benefits plan or health maintenance
6 organization coverage shall be deposited in the Local
7 Government Health Insurance Reserve Fund.

8 The Local Government Health Insurance Reserve Fund is
9 hereby created as a nonappropriated trust fund to be held
10 outside the State Treasury, with the State Treasurer as
11 custodian. The Local Government Health Insurance Reserve Fund
12 shall be a continuing fund not subject to fiscal year
13 limitations. The Local Government Health Insurance Reserve
14 Fund is not subject to administrative charges or charge-backs,
15 including but not limited to those authorized under Section 8h
16 of the State Finance Act. All revenues arising from the
17 administration of the health benefits program established
18 under this Section shall be deposited into the Local Government
19 Health Insurance Reserve Fund. Any interest earned on moneys in
20 the Local Government Health Insurance Reserve Fund shall be
21 deposited into the Fund. All expenditures from this Fund shall
22 be used for payments for health care benefits for local
23 government and rehabilitation facility employees, annuitants,
24 and dependents, and to reimburse the Department or its
25 administrative service organization for all expenses incurred
26 in the administration of benefits. No other State funds may be

1 used for these purposes.

2 A local government employer's participation or desire to
3 participate in a program created under this subsection shall
4 not limit that employer's duty to bargain with the
5 representative of any collective bargaining unit of its
6 employees.

7 (j) Any rehabilitation facility within the State of
8 Illinois may apply to the Director to have its employees,
9 annuitants, and their eligible dependents provided group
10 health coverage under this Act on a non-insured basis. To
11 participate, a rehabilitation facility must agree to enroll all
12 of its employees and remit the entire cost of providing such
13 coverage for its employees, except that the rehabilitation
14 facility shall not be required to enroll those of its employees
15 who are covered spouses or dependents under this plan or
16 another group policy or plan providing health benefits as long
17 as (1) an appropriate official from the rehabilitation facility
18 attests that each employee not enrolled is a covered spouse or
19 dependent under this plan or another group policy or plan, and
20 (2) at least 50% of the employees are enrolled and the
21 rehabilitation facility remits the entire cost of providing
22 coverage to those employees. Employees of a participating
23 rehabilitation facility who are not enrolled due to coverage
24 under another group health policy or plan may enroll in the
25 event of a qualifying change in status, special enrollment,
26 special circumstance as defined by the Director, or during the

1 annual Benefit Choice Period. A participating rehabilitation
2 facility may also elect to cover its annuitants. Dependent
3 coverage shall be offered on an optional basis, with the costs
4 paid by the rehabilitation facility, its employees, or some
5 combination of the 2 as determined by the rehabilitation
6 facility. The rehabilitation facility shall be responsible for
7 timely collection and transmission of dependent premiums.

8 The Director shall annually determine quarterly rates of
9 payment, subject to the following constraints:

10 (1) In the first year of coverage, the rates shall be
11 equal to the amount normally charged to State employees for
12 elected optional coverages or for enrolled dependents
13 coverages or other contributory coverages on behalf of its
14 employees, adjusted for differences between State
15 employees and employees of the rehabilitation facility in
16 age, sex, geographic location or other relevant
17 demographic variables, plus an amount sufficient to pay for
18 the additional administrative costs of providing coverage
19 to employees of the rehabilitation facility and their
20 dependents.

21 (2) In subsequent years, a further adjustment shall be
22 made to reflect the actual prior years' claims experience
23 of the employees of the rehabilitation facility.

24 Monthly payments by the rehabilitation facility or its
25 employees for group health benefits shall be deposited in the
26 Local Government Health Insurance Reserve Fund.

1 (k) Any domestic violence shelter or service within the
2 State of Illinois may apply to the Director to have its
3 employees, annuitants, and their dependents provided group
4 health coverage under this Act on a non-insured basis. To
5 participate, a domestic violence shelter or service must agree
6 to enroll all of its employees and pay the entire cost of
7 providing such coverage for its employees. The domestic
8 violence shelter shall not be required to enroll those of its
9 employees who are covered spouses or dependents under this plan
10 or another group policy or plan providing health benefits as
11 long as (1) an appropriate official from the domestic violence
12 shelter attests that each employee not enrolled is a covered
13 spouse or dependent under this plan or another group policy or
14 plan and (2) at least 50% of the employees are enrolled and the
15 domestic violence shelter remits the entire cost of providing
16 coverage to those employees. Employees of a participating
17 domestic violence shelter who are not enrolled due to coverage
18 under another group health policy or plan may enroll in the
19 event of a qualifying change in status, special enrollment, or
20 special circumstance as defined by the Director or during the
21 annual Benefit Choice Period. A participating domestic
22 violence shelter may also elect to cover its annuitants.
23 Dependent coverage shall be offered on an optional basis, with
24 employees, or some combination of the 2 as determined by the
25 domestic violence shelter or service. The domestic violence
26 shelter or service shall be responsible for timely collection

1 and transmission of dependent premiums.

2 The Director shall annually determine rates of payment,
3 subject to the following constraints:

4 (1) In the first year of coverage, the rates shall be
5 equal to the amount normally charged to State employees for
6 elected optional coverages or for enrolled dependents
7 coverages or other contributory coverages on behalf of its
8 employees, adjusted for differences between State
9 employees and employees of the domestic violence shelter or
10 service in age, sex, geographic location or other relevant
11 demographic variables, plus an amount sufficient to pay for
12 the additional administrative costs of providing coverage
13 to employees of the domestic violence shelter or service
14 and their dependents.

15 (2) In subsequent years, a further adjustment shall be
16 made to reflect the actual prior years' claims experience
17 of the employees of the domestic violence shelter or
18 service.

19 Monthly payments by the domestic violence shelter or
20 service or its employees for group health insurance shall be
21 deposited in the Local Government Health Insurance Reserve
22 Fund.

23 (1) A public community college or entity organized pursuant
24 to the Public Community College Act may apply to the Director
25 initially to have only annuitants not covered prior to July 1,
26 1992 by the district's health plan provided health coverage

1 under this Act on a non-insured basis. The community college
2 must execute a 2-year contract to participate in the Local
3 Government Health Plan. Any annuitant may enroll in the event
4 of a qualifying change in status, special enrollment, special
5 circumstance as defined by the Director, or during the annual
6 Benefit Choice Period.

7 The Director shall annually determine monthly rates of
8 payment subject to the following constraints: for those
9 community colleges with annuitants only enrolled, first year
10 rates shall be equal to the average cost to cover claims for a
11 State member adjusted for demographics, Medicare
12 participation, and other factors; and in the second year, a
13 further adjustment of rates shall be made to reflect the actual
14 first year's claims experience of the covered annuitants.

15 (l-5) The provisions of subsection (l) become inoperative
16 on July 1, 1999.

17 (m) The Director shall adopt any rules deemed necessary for
18 implementation of this amendatory Act of 1989 (Public Act
19 86-978).

20 (n) Any child advocacy center within the State of Illinois
21 may apply to the Director to have its employees, annuitants,
22 and their dependents provided group health coverage under this
23 Act on a non-insured basis. To participate, a child advocacy
24 center must agree to enroll all of its employees and pay the
25 entire cost of providing coverage for its employees. The child
26 advocacy center shall not be required to enroll those of its

1 employees who are covered spouses or dependents under this plan
2 or another group policy or plan providing health benefits as
3 long as (1) an appropriate official from the child advocacy
4 center attests that each employee not enrolled is a covered
5 spouse or dependent under this plan or another group policy or
6 plan and (2) at least 50% of the employees are enrolled and the
7 child advocacy center remits the entire cost of providing
8 coverage to those employees. Employees of a participating child
9 advocacy center who are not enrolled due to coverage under
10 another group health policy or plan may enroll in the event of
11 a qualifying change in status, special enrollment, or special
12 circumstance as defined by the Director or during the annual
13 Benefit Choice Period. A participating child advocacy center
14 may also elect to cover its annuitants. Dependent coverage
15 shall be offered on an optional basis, with the costs paid by
16 the child advocacy center, its employees, or some combination
17 of the 2 as determined by the child advocacy center. The child
18 advocacy center shall be responsible for timely collection and
19 transmission of dependent premiums.

20 The Director shall annually determine rates of payment,
21 subject to the following constraints:

22 (1) In the first year of coverage, the rates shall be
23 equal to the amount normally charged to State employees for
24 elected optional coverages or for enrolled dependents
25 coverages or other contributory coverages on behalf of its
26 employees, adjusted for differences between State

1 employees and employees of the child advocacy center in
2 age, sex, geographic location, or other relevant
3 demographic variables, plus an amount sufficient to pay for
4 the additional administrative costs of providing coverage
5 to employees of the child advocacy center and their
6 dependents.

7 (2) In subsequent years, a further adjustment shall be
8 made to reflect the actual prior years' claims experience
9 of the employees of the child advocacy center.

10 Monthly payments by the child advocacy center or its
11 employees for group health insurance shall be deposited into
12 the Local Government Health Insurance Reserve Fund.

13 (Source: P.A. 95-331, eff. 8-21-07; 95-632, eff. 9-25-07;
14 95-707, eff. 1-11-08; 96-756, eff. 1-1-10; 96-1232, eff.
15 7-23-10; 96-1519, eff. 2-4-11.)

16 (5 ILCS 375/15) (from Ch. 127, par. 535)

17 Sec. 15. Administration; rules; audit; review.

18 (a) The Director shall administer this Act and shall
19 prescribe such rules and regulations as are necessary to give
20 full effect to the purposes of this Act. To facilitate the
21 maintenance of the program of group health benefits provided to
22 annuitants, survivors, and retired employees under this Act,
23 rules adopted by the Director to alter the contributions to be
24 paid by the State, annuitants, survivors, retired employees, or
25 any combination of those entities, for that program of group

1 health benefits, shall be adopted as emergency rules in
2 accordance with Section 5-45 of the Illinois Administrative
3 Procedure Act.

4 (b) These rules may fix reasonable standards for the group
5 life and group health programs and other benefit programs
6 offered under this Act, and for the contractors providing them.

7 (c) These rules shall specify that covered and optional
8 medical services of the program are services provided within
9 the scope of their licenses by practitioners in all categories
10 licensed under the Medical Practice Act of 1987 and shall
11 provide that all eligible persons be fully informed of this
12 specification.

13 (d) These rules shall establish eligibility requirements
14 for members and dependents as may be necessary to supplement or
15 clarify requirements contained in this Act.

16 (e) Each affected department of the State, the State
17 Universities Retirement System, the Teachers' Retirement
18 System, and each qualified local government, rehabilitation
19 facility, domestic violence shelter or service, or child
20 advocacy center, shall keep such records, make such
21 certifications, and furnish the Director such information as
22 may be necessary for the administration of this Act, including
23 information concerning number and total amounts of payroll of
24 employees of the department who are paid from trust funds or
25 federal funds.

26 (f) Each member, each community college benefit recipient

1 to whom this Act applies, and each TRS benefit recipient to
2 whom this Act applies shall furnish the Director, in such form
3 as may be required, any information that may be necessary to
4 enroll such member or benefit recipient and, if applicable, his
5 or her dependents or dependent beneficiaries under the programs
6 or plan, including such data as may be required to allow the
7 Director to accumulate statistics on data normally considered
8 in actuarial studies of employee groups. Information about
9 community college benefit recipients and community college
10 dependent beneficiaries shall be furnished through the State
11 Universities Retirement System. Information about TRS benefit
12 recipients and TRS dependent beneficiaries shall be furnished
13 through the Teachers' Retirement System.

14 (g) There shall be audits and reports on the programs
15 authorized and established by this Act prepared by the Director
16 with the assistance of a qualified, independent accounting
17 firm. The reports shall provide information on the experience,
18 and administrative effectiveness and adequacy of the program
19 including, when applicable, recommendations on up-grading of
20 benefits and improvement of the program.

21 (h) Any final order, decision or other determination made,
22 issued or executed by the Director under the provisions of this
23 Act whereby any contractor or person is aggrieved shall be
24 subject to review in accordance with the provisions of the
25 Administrative Review Law and all amendments and modifications
26 thereof, and the rules adopted pursuant thereto, shall apply to

1 and govern all proceedings for the judicial review of final
2 administrative decisions of the Director.

3 (Source: P.A. 94-860, eff. 6-16-06.)

4 Section 99. Effective date. This Act takes effect July 1,
5 2012.

1 INDEX

2 Statutes amended in order of appearance

3 5 ILCS 100/5-45 from Ch. 127, par. 1005-45

4 5 ILCS 375/3 from Ch. 127, par. 523

5 5 ILCS 375/10 from Ch. 127, par. 530

6 5 ILCS 375/15 from Ch. 127, par. 535