



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB6177

by Rep. Karen May

SYNOPSIS AS INTRODUCED:

5 ILCS 375/3	from Ch. 127, par. 523
5 ILCS 375/6.5	
5 ILCS 375/6.9	
5 ILCS 375/10	from Ch. 127, par. 530

Amends the State Employees Group Insurance Act of 1971. Deletes the following defined terms: "New SERS annuitant", "New SURS annuitant", "New TRS State annuitant", "New SERS survivor", "New SURS survivor", and "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, up to a maximum of 100% for an annuitant with 20 or more years of creditable service, for those classes of persons. Changes the manner in which the cost of health benefits for community college benefit recipients and TRS benefit recipients is to be paid. 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 each annuitant, survivor, and retired employee shall contribute toward the basic program of group health benefits on behalf of retired employees, annuitants, and survivors. Requires the Director, when determining that amount, to take into account benefit points and annual pension income. Sets the amount of the required State contribution toward the basic program of group health benefits. Effective July 1, 2012.

LRB097 21656 JDS 69976 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 5. The State Employees Group Insurance Act of 1971
5 is amended by changing Sections 3, 6.5, 6.9, and 10 as follows:

6 (5 ILCS 375/3) (from Ch. 127, par. 523)

7 Sec. 3. Definitions. Unless the context otherwise
8 requires, the following words and phrases as used in this Act
9 shall have the following meanings. The Department may define
10 these and other words and phrases separately for the purpose of
11 implementing specific programs providing benefits under this
12 Act.

13 (a) "Administrative service organization" means any
14 person, firm or corporation experienced in the handling of
15 claims which is fully qualified, financially sound and capable
16 of meeting the service requirements of a contract of
17 administration executed with the Department.

18 (b) "Annuitant" means (1) an employee who retires, or has
19 retired, on or after January 1, 1966 on an immediate annuity
20 under the provisions of Articles 2, 14 (including an employee
21 who has elected to receive an alternative retirement
22 cancellation payment under Section 14-108.5 of the Illinois
23 Pension Code in lieu of an annuity), 15 (including an employee

1 who has retired under the optional retirement program
2 established under Section 15-158.2), paragraphs (2), (3), or
3 (5) of Section 16-106, or Article 18 of the Illinois Pension
4 Code; (2) any person who was receiving group insurance coverage
5 under this Act as of March 31, 1978 by reason of his status as
6 an annuitant, even though the annuity in relation to which such
7 coverage was provided is a proportional annuity based on less
8 than the minimum period of service required for a retirement
9 annuity in the system involved; (3) any person not otherwise
10 covered by this Act who has retired as a participating member
11 under Article 2 of the Illinois Pension Code but is ineligible
12 for the retirement annuity under Section 2-119 of the Illinois
13 Pension Code; (4) the spouse of any person who is receiving a
14 retirement annuity under Article 18 of the Illinois Pension
15 Code and who is covered under a group health insurance program
16 sponsored by a governmental employer other than the State of
17 Illinois and who has irrevocably elected to waive his or her
18 coverage under this Act and to have his or her spouse
19 considered as the "annuitant" under this Act and not as a
20 "dependent"; or (5) an employee who retires, or has retired,
21 from a qualified position, as determined according to rules
22 promulgated by the Director, under a qualified local
23 government, a qualified rehabilitation facility, a qualified
24 domestic violence shelter or service, or a qualified child
25 advocacy center. (For definition of "retired employee", see (p)
26 post).

1 (b-5) (Blank). ~~"New SERS annuitant" means a person who, on~~
2 ~~or after January 1, 1998, becomes an annuitant, as defined in~~
3 ~~subsection (b), by virtue of beginning to receive a retirement~~
4 ~~annuity under Article 14 of the Illinois Pension Code~~
5 ~~(including an employee who has elected to receive an~~
6 ~~alternative retirement cancellation payment under Section~~
7 ~~14-108.5 of that Code in lieu of an annuity), and is eligible~~
8 ~~to participate in the basic program of group health benefits~~
9 ~~provided for annuitants under this Act.~~

10 (b-6) (Blank). ~~"New SERS annuitant" means a person who (1)~~
11 ~~on or after January 1, 1998, becomes an annuitant, as defined~~
12 ~~in subsection (b), by virtue of beginning to receive a~~
13 ~~retirement annuity under Article 15 of the Illinois Pension~~
14 ~~Code, (2) has not made the election authorized under Section~~
15 ~~15-135.1 of the Illinois Pension Code, and (3) is eligible to~~
16 ~~participate in the basic program of group health benefits~~
17 ~~provided for annuitants under this Act.~~

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

26 (c) "Carrier" means (1) an insurance company, a corporation

1 organized under the Limited Health Service Organization Act or
2 the Voluntary Health Services Plan Act, a partnership, or other
3 nongovernmental organization, which is authorized to do group
4 life or group health insurance business in Illinois, or (2) the
5 State of Illinois as a self-insurer.

6 (d) "Compensation" means salary or wages payable on a
7 regular payroll by the State Treasurer on a warrant of the
8 State Comptroller out of any State, trust or federal fund, or
9 by the Governor of the State through a disbursing officer of
10 the State out of a trust or out of federal funds, or by any
11 Department out of State, trust, federal or other funds held by
12 the State Treasurer or the Department, to any person for
13 personal services currently performed, and ordinary or
14 accidental disability benefits under Articles 2, 14, 15
15 (including ordinary or accidental disability benefits under
16 the optional retirement program established under Section
17 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
18 Article 18 of the Illinois Pension Code, for disability
19 incurred after January 1, 1966, or benefits payable under the
20 Workers' Compensation or Occupational Diseases Act or benefits
21 payable under a sick pay plan established in accordance with
22 Section 36 of the State Finance Act. "Compensation" also means
23 salary or wages paid to an employee of any qualified local
24 government, qualified rehabilitation facility, qualified
25 domestic violence shelter or service, or qualified child
26 advocacy center.

1 (e) "Commission" means the State Employees Group Insurance
2 Advisory Commission authorized by this Act. Commencing July 1,
3 1984, "Commission" as used in this Act means the Commission on
4 Government Forecasting and Accountability as established by
5 the Legislative Commission Reorganization Act of 1984.

6 (f) "Contributory", when referred to as contributory
7 coverage, shall mean optional coverages or benefits elected by
8 the member toward the cost of which such member makes
9 contribution, or which are funded in whole or in part through
10 the acceptance of a reduction in earnings or the foregoing of
11 an increase in earnings by an employee, as distinguished from
12 noncontributory coverage or benefits which are paid entirely by
13 the State of Illinois without reduction of the member's salary.

14 (g) "Department" means any department, institution, board,
15 commission, officer, court or any agency of the State
16 government receiving appropriations and having power to
17 certify payrolls to the Comptroller authorizing payments of
18 salary and wages against such appropriations as are made by the
19 General Assembly from any State fund, or against trust funds
20 held by the State Treasurer and includes boards of trustees of
21 the retirement systems created by Articles 2, 14, 15, 16 and 18
22 of the Illinois Pension Code. "Department" also includes the
23 Illinois Comprehensive Health Insurance Board, the Board of
24 Examiners established under the Illinois Public Accounting
25 Act, and the Illinois Finance Authority.

26 (h) "Dependent", when the term is used in the context of

1 the health and life plan, means a member's spouse and any child
2 (1) from birth to age 26 including an adopted child, a child
3 who lives with the member from the time of the filing of a
4 petition for adoption until entry of an order of adoption, a
5 stepchild or adjudicated child, or a child who lives with the
6 member if such member is a court appointed guardian of the
7 child or (2) age 19 or over who is mentally or physically
8 disabled from a cause originating prior to the age of 19 (age
9 26 if enrolled as an adult child dependent). For the health
10 plan only, the term "dependent" also includes (1) any person
11 enrolled prior to the effective date of this Section who is
12 dependent upon the member to the extent that the member may
13 claim such person as a dependent for income tax deduction
14 purposes and (2) any person who has received after June 30,
15 2000 an organ transplant and who is financially dependent upon
16 the member and eligible to be claimed as a dependent for income
17 tax purposes. A member requesting to cover any dependent must
18 provide documentation as requested by the Department of Central
19 Management Services and file with the Department any and all
20 forms required by the Department.

21 (i) "Director" means the Director of the Illinois
22 Department of Central Management Services or of any successor
23 agency designated to administer this Act.

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

1 (k) "Employee" means and includes each officer or employee
2 in the service of a department who (1) receives his
3 compensation for service rendered to the department on a
4 warrant issued pursuant to a payroll certified by a department
5 or on a warrant or check issued and drawn by a department upon
6 a trust, federal or other fund or on a warrant issued pursuant
7 to a payroll certified by an elected or duly appointed officer
8 of the State or who receives payment of the performance of
9 personal services on a warrant issued pursuant to a payroll
10 certified by a Department and drawn by the Comptroller upon the
11 State Treasurer against appropriations made by the General
12 Assembly from any fund or against trust funds held by the State
13 Treasurer, and (2) is employed full-time or part-time in a
14 position normally requiring actual performance of duty during
15 not less than 1/2 of a normal work period, as established by
16 the Director in cooperation with each department, except that
17 persons elected by popular vote will be considered employees
18 during the entire term for which they are elected regardless of
19 hours devoted to the service of the State, and (3) except that
20 "employee" does not include any person who is not eligible by
21 reason of such person's employment to participate in one of the
22 State retirement systems under Articles 2, 14, 15 (either the
23 regular Article 15 system or the optional retirement program
24 established under Section 15-158.2) or 18, or under paragraph
25 (2), (3), or (5) of Section 16-106, of the Illinois Pension
26 Code, but such term does include persons who are employed

1 during the 6 month qualifying period under Article 14 of the
2 Illinois Pension Code. Such term also includes any person who
3 (1) after January 1, 1966, is receiving ordinary or accidental
4 disability benefits under Articles 2, 14, 15 (including
5 ordinary or accidental disability benefits under the optional
6 retirement program established under Section 15-158.2),
7 paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of
8 the Illinois Pension Code, for disability incurred after
9 January 1, 1966, (2) receives total permanent or total
10 temporary disability under the Workers' Compensation Act or
11 Occupational Disease Act as a result of injuries sustained or
12 illness contracted in the course of employment with the State
13 of Illinois, or (3) is not otherwise covered under this Act and
14 has retired as a participating member under Article 2 of the
15 Illinois Pension Code but is ineligible for the retirement
16 annuity under Section 2-119 of the Illinois Pension Code.
17 However, a person who satisfies the criteria of the foregoing
18 definition of "employee" except that such person is made
19 ineligible to participate in the State Universities Retirement
20 System by clause (4) of subsection (a) of Section 15-107 of the
21 Illinois Pension Code is also an "employee" for the purposes of
22 this Act. "Employee" also includes any person receiving or
23 eligible for benefits under a sick pay plan established in
24 accordance with Section 36 of the State Finance Act. "Employee"
25 also includes (i) each officer or employee in the service of a
26 qualified local government, including persons appointed as

1 trustees of sanitary districts regardless of hours devoted to
2 the service of the sanitary district, (ii) each employee in the
3 service of a qualified rehabilitation facility, (iii) each
4 full-time employee in the service of a qualified domestic
5 violence shelter or service, and (iv) each full-time employee
6 in the service of a qualified child advocacy center, as
7 determined according to rules promulgated by the Director.

8 (l) "Member" means an employee, annuitant, retired
9 employee or survivor. In the case of an annuitant or retired
10 employee who first becomes an annuitant or retired employee on
11 or after the effective date of this amendatory Act of the 97th
12 General Assembly, the individual must meet the minimum vesting
13 requirements of the applicable retirement system in order to be
14 eligible for group insurance benefits under that system. In the
15 case of a survivor who first becomes a survivor on or after the
16 effective date of this amendatory Act of the 97th General
17 Assembly, the deceased employee, annuitant, or retired
18 employee upon whom the annuity is based must have been eligible
19 to participate in the group insurance system under the
20 applicable retirement system in order for the survivor to be
21 eligible for group insurance benefits under that system.

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

25 (n) "Program" means the group life insurance, health
26 benefits and other employee benefits designed and contracted

1 for by the Director under this Act.

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

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

13 (q) "Survivor" means a person receiving an annuity as a
14 survivor of an employee or of an annuitant. "Survivor" also
15 includes: (1) the surviving dependent of a person who satisfies
16 the definition of "employee" except that such person is made
17 ineligible to participate in the State Universities Retirement
18 System by clause (4) of subsection (a) of Section 15-107 of the
19 Illinois Pension Code; (2) the surviving dependent of any
20 person formerly employed by the University of Illinois in the
21 Cooperative Extension Service who would be an annuitant except
22 for the fact that such person was made ineligible to
23 participate in the State Universities Retirement System by
24 clause (4) of subsection (a) of Section 15-107 of the Illinois
25 Pension Code; and (3) the surviving dependent of a person who
26 was an annuitant under this Act by virtue of receiving an

1 alternative retirement cancellation payment under Section
2 14-108.5 of the Illinois Pension Code.

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

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

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

11 (q-5) (Blank). ~~"New SERS survivor" means a survivor, as~~
12 ~~defined in subsection (q), whose annuity is paid under Article~~
13 ~~14 of the Illinois Pension Code and is based on the death of~~
14 ~~(i) an employee whose death occurs on or after January 1, 1998,~~
15 ~~or (ii) a new SERS annuitant as defined in subsection (b-5).~~
16 ~~"New SERS survivor" includes the surviving dependent of a~~
17 ~~person who was an annuitant under this Act by virtue of~~
18 ~~receiving an alternative retirement cancellation payment under~~
19 ~~Section 14-108.5 of the Illinois Pension Code.~~

20 (q-6) (Blank). ~~"New SURS survivor" means a survivor, as~~
21 ~~defined in subsection (q), whose annuity is paid under Article~~
22 ~~15 of the Illinois Pension Code and is based on the death of~~
23 ~~(i) an employee whose death occurs on or after January 1, 1998,~~
24 ~~or (ii) a new SURS annuitant as defined in subsection (b-6).~~

25 (q-7) (Blank). ~~"New TRS State survivor" means a survivor,~~
26 ~~as defined in subsection (q), whose annuity is paid under~~

1 ~~Article 16 of the Illinois Pension Code and is based on the~~
2 ~~death of (i) an employee who is a teacher as defined in~~
3 ~~paragraph (2), (3), or (5) of Section 16-106 of that Code and~~
4 ~~whose death occurs on or after July 1, 1998, or (ii) a new TRS~~
5 ~~State annuitant as defined in subsection (b-7).~~

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

9 (s) "Unit of local government" means any county,
10 municipality, township, school district (including a
11 combination of school districts under the Intergovernmental
12 Cooperation Act), special district or other unit, designated as
13 a unit of local government by law, which exercises limited
14 governmental powers or powers in respect to limited
15 governmental subjects, any not-for-profit association with a
16 membership that primarily includes townships and township
17 officials, that has duties that include provision of research
18 service, dissemination of information, and other acts for the
19 purpose of improving township government, and that is funded
20 wholly or partly in accordance with Section 85-15 of the
21 Township Code; any not-for-profit corporation or association,
22 with a membership consisting primarily of municipalities, that
23 operates its own utility system, and provides research,
24 training, dissemination of information, or other acts to
25 promote cooperation between and among municipalities that
26 provide utility services and for the advancement of the goals

1 and purposes of its membership; the Southern Illinois
2 Collegiate Common Market, which is a consortium of higher
3 education institutions in Southern Illinois; the Illinois
4 Association of Park Districts; and any hospital provider that
5 is owned by a county that has 100 or fewer hospital beds and
6 has not already joined the program. "Qualified local
7 government" means a unit of local government approved by the
8 Director and participating in a program created under
9 subsection (i) of Section 10 of this Act.

10 (t) "Qualified rehabilitation facility" means any
11 not-for-profit organization that is accredited by the
12 Commission on Accreditation of Rehabilitation Facilities or
13 certified by the Department of Human Services (as successor to
14 the Department of Mental Health and Developmental
15 Disabilities) to provide services to persons with disabilities
16 and which receives funds from the State of Illinois for
17 providing those services, approved by the Director and
18 participating in a program created under subsection (j) of
19 Section 10 of this Act.

20 (u) "Qualified domestic violence shelter or service" means
21 any Illinois domestic violence shelter or service and its
22 administrative offices funded by the Department of Human
23 Services (as successor to the Illinois Department of Public
24 Aid), approved by the Director and participating in a program
25 created under subsection (k) of Section 10.

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

1 (1) is not a "member" as defined in this Section; and
2 (2) is receiving a monthly benefit or retirement
3 annuity under Article 16 of the Illinois Pension Code; and
4 (3) either (i) has at least 8 years of creditable
5 service under Article 16 of the Illinois Pension Code, or
6 (ii) was enrolled in the health insurance program offered
7 under that Article on January 1, 1996, or (iii) is the
8 survivor of a benefit recipient who had at least 8 years of
9 creditable service under Article 16 of the Illinois Pension
10 Code or was enrolled in the health insurance program
11 offered under that Article on the effective date of this
12 amendatory Act of 1995, or (iv) is a recipient or survivor
13 of a recipient of a disability benefit under Article 16 of
14 the Illinois Pension Code.

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

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

18 (2) is a TRS benefit recipient's: (A) spouse, (B)
19 dependent parent who is receiving at least half of his or
20 her support from the TRS benefit recipient, or (C) natural,
21 step, adjudicated, or adopted child who is (i) under age
22 26, (ii) was, on January 1, 1996, participating as a
23 dependent beneficiary in the health insurance program
24 offered under Article 16 of the Illinois Pension Code, or
25 (iii) age 19 or over who is mentally or physically disabled
26 from a cause originating prior to the age of 19 (age 26 if

1 enrolled as an adult child).

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

10 (x) "Military leave" refers to individuals in basic
11 training for reserves, special/advanced training, annual
12 training, emergency call up, activation by the President of the
13 United States, or any other training or duty in service to the
14 United States Armed Forces.

15 (y) (Blank).

16 (z) "Community college benefit recipient" means a person
17 who:

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

19 (2) is receiving a monthly survivor's annuity or
20 retirement annuity under Article 15 of the Illinois Pension
21 Code; and

22 (3) either (i) was a full-time employee of a community
23 college district or an association of community college
24 boards created under the Public Community College Act
25 (other than an employee whose last employer under Article
26 15 of the Illinois Pension Code was a community college

1 district subject to Article VII of the Public Community
2 College Act) and was eligible to participate in a group
3 health benefit plan as an employee during the time of
4 employment with a community college district (other than a
5 community college district subject to Article VII of the
6 Public Community College Act) or an association of
7 community college boards, or (ii) is the survivor of a
8 person described in item (i).

9 (aa) "Community college dependent beneficiary" means a
10 person who:

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

13 (2) is a community college benefit recipient's: (A)
14 spouse, (B) dependent parent who is receiving at least half
15 of his or her support from the community college benefit
16 recipient, or (C) natural, step, adjudicated, or adopted
17 child who is (i) under age 26, or (ii) age 19 or over and
18 mentally or physically disabled from a cause originating
19 prior to the age of 19 (age 26 if enrolled as an adult
20 child).

21 "Community college dependent beneficiary" does not
22 include, as indicated under paragraph (2) of this subsection
23 (aa), a dependent of the survivor of a community college
24 benefit recipient who first becomes a dependent of a survivor
25 of a community college benefit recipient on or after the
26 effective date of this amendatory Act of the 97th General

1 Assembly unless that dependent would have been eligible for
2 coverage as a dependent of the deceased community college
3 benefit recipient upon whom the survivor annuity is based.

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

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

12 (5 ILCS 375/6.5)

13 Sec. 6.5. Health benefits for TRS benefit recipients and
14 TRS dependent beneficiaries.

15 (a) Purpose. It is the purpose of this amendatory Act of
16 1995 to transfer the administration of the program of health
17 benefits established for benefit recipients and their
18 dependent beneficiaries under Article 16 of the Illinois
19 Pension Code to the Department of Central Management Services.

20 (b) Transition provisions. The Board of Trustees of the
21 Teachers' Retirement System shall continue to administer the
22 health benefit program established under Article 16 of the
23 Illinois Pension Code through December 31, 1995. Beginning
24 January 1, 1996, the Department of Central Management Services
25 shall be responsible for administering a program of health

1 benefits for TRS benefit recipients and TRS dependent
2 beneficiaries under this Section. The Department of Central
3 Management Services and the Teachers' Retirement System shall
4 cooperate in this endeavor and shall coordinate their
5 activities so as to ensure a smooth transition and
6 uninterrupted health benefit coverage.

7 (c) Eligibility. All persons who were enrolled in the
8 Article 16 program at the time of the transfer shall be
9 eligible to participate in the program established under this
10 Section without any interruption or delay in coverage or
11 limitation as to pre-existing medical conditions. Eligibility
12 to participate shall be determined by the Teachers' Retirement
13 System. Eligibility information shall be communicated to the
14 Department of Central Management Services in a format
15 acceptable to the Department.

16 A TRS dependent beneficiary who is a child age 19 or over
17 and mentally or physically disabled does not become ineligible
18 to participate by reason of (i) becoming ineligible to be
19 claimed as a dependent for Illinois or federal income tax
20 purposes or (ii) receiving earned income, so long as those
21 earnings are insufficient for the child to be fully
22 self-sufficient.

23 (d) Coverage. The level of health benefits provided under
24 this Section shall be similar to the level of benefits provided
25 by the program previously established under Article 16 of the
26 Illinois Pension Code.

1 Group life insurance benefits are not included in the
2 benefits to be provided to TRS benefit recipients and TRS
3 dependent beneficiaries under this Act.

4 The program of health benefits under this Section may
5 include any or all of the benefit limitations, including but
6 not limited to a reduction in benefits based on eligibility for
7 federal medicare benefits, that are provided under subsection
8 (a) of Section 6 of this Act for other health benefit programs
9 under this Act.

10 (e) Insurance rates and premiums. The Director shall
11 determine the insurance rates and premiums for TRS benefit
12 recipients and TRS dependent beneficiaries, and shall present
13 to the Teachers' Retirement System of the State of Illinois, by
14 April 15 of each calendar year, the rate-setting methodology
15 (including but not limited to utilization levels and costs)
16 used to determine the amount of the health care premiums.

17 For Fiscal Year 1996, the premium shall be equal to the
18 premium actually charged in Fiscal Year 1995; in subsequent
19 years, the premium shall never be lower than the premium
20 charged in Fiscal Year 1995.

21 For Fiscal Year 2003, the premium shall not exceed 110%
22 of the premium actually charged in Fiscal Year 2002.

23 For Fiscal Year 2004, the premium shall not exceed 112%
24 of the premium actually charged in Fiscal Year 2003.

25 For Fiscal Year 2005, the premium shall not exceed a
26 weighted average of 106.6% of the premium actually charged

1 in Fiscal Year 2004.

2 For Fiscal Year 2006, the premium shall not exceed a
3 weighted average of 109.1% of the premium actually charged
4 in Fiscal Year 2005.

5 For Fiscal Year 2007, the premium shall not exceed a
6 weighted average of 103.9% of the premium actually charged
7 in Fiscal Year 2006.

8 For Fiscal Year 2008 through Fiscal Year 2013 ~~and~~
9 ~~thereafter~~, the premium in each fiscal year shall not
10 exceed 105% of the premium actually charged in the previous
11 fiscal year.

12 Rates and premiums shall ~~may~~ be based in part on age, ~~and~~
13 eligibility for federal medicare coverage, years of service,
14 pension income, and the type of insurance program selected.
15 However, the cost of participation for a TRS dependent
16 beneficiary who is an unmarried child age 19 or over and
17 mentally or physically disabled shall not exceed the cost for a
18 TRS dependent beneficiary who is an unmarried child under age
19 19 and participates in the same major medical or managed care
20 program.

21 The cost of health benefits under the program shall be paid
22 as follows:

23 (1) For each Medicare-covered ~~a~~ TRS benefit recipient
24 ~~selecting a managed care program,~~ other than a
25 Medicare-covered TRS benefit recipient who first becomes a
26 teacher, as defined under paragraphs (1), (4), and (6)

1 through (10) of Section 16-106 of the Illinois Pension
2 Code, on or after the effective date of this amendatory Act
3 of the 97th General Assembly, up to 60% 75% of the total
4 insurance rate shall be paid from the Teacher Health
5 Insurance Security Fund. ~~Effective with Fiscal Year 2007~~
6 ~~and thereafter, for a TRS benefit recipient selecting a~~
7 ~~managed care program, 75% of the total insurance rate shall~~
8 ~~be paid from the Teacher Health Insurance Security Fund.~~

9 (2) For each non-Medicare-covered a TRS benefit
10 recipient ~~selecting the major medical coverage program,~~
11 other than a non-Medicare-covered TRS benefit recipient
12 who either first becomes a TRS benefit recipient on or
13 after the effective date of this amendatory Act of the 97th
14 General Assembly or first becomes a teacher, as defined
15 under paragraphs (1), (4), and (6) through (10) of Section
16 16-106 of the Illinois Pension Code, on or after the
17 effective date of this amendatory Act of the 97th General
18 Assembly, up to 60% 50% of the total insurance rate shall
19 be paid from the Teacher Health Insurance Security Fund ~~if~~
20 ~~a managed care program is accessible, as determined by the~~
21 ~~Teachers' Retirement System. Effective with Fiscal Year~~
22 ~~2007 and thereafter, for a TRS benefit recipient selecting~~
23 ~~the major medical coverage program, 50% of the total~~
24 ~~insurance rate shall be paid from the Teacher Health~~
25 ~~Insurance Security Fund if a managed care program is~~
26 ~~accessible, as determined by the Department of Central~~

1 ~~Management Services.~~

2 (3) For each non-Medicare-covered a TRS benefit
3 recipient who first becomes a TRS benefit recipient on or
4 after the effective date of this amendatory Act of the 97th
5 General Assembly, other than a non-Medicare-covered TRS
6 benefit recipient who first becomes a teacher, as defined
7 under paragraphs (1), (4), and (6) through (10) of Section
8 16-106 of the Illinois Pension Code, on or after the
9 effective date of this amendatory Act of the 97th General
10 Assembly selecting the major medical coverage program, up
11 to 60% 75% of the total insurance rate that would be paid
12 on behalf of that TRS benefit recipient if he or she were
13 eligible for Medicare shall be paid from the Teacher Health
14 Insurance Security Fund ~~if a managed care program is not~~
15 ~~accessible, as determined by the Teachers' Retirement~~
16 ~~System. Effective with Fiscal Year 2007 and thereafter, for~~
17 ~~a TRS benefit recipient selecting the major medical~~
18 ~~coverage program, 75% of the total insurance rate shall be~~
19 ~~paid from the Teacher Health Insurance Security Fund if a~~
20 ~~managed care program is not accessible, as determined by~~
21 ~~the Department of Central Management Services.~~

22 (3.1) For each a TRS benefit recipient who first
23 becomes a teacher, as defined under paragraphs (1), (4),
24 and (6) through (10) of Section 16-106 of the Illinois
25 Pension Code, on or after the effective date of this
26 amendatory Act of the 97th General Assembly, no portion of

1 the total insurance rate shall be paid from the Teacher
2 Health Insurance Security Fund. ~~dependent beneficiary who~~
3 ~~is Medicare primary and enrolled in a managed care plan, or~~
4 ~~the major medical coverage program if a managed care plan~~
5 ~~is not available, 25% of the total insurance rate shall be~~
6 ~~paid from the Teacher Health Security Fund as determined by~~
7 ~~the Department of Central Management Services. For the~~
8 ~~purpose of this item (3.1), the term "TRS dependent~~
9 ~~beneficiary who is Medicare primary" means a TRS dependent~~
10 ~~beneficiary who is participating in Medicare Parts A and B.~~

11 (4) ~~The~~ Except ~~as otherwise provided in item (3.1), the~~
12 balance of the rate of insurance, including the entire
13 premium of any coverage for TRS dependent beneficiaries
14 that has been elected, shall be paid by deductions
15 authorized by the TRS benefit recipient to be withheld from
16 his or her monthly annuity or benefit payment from the
17 Teachers' Retirement System; except that (i) if the balance
18 of the cost of coverage exceeds the amount of the monthly
19 annuity or benefit payment, the difference shall be paid
20 directly to the Teachers' Retirement System by the TRS
21 benefit recipient, and (ii) all or part of the balance of
22 the cost of coverage may, at the school board's option, be
23 paid to the Teachers' Retirement System by the school board
24 of the school district from which the TRS benefit recipient
25 retired, in accordance with Section 10-22.3b of the School
26 Code. The Teachers' Retirement System shall promptly

1 deposit all moneys withheld by or paid to it under this
2 subdivision (e)(4) into the Teacher Health Insurance
3 Security Fund. These moneys shall not be considered assets
4 of the Retirement System.

5 (f) Financing. Beginning July 1, 1995, all revenues arising
6 from the administration of the health benefit programs
7 established under Article 16 of the Illinois Pension Code or
8 this Section shall be deposited into the Teacher Health
9 Insurance Security Fund, which is hereby created as a
10 nonappropriated trust fund to be held outside the State
11 Treasury, with the State Treasurer as custodian. Any interest
12 earned on moneys in the Teacher Health Insurance Security Fund
13 shall be deposited into the Fund.

14 Moneys in the Teacher Health Insurance Security Fund shall
15 be used only to pay the costs of the health benefit program
16 established under this Section, including associated
17 administrative costs, and the costs associated with the health
18 benefit program established under Article 16 of the Illinois
19 Pension Code, as authorized in this Section. Beginning July 1,
20 1995, the Department of Central Management Services may make
21 expenditures from the Teacher Health Insurance Security Fund
22 for those costs.

23 After other funds authorized for the payment of the costs
24 of the health benefit program established under Article 16 of
25 the Illinois Pension Code are exhausted and until January 1,
26 1996 (or such later date as may be agreed upon by the Director

1 of Central Management Services and the Secretary of the
2 Teachers' Retirement System), the Secretary of the Teachers'
3 Retirement System may make expenditures from the Teacher Health
4 Insurance Security Fund as necessary to pay up to 75% of the
5 cost of providing health coverage to eligible benefit
6 recipients (as defined in Sections 16-153.1 and 16-153.3 of the
7 Illinois Pension Code) who are enrolled in the Article 16
8 health benefit program and to facilitate the transfer of
9 administration of the health benefit program to the Department
10 of Central Management Services.

11 The Department of Healthcare and Family Services, or any
12 successor agency designated to procure healthcare contracts
13 pursuant to this Act, is authorized to establish funds,
14 separate accounts provided by any bank or banks as defined by
15 the Illinois Banking Act, or separate accounts provided by any
16 savings and loan association or associations as defined by the
17 Illinois Savings and Loan Act of 1985 to be held by the
18 Director, outside the State treasury, for the purpose of
19 receiving the transfer of moneys from the Teacher Health
20 Insurance Security Fund. The Department may promulgate rules
21 further defining the methodology for the transfers. Any
22 interest earned by moneys in the funds or accounts shall inure
23 to the Teacher Health Insurance Security Fund. The transferred
24 moneys, and interest accrued thereon, shall be used exclusively
25 for transfers to administrative service organizations or their
26 financial institutions for payments of claims to claimants and

1 providers under the self-insurance health plan. The
2 transferred moneys, and interest accrued thereon, shall not be
3 used for any other purpose including, but not limited to,
4 reimbursement of administration fees due the administrative
5 service organization pursuant to its contract or contracts with
6 the Department.

7 (g) Contract for benefits. The Director shall by contract,
8 self-insurance, or otherwise make available the program of
9 health benefits for TRS benefit recipients and their TRS
10 dependent beneficiaries that is provided for in this Section.
11 The contract or other arrangement for the provision of these
12 health benefits shall be on terms deemed by the Director to be
13 in the best interest of the State of Illinois and the TRS
14 benefit recipients based on, but not limited to, such criteria
15 as administrative cost, service capabilities of the carrier or
16 other contractor, and the costs of the benefits.

17 (g-5) Committee. A Teacher Retirement Insurance Program
18 Committee shall be established, to consist of 10 persons
19 appointed by the Governor.

20 The Committee shall convene at least 4 times each year, and
21 shall consider and make recommendations on issues affecting the
22 program of health benefits provided under this Section.
23 Recommendations of the Committee shall be based on a consensus
24 of the members of the Committee.

25 If the Teacher Health Insurance Security Fund experiences a
26 deficit balance based upon the contribution and subsidy rates

1 established in this Section and Section 6.6 for Fiscal Year
2 2008 or thereafter, the Committee shall make recommendations
3 for adjustments to the funding sources established under these
4 Sections.

5 In addition, the Committee shall identify proposed
6 solutions to the funding shortfalls that are affecting the
7 Teacher Health Insurance Security Fund, and it shall report
8 those solutions to the Governor and the General Assembly within
9 6 months after August 15, 2011 (the effective date of Public
10 Act 97-386) ~~this amendatory Act of the 97th General Assembly.~~

11 (h) Continuation of program. It is the intention of the
12 General Assembly that the program of health benefits provided
13 under this Section be maintained on an ongoing, affordable
14 basis.

15 The program of health benefits provided under this Section
16 may be amended by the State and is not intended to be a pension
17 or retirement benefit subject to protection under Article XIII,
18 Section 5 of the Illinois Constitution.

19 (i) Repeal. (Blank).

20 (Source: P.A. 96-1519, eff. 2-4-11; 97-386, eff. 8-15-11;
21 revised 9-2-11.)

22 (5 ILCS 375/6.9)

23 Sec. 6.9. Health benefits for community college benefit
24 recipients and community college dependent beneficiaries.

25 (a) Purpose. It is the purpose of this amendatory Act of

1 1997 to establish a uniform program of health benefits for
2 community college benefit recipients and their dependent
3 beneficiaries under the administration of the Department of
4 Central Management Services.

5 (b) Creation of program. Beginning July 1, 1999, the
6 Department of Central Management Services shall be responsible
7 for administering a program of health benefits for community
8 college benefit recipients and community college dependent
9 beneficiaries under this Section. The State Universities
10 Retirement System and the boards of trustees of the various
11 community college districts shall cooperate with the
12 Department in this endeavor.

13 (c) Eligibility. All community college benefit recipients
14 and community college dependent beneficiaries shall be
15 eligible to participate in the program established under this
16 Section, without any interruption or delay in coverage or
17 limitation as to pre-existing medical conditions. Eligibility
18 to participate shall be determined by the State Universities
19 Retirement System. Eligibility information shall be
20 communicated to the Department of Central Management Services
21 in a format acceptable to the Department.

22 (d) Coverage. The health benefit coverage provided under
23 this Section shall be a program of health, dental, and vision
24 benefits.

25 The program of health benefits under this Section may
26 include any or all of the benefit limitations, including but

1 not limited to a reduction in benefits based on eligibility for
2 federal medicare benefits, that are provided under subsection
3 (a) of Section 6 of this Act for other health benefit programs
4 under this Act.

5 (e) Insurance rates and premiums. The Director shall
6 determine the insurance rates and premiums for community
7 college benefit recipients and community college dependent
8 beneficiaries. Rates and premiums may be based in part on age,
9 ~~and~~ eligibility for federal Medicare coverage, years of
10 service, pension income, and the type of insurance program
11 selected. The Director shall also determine premiums that will
12 allow for the establishment of an actuarially sound reserve for
13 this program.

14 The cost of health benefits under the program shall be paid
15 as follows:

16 (1) For each Medicare-covered ~~a~~ community college
17 benefit recipient, other than a Medicare-covered community
18 college benefit recipient who first becomes eligible, on or
19 after the effective date of this amendatory Act of the 97th
20 General Assembly, to participate in the program
21 established under this Section, up to 60% ~~75%~~ of the total
22 insurance rate shall be paid from the Community College
23 Health Insurance Security Fund.

24 (1.1) For each non-Medicare-covered community college
25 benefit recipient, other than a non-Medicare-covered
26 community college benefit recipient who either first

1 becomes a community college benefit recipient on or after
2 the effective date of this amendatory Act of the 97th
3 General Assembly or first becomes eligible, on or after the
4 effective date of this amendatory Act of the 97th General
5 Assembly, to participate in the program established under
6 this Section, up to 60% of the total insurance rate shall
7 be paid from the Community College Health Insurance
8 Security Fund.

9 (1.2) For each non-Medicare-covered community college
10 benefit recipient who first becomes a community college
11 benefit recipient on or after the effective date of this
12 amendatory Act of the 97th General Assembly, other than a
13 non-Medicare-covered community college benefit recipient
14 who first becomes eligible, on or after the effective date
15 of this amendatory Act of the 97th General Assembly, to
16 participate in the program established under this Section,
17 up to 60% of the total insurance rate that would be paid on
18 behalf of the community college benefit recipient if he or
19 she were eligible for Medicare shall be paid from the
20 Community College Health Insurance Security Fund.

21 (1.3) For each community college benefit recipient who
22 first becomes eligible, on or after the effective date of
23 this amendatory Act of the 97th General Assembly, to
24 participate in the program established under this Section,
25 no portion of the total insurance rate shall be paid from
26 the Community College Health Insurance Security Fund.

1 (2) The balance of the rate of insurance, including the
2 entire premium for any coverage for community college
3 dependent beneficiaries that has been elected, shall be
4 paid by deductions authorized by the community college
5 benefit recipient to be withheld from his or her monthly
6 annuity or benefit payment from the State Universities
7 Retirement System; except that (i) if the balance of the
8 cost of coverage exceeds the amount of the monthly annuity
9 or benefit payment, the difference shall be paid directly
10 to the State Universities Retirement System by the
11 community college benefit recipient, and (ii) all or part
12 of the balance of the cost of coverage may, at the option
13 of the board of trustees of the community college district,
14 be paid to the State Universities Retirement System by the
15 board of the community college district from which the
16 community college benefit recipient retired. The State
17 Universities Retirement System shall promptly deposit all
18 moneys withheld by or paid to it under this subdivision
19 (e)(2) into the Community College Health Insurance
20 Security Fund. These moneys shall not be considered assets
21 of the State Universities Retirement System.

22 (f) Financing. All revenues arising from the
23 administration of the health benefit program established under
24 this Section shall be deposited into the Community College
25 Health Insurance Security Fund, which is hereby created as a
26 nonappropriated trust fund to be held outside the State

1 Treasury, with the State Treasurer as custodian. Any interest
2 earned on moneys in the Community College Health Insurance
3 Security Fund shall be deposited into the Fund.

4 Moneys in the Community College Health Insurance Security
5 Fund shall be used only to pay the costs of the health benefit
6 program established under this Section, including associated
7 administrative costs and the establishment of a program
8 reserve. Beginning January 1, 1999, the Department of Central
9 Management Services may make expenditures from the Community
10 College Health Insurance Security Fund for those costs.

11 (g) Contract for benefits. The Director shall by contract,
12 self-insurance, or otherwise make available the program of
13 health benefits for community college benefit recipients and
14 their community college dependent beneficiaries that is
15 provided for in this Section. The contract or other arrangement
16 for the provision of these health benefits shall be on terms
17 deemed by the Director to be in the best interest of the State
18 of Illinois and the community college benefit recipients based
19 on, but not limited to, such criteria as administrative cost,
20 service capabilities of the carrier or other contractor, and
21 the costs of the benefits.

22 (h) Continuation of program. It is the intention of the
23 General Assembly that the program of health benefits provided
24 under this Section be maintained on an ongoing, affordable
25 basis. The program of health benefits provided under this
26 Section may be amended by the State and is not intended to be a

1 pension or retirement benefit subject to protection under
2 Article XIII, Section 5 of the Illinois Constitution.

3 (i) Other health benefit plans. A health benefit plan
4 provided by a community college district (other than a
5 community college district subject to Article VII of the Public
6 Community College Act) under the terms of a collective
7 bargaining agreement in effect on or prior to the effective
8 date of this amendatory Act of 1997 shall continue in force
9 according to the terms of that agreement, unless otherwise
10 mutually agreed by the parties to that agreement and the
11 affected retiree. A community college benefit recipient or
12 community college dependent beneficiary whose coverage under
13 such a plan expires shall be eligible to begin participating in
14 the program established under this Section without any
15 interruption or delay in coverage or limitation as to
16 pre-existing medical conditions.

17 This Act does not prohibit any community college district
18 from offering additional health benefits for its retirees or
19 their dependents or survivors.

20 (Source: P.A. 90-497, eff. 8-18-97; 90-655, eff. 7-30-98.)

21 (5 ILCS 375/10) (from Ch. 127, par. 530)

22 Sec. 10. Payments by State; premiums.

23 (a) Except as otherwise provided in this Section, the ~~The~~
24 State shall pay the cost of basic non-contributory group life
25 insurance and, subject to member paid contributions set by the

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

26 The cost of participation in the basic program of group

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

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

1 ~~ereditable service that the annuitant had established at the~~
2 ~~time of his or her termination of service under SERS.~~

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

22 (a-3) (Blank). ~~Beginning January 1, 1998, for each person~~
23 ~~who becomes a new SERS 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 upon which the~~
2 ~~annuitant's retirement annuity is based, up to a maximum of~~
3 ~~100% for an annuitant with 20 or more years of creditable~~
4 ~~service. The remainder of the cost of a new SURS annuitant's~~
5 ~~coverage under the basic program of group health benefits shall~~
6 ~~be the responsibility of the annuitant.~~

7 (a-4) (Blank).

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

20 (a-6) (Blank). ~~Beginning July 1, 1998, for each person who~~
21 ~~becomes a new TRS State annuitant and participates in the basic~~
22 ~~program of group health benefits, the State shall contribute~~
23 ~~toward the cost of the annuitant's coverage under the basic~~
24 ~~program of group health benefits an amount equal to 5% of that~~
25 ~~cost for each full year of creditable service as a teacher as~~
26 ~~defined in paragraph (2), (3), or (5) of Section 16-106 of the~~

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

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

25 (a-8) Any ~~A new SERS annuitant, new SERS survivor, or~~
26 ~~retired employee, new SERS annuitant, new SERS survivor, new~~

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

10 (a-8.5) Beginning on the effective date of this amendatory
11 Act of the 97th General Assembly, the Director of Central
12 Management Services shall annually determine the amount that
13 each annuitant, survivor, and retired employee shall
14 contribute toward the basic program of group health benefits.
15 To determine that amount, the Director shall take into account
16 benefit points (which are calculated by summing (i) in the case
17 of annuitants and retired employees, the age in years of the
18 benefit recipient when his or her benefits commence and, in the
19 case of survivors, the age in years of the decedent at the time
20 of death and (ii) the total years of service of the person upon
21 whose service that benefit is based) and annual pension income
22 in accordance with the requirements of this Act and the
23 schedule of required contributions set forth in paragraphs (1)
24 through (5) of this subsection (a-8.5):

25 (1) For an annuitant, survivor, or retired employee
26 with fewer than 63 benefit points, the required

1 contribution shall be 100% of the cost of coverage,
2 regardless of pension income.

3 (2) For an annuitant, survivor, or retired employee
4 with 63 to 78 benefit points and:

5 (A) an annual pension income of less than \$15,000,
6 the required contribution shall be 20% of the cost of
7 coverage.

8 (B) an annual pension income of at least \$15,000
9 but less than \$30,000, the required contribution shall
10 be 40% of the cost of coverage.

11 (C) an annual pension income of at least \$30,000
12 but less than \$50,000, the required contribution shall
13 be 60% of the cost of coverage.

14 (D) an annual pension income of at least \$50,000
15 but less than \$100,000, the required contribution
16 shall be 80% of the cost of coverage.

17 (E) an annual pension income of at least \$100,000
18 but less than \$125,000, the required contribution
19 shall be 100% of the cost of coverage.

20 (F) an annual pension income of \$125,000 or more,
21 the required contribution shall be 100% of the
22 applicable premium.

23 (3) For an annuitant, survivor, or retired employee
24 with 79 to 85 benefit points and:

25 (A) an annual pension income of less than \$15,000,
26 the required contribution shall be 15% of the cost of

1 coverage.

2 (B) an annual pension income of at least \$15,000
3 but less than \$30,000, the required contribution shall
4 be 30% of the cost of coverage.

5 (C) an annual pension income of at least \$30,000
6 but less than \$50,000, the required contribution shall
7 be 50% of the cost of coverage.

8 (D) an annual pension income of at least \$50,000
9 but less than \$100,000, the required contribution
10 shall be 65% of the cost of coverage.

11 (E) an annual pension income of at least \$100,000
12 but less than \$125,000, the required contribution
13 shall be 85% of the cost of coverage.

14 (F) an annual pension income of \$125,000 or more,
15 the required contribution shall be 95% of the cost of
16 coverage.

17 (4) For an annuitant, survivor, or retired employee
18 with 86 to 92 benefit points and:

19 (A) an annual pension income of less than \$15,000,
20 the required contribution shall be 10% of the cost of
21 coverage.

22 (B) an annual pension income of at least \$15,000
23 but less than \$30,000, the required contribution shall
24 be 20% of the cost of coverage.

25 (C) an annual pension income of at least \$30,000
26 but less than \$50,000, the required contribution shall

1 be 35% of the cost of coverage.

2 (D) an annual pension income of at least \$50,000
3 but less than \$100,000, the required contribution
4 shall be 50% of the cost of coverage.

5 (E) an annual pension income of at least \$100,000
6 but less than \$125,000, the required contribution
7 shall be 70% of the cost of coverage.

8 (F) an annual pension income of \$125,000 or more,
9 the required contribution shall be 90% of the cost of
10 coverage.

11 (5) For an annuitant, survivor, or retired employee
12 with 93 or more benefit points and:

13 (A) an annual pension income of less than \$15,000,
14 the required contribution shall be 5% of the cost of
15 coverage.

16 (B) an annual pension income of at least \$15,000
17 but less than \$30,000, the required contribution shall
18 be 10% of the cost of coverage.

19 (C) an annual pension income of at least \$30,000
20 but less than \$50,000, the required contribution shall
21 be 25% of the cost of coverage.

22 (D) an annual pension income of at least \$50,000
23 but less than \$100,000, the required contribution
24 shall be 35% of the cost of coverage.

25 (E) an annual pension income of at least \$100,000
26 but less than \$125,000, the required contribution

1 shall be 60% of the cost of coverage.

2 (F) an annual pension income of \$125,000 or more,
3 the required contribution shall be 80% of the cost of
4 coverage.

5 The Director may by administrative rule alter the schedule
6 of required contributions set forth in paragraphs (1) through
7 (5) of this subsection to ensure (i) that at least 40% of the
8 costs associated with the basic program of group health
9 benefits for retired employees are covered by retired
10 employees, at least 40% of the costs associated with the basic
11 program of group health benefits for annuitants are covered by
12 annuitants, and at least 40% of the costs associated with the
13 basic program of group health benefits for survivors are
14 covered by survivors and (ii) that any costs that are
15 associated with the basic program of group health benefits and
16 not covered either by the State under subsection (a-8.6) or by
17 the annuitant, survivor, or retired employee under paragraphs
18 (1) through (5) of this subsection are covered by the
19 annuitant, survivor, or retired employee, as applicable.

20 (a-8.6) Beginning on the effective date of this amendatory
21 Act of the 97th General Assembly, the State shall contribute
22 toward the basic program of group health benefits the following
23 amounts:

24 (1) for each Medicare-covered annuitant,
25 Medicare-covered survivor, and Medicare-covered retired
26 employee, other than a Medicare-covered annuitant,

1 Medicare-covered survivor, or Medicare-covered retired
2 employee who first becomes an employee on or after the
3 effective date of this amendatory Act of the 97th General
4 Assembly, the remainder of the cost of coverage under the
5 basic program of group health benefits; and

6 (2) for each non-Medicare-covered annuitant,
7 non-Medicare-covered survivor, and non-Medicare-covered
8 retired employee, other than a non-Medicare-covered
9 annuitant, non-Medicare-covered survivor, and
10 non-Medicare-covered retired employee who either first
11 becomes an annuitant, survivor, or retired employee on or
12 after the effective date of this amendatory Act of the 97th
13 General Assembly or first becomes an employee on or after
14 the effective date of this amendatory Act of the 97th
15 General Assembly, the remainder of the cost of coverage
16 under the basic program of group health benefits; and

17 (3) for each non-Medicare-covered annuitant,
18 non-Medicare-covered survivor, and non-Medicare-covered
19 retired employee who first becomes an annuitant, survivor,
20 or retired employee on or after the effective date of this
21 amendatory Act of the 97th General Assembly, other than a
22 non-Medicare-covered annuitant, non-Medicare-covered
23 survivor, or non-Medicare-covered retired employee who
24 first becomes an employee on or after the effective date of
25 this amendatory Act of the 97th General Assembly, an amount
26 that is equal to the amount that the State would pay for

1 that annuitant, survivor, or retired employee if he or she
2 were covered by Medicare.

3 Regardless of Medicare coverage, the State shall not
4 contribute toward the basic program of group health benefits
5 for annuitants, survivors, or retired employees who first
6 become employees on or after the effective date of this
7 amendatory Act of the 97th General Assembly. In addition, the
8 State's contribution for out-of-State residents shall not
9 exceed its contribution for in-State residents.

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

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

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

24 The Department of Healthcare and Family Services, or any
25 successor agency designated to procure healthcare contracts
26 pursuant to this Act, is authorized to establish funds,

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

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

1 applicable dependent supplement, that sum which bears the same
2 percentage as that percentage of time the employee regularly
3 works when compared to normal work period.

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

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

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

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

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

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

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

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

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

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

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

1 government shall be responsible for timely collection and
2 transmission of dependent premiums.

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

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

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

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

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

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

9 The Local Government Health Insurance Reserve Fund is
10 hereby created as a nonappropriated trust fund to be held
11 outside the State Treasury, with the State Treasurer as
12 custodian. The Local Government Health Insurance Reserve Fund
13 shall be a continuing fund not subject to fiscal year
14 limitations. The Local Government Health Insurance Reserve
15 Fund is not subject to administrative charges or charge-backs,
16 including but not limited to those authorized under Section 8h
17 of the State Finance Act. All revenues arising from the
18 administration of the health benefits program established
19 under this Section shall be deposited into the Local Government
20 Health Insurance Reserve Fund. Any interest earned on moneys in
21 the Local Government Health Insurance Reserve Fund shall be
22 deposited into the Fund. All expenditures from this Fund shall
23 be used for payments for health care benefits for local
24 government and rehabilitation facility employees, annuitants,
25 and dependents, and to reimburse the Department or its
26 administrative service organization for all expenses incurred

1 in the administration of benefits. No other State funds may be
2 used for these purposes.

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

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

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

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

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

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

25 Monthly payments by the rehabilitation facility or its
26 employees for group health benefits shall be deposited in the

1 Local Government Health Insurance Reserve Fund.

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

1 shelter or service shall be responsible for timely collection
2 and transmission of dependent premiums.

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

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

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

24 (1) A public community college or entity organized pursuant
25 to the Public Community College Act may apply to the Director
26 initially to have only annuitants not covered prior to July 1,

1 1992 by the district's health plan provided health coverage
2 under this Act on a non-insured basis. The community college
3 must execute a 2-year contract to participate in the Local
4 Government Health Plan. Any annuitant may enroll in the event
5 of a qualifying change in status, special enrollment, special
6 circumstance as defined by the Director, or during the annual
7 Benefit Choice Period.

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

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

18 (m) The Director shall adopt any rules deemed necessary for
19 implementation of this amendatory Act of 1989 (Public Act
20 86-978).

21 (n) Any child advocacy center within the State of Illinois
22 may apply to the Director to have its employees, annuitants,
23 and their dependents provided group health coverage under this
24 Act on a non-insured basis. To participate, a child advocacy
25 center must agree to enroll all of its employees and pay the
26 entire cost of providing coverage for its employees. The child

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

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

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

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

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

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

14 (Source: P.A. 95-331, eff. 8-21-07; 95-632, eff. 9-25-07;
15 95-707, eff. 1-11-08; 96-756, eff. 1-1-10; 96-1232, eff.
16 7-23-10; 96-1519, eff. 2-4-11.)

17 Section 99. Effective date. This Act takes effect July 1,
18 2012.