

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. Short title. This Act may be cited as the State
5 Healthcare Purchasing Reorganization Act.

6 Section 10. Revocation of Executive Order 3 (2005). On
7 January 1, 2012, Executive Order 3 (2005) is superseded by this
8 Act with the exception of Section I (renaming the Department of
9 Public Aid as the Department of Healthcare and Family
10 Services), which remains in effect.

11 Section 15. Transfer back of State healthcare purchasing
12 functions transferred by Executive Order 3 (2005).

13 (a) On January 1, 2012 or as soon thereafter as practical,
14 all of the powers, duties, rights, and responsibilities related
15 to State healthcare purchasing that were transferred from the
16 Department of Central Management Services, the Department of
17 Corrections, the Department of Human Services, and the
18 Department of Veterans' Affairs to the Department of Healthcare
19 and Family Services by Executive Order 3 (2005) are transferred
20 back to the Departments from which those powers, duties,
21 rights, and responsibilities were transferred; however,
22 powers, duties, rights, and responsibilities related to State

1 healthcare purchasing that were exercised by the Department of
2 Corrections before Executive Order 3 (2005) but that pertain to
3 individuals resident in facilities operated by Department of
4 Juvenile Justice are transferred to the Department of Juvenile
5 Justice.

6 (b) The functions associated with State healthcare
7 purchasing that are transferred from the Department of
8 Healthcare and Family Services under this Section include,
9 without limitation, the following:

10 (1) Rate development and negotiation with hospitals,
11 physicians, and managed care providers.

12 (2) Health care procurement development.

13 (3) Contract implementation and fiscal monitoring.

14 (4) Contract amendments.

15 (5) Payment processing.

16 (6) Purchasing aspects of health care plans
17 administered by the State on behalf of the following:

18 (A) State employees. These healthcare purchasing
19 functions include the following health care plans:
20 quality health care plan; managed health care plan;
21 vision plan; pharmacy benefits plan; dental plan;
22 behavioral health plan; employee assistance plan;
23 utilization management plan; and SHIPs and various
24 subrogation agreements. These healthcare purchasing
25 functions also include the purchasing and
26 administration of flu shots, hepatitis B vaccinations,

1 and tuberculosis tests.

2 (B) Persons other than State employees. These
3 healthcare purchasing functions include the following
4 health care plans: the retired teachers' health
5 insurance plan under the State Employees Group
6 Insurance Act of 1971; the local government health
7 insurance plan under the State Employees Group
8 Insurance Act of 1971; the community colleges health
9 insurance plan under the State Employees Group
10 Insurance Act of 1971; and the active teacher
11 prescription program.

12 (C) Residents of State-operated facilities,
13 including (i) correctional and youth facilities
14 operated by the Department of Corrections or the
15 Department of Juvenile Justice, (ii) mental health
16 centers and developmental centers operated by the
17 Department of Human Services, and (iii) veterans homes
18 operated by the Department of Veterans' Affairs.

19 (c) The powers, duties, rights, and responsibilities
20 vested in or associated with State healthcare purchasing are
21 not affected by this Act, except that all management and staff
22 support or other resources necessary to the operation of a
23 State healthcare purchasing function shall be provided by the
24 Department to which that function is transferred under this
25 Act.

1 Section 20. Representation on boards or other entities.
2 When any provision of an Executive Order or Act provides for
3 the membership of the Director of Healthcare and Family
4 Services on any council, commission, board, or other entity
5 that exercises any of the State healthcare purchasing functions
6 transferred by this Act, the Director or Secretary of the
7 Department to which the State healthcare purchasing function is
8 transferred under this Act, or his or her designee, shall serve
9 in the place of the Director of Healthcare and Family Services,
10 but only with regard to the exercise of the function
11 transferred under this Act. If more than one such person is
12 required by law to serve on any council, commission, board, or
13 other entity, then an equivalent number of the representatives
14 of the Department to which the applicable function is
15 transferred under this Act shall so serve. In addition, any
16 statutory mandate that provides for action on the part of the
17 Director of Healthcare and Family Services relating to a State
18 healthcare purchasing function transferred under this Act
19 shall become the responsibility of the Director or Secretary of
20 the Department to which that function is transferred under this
21 Act.

22 Section 25. Personnel transferred.

23 (a) The status and rights of employees of the Department of
24 Healthcare and Family Services engaged in the performance of
25 State healthcare purchasing functions transferred back to the

1 Department of Central Management Services are not affected by
2 this Act. The status and rights of those employees, and the
3 rights of the State of Illinois and its agencies, under the
4 Personnel Code and applicable collective bargaining agreements
5 or under any pension, retirement, or annuity plan are not
6 affected by this Act. Personnel and positions within the
7 Department of Healthcare and Family Services that are engaged
8 in the performance of State healthcare purchasing functions
9 transferred back to the Department of Central Management
10 Services are transferred to and shall continue their service
11 within the Department of Central Management Services.

12 (b) Personnel and positions of the Department of
13 Corrections, the Department of Juvenile Justice, the
14 Department of Human Services, and the Department of Veterans'
15 Affairs were not in fact transferred under Executive Order 3
16 (2005) and are not affected by this Act.

17 Section 30. Books and records transferred. All books,
18 records, papers, documents, property (real and personal),
19 contracts, and pending business pertaining to the powers,
20 duties, rights, and responsibilities related to any of the
21 State healthcare purchasing functions transferred under this
22 Act from the Department of Healthcare and Family Services to
23 the Department of Central Management Services, the Department
24 of Corrections, the Department of Juvenile Justice, the
25 Department of Human Services, and the Department of Veterans'

1 Affairs, including, but not limited to, material in electronic
2 or magnetic format and necessary computer hardware and
3 software, shall be delivered to the Department to which that
4 State healthcare purchasing function is transferred under this
5 Act, provided that the delivery of that information may not
6 violate any applicable confidentiality constraints. The access
7 by personnel of the Department of Central Management Services,
8 the Department of Corrections, the Department of Juvenile
9 Justice, the Department of Human Services, and the Department
10 of Veterans' Affairs to databases and electronic health
11 information that are currently maintained by the Department of
12 Healthcare and Family Services and that contain data and
13 information necessary to the performance of the State
14 healthcare purchasing functions shall continue in the same
15 manner and level of access as before this Act. Staff of the
16 Department of Central Management Services, the Department of
17 Corrections, the Department of Juvenile Justice, the
18 Department of Human Services, and the Department of Veterans'
19 Affairs may work with staff of the Department of Healthcare and
20 Family Services to add new information relevant to State
21 healthcare purchasing functions.

22 Section 35. Unexpended moneys transferred.

23 (a) With respect to the State healthcare purchasing
24 functions transferred under this Act, the Department of Central
25 Management Services is the successor agency to the Department

1 of Healthcare and Family Services under the Successor Agency
2 Act and Section 9b of the State Finance Act. All unexpended
3 appropriations and balances and other moneys available for use
4 in connection with any of the State healthcare purchasing
5 functions transferred from the Department of Healthcare and
6 Family Services to the Department of Central Management
7 Services are transferred for use by the Department of Central
8 Management Services for the exercise of those functions
9 pursuant to the direction of the Governor. Unexpended balances
10 so transferred shall be expended only for the purpose for which
11 the appropriations were originally made.

12 (b) Appropriations of the Department of Corrections, the
13 Department of Juvenile Justice, the Department of Human
14 Services, and the Department of Veterans' Affairs that were not
15 in fact transferred under Executive Order 3 (2005) are not
16 affected by this Act.

17 Section 40. Exercise of transferred powers; savings
18 provisions. The powers, duties, rights, and responsibilities
19 related to the State healthcare purchasing functions
20 transferred under this Act are vested in and shall be exercised
21 by the Department to which the applicable function is
22 transferred. Each act done in the exercise of those powers,
23 duties, rights, and responsibilities shall have the same legal
24 effect as if done by the Department of Healthcare and Family
25 Services or its divisions, officers, or employees.

1 Section 45. Rights, obligations, and duties unaffected by
2 transfer. The transfer of powers, duties, rights, and
3 responsibilities from the Department of Healthcare and Family
4 Services under this Act does not affect any person's rights,
5 obligations, or duties, including any civil or criminal
6 penalties applicable thereto, arising out of those transferred
7 powers, duties, rights, and responsibilities.

8 Section 50. Agency officers; penalties. Every officer of
9 the Department of Central Management Services, the Department
10 of Corrections, the Department of Juvenile Justice, the
11 Department of Human Services, and the Department of Veterans'
12 Affairs is, for any offense, subject to the same penalty or
13 penalties, civil or criminal, as are prescribed by existing law
14 for the same offense by any officer whose powers or duties are
15 transferred under this Act.

16 Section 55. Reports, notices, or papers. Whenever reports
17 or notices are required to be made or given or papers or
18 documents furnished or served by any person to or upon the
19 Department of Healthcare and Family Services in connection with
20 any State healthcare purchasing function transferred under
21 this Act, the same shall be made, given, furnished, or served
22 in the same manner to or upon the Department to which that
23 State healthcare purchasing function is transferred.

1 Section 60. Acts and actions unaffected by transfer. This
2 Act does not affect any act done, ratified, or canceled, or any
3 right occurring or established, before January 1, 2012, in
4 connection with any State healthcare purchasing function
5 transferred under this Act. This Act does not affect any action
6 or proceeding had or commenced before January 1, 2012, in an
7 administrative, civil, or criminal cause regarding a State
8 healthcare purchasing function transferred from the Department
9 of Healthcare and Family Services under this Act, but any such
10 action or proceeding may be defended, prosecuted, or continued
11 by the Department to which the applicable State healthcare
12 purchasing function is transferred.

13 Section 900. The State Employees Group Insurance Act of
14 1971 is amended by adding Sections 2.5 and 5.5 and changing
15 Sections 3, 5, 6.5, 6.10, 10, and 13.1 as follows:

16 (5 ILCS 375/2.5 new)

17 Sec. 2.5. State healthcare purchasing. On and after January
18 1, 2012, as provided in the State Healthcare Purchasing
19 Reorganization Act, all of the powers, duties, rights, and
20 responsibilities related to State healthcare purchasing under
21 this Act that were transferred from the Department of Central
22 Management Services to the Department of Healthcare and Family
23 Services by Executive Order 3 (2005) are transferred back to

1 the Department.

2 (5 ILCS 375/3) (from Ch. 127, par. 523)

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

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

14 (b) "Annuitant" means (1) an employee who retires, or has
15 retired, on or after January 1, 1966 on an immediate annuity
16 under the provisions of Articles 2, 14 (including an employee
17 who has elected to receive an alternative retirement
18 cancellation payment under Section 14-108.5 of the Illinois
19 Pension Code in lieu of an annuity), 15 (including an employee
20 who has retired under the optional retirement program
21 established under Section 15-158.2), paragraphs (2), (3), or
22 (5) of Section 16-106, or Article 18 of the Illinois Pension
23 Code; (2) any person who was receiving group insurance coverage
24 under this Act as of March 31, 1978 by reason of his status as
25 an annuitant, even though the annuity in relation to which such

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

21 (b-5) "New SERS annuitant" means a person who, on or after
22 January 1, 1998, becomes an annuitant, as defined in subsection
23 (b), by virtue of beginning to receive a retirement annuity
24 under Article 14 of the Illinois Pension Code (including an
25 employee who has elected to receive an alternative retirement
26 cancellation payment under Section 14-108.5 of that Code in

1 lieu of an annuity), and is eligible to participate in the
2 basic program of group health benefits provided for annuitants
3 under this Act.

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

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

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

26 (d) "Compensation" means salary or wages payable on a

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

21 (e) "Commission" means the State Employees Group Insurance
22 Advisory Commission authorized by this Act. Commencing July 1,
23 1984, "Commission" as used in this Act means the Commission on
24 Government Forecasting and Accountability as established by
25 the Legislative Commission Reorganization Act of 1984.

26 (f) "Contributory", when referred to as contributory

1 coverage, shall mean optional coverages or benefits elected by
2 the member toward the cost of which such member makes
3 contribution, or which are funded in whole or in part through
4 the acceptance of a reduction in earnings or the foregoing of
5 an increase in earnings by an employee, as distinguished from
6 noncontributory coverage or benefits which are paid entirely by
7 the State of Illinois without reduction of the member's salary.

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

20 (h) "Dependent", when the term is used in the context of
21 the health and life plan, means a member's spouse and any child
22 (1) from birth to age 26 including an adopted child, a child
23 who lives with the member from the time of the filing of a
24 petition for adoption until entry of an order of adoption, a
25 stepchild or adjudicated child, or a child who lives with the
26 member if such member is a court appointed guardian of the

1 child or (2) age 19 or over who is mentally or physically
2 disabled from a cause originating prior to the age of 19 (age
3 26 if enrolled as an adult child dependent). For the health
4 plan only, the term "dependent" also includes (1) any person
5 enrolled prior to the effective date of this Section who is
6 dependent upon the member to the extent that the member may
7 claim such person as a dependent for income tax deduction
8 purposes and (2) any person who has received after June 30,
9 2000 an organ transplant and who is financially dependent upon
10 the member and eligible to be claimed as a dependent for income
11 tax purposes. A member requesting to cover any dependent must
12 provide documentation as requested by the Department of Central
13 Management Services and file with the Department any and all
14 forms required by the Department.

15 (i) "Director" means the Director of the Illinois
16 Department of Central Management Services ~~or of any successor~~
17 ~~agency designated to administer this Act.~~

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

21 (k) "Employee" means and includes each officer or employee
22 in the service of a department who (1) receives his
23 compensation for service rendered to the department on a
24 warrant issued pursuant to a payroll certified by a department
25 or on a warrant or check issued and drawn by a department upon
26 a trust, federal or other fund or on a warrant issued pursuant

1 to a payroll certified by an elected or duly appointed officer
2 of the State or who receives payment of the performance of
3 personal services on a warrant issued pursuant to a payroll
4 certified by a Department and drawn by the Comptroller upon the
5 State Treasurer against appropriations made by the General
6 Assembly from any fund or against trust funds held by the State
7 Treasurer, and (2) is employed full-time or part-time in a
8 position normally requiring actual performance of duty during
9 not less than 1/2 of a normal work period, as established by
10 the Director in cooperation with each department, except that
11 persons elected by popular vote will be considered employees
12 during the entire term for which they are elected regardless of
13 hours devoted to the service of the State, and (3) except that
14 "employee" does not include any person who is not eligible by
15 reason of such person's employment to participate in one of the
16 State retirement systems under Articles 2, 14, 15 (either the
17 regular Article 15 system or the optional retirement program
18 established under Section 15-158.2) or 18, or under paragraph
19 (2), (3), or (5) of Section 16-106, of the Illinois Pension
20 Code, but such term does include persons who are employed
21 during the 6 month qualifying period under Article 14 of the
22 Illinois Pension Code. Such term also includes any person who
23 (1) after January 1, 1966, is receiving ordinary or accidental
24 disability benefits under Articles 2, 14, 15 (including
25 ordinary or accidental disability benefits under the optional
26 retirement program established under Section 15-158.2),

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

1 determined according to rules promulgated by the Director.

2 (l) "Member" means an employee, annuitant, retired
3 employee or survivor.

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

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

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

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

21 (q) "Survivor" means a person receiving an annuity as a
22 survivor of an employee or of an annuitant. "Survivor" also
23 includes: (1) the surviving dependent of a person who satisfies
24 the definition of "employee" except that such person is made
25 ineligible to participate in the State Universities Retirement
26 System by clause (4) of subsection (a) of Section 15-107 of the

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

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

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

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

19 (q-5) "New SERS survivor" means a survivor, as defined in
20 subsection (q), whose annuity is paid under Article 14 of the
21 Illinois Pension Code and is based on the death of (i) an
22 employee whose death occurs on or after January 1, 1998, or
23 (ii) a new SERS annuitant as defined in subsection (b-5). "New
24 SERS survivor" includes the surviving dependent of a person who
25 was an annuitant under this Act by virtue of receiving an
26 alternative retirement cancellation payment under Section

1 14-108.5 of the Illinois Pension Code.

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

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

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

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

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

18 (t) "Qualified rehabilitation facility" means any
19 not-for-profit organization that is accredited by the
20 Commission on Accreditation of Rehabilitation Facilities or
21 certified by the Department of Human Services (as successor to
22 the Department of Mental Health and Developmental
23 Disabilities) to provide services to persons with disabilities
24 and which receives funds from the State of Illinois for
25 providing those services, approved by the Director and
26 participating in a program created under subsection (j) of

1 Section 10 of this Act.

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

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

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

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

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

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

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

26 (2) is a TRS benefit recipient's: (A) spouse, (B)

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

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

1 (Source: P.A. 95-331, eff. 8-21-07; 95-632, eff. 9-25-07;
2 96-756, eff. 1-1-10; 96-1519, eff. 2-4-11.)

3 (5 ILCS 375/5) (from Ch. 127, par. 525)

4 Sec. 5. Employee benefits; declaration of State policy. The
5 General Assembly declares that it is the policy of the State
6 and in the best interest of the State to assure quality
7 benefits to members and their dependents under this Act. The
8 implementation of this policy depends upon, among other things,
9 stability and continuity of coverage, care, and services under
10 benefit programs for members and their dependents.
11 Specifically, but without limitation, members should have
12 continued access, on substantially similar terms and
13 conditions, to trusted family health care providers with whom
14 they have developed long-term relationships through a benefit
15 program under this Act. Therefore, the Director must administer
16 this Act consistent with that State policy, but may consider
17 affordability, cost of coverage and care, and competition among
18 health insurers and providers. All contracts for provision of
19 employee benefits, including those portions of any proposed
20 collective bargaining agreement that would require
21 implementation through contracts entered into under this Act,
22 are subject to Section 5.5 and the following requirements:

23 (i) By January ~~April~~ 1 of each year, the Director must
24 report and provide information to the Commission
25 concerning the status of the employee benefits program to

1 be offered for the next fiscal year. Information includes,
2 but is not limited to, documents, reports of negotiations,
3 bid invitations, requests for proposals, specifications,
4 copies of proposed and final contracts or agreements, and
5 any other materials concerning contracts or agreements for
6 the employee benefits program. By the first of each month
7 thereafter, the Director must provide updated, and any new,
8 information to the Commission until the employee benefits
9 program for the next fiscal year is finalized ~~determined~~.

10 In addition to these monthly reporting requirements, at any
11 time the Commission makes a written request, the Director
12 must promptly, but in no event later than 5 business days
13 after receipt of the request, provide to the Commission any
14 additional requested information in the possession of the
15 Director concerning employee benefits programs. The
16 Commission may waive any of the reporting requirements of
17 this item (i) upon the written request by the Director. Any
18 waiver granted under this item (i) must be in writing.
19 Nothing in this item is intended to abrogate any
20 attorney-client privilege.

21 (ii) Within 30 days after notice of the awarding or
22 letting of a contract has appeared in the Illinois
23 Procurement Bulletin in accordance with subsection (b) of
24 Section 15-25 of the Illinois Procurement Code, ~~the~~
25 ~~Commission may request in writing from the Director and the~~
26 ~~Director shall promptly, but in no event later than 5~~

1 ~~business days after receipt of the request,~~ provide to the
2 Commission information in the possession of the Director
3 concerning the proposed contract. Nothing in this item is
4 intended to waive or abrogate any privilege or right of
5 confidentiality authorized by law.

6 (iii) No contract subject to this Section may be
7 entered into until the 30-day period described in item (ii)
8 has expired, unless the Director requests in writing that
9 the Commission waive the period and the Commission grants
10 the waiver in writing.

11 (iv) If the Director seeks to make any substantive
12 modification to any provision of a proposed contract after
13 it is submitted to the Commission in accordance with item
14 (ii), the modified contract shall be subject to the
15 requirements of items (ii) and (iii) unless the Commission
16 agrees, in writing, to a waiver of those requirements with
17 respect to the modified contract.

18 (v) By April 1 of each year ~~the date of the beginning~~
19 ~~of the annual benefit choice period,~~ the Director must
20 transmit to the Commission a copy of each ~~final~~ contract or
21 agreement for the employee benefits program to be offered
22 for the next fiscal year. The annual benefit choice period
23 for an employee benefits program must begin on May 1 of the
24 fiscal year preceding the year for which the program is to
25 be offered. If, however, in any such preceding fiscal year
26 collective bargaining over employee benefit programs for

1 the next fiscal year remains pending on April 15, the
2 beginning date of the annual benefit choice period shall be
3 not later than 15 days after ratification of the collective
4 bargaining agreement.

5 (vi) The Director must provide the reports,
6 information, and contracts required under items (i), (ii),
7 (iv), and (v) by electronic or other means satisfactory to
8 the Commission. Reports, information, and contracts in the
9 possession of the Commission pursuant to items (i), (ii),
10 (iv), and (v) are exempt from disclosure by the Commission
11 and its members and employees under the Freedom of
12 Information Act. Reports, information, and contracts
13 received by the Commission pursuant to items (i), (ii),
14 (iv), and (v) must be kept confidential by and may not be
15 disclosed or used by the Commission or its members or
16 employees if such disclosure or use could compromise the
17 fairness or integrity of the procurement, bidding, or
18 contract process. Commission meetings, or portions of
19 Commission meetings, in which reports, information, and
20 contracts received by the Commission pursuant to items (i),
21 (ii), (iv), and (v) are discussed must be closed if
22 disclosure or use of the report or information could
23 compromise the fairness or integrity of the procurement,
24 bidding, or contract process.

25 All contracts entered into under this Section are subject
26 to appropriation and shall comply with Section 20-60(b) of the

1 Illinois Procurement Code (30 ILCS 500/20-60(b)).

2 The Director shall contract or otherwise make available
3 group life insurance, health benefits and other employee
4 benefits to eligible members and, where elected, their eligible
5 dependents. Any contract or, if applicable, contracts or other
6 arrangement for provision of benefits shall be on terms
7 consistent with State policy and based on, but not limited to,
8 such criteria as administrative cost, service capabilities of
9 the carrier or other contractor and premiums, fees or charges
10 as related to benefits.

11 The Director may prepare and issue specifications for group
12 life insurance, health benefits, other employee benefits and
13 administrative services for the purpose of receiving proposals
14 from interested parties.

15 The Director is authorized to execute a contract, or
16 contracts, for the programs of group life insurance, health
17 benefits, other employee benefits and administrative services
18 authorized by this Act (including, without limitation,
19 prescription drug benefits). All of the benefits provided under
20 this Act may be included in one or more contracts, or the
21 benefits may be classified into different types with each type
22 included under one or more similar contracts with the same or
23 different companies.

24 Except as otherwise provided in this Act, the ~~The~~ term of
25 any contract may not extend beyond 5 fiscal years. Upon
26 recommendation of the Commission, the Director may exercise

1 renewal options of the same contract for up to a period of 5
2 years or for an additional period of time, as authorized under
3 Section 5.5. Any increases in premiums, fees or charges
4 requested by a contractor whose contract may be renewed
5 pursuant to a renewal option contained therein, must be
6 justified on the basis of (1) audited experience data, (2)
7 increases in the costs of health care services provided under
8 the contract, (3) contractor performance, (4) increases in
9 contractor responsibilities, or (5) any combination thereof.

10 Any contractor shall agree to abide by all requirements of
11 this Act and Rules and Regulations promulgated and adopted
12 thereto; to submit such information and data as may from time
13 to time be deemed necessary by the Director for effective
14 administration of the provisions of this Act and the programs
15 established hereunder, and to fully cooperate in any audit.

16 (Source: P.A. 93-839, eff. 7-30-04.)

17 (5 ILCS 375/5.5 new)

18 Sec. 5.5. State healthcare purchasing oversight; timely
19 provision of health benefits.

20 (a) If, after reviewing the information submitted to it
21 under item (ii) of Section 5 of this Act, the Commission makes
22 a formal written determination that a proposed contract
23 inadequately balances the policies identified in Section 5 of
24 this Act, then the Commission may disapprove the proposed
25 contract at any time before it is finalized. If the Commission

1 disapproves a proposed contract, then that proposed contract
2 may not be finalized unless subsequently approved by a joint
3 resolution of the General Assembly.

4 (b) If, within 90 days before the start of a fiscal year,
5 the Chief Procurement Officer responsible for awarding group
6 health insurance contracts under this Act has not finalized all
7 written contracts for the provision of group health insurance
8 benefits under this Act for the coming fiscal year, then the
9 Commission may direct the Chief Procurement Officer (i) not to
10 finalize any proposed group health insurance contracts for that
11 fiscal year, as well as associated requests for proposals, and
12 (ii) to seek to extend existing contracts for those benefits
13 for a term of 2 additional years.

14 (5 ILCS 375/6.5)

15 Sec. 6.5. Health benefits for TRS benefit recipients and
16 TRS dependent beneficiaries.

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

22 (b) Transition provisions. The Board of Trustees of the
23 Teachers' Retirement System shall continue to administer the
24 health benefit program established under Article 16 of the
25 Illinois Pension Code through December 31, 1995. Beginning

1 January 1, 1996, the Department of Central Management Services
2 shall be responsible for administering a program of health
3 benefits for TRS benefit recipients and TRS dependent
4 beneficiaries under this Section. The Department of Central
5 Management Services and the Teachers' Retirement System shall
6 cooperate in this endeavor and shall coordinate their
7 activities so as to ensure a smooth transition and
8 uninterrupted health benefit coverage.

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

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

25 (d) Coverage. The level of health benefits provided under
26 this Section shall be similar to the level of benefits provided

1 by the program previously established under Article 16 of the
2 Illinois Pension Code.

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

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

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

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

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

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

1 For Fiscal Year 2005, the premium shall not exceed a
2 weighted average of 106.6% of the premium actually charged
3 in Fiscal Year 2004.

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

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

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

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

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

22 (1) For a TRS benefit recipient selecting a managed
23 care program, up to 75% of the total insurance rate shall
24 be paid from the Teacher Health Insurance Security Fund.
25 Effective with Fiscal Year 2007 and thereafter, for a TRS
26 benefit recipient selecting a managed care program, 75% of

1 the total insurance rate shall be paid from the Teacher
2 Health Insurance Security Fund.

3 (2) For a TRS benefit recipient selecting the major
4 medical coverage program, up to 50% of the total insurance
5 rate shall be paid from the Teacher Health Insurance
6 Security Fund if a managed care program is accessible, as
7 determined by the Teachers' Retirement System. Effective
8 with Fiscal Year 2007 and thereafter, for a TRS benefit
9 recipient selecting the major medical coverage program,
10 50% of the total insurance rate shall be paid from the
11 Teacher Health Insurance Security Fund if a managed care
12 program is accessible, as determined by the Department of
13 Central Management Services.

14 (3) For a TRS benefit recipient selecting the major
15 medical coverage program, up to 75% of the total insurance
16 rate shall be paid from the Teacher Health Insurance
17 Security Fund if a managed care program is not accessible,
18 as determined by the Teachers' Retirement System.
19 Effective with Fiscal Year 2007 and thereafter, for a TRS
20 benefit recipient selecting the major medical coverage
21 program, 75% of the total insurance rate shall be paid from
22 the Teacher Health Insurance Security Fund if a managed
23 care program is not accessible, as determined by the
24 Department of Central Management Services.

25 (3.1) For a TRS dependent beneficiary who is Medicare
26 primary and enrolled in a managed care plan, or the major

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

8 (4) Except as otherwise provided in item (3.1), the
9 balance of the rate of insurance, including the entire
10 premium of any coverage for TRS dependent beneficiaries
11 that has been elected, shall be paid by deductions
12 authorized by the TRS benefit recipient to be withheld from
13 his or her monthly annuity or benefit payment from the
14 Teachers' Retirement System; except that (i) if the balance
15 of the cost of coverage exceeds the amount of the monthly
16 annuity or benefit payment, the difference shall be paid
17 directly to the Teachers' Retirement System by the TRS
18 benefit recipient, and (ii) all or part of the balance of
19 the cost of coverage may, at the school board's option, be
20 paid to the Teachers' Retirement System by the school board
21 of the school district from which the TRS benefit recipient
22 retired, in accordance with Section 10-22.3b of the School
23 Code. The Teachers' Retirement System shall promptly
24 deposit all moneys withheld by or paid to it under this
25 subdivision (e)(4) into the Teacher Health Insurance
26 Security Fund. These moneys shall not be considered assets

1 of the Retirement System.

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

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

20 After other funds authorized for the payment of the costs
21 of the health benefit program established under Article 16 of
22 the Illinois Pension Code are exhausted and until January 1,
23 1996 (or such later date as may be agreed upon by the Director
24 of Central Management Services and the Secretary of the
25 Teachers' Retirement System), the Secretary of the Teachers'
26 Retirement System may make expenditures from the Teacher Health

1 Insurance Security Fund as necessary to pay up to 75% of the
2 cost of providing health coverage to eligible benefit
3 recipients (as defined in Sections 16-153.1 and 16-153.3 of the
4 Illinois Pension Code) who are enrolled in the Article 16
5 health benefit program and to facilitate the transfer of
6 administration of the health benefit program to the Department
7 of Central Management Services.

8 The Department of Central Management ~~Healthcare and Family~~
9 Services, or any successor agency designated to procure
10 healthcare contracts pursuant to this Act, is authorized to
11 establish funds, separate accounts provided by any bank or
12 banks as defined by the Illinois Banking Act, or separate
13 accounts provided by any savings and loan association or
14 associations as defined by the Illinois Savings and Loan Act of
15 1985 to be held by the Director, outside the State treasury,
16 for the purpose of receiving the transfer of moneys from the
17 Teacher Health Insurance Security Fund. The Department may
18 promulgate rules further defining the methodology for the
19 transfers. Any interest earned by moneys in the funds or
20 accounts shall inure to the Teacher Health Insurance Security
21 Fund. The transferred moneys, and interest accrued thereon,
22 shall be used exclusively for transfers to administrative
23 service organizations or their financial institutions for
24 payments of claims to claimants and providers under the
25 self-insurance health plan. The transferred moneys, and
26 interest accrued thereon, shall not be used for any other

1 purpose including, but not limited to, reimbursement of
2 administration fees due the administrative service
3 organization pursuant to its contract or contracts with the
4 Department.

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

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

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

23 If the Teacher Health Insurance Security Fund experiences a
24 deficit balance based upon the contribution and subsidy rates
25 established in this Section and Section 6.6 for Fiscal Year
26 2008 or thereafter, the Committee shall make recommendations

1 for adjustments to the funding sources established under these
2 Sections.

3 (h) Continuation of program. It is the intention of the
4 General Assembly that the program of health benefits provided
5 under this Section be maintained on an ongoing, affordable
6 basis.

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

11 (i) Repeal. (Blank).

12 (Source: P.A. 95-632, eff. 9-25-07; 96-1519, eff. 2-4-11.)

13 (5 ILCS 375/6.10)

14 Sec. 6.10. Contributions to the Community College Health
15 Insurance Security Fund.

16 (a) Beginning January 1, 1999, every active contributor of
17 the State Universities Retirement System (established under
18 Article 15 of the Illinois Pension Code) who (1) is a full-time
19 employee of a community college district (other than a
20 community college district subject to Article VII of the Public
21 Community College Act) or an association of community college
22 boards and (2) is not an employee as defined in Section 3 of
23 this Act shall make contributions toward the cost of community
24 college annuitant and survivor health benefits at the rate of
25 0.50% of salary.

1 These contributions shall be deducted by the employer and
2 paid to the State Universities Retirement System as service
3 agent for the Department of Central Management Services. The
4 System may use the same processes for collecting the
5 contributions required by this subsection that it uses to
6 collect the contributions received from those employees under
7 Section 15-157 of the Illinois Pension Code. An employer may
8 agree to pick up or pay the contributions required under this
9 subsection on behalf of the employee; such contributions shall
10 be deemed to have been paid by the employee.

11 The State Universities Retirement System shall promptly
12 deposit all moneys collected under this subsection (a) into the
13 Community College Health Insurance Security Fund created in
14 Section 6.9 of this Act. The moneys collected under this
15 Section shall be used only for the purposes authorized in
16 Section 6.9 of this Act and shall not be considered to be
17 assets of the State Universities Retirement System.
18 Contributions made under this Section are not transferable to
19 other pension funds or retirement systems and are not
20 refundable upon termination of service.

21 (b) Beginning January 1, 1999, every community college
22 district (other than a community college district subject to
23 Article VII of the Public Community College Act) or association
24 of community college boards that is an employer under the State
25 Universities Retirement System shall contribute toward the
26 cost of the community college health benefits provided under

1 Section 6.9 of this Act an amount equal to 0.50% of the salary
2 paid to its full-time employees who participate in the State
3 Universities Retirement System and are not members as defined
4 in Section 3 of this Act.

5 These contributions shall be paid by the employer to the
6 State Universities Retirement System as service agent for the
7 Department of Central Management Services. The System may use
8 the same processes for collecting the contributions required by
9 this subsection that it uses to collect the contributions
10 received from those employers under Section 15-155 of the
11 Illinois Pension Code.

12 The State Universities Retirement System shall promptly
13 deposit all moneys collected under this subsection (b) into the
14 Community College Health Insurance Security Fund created in
15 Section 6.9 of this Act. The moneys collected under this
16 Section shall be used only for the purposes authorized in
17 Section 6.9 of this Act and shall not be considered to be
18 assets of the State Universities Retirement System.
19 Contributions made under this Section are not transferable to
20 other pension funds or retirement systems and are not
21 refundable upon termination of service.

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

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

19 (c) On or before November 15 of each year, the Board of
20 Trustees of the State Universities Retirement System shall
21 certify to the Governor, the Director of Central Management
22 Services, and the State Comptroller its estimate of the total
23 amount of contributions to be paid under subsection (a) of this
24 Section for the next fiscal year. Beginning in fiscal year
25 2008, the amount certified shall be decreased or increased each
26 year by the amount that the actual active employee

1 contributions either fell short of or exceeded the estimate
2 used by the Board in making the certification for the previous
3 fiscal year. The State Universities Retirement System shall
4 calculate the amount of actual active employee contributions in
5 fiscal years 1999 through 2005. Based upon this calculation,
6 the fiscal year 2008 certification shall include an amount
7 equal to the cumulative amount that the actual active employee
8 contributions either fell short of or exceeded the estimate
9 used by the Board in making the certification for those fiscal
10 years. The certification shall include a detailed explanation
11 of the methods and information that the Board relied upon in
12 preparing its estimate. As soon as possible after the effective
13 date of this Section, the Board shall submit its estimate for
14 fiscal year 1999.

15 (d) Beginning in fiscal year 1999, on the first day of each
16 month, or as soon thereafter as may be practical, the State
17 Treasurer and the State Comptroller shall transfer from the
18 General Revenue Fund to the Community College Health Insurance
19 Security Fund 1/12 of the annual amount appropriated for that
20 fiscal year to the State Comptroller for deposit into the
21 Community College Health Insurance Security Fund under Section
22 1.4 of the State Pension Funds Continuing Appropriation Act.

23 (e) Except where otherwise specified in this Section, the
24 definitions that apply to Article 15 of the Illinois Pension
25 Code apply to this Section.

26 (Source: P.A. 94-839, eff. 6-6-06; 95-632, eff. 9-25-07.)

1 (5 ILCS 375/10) (from Ch. 127, par. 530)

2 Sec. 10. Payments by State; premiums.

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

1 Department may determine the aggregate level of the State's
2 contribution on the basis of actual cost of medical services
3 adjusted for age, sex or geographic or other demographic
4 characteristics which affect the costs of such programs.

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

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

1 SERS annuitant who has elected to receive an alternative
2 retirement cancellation payment under Section 14-108.5 of the
3 Illinois Pension Code in lieu of an annuity, for the purposes
4 of this subsection the annuitant shall be deemed to be
5 receiving a retirement annuity based on the number of years of
6 creditable service that the annuitant had established at the
7 time of his or her termination of service under SERS.

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

1 (a-3) Beginning January 1, 1998, for each person who
2 becomes a new SURS annuitant and participates in the basic
3 program of group health benefits, the State shall contribute
4 toward the cost of the annuitant's coverage under the basic
5 program of group health benefits an amount equal to 5% of that
6 cost for each full year of creditable service upon which the
7 annuitant's retirement annuity is based, up to a maximum of
8 100% for an annuitant with 20 or more years of creditable
9 service. The remainder of the cost of a new SURS annuitant's
10 coverage under the basic program of group health benefits shall
11 be the responsibility of the annuitant.

12 (a-4) (Blank).

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

25 (a-6) Beginning July 1, 1998, for each person who becomes a
26 new TRS State annuitant and participates in the basic program

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

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

1 schools. The remainder of the cost of the new TRS State
2 survivor's coverage under the basic program of group health
3 benefits shall be the responsibility of the survivor.

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

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

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

23 The Director of Central Management Services shall provide
24 to the Executive Secretary of the State Employees' Retirement
25 System of Illinois such information, statistics, and other data
26 as he or she may require to review the premium amounts

1 certified by the Director of Central Management Services.

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

25 (b) State employees who become eligible for this program on
26 or after January 1, 1980 in positions normally requiring actual

1 performance of duty not less than 1/2 of a normal work period
2 but not equal to that of a normal work period, shall be given
3 the option of participating in the available program. If the
4 employee elects coverage, the State shall contribute on behalf
5 of such employee to the cost of the employee's benefit and any
6 applicable dependent supplement, that sum which bears the same
7 percentage as that percentage of time the employee regularly
8 works when compared to normal work period.

9 (c) The basic non-contributory coverage from the basic
10 program of group health benefits shall be continued for each
11 employee not in pay status or on active service by reason of
12 (1) leave of absence due to illness or injury, (2) authorized
13 educational leave of absence or sabbatical leave, or (3)
14 military leave. This coverage shall continue until expiration
15 of authorized leave and return to active service, but not to
16 exceed 24 months for leaves under item (1) or (2). This
17 24-month limitation and the requirement of returning to active
18 service shall not apply to persons receiving ordinary or
19 accidental disability benefits or retirement benefits through
20 the appropriate State retirement system or benefits under the
21 Workers' Compensation or Occupational Disease Act.

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

1 (e) Where the person is in non-pay status for a period in
2 excess of 30 days or on leave of absence, other than by reason
3 of disability, educational or sabbatical leave, or military
4 leave, such person may continue coverage only by making
5 personal payment equal to the amount normally contributed by
6 the State on such person's behalf. Such payments and coverage
7 may be continued: (1) until such time as the person returns to
8 a status eligible for coverage at State expense, but not to
9 exceed 24 months or (2) until such person's employment or
10 annuitant status with the State is terminated (exclusive of any
11 additional service imposed pursuant to law).

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

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

26 (h) Those persons occupying positions with any department

1 as a result of emergency appointments pursuant to Section 8b.8
2 of the Personnel Code who are not considered employees under
3 this Act shall be given the option of participating in the
4 programs of group life insurance, health benefits and other
5 employee benefits. Such persons electing coverage may
6 participate only by making payment equal to the amount normally
7 contributed by the State for similarly situated employees. Such
8 amounts shall be determined by the Director. Such payments and
9 coverage may be continued until such time as the person becomes
10 an employee pursuant to this Act or such person's appointment
11 is terminated.

12 (i) Any unit of local government within the State of
13 Illinois may apply to the Director to have its employees,
14 annuitants, and their dependents provided group health
15 coverage under this Act on a non-insured basis. To participate,
16 a unit of local government must agree to enroll all of its
17 employees, who may select coverage under either the State group
18 health benefits plan or a health maintenance organization that
19 has contracted with the State to be available as a health care
20 provider for employees as defined in this Act. A unit of local
21 government must remit the entire cost of providing coverage
22 under the State group health benefits plan or, for coverage
23 under a health maintenance organization, an amount determined
24 by the Director based on an analysis of the sex, age,
25 geographic location, or other relevant demographic variables
26 for its employees, except that the unit of local government

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

22 Employees of a participating unit of local government who
23 are not enrolled due to coverage under another group health
24 policy or plan may enroll in the event of a qualifying change
25 in status, special enrollment, special circumstance as defined
26 by the Director, or during the annual Benefit Choice Period. A

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

8 The Director shall annually determine monthly 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, or contributed
14 by the State for basic insurance coverages on behalf of its
15 employees, adjusted for differences between State
16 employees and employees of the local government in age,
17 sex, geographic location or other relevant demographic
18 variables, plus an amount sufficient to pay for the
19 additional administrative costs of providing coverage to
20 employees of the unit of local government 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 unit of local government.

25 In the case of coverage of local government employees under
26 a health maintenance organization, the Director shall annually

1 determine for each participating unit of local government the
2 maximum monthly amount the unit may contribute toward that
3 coverage, based on an analysis of (i) the age, sex, geographic
4 location, and other relevant demographic variables of the
5 unit's employees and (ii) the cost to cover those employees
6 under the State group health benefits plan. The Director may
7 similarly determine the maximum monthly amount each unit of
8 local government may contribute toward coverage of its
9 employees' dependents under a health maintenance organization.

10 Monthly payments by the unit of local government or its
11 employees for group health benefits plan or health maintenance
12 organization coverage shall be deposited in the Local
13 Government Health Insurance Reserve Fund.

14 The Local Government Health Insurance Reserve Fund is
15 hereby created as a nonappropriated trust fund to be held
16 outside the State Treasury, with the State Treasurer as
17 custodian. The Local Government Health Insurance Reserve Fund
18 shall be a continuing fund not subject to fiscal year
19 limitations. The Local Government Health Insurance Reserve
20 Fund is not subject to administrative charges or charge-backs,
21 including but not limited to those authorized under Section 8h
22 of the State Finance Act. All revenues arising from the
23 administration of the health benefits program established
24 under this Section shall be deposited into the Local Government
25 Health Insurance Reserve Fund. Any interest earned on moneys in
26 the Local Government Health Insurance Reserve Fund shall be

1 deposited into the Fund. All expenditures from this Fund shall
2 be used for payments for health care benefits for local
3 government and rehabilitation facility employees, annuitants,
4 and dependents, and to reimburse the Department or its
5 administrative service organization for all expenses incurred
6 in the administration of benefits. No other State funds may be
7 used for these purposes.

8 A local government employer's participation or desire to
9 participate in a program created under this subsection shall
10 not limit that employer's duty to bargain with the
11 representative of any collective bargaining unit of its
12 employees.

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

1 rehabilitation facility remits the entire cost of providing
2 coverage to those employees. Employees of a participating
3 rehabilitation facility who are not enrolled due to coverage
4 under another group health policy or plan may enroll in the
5 event of a qualifying change in status, special enrollment,
6 special circumstance as defined by the Director, or during the
7 annual Benefit Choice Period. A participating rehabilitation
8 facility may also elect to cover its annuitants. Dependent
9 coverage shall be offered on an optional basis, with the costs
10 paid by the rehabilitation facility, its employees, or some
11 combination of the 2 as determined by the rehabilitation
12 facility. The rehabilitation facility shall be responsible for
13 timely collection and transmission of dependent premiums.

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

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

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

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

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

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

8 The Director shall annually determine rates of payment,
9 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 domestic violence shelter or
16 service in 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 domestic violence shelter or service
20 and their 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 domestic violence shelter or
24 service.

25 Monthly payments by the domestic violence shelter or
26 service or its employees for group health insurance shall be

1 deposited in the Local Government Health Insurance Reserve
2 Fund.

3 (1) A public community college or entity organized pursuant
4 to the Public Community College Act may apply to the Director
5 initially to have only annuitants not covered prior to July 1,
6 1992 by the district's health plan provided health coverage
7 under this Act on a non-insured basis. The community college
8 must execute a 2-year contract to participate in the Local
9 Government Health Plan. Any annuitant may enroll in the event
10 of a qualifying change in status, special enrollment, special
11 circumstance as defined by the Director, or during the annual
12 Benefit Choice Period.

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

21 (1-5) The provisions of subsection (1) become inoperative
22 on July 1, 1999.

23 (m) The Director shall adopt any rules deemed necessary for
24 implementation of this amendatory Act of 1989 (Public Act
25 86-978).

26 (n) Any child advocacy center within the State of Illinois

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

26 The Director shall annually determine rates of payment,

1 subject to the following constraints:

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

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

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

19 (Source: P.A. 95-331, eff. 8-21-07; 95-632, eff. 9-25-07;
20 95-707, eff. 1-11-08; 96-756, eff. 1-1-10; 96-1232, eff.
21 7-23-10; 96-1519, eff. 2-4-11.)

22 (5 ILCS 375/13.1) (from Ch. 127, par. 533.1)

23 Sec. 13.1. (a) All contributions, appropriations,
24 interest, and dividend payments to fund the program of health
25 benefits and other employee benefits, and all other revenues

1 arising from the administration of any employee health benefits
2 program, shall be deposited in a trust fund outside the State
3 Treasury, with the State Treasurer as ex-officio custodian, to
4 be known as the Health Insurance Reserve Fund.

5 (b) Upon the adoption of a self-insurance health plan, any
6 monies attributable to the group health insurance program shall
7 be deposited in or transferred to the Health Insurance Reserve
8 Fund for use by the Department. As of the effective date of
9 this amendatory Act of 1986, the Department shall certify to
10 the Comptroller the amount of money in the Group Insurance
11 Premium Fund attributable to the State group health insurance
12 program and the Comptroller shall transfer such money from the
13 Group Insurance Premium Fund to the Health Insurance Reserve
14 Fund. Contributions by the State to the Health Insurance
15 Reserve Fund to meet the requirements of this Act, as
16 established by the Director, from the General Revenue Fund and
17 the Road Fund to the Health Insurance Reserve Fund shall be by
18 annual appropriations, and all other contributions to meet the
19 requirements of the programs of health benefits or other
20 employee benefits shall be deposited in the Health Insurance
21 Reserve Fund. The Department shall draw the appropriation from
22 the General Revenue Fund and the Road Fund from time to time as
23 necessary to make expenditures authorized under this Act.

24 The Director may employ such assistance and services and
25 may purchase such goods as may be necessary for the proper
26 development and administration of any of the benefit programs

1 authorized by this Act. The Director may promulgate rules and
2 regulations in regard to the administration of these programs.

3 All monies received by the Department for deposit in or
4 transfer to the Health Insurance Reserve Fund, through
5 appropriation or otherwise, shall be used to provide for the
6 making of payments to claimants and providers and to reimburse
7 the Department for all expenses directly incurred relating to
8 Department development and administration of the program of
9 health benefits and other employee benefits.

10 Any administrative service organization administering any
11 self-insurance health plan and paying claims and benefits under
12 authority of this Act may receive, pursuant to written
13 authorization and direction of the Director, an initial
14 transfer and periodic transfers of funds from the Health
15 Insurance Reserve Fund in amounts determined by the Director
16 who may consider the amount recommended by the administrative
17 service organization. Notwithstanding any other statute, such
18 transferred funds shall be retained by the administrative
19 service organization in a separate account provided by any bank
20 as defined by the Illinois Banking Act. The Department may
21 promulgate regulations further defining the banks authorized
22 to accept such funds and all methodology for transfer of such
23 funds. Any interest earned by monies in such account shall
24 inure to the Health Insurance Reserve Fund, shall remain in
25 such account and shall be used exclusively to pay claims and
26 benefits under this Act. Such transferred funds shall be used

1 exclusively for administrative service organization payment of
2 claims to claimants and providers under the self-insurance
3 health plan by the drawing of checks against such account. The
4 administrative service organization may not use such
5 transferred funds, or interest accrued thereon, for any other
6 purpose including, but not limited to, reimbursement of
7 administrative expenses or payments of administration fees due
8 the organization pursuant to its contract or contracts with the
9 Department of Central Management Services.

10 The account of the administrative service organization
11 established under this Section, any transfers from the Health
12 Insurance Reserve Fund to such account and the use of such
13 account and funds shall be subject to (1) audit by the
14 Department or private contractor authorized by the Department
15 to conduct audits, and (2) post audit pursuant to the Illinois
16 State Auditing Act.

17 The Department of Central Management ~~Healthcare and Family~~
18 Services, or any successor agency designated to procure
19 healthcare contracts pursuant to this Act, is authorized to
20 establish funds, separate accounts provided by any bank or
21 banks as defined by the Illinois Banking Act, or separate
22 accounts provided by any savings and loan association or
23 associations as defined by the Illinois Savings and Loan Act of
24 1985 to be held by the Director, outside the State treasury,
25 for the purpose of receiving the transfer of moneys from the
26 Health Insurance Reserve Fund. The Department may promulgate

1 rules further defining the methodology for the transfers. Any
2 interest earned by monies in the funds or accounts shall inure
3 to the Health Insurance Reserve Fund. The transferred moneys,
4 and interest accrued thereon, shall be used exclusively for
5 transfers to administrative service organizations or their
6 financial institutions for payments of claims to claimants and
7 providers under the self-insurance health plan. The
8 transferred moneys, and interest accrued thereon, shall not be
9 used for any other purpose including, but not limited to,
10 reimbursement of administration fees due the administrative
11 service organization pursuant to its contract or contracts with
12 the Department.

13 (c) The Director, with the advice and consent of the
14 Commission, shall establish premiums for optional coverage for
15 dependents of eligible members for the health plans. The
16 eligible members shall be responsible for their portion of such
17 optional premium. The State shall contribute an amount per
18 month for each eligible member who has enrolled one or more
19 dependents under the health plans. Such contribution shall be
20 made directly to the Health Insurance Reserve Fund. Those
21 employees described in subsection (b) of Section 9 of this Act
22 shall be allowed to continue in the health plan by making
23 personal payments with the premiums to be deposited in the
24 Health Insurance Reserve Fund.

25 (d) The Health Insurance Reserve Fund shall be a continuing
26 fund not subject to fiscal year limitations. All expenditures

1 from that fund shall be at the direction of the Director and
2 shall be only for the purpose of:

3 (1) the payment of administrative expenses incurred by
4 the Department for the program of health benefits or other
5 employee benefit programs, including but not limited to the
6 costs of audits or actuarial consultations, professional
7 and contractual services, electronic data processing
8 systems and services, and expenses in connection with the
9 development and administration of such programs;

10 (2) the payment of administrative expenses incurred by
11 the Administrative Service Organization;

12 (3) the payment of health benefits;

13 (3.5) the payment of medical expenses incurred by the
14 Department for the treatment of employees who suffer
15 accidental injury or death within the scope of their
16 employment;

17 (4) refunds to employees for erroneous payments of
18 their selected dependent coverage;

19 (5) payment of premium for stop-loss or re-insurance;

20 (6) payment of premium to health maintenance
21 organizations pursuant to Section 6.1 of this Act;

22 (7) payment of adoption program benefits; and

23 (8) payment of other benefits offered to members and
24 dependents under this Act.

25 (Source: P.A. 94-839, eff. 6-6-06; 95-632, eff. 9-25-07;
26 95-744, eff. 7-18-08.)

1 Section 905. The Department of Central Management Services
2 Law of the Civil Administrative Code of Illinois is amended by
3 adding Section 405-520 as follows:

4 (20 ILCS 405/405-520 new)

5 Sec. 405-520. State healthcare purchasing. On and after
6 January 1, 2012, as provided in the State Healthcare Purchasing
7 Reorganization Act, all of the powers, duties, rights, and
8 responsibilities related to State healthcare purchasing under
9 this Code that were transferred from the Department to the
10 Department of Healthcare and Family Services by Executive Order
11 3 (2005) are transferred back to the Department.

12 Section 910. The Department of Human Services Act is
13 amended by changing Section 1-20 as follows:

14 (20 ILCS 1305/1-20)

15 Sec. 1-20. General powers and duties.

16 (a) The Department shall exercise the rights, powers,
17 duties, and functions provided by law, including (but not
18 limited to) the rights, powers, duties, and functions
19 transferred to the Department under Article 80 and Article 90
20 of this Act.

21 (b) The Department may employ personnel (in accordance with
22 the Personnel Code), provide facilities, contract for goods and

1 services, and adopt rules as necessary to carry out its
2 functions and purposes, all in accordance with applicable State
3 and federal law.

4 (c) On and after January 1, 2012, as provided in the State
5 Healthcare Purchasing Reorganization Act, all of the powers,
6 duties, rights, and responsibilities related to State
7 healthcare purchasing under this Act that were transferred from
8 the Department to the Department of Healthcare and Family
9 Services by Executive Order 3 (2005) are transferred back to
10 the Department.

11 (Source: P.A. 89-507, eff. 7-3-96.)

12 Section 915. The Department of Healthcare and Family
13 Services Law of the Civil Administrative Code of Illinois is
14 amended by adding Section 2205-20 as follows:

15 (20 ILCS 2205/2205-20 new)

16 Sec. 2205-20. State healthcare purchasing. On and after
17 January 1, 2012, as provided in the State Healthcare Purchasing
18 Reorganization Act, all of the powers, duties, rights, and
19 responsibilities related to State healthcare purchasing under
20 this Code that were transferred to the Department of Healthcare
21 and Family Services by Executive Order 3 (2005) are transferred
22 back to the Departments from which those powers, duties,
23 rights, and responsibilities were transferred; however,
24 powers, duties, rights, and responsibilities related to State

1 healthcare purchasing under this Code that were exercised by
2 the Department of Corrections before Executive Order 3 (2005)
3 but that pertain to individuals resident in facilities operated
4 by Department of Juvenile Justice shall be transferred to the
5 Department of Juvenile Justice.

6 Section 920. The Department of Veterans Affairs Act is
7 amended by adding Section 2.08 as follows:

8 (20 ILCS 2805/2.08 new)

9 Sec. 2.08. State healthcare purchasing. On and after
10 January 1, 2012, as provided in the State Healthcare Purchasing
11 Reorganization Act, all of the powers, duties, rights, and
12 responsibilities related to State healthcare purchasing under
13 this Act that were transferred from the Department to the
14 Department of Healthcare and Family Services by Executive Order
15 3 (2005) are transferred back to the Department.

16 Section 925. The Commission on Government Forecasting and
17 Accountability Act is amended by changing Section 3 as follows:

18 (25 ILCS 155/3) (from Ch. 63, par. 343)

19 Sec. 3. The Commission shall:

20 (1) Study from time to time and report to the General
21 Assembly on economic development and trends in the State.

22 (2) Make such special economic and fiscal studies as it

1 deems appropriate or desirable or as the General Assembly
2 may request.

3 (3) Based on its studies, recommend such State fiscal
4 and economic policies as it deems appropriate or desirable
5 to improve the functioning of State government and the
6 economy of the various regions within the State.

7 (4) Prepare annually a State economic report.

8 (5) Provide information for all appropriate
9 legislative organizations and personnel on economic trends
10 in relation to long range planning and budgeting.

11 (6) Study and make such recommendations as it deems
12 appropriate to the General Assembly on local and regional
13 economic and fiscal policy and on federal fiscal policy as
14 it may affect Illinois.

15 (7) Review capital expenditures, appropriations and
16 authorizations for both the State's general obligation and
17 revenue bonding authorities. At the direction of the
18 Commission, specific reviews may include economic
19 feasibility reviews of existing or proposed revenue bond
20 projects to determine the accuracy of the original estimate
21 of useful life of the projects, maintenance requirements
22 and ability to meet debt service requirements through their
23 operating expenses.

24 (8) Receive and review all executive agency and revenue
25 bonding authority annual and 3 year plans. The Commission
26 shall prepare a consolidated review of these plans, an

1 updated assessment of current State agency capital plans, a
2 report on the outstanding and unissued bond
3 authorizations, an evaluation of the State's ability to
4 market further bond issues and shall submit them as the
5 "Legislative Capital Plan Analysis" to the House and Senate
6 Appropriations Committees at least once a year. The
7 Commission shall annually submit to the General Assembly on
8 the first Wednesday of April a report on the State's
9 long-term capital needs, with particular emphasis upon and
10 detail of the 5-year period in the immediate future.

11 (9) Study and make recommendations it deems
12 appropriate to the General Assembly on State bond
13 financing, bondability guidelines, and debt management. At
14 the direction of the Commission, specific studies and
15 reviews may take into consideration short and long-run
16 implications of State bonding and debt management policy.

17 (10) Comply with the provisions of the "State Debt
18 Impact Note Act" as now or hereafter amended.

19 (11) Comply with the provisions of the Pension Impact
20 Note Act, as now or hereafter amended.

21 (12) By August 1st of each year, the Commission must
22 prepare and cause to be published a summary report of State
23 appropriations for the State fiscal year beginning the
24 previous July 1st. The summary report must discuss major
25 categories of appropriations, the issues the General
26 Assembly faced in allocating appropriations, comparisons

1 with appropriations for previous State fiscal years, and
2 other matters helpful in providing the citizens of Illinois
3 with an overall understanding of appropriations for that
4 fiscal year. The summary report must be written in plain
5 language and designed for readability. Publication must be
6 in newspapers of general circulation in the various areas
7 of the State to ensure distribution statewide. The summary
8 report must also be published on the General Assembly's web
9 site.

10 (13) Comply with the provisions of the State Facilities
11 Closure Act.

12 (14) For fiscal year 2012 and thereafter, develop a
13 3-year budget forecast for the State, including
14 opportunities and threats concerning anticipated revenues
15 and expenditures, with an appropriate level of detail.

16 (15) Exercise the powers and duties granted to it under
17 Section 5.5 of the State Employees Group Insurance Act.

18 The requirement for reporting to the General Assembly shall
19 be satisfied by filing copies of the report with the Speaker,
20 the Minority Leader and the Clerk of the House of
21 Representatives and the President, the Minority Leader and the
22 Secretary of the Senate and the Legislative Research Unit, as
23 required by Section 3.1 of the General Assembly Organization
24 Act, and filing such additional copies with the State
25 Government Report Distribution Center for the General Assembly
26 as is required under paragraph (t) of Section 7 of the State

1 Library Act.

2 (Source: P.A. 96-958, eff. 7-1-10.)

3 Section 927. The Illinois Procurement Code is amended by
4 changing Section 20-60 as follows:

5 (30 ILCS 500/20-60)

6 Sec. 20-60. Duration of contracts.

7 (a) Maximum duration. A contract, other than a contract
8 entered into pursuant to the State University Certificates of
9 Participation Act, may be entered into for any period of time
10 deemed to be in the best interests of the State but not
11 exceeding 10 years inclusive, beginning January 1, 2010, of
12 proposed contract renewals. The length of a lease for real
13 property or capital improvements shall be in accordance with
14 the provisions of Section 40-25. A contract for bond or
15 mortgage insurance awarded by the Illinois Housing Development
16 Authority, however, may be entered into for any period of time
17 less than or equal to the maximum period of time that the
18 subject bond or mortgage may remain outstanding.

19 (b) Subject to appropriation. All contracts made or entered
20 into shall recite that they are subject to termination and
21 cancellation in any year for which the General Assembly fails
22 to make an appropriation to make payments under the terms of
23 the contract.

24 (c) The chief procurement officer shall file a proposed

1 extension or renewal of a contract with the Procurement Policy
2 Board prior to entering into any extension or renewal if the
3 cost associated with the extension or renewal exceeds \$249,999.
4 The Procurement Policy Board may object to the proposed
5 extension or renewal within 30 calendar days and require a
6 hearing before the Board prior to entering into the extension
7 or renewal. If the Procurement Policy Board does not object
8 within 30 calendar days or takes affirmative action to
9 recommend the extension or renewal, the chief procurement
10 officer may enter into the extension or renewal of a contract.
11 This subsection does not apply to any emergency procurement,
12 any procurement under Article 40, or any procurement exempted
13 by Section 1-10(b) of this Code. If any State agency contract
14 is paid for in whole or in part with federal-aid funds, grants,
15 or loans and the provisions of this subsection would result in
16 the loss of those federal-aid funds, grants, or loans, then the
17 contract is exempt from the provisions of this subsection in
18 order to remain eligible for those federal-aid funds, grants,
19 or loans, and the State agency shall file notice of this
20 exemption with the Procurement Policy Board prior to entering
21 into the proposed extension or renewal. Nothing in this
22 subsection permits a chief procurement officer to enter into an
23 extension or renewal in violation of subsection (a). By August
24 1 each year, the Procurement Policy Board shall file a report
25 with the General Assembly identifying for the previous fiscal
26 year (i) the proposed extensions or renewals that were filed

1 with the Board and whether the Board objected and (ii) the
2 contracts exempt from this subsection.

3 (d) If there is a conflict between the provisions of this
4 Section and Section 5.5 of the State Employees Group Insurance
5 Act of 1971, the provisions of Section 5.5 of the State
6 Employees Group Insurance Act of 1971 control.

7 (Source: P.A. 95-344, eff. 8-21-07; 96-15, eff. 6-22-09;
8 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the
9 effective date of changes made by P.A. 96-795); 96-920, eff.
10 7-1-10; 96-1478, eff. 8-23-10.)

11 Section 930. The School Employee Benefit Act is amended by
12 adding Section 7 as follows:

13 (105 ILCS 55/7 new)

14 Sec. 7. State healthcare purchasing. On and after January
15 1, 2012, as provided in the State Healthcare Purchasing
16 Reorganization Act, all of the powers, duties, rights, and
17 responsibilities related to State healthcare purchasing under
18 this Act that were transferred from the Department to the
19 Department of Healthcare and Family Services by Executive Order
20 3 (2005) are transferred back to the Department.

21 Section 935. The Unified Code of Corrections is amended by
22 changing Sections 3-2-2 and 3-2.5-20 as follows:

1 (730 ILCS 5/3-2-2) (from Ch. 38, par. 1003-2-2)
2 Sec. 3-2-2. Powers and Duties of the Department.

3 (1) In addition to the powers, duties and responsibilities
4 which are otherwise provided by law, the Department shall have
5 the following powers:

6 (a) To accept persons committed to it by the courts of
7 this State for care, custody, treatment and
8 rehabilitation, and to accept federal prisoners and aliens
9 over whom the Office of the Federal Detention Trustee is
10 authorized to exercise the federal detention function for
11 limited purposes and periods of time.

12 (b) To develop and maintain reception and evaluation
13 units for purposes of analyzing the custody and
14 rehabilitation needs of persons committed to it and to
15 assign such persons to institutions and programs under its
16 control or transfer them to other appropriate agencies. In
17 consultation with the Department of Alcoholism and
18 Substance Abuse (now the Department of Human Services), the
19 Department of Corrections shall develop a master plan for
20 the screening and evaluation of persons committed to its
21 custody who have alcohol or drug abuse problems, and for
22 making appropriate treatment available to such persons;
23 the Department shall report to the General Assembly on such
24 plan not later than April 1, 1987. The maintenance and
25 implementation of such plan shall be contingent upon the
26 availability of funds.

1 (b-1) To create and implement, on January 1, 2002, a
2 pilot program to establish the effectiveness of
3 pupillometer technology (the measurement of the pupil's
4 reaction to light) as an alternative to a urine test for
5 purposes of screening and evaluating persons committed to
6 its custody who have alcohol or drug problems. The pilot
7 program shall require the pupillometer technology to be
8 used in at least one Department of Corrections facility.
9 The Director may expand the pilot program to include an
10 additional facility or facilities as he or she deems
11 appropriate. A minimum of 4,000 tests shall be included in
12 the pilot program. The Department must report to the
13 General Assembly on the effectiveness of the program by
14 January 1, 2003.

15 (b-5) To develop, in consultation with the Department
16 of State Police, a program for tracking and evaluating each
17 inmate from commitment through release for recording his or
18 her gang affiliations, activities, or ranks.

19 (c) To maintain and administer all State correctional
20 institutions and facilities under its control and to
21 establish new ones as needed. Pursuant to its power to
22 establish new institutions and facilities, the Department
23 may, with the written approval of the Governor, authorize
24 the Department of Central Management Services to enter into
25 an agreement of the type described in subsection (d) of
26 Section 405-300 of the Department of Central Management

1 Services Law (20 ILCS 405/405-300). The Department shall
2 designate those institutions which shall constitute the
3 State Penitentiary System.

4 Pursuant to its power to establish new institutions and
5 facilities, the Department may authorize the Department of
6 Central Management Services to accept bids from counties
7 and municipalities for the construction, remodeling or
8 conversion of a structure to be leased to the Department of
9 Corrections for the purposes of its serving as a
10 correctional institution or facility. Such construction,
11 remodeling or conversion may be financed with revenue bonds
12 issued pursuant to the Industrial Building Revenue Bond Act
13 by the municipality or county. The lease specified in a bid
14 shall be for a term of not less than the time needed to
15 retire any revenue bonds used to finance the project, but
16 not to exceed 40 years. The lease may grant to the State
17 the option to purchase the structure outright.

18 Upon receipt of the bids, the Department may certify
19 one or more of the bids and shall submit any such bids to
20 the General Assembly for approval. Upon approval of a bid
21 by a constitutional majority of both houses of the General
22 Assembly, pursuant to joint resolution, the Department of
23 Central Management Services may enter into an agreement
24 with the county or municipality pursuant to such bid.

25 (c-5) To build and maintain regional juvenile
26 detention centers and to charge a per diem to the counties

1 as established by the Department to defray the costs of
2 housing each minor in a center. In this subsection (c-5),
3 "juvenile detention center" means a facility to house
4 minors during pendency of trial who have been transferred
5 from proceedings under the Juvenile Court Act of 1987 to
6 prosecutions under the criminal laws of this State in
7 accordance with Section 5-805 of the Juvenile Court Act of
8 1987, whether the transfer was by operation of law or
9 permissive under that Section. The Department shall
10 designate the counties to be served by each regional
11 juvenile detention center.

12 (d) To develop and maintain programs of control,
13 rehabilitation and employment of committed persons within
14 its institutions.

15 (d-5) To provide a pre-release job preparation program
16 for inmates at Illinois adult correctional centers.

17 (e) To establish a system of supervision and guidance
18 of committed persons in the community.

19 (f) To establish in cooperation with the Department of
20 Transportation to supply a sufficient number of prisoners
21 for use by the Department of Transportation to clean up the
22 trash and garbage along State, county, township, or
23 municipal highways as designated by the Department of
24 Transportation. The Department of Corrections, at the
25 request of the Department of Transportation, shall furnish
26 such prisoners at least annually for a period to be agreed

1 upon between the Director of Corrections and the Director
2 of Transportation. The prisoners used on this program shall
3 be selected by the Director of Corrections on whatever
4 basis he deems proper in consideration of their term,
5 behavior and earned eligibility to participate in such
6 program - where they will be outside of the prison facility
7 but still in the custody of the Department of Corrections.
8 Prisoners convicted of first degree murder, or a Class X
9 felony, or armed violence, or aggravated kidnapping, or
10 criminal sexual assault, aggravated criminal sexual abuse
11 or a subsequent conviction for criminal sexual abuse, or
12 forcible detention, or arson, or a prisoner adjudged a
13 Habitual Criminal shall not be eligible for selection to
14 participate in such program. The prisoners shall remain as
15 prisoners in the custody of the Department of Corrections
16 and such Department shall furnish whatever security is
17 necessary. The Department of Transportation shall furnish
18 trucks and equipment for the highway cleanup program and
19 personnel to supervise and direct the program. Neither the
20 Department of Corrections nor the Department of
21 Transportation shall replace any regular employee with a
22 prisoner.

23 (g) To maintain records of persons committed to it and
24 to establish programs of research, statistics and
25 planning.

26 (h) To investigate the grievances of any person

1 committed to the Department, to inquire into any alleged
2 misconduct by employees or committed persons, and to
3 investigate the assets of committed persons to implement
4 Section 3-7-6 of this Code; and for these purposes it may
5 issue subpoenas and compel the attendance of witnesses and
6 the production of writings and papers, and may examine
7 under oath any witnesses who may appear before it; to also
8 investigate alleged violations of a parolee's or
9 releasee's conditions of parole or release; and for this
10 purpose it may issue subpoenas and compel the attendance of
11 witnesses and the production of documents only if there is
12 reason to believe that such procedures would provide
13 evidence that such violations have occurred.

14 If any person fails to obey a subpoena issued under
15 this subsection, the Director may apply to any circuit
16 court to secure compliance with the subpoena. The failure
17 to comply with the order of the court issued in response
18 thereto shall be punishable as contempt of court.

19 (i) To appoint and remove the chief administrative
20 officers, and administer programs of training and
21 development of personnel of the Department. Personnel
22 assigned by the Department to be responsible for the
23 custody and control of committed persons or to investigate
24 the alleged misconduct of committed persons or employees or
25 alleged violations of a parolee's or releasee's conditions
26 of parole shall be conservators of the peace for those

1 purposes, and shall have the full power of peace officers
2 outside of the facilities of the Department in the
3 protection, arrest, retaking and reconfining of committed
4 persons or where the exercise of such power is necessary to
5 the investigation of such misconduct or violations.

6 (j) To cooperate with other departments and agencies
7 and with local communities for the development of standards
8 and programs for better correctional services in this
9 State.

10 (k) To administer all moneys and properties of the
11 Department.

12 (l) To report annually to the Governor on the committed
13 persons, institutions and programs of the Department.

14 (l-5) In a confidential annual report to the Governor,
15 the Department shall identify all inmate gangs by
16 specifying each current gang's name, population and allied
17 gangs. The Department shall further specify the number of
18 top leaders identified by the Department for each gang
19 during the past year, and the measures taken by the
20 Department to segregate each leader from his or her gang
21 and allied gangs. The Department shall further report the
22 current status of leaders identified and segregated in
23 previous years. All leaders described in the report shall
24 be identified by inmate number or other designation to
25 enable tracking, auditing, and verification without
26 revealing the names of the leaders. Because this report

1 contains law enforcement intelligence information
2 collected by the Department, the report is confidential and
3 not subject to public disclosure.

4 (m) To make all rules and regulations and exercise all
5 powers and duties vested by law in the Department.

6 (n) To establish rules and regulations for
7 administering a system of good conduct credits,
8 established in accordance with Section 3-6-3, subject to
9 review by the Prisoner Review Board.

10 (o) To administer the distribution of funds from the
11 State Treasury to reimburse counties where State penal
12 institutions are located for the payment of assistant
13 state's attorneys' salaries under Section 4-2001 of the
14 Counties Code.

15 (p) To exchange information with the Department of
16 Human Services and the Department of Healthcare and Family
17 Services for the purpose of verifying living arrangements
18 and for other purposes directly connected with the
19 administration of this Code and the Illinois Public Aid
20 Code.

21 (q) To establish a diversion program.

22 The program shall provide a structured environment for
23 selected technical parole or mandatory supervised release
24 violators and committed persons who have violated the rules
25 governing their conduct while in work release. This program
26 shall not apply to those persons who have committed a new

1 offense while serving on parole or mandatory supervised
2 release or while committed to work release.

3 Elements of the program shall include, but shall not be
4 limited to, the following:

5 (1) The staff of a diversion facility shall provide
6 supervision in accordance with required objectives set
7 by the facility.

8 (2) Participants shall be required to maintain
9 employment.

10 (3) Each participant shall pay for room and board
11 at the facility on a sliding-scale basis according to
12 the participant's income.

13 (4) Each participant shall:

14 (A) provide restitution to victims in
15 accordance with any court order;

16 (B) provide financial support to his
17 dependents; and

18 (C) make appropriate payments toward any other
19 court-ordered obligations.

20 (5) Each participant shall complete community
21 service in addition to employment.

22 (6) Participants shall take part in such
23 counseling, educational and other programs as the
24 Department may deem appropriate.

25 (7) Participants shall submit to drug and alcohol
26 screening.

1 (8) The Department shall promulgate rules
2 governing the administration of the program.

3 (r) To enter into intergovernmental cooperation
4 agreements under which persons in the custody of the
5 Department may participate in a county impact
6 incarceration program established under Section 3-6038 or
7 3-15003.5 of the Counties Code.

8 (r-5) (Blank).

9 (r-10) To systematically and routinely identify with
10 respect to each streetgang active within the correctional
11 system: (1) each active gang; (2) every existing inter-gang
12 affiliation or alliance; and (3) the current leaders in
13 each gang. The Department shall promptly segregate leaders
14 from inmates who belong to their gangs and allied gangs.
15 "Segregate" means no physical contact and, to the extent
16 possible under the conditions and space available at the
17 correctional facility, prohibition of visual and sound
18 communication. For the purposes of this paragraph (r-10),
19 "leaders" means persons who:

20 (i) are members of a criminal streetgang;

21 (ii) with respect to other individuals within the
22 streetgang, occupy a position of organizer,
23 supervisor, or other position of management or
24 leadership; and

25 (iii) are actively and personally engaged in
26 directing, ordering, authorizing, or requesting

1 commission of criminal acts by others, which are
2 punishable as a felony, in furtherance of streetgang
3 related activity both within and outside of the
4 Department of Corrections.

5 "Streetgang", "gang", and "streetgang related" have the
6 meanings ascribed to them in Section 10 of the Illinois
7 Streetgang Terrorism Omnibus Prevention Act.

8 (s) To operate a super-maximum security institution,
9 in order to manage and supervise inmates who are disruptive
10 or dangerous and provide for the safety and security of the
11 staff and the other inmates.

12 (t) To monitor any unprivileged conversation or any
13 unprivileged communication, whether in person or by mail,
14 telephone, or other means, between an inmate who, before
15 commitment to the Department, was a member of an organized
16 gang and any other person without the need to show cause or
17 satisfy any other requirement of law before beginning the
18 monitoring, except as constitutionally required. The
19 monitoring may be by video, voice, or other method of
20 recording or by any other means. As used in this
21 subdivision (1)(t), "organized gang" has the meaning
22 ascribed to it in Section 10 of the Illinois Streetgang
23 Terrorism Omnibus Prevention Act.

24 As used in this subdivision (1)(t), "unprivileged
25 conversation" or "unprivileged communication" means a
26 conversation or communication that is not protected by any

1 privilege recognized by law or by decision, rule, or order
2 of the Illinois Supreme Court.

3 (u) To establish a Women's and Children's Pre-release
4 Community Supervision Program for the purpose of providing
5 housing and services to eligible female inmates, as
6 determined by the Department, and their newborn and young
7 children.

8 (u-5) To issue an order, whenever a person committed to
9 the Department absconds or absents himself or herself,
10 without authority to do so, from any facility or program to
11 which he or she is assigned. The order shall be certified
12 by the Director, the Supervisor of the Apprehension Unit,
13 or any person duly designated by the Director, with the
14 seal of the Department affixed. The order shall be directed
15 to all sheriffs, coroners, and police officers, or to any
16 particular person named in the order. Any order issued
17 pursuant to this subdivision (1) (u-5) shall be sufficient
18 warrant for the officer or person named in the order to
19 arrest and deliver the committed person to the proper
20 correctional officials and shall be executed the same as
21 criminal process.

22 (v) To do all other acts necessary to carry out the
23 provisions of this Chapter.

24 (2) The Department of Corrections shall by January 1, 1998,
25 consider building and operating a correctional facility within
26 100 miles of a county of over 2,000,000 inhabitants, especially

1 a facility designed to house juvenile participants in the
2 impact incarceration program.

3 (3) When the Department lets bids for contracts for medical
4 services to be provided to persons committed to Department
5 facilities by a health maintenance organization, medical
6 service corporation, or other health care provider, the bid may
7 only be let to a health care provider that has obtained an
8 irrevocable letter of credit or performance bond issued by a
9 company whose bonds are rated AAA by a bond rating
10 organization.

11 (4) When the Department lets bids for contracts for food or
12 commissary services to be provided to Department facilities,
13 the bid may only be let to a food or commissary services
14 provider that has obtained an irrevocable letter of credit or
15 performance bond issued by a company whose bonds are rated AAA
16 by a bond rating organization.

17 (5) On and after January 1, 2012, as provided in the State
18 Healthcare Purchasing Reorganization Act, all of the powers,
19 duties, rights, and responsibilities related to State
20 healthcare purchasing under this Code that were transferred
21 from the Department of Corrections to the Department of
22 Healthcare and Family Services by Executive Order 3 (2005) are
23 transferred back to the Department of Corrections; however,
24 powers, duties, rights, and responsibilities related to State
25 healthcare purchasing under this Code that were exercised by
26 the Department of Corrections before Executive Order 3 (2005)

1 but that pertain to individuals resident in facilities operated
2 by Department of Juvenile Justice are transferred to the
3 Department of Juvenile Justice.

4 (Source: P.A. 96-1265, eff. 7-26-10.)

5 (730 ILCS 5/3-2.5-20)

6 Sec. 3-2.5-20. General powers and duties.

7 (a) In addition to the powers, duties, and responsibilities
8 which are otherwise provided by law or transferred to the
9 Department as a result of this Article, the Department, as
10 determined by the Director, shall have, but are not limited to,
11 the following rights, powers, functions and duties:

12 (1) To accept juveniles committed to it by the courts
13 of this State for care, custody, treatment, and
14 rehabilitation.

15 (2) To maintain and administer all State juvenile
16 correctional institutions previously under the control of
17 the Juvenile and Women's & Children Divisions of the
18 Department of Corrections, and to establish and maintain
19 institutions as needed to meet the needs of the youth
20 committed to its care.

21 (3) To identify the need for and recommend the funding
22 and implementation of an appropriate mix of programs and
23 services within the juvenile justice continuum, including
24 but not limited to prevention, nonresidential and
25 residential commitment programs, day treatment, and

1 conditional release programs and services, with the
2 support of educational, vocational, alcohol, drug abuse,
3 and mental health services where appropriate.

4 (4) To establish and provide transitional and
5 post-release treatment programs for juveniles committed to
6 the Department. Services shall include but are not limited
7 to:

8 (i) family and individual counseling and treatment
9 placement;

10 (ii) referral services to any other State or local
11 agencies;

12 (iii) mental health services;

13 (iv) educational services;

14 (v) family counseling services; and

15 (vi) substance abuse services.

16 (5) To access vital records of juveniles for the
17 purposes of providing necessary documentation for
18 transitional services such as obtaining identification,
19 educational enrollment, employment, and housing.

20 (6) To develop staffing and workload standards and
21 coordinate staff development and training appropriate for
22 juvenile populations.

23 (7) To develop, with the approval of the Office of the
24 Governor and the Governor's Office of Management and
25 Budget, annual budget requests.

26 (8) To administer the Interstate Compact for

1 Juveniles, with respect to all juveniles under its
2 jurisdiction, and to cooperate with the Department of Human
3 Services with regard to all non-offender juveniles subject
4 to the Interstate Compact for Juveniles.

5 (b) The Department may employ personnel in accordance with
6 the Personnel Code and Section 3-2.5-15 of this Code, provide
7 facilities, contract for goods and services, and adopt rules as
8 necessary to carry out its functions and purposes, all in
9 accordance with applicable State and federal law.

10 (c) On and after January 1, 2012, as provided in the State
11 Healthcare Purchasing Reorganization Act, all of the powers,
12 duties, rights, and responsibilities related to State
13 healthcare purchasing under this Code that were transferred
14 from the Department of Corrections to the Department of
15 Healthcare and Family Services by Executive Order 3 (2005) are
16 transferred back to the Department of Corrections; however,
17 powers, duties, rights, and responsibilities related to State
18 healthcare purchasing under this Code that were exercised by
19 the Department of Corrections before Executive Order 3 (2005)
20 but that pertain to individuals resident in facilities operated
21 by Department of Juvenile Justice are transferred to the
22 Department of Juvenile Justice.

23 (Source: P.A. 94-696, eff. 6-1-06; 95-937, eff. 8-26-08.)

24 Section 997. Severability. The provisions of this Act are
25 severable under Section 1.31 of the Statute on Statutes.

1 Section 999. Effective date. This Act takes effect upon
2 becoming law.