



Sen. Michael W. Frerichs

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1 AMENDMENT TO SENATE BILL 178

2 AMENDMENT NO. _____. Amend Senate Bill 178 by replacing
3 everything after the enacting clause with the following:

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7 January 1, 2012, Executive Order 3 (2005) is superseded by this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

1 Department of Central Management Services, the Department of
2 Corrections, the Department of Human Services, and the
3 Department of Veterans' Affairs to the Department of Healthcare
4 and Family Services by Executive Order 3 (2005) are transferred
5 back to the Departments from which those powers, duties,
6 rights, and responsibilities were transferred; however,
7 powers, duties, rights, and responsibilities related to State
8 healthcare purchasing that were exercised by the Department of
9 Corrections before Executive Order 3 (2005) but that pertain to
10 individuals resident in facilities operated by Department of
11 Juvenile Justice are transferred to the Department of Juvenile
12 Justice.

13 (b) The functions associated with State healthcare
14 purchasing that are transferred from the Department of
15 Healthcare and Family Services under this Section include,
16 without limitation, the following:

17 (1) Rate development and negotiation with hospitals,
18 physicians, and managed care providers.

19 (2) Health care procurement development.

20 (3) Contract implementation and fiscal monitoring.

21 (4) Contract amendments.

22 (5) Payment processing.

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

25 (A) State employees. These healthcare purchasing
26 functions include the following health care plans:

1 quality health care plan; managed health care plan;
2 vision plan; pharmacy benefits plan; dental plan;
3 behavioral health plan; employee assistance plan;
4 utilization management plan; and SHIPs and various
5 subrogation agreements. These healthcare purchasing
6 functions also include the purchasing and
7 administration of flu shots, hepatitis B vaccinations,
8 and tuberculosis tests.

9 (B) Persons other than State employees. These
10 healthcare purchasing functions include the following
11 health care plans: the retired teachers' health
12 insurance plan under the State Employees Group
13 Insurance Act of 1971; the local government health
14 insurance plan under the State Employees Group
15 Insurance Act of 1971; the community colleges health
16 insurance plan under the State Employees Group
17 Insurance Act of 1971; and the active teacher
18 prescription program.

19 (C) Residents of State-operated facilities,
20 including (i) correctional and youth facilities
21 operated by the Department of Corrections or the
22 Department of Juvenile Justice, (ii) mental health
23 centers and developmental centers operated by the
24 Department of Human Services, and (iii) veterans homes
25 operated by the Department of Veterans' Affairs.

26 (c) The powers, duties, rights, and responsibilities

1 vested in or associated with State healthcare purchasing are
2 not affected by this Act, except that all management and staff
3 support or other resources necessary to the operation of a
4 State healthcare purchasing function shall be provided by the
5 Department to which that function is transferred under this
6 Act.

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

1 the Department to which that function is transferred under this
2 Act.

3 Section 25. Personnel transferred.

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

18 (b) Personnel and positions of the Department of
19 Corrections, the Department of Juvenile Justice, the
20 Department of Human Services, and the Department of Veterans'
21 Affairs were not in fact transferred under Executive Order 3
22 (2005) and are not affected by this Act.

23 Section 30. Books and records transferred. All books,
24 records, papers, documents, property (real and personal),

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

1 Family Services to add new information relevant to State
2 healthcare purchasing functions.

3 Section 35. Unexpended moneys transferred.

4 (a) With respect to the State healthcare purchasing
5 functions transferred under this Act, the Department of Central
6 Management Services is the successor agency to the Department
7 of Healthcare and Family Services under the Successor Agency
8 Act and Section 9b of the State Finance Act. All unexpended
9 appropriations and balances and other moneys available for use
10 in connection with any of the State healthcare purchasing
11 functions transferred from the Department of Healthcare and
12 Family Services to the Department of Central Management
13 Services are transferred for use by the Department of Central
14 Management Services for the exercise of those functions
15 pursuant to the direction of the Governor. Unexpended balances
16 so transferred shall be expended only for the purpose for which
17 the appropriations were originally made.

18 (b) Appropriations of the Department of Corrections, the
19 Department of Juvenile Justice, the Department of Human
20 Services, and the Department of Veterans' Affairs that were not
21 in fact transferred under Executive Order 3 (2005) are not
22 affected by this Act.

23 Section 40. Exercise of transferred powers; savings
24 provisions. The powers, duties, rights, and responsibilities

1 related to the State healthcare purchasing functions
2 transferred under this Act are vested in and shall be exercised
3 by the Department to which the applicable function is
4 transferred. Each act done in the exercise of those powers,
5 duties, rights, and responsibilities shall have the same legal
6 effect as if done by the Department of Healthcare and Family
7 Services or its divisions, officers, or employees.

8 Section 45. Rights, obligations, and duties unaffected by
9 transfer. The transfer of powers, duties, rights, and
10 responsibilities from the Department of Healthcare and Family
11 Services under this Act does not affect any person's rights,
12 obligations, or duties, including any civil or criminal
13 penalties applicable thereto, arising out of those transferred
14 powers, duties, rights, and responsibilities.

15 Section 50. Agency officers; penalties. Every officer of
16 the Department of Central Management Services, the Department
17 of Corrections, the Department of Juvenile Justice, the
18 Department of Human Services, and the Department of Veterans'
19 Affairs is, for any offense, subject to the same penalty or
20 penalties, civil or criminal, as are prescribed by existing law
21 for the same offense by any officer whose powers or duties are
22 transferred under this Act.

23 Section 55. Reports, notices, or papers. Whenever reports

1 or notices are required to be made or given or papers or
2 documents furnished or served by any person to or upon the
3 Department of Healthcare and Family Services in connection with
4 any State healthcare purchasing function transferred under
5 this Act, the same shall be made, given, furnished, or served
6 in the same manner to or upon the Department to which that
7 State healthcare purchasing function is transferred.

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

20 Section 900. The State Employees Group Insurance Act of
21 1971 is amended by adding Sections 2.5 and 5.5 and changing
22 Sections 3, 5, 6.5, 6.10, 10, and 13.1 as follows:

23 (5 ILCS 375/2.5 new)

1 Sec. 2.5. State healthcare purchasing. On and after January
2 1, 2012, as provided in the State Healthcare Purchasing
3 Reorganization Act, all of the powers, duties, rights, and
4 responsibilities related to State healthcare purchasing under
5 this Act that were transferred from the Department of Central
6 Management Services to the Department of Healthcare and Family
7 Services by Executive Order 3 (2005) are transferred back to
8 the Department.

9 (5 ILCS 375/3) (from Ch. 127, par. 523)

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

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

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

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

1 post).

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

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

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

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

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

1 advocacy center.

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

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

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

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

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

25 (j) "Eligibility period" means the period of time a member
26 has to elect enrollment in programs or to select benefits

1 without regard to age, sex or health.

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

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

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

9 (l) "Member" means an employee, annuitant, retired
10 employee or survivor.

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

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

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

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

1 Pension Code.

2 (q) "Survivor" means a person receiving an annuity as a
3 survivor of an employee or of an annuitant. "Survivor" also
4 includes: (1) the surviving dependent of a person who satisfies
5 the definition of "employee" except that such person is made
6 ineligible to participate in the State Universities Retirement
7 System by clause (4) of subsection (a) of Section 15-107 of the
8 Illinois Pension Code; (2) the surviving dependent of any
9 person formerly employed by the University of Illinois in the
10 Cooperative Extension Service who would be an annuitant except
11 for the fact that such person was made ineligible to
12 participate in the State Universities Retirement System by
13 clause (4) of subsection (a) of Section 15-107 of the Illinois
14 Pension Code; and (3) the surviving dependent of a person who
15 was an annuitant under this Act by virtue of receiving an
16 alternative retirement cancellation payment under Section
17 14-108.5 of the Illinois Pension Code.

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

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

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

26 (q-5) "New SERS survivor" means a survivor, as defined in

1 subsection (q), whose annuity is paid under Article 14 of the
2 Illinois Pension Code and is based on the death of (i) an
3 employee whose death occurs on or after January 1, 1998, or
4 (ii) a new SERS annuitant as defined in subsection (b-5). "New
5 SERS survivor" includes the surviving dependent of a person who
6 was an annuitant under this Act by virtue of receiving an
7 alternative retirement cancellation payment under Section
8 14-108.5 of the Illinois Pension Code.

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

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

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

24 (s) "Unit of local government" means any county,
25 municipality, township, school district (including a
26 combination of school districts under the Intergovernmental

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

25 (t) "Qualified rehabilitation facility" means any
26 not-for-profit organization that is accredited by the

1 Commission on Accreditation of Rehabilitation Facilities or
2 certified by the Department of Human Services (as successor to
3 the Department of Mental Health and Developmental
4 Disabilities) to provide services to persons with disabilities
5 and which receives funds from the State of Illinois for
6 providing those services, approved by the Director and
7 participating in a program created under subsection (j) of
8 Section 10 of this Act.

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

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

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

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

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

1 amendatory Act of 1995, or (iv) is a recipient or survivor
2 of a recipient of a disability benefit under Article 16 of
3 the Illinois Pension Code.

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

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

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

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

22 (y) (Blank).

23 (z) "Community college benefit recipient" means a person
24 who:

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

26 (2) is receiving a monthly survivor's annuity or

1 retirement annuity under Article 15 of the Illinois Pension
2 Code; and

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

16 (aa) "Community college dependent beneficiary" means a
17 person who:

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

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

1 child).

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

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

10 (5 ILCS 375/5) (from Ch. 127, par. 525)

11 Sec. 5. Employee benefits; declaration of State policy. The
12 General Assembly declares that it is the policy of the State
13 and in the best interest of the State to assure quality
14 benefits to members and their dependents under this Act. The
15 implementation of this policy depends upon, among other things,
16 stability and continuity of coverage, care, and services under
17 benefit programs for members and their dependents.
18 Specifically, but without limitation, members should have
19 continued access, on substantially similar terms and
20 conditions, to trusted family health care providers with whom
21 they have developed long-term relationships through a benefit
22 program under this Act. Therefore, the Director must administer
23 this Act consistent with that State policy, but may consider
24 affordability, cost of coverage and care, and competition among
25 health insurers and providers. All contracts for provision of

1 employee benefits, including those portions of any proposed
2 collective bargaining agreement that would require
3 implementation through contracts entered into under this Act,
4 are subject to Section 5.5 and the following requirements:

5 (i) By January ~~April~~ 1 of each year, the Director must
6 report and provide information to the Commission
7 concerning the status of the employee benefits program to
8 be offered for the next fiscal year. Information includes,
9 but is not limited to, documents, reports of negotiations,
10 bid invitations, requests for proposals, specifications,
11 copies of proposed and final contracts or agreements, and
12 any other materials concerning contracts or agreements for
13 the employee benefits program. By the first of each month
14 thereafter, the Director must provide updated, and any new,
15 information to the Commission until the employee benefits
16 program for the next fiscal year is finalized ~~determined~~.

17 In addition to these monthly reporting requirements, at any
18 time the Commission makes a written request, the Director
19 must promptly, but in no event later than 5 business days
20 after receipt of the request, provide to the Commission any
21 additional requested information in the possession of the
22 Director concerning employee benefits programs. The
23 Commission may waive any of the reporting requirements of
24 this item (i) upon the written request by the Director. Any
25 waiver granted under this item (i) must be in writing.
26 Nothing in this item is intended to abrogate any

1 attorney-client privilege.

2 (ii) Within 30 days after notice of the awarding or
3 letting of a contract has appeared in the Illinois
4 Procurement Bulletin in accordance with subsection (b) of
5 Section 15-25 of the Illinois Procurement Code, ~~the~~
6 ~~Commission may request in writing from the Director and the~~
7 ~~Director shall promptly, but in no event later than 5~~
8 ~~business days after receipt of the request,~~ provide to the
9 Commission information in the possession of the Director
10 concerning the proposed contract. Nothing in this item is
11 intended to waive or abrogate any privilege or right of
12 confidentiality authorized by law.

13 (iii) No contract subject to this Section may be
14 entered into until the 30-day period described in item (ii)
15 has expired, unless the Director requests in writing that
16 the Commission waive the period and the Commission grants
17 the waiver in writing.

18 (iv) If the Director seeks to make any substantive
19 modification to any provision of a proposed contract after
20 it is submitted to the Commission in accordance with item
21 (ii), the modified contract shall be subject to the
22 requirements of items (ii) and (iii) unless the Commission
23 agrees, in writing, to a waiver of those requirements with
24 respect to the modified contract.

25 (v) By April 1 of each year ~~the date of the beginning~~
26 ~~of the annual benefit choice period,~~ the Director must

1 transmit to the Commission a copy of each ~~final~~ contract or
2 agreement for the employee benefits program to be offered
3 for the next fiscal year. The annual benefit choice period
4 for an employee benefits program must begin on May 1 of the
5 fiscal year preceding the year for which the program is to
6 be offered. If, however, in any such preceding fiscal year
7 collective bargaining over employee benefit programs for
8 the next fiscal year remains pending on April 15, the
9 beginning date of the annual benefit choice period shall be
10 not later than 15 days after ratification of the collective
11 bargaining agreement.

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

1 contracts received by the Commission pursuant to items (i),
2 (ii), (iv), and (v) are discussed must be closed if
3 disclosure or use of the report or information could
4 compromise the fairness or integrity of the procurement,
5 bidding, or contract process.

6 All contracts entered into under this Section are subject
7 to appropriation and shall comply with Section 20-60(b) of the
8 Illinois Procurement Code (30 ILCS 500/20-60(b)).

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

18 The Director may prepare and issue specifications for group
19 life insurance, health benefits, other employee benefits and
20 administrative services for the purpose of receiving proposals
21 from interested parties.

22 The Director is authorized to execute a contract, or
23 contracts, for the programs of group life insurance, health
24 benefits, other employee benefits and administrative services
25 authorized by this Act (including, without limitation,
26 prescription drug benefits). All of the benefits provided under

1 this Act may be included in one or more contracts, or the
2 benefits may be classified into different types with each type
3 included under one or more similar contracts with the same or
4 different companies.

5 Except as otherwise provided in this Act, the ~~The~~ term of
6 any contract may not extend beyond 5 fiscal years. Upon
7 recommendation of the Commission, the Director may exercise
8 renewal options of the same contract for up to a period of 5
9 years or for an additional period of time, as authorized under
10 Section 5.5. Any increases in premiums, fees or charges
11 requested by a contractor whose contract may be renewed
12 pursuant to a renewal option contained therein, must be
13 justified on the basis of (1) audited experience data, (2)
14 increases in the costs of health care services provided under
15 the contract, (3) contractor performance, (4) increases in
16 contractor responsibilities, or (5) any combination thereof.

17 Any contractor shall agree to abide by all requirements of
18 this Act and Rules and Regulations promulgated and adopted
19 thereto; to submit such information and data as may from time
20 to time be deemed necessary by the Director for effective
21 administration of the provisions of this Act and the programs
22 established hereunder, and to fully cooperate in any audit.

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

24 (5 ILCS 375/5.5 new)

25 Sec. 5.5. State healthcare purchasing oversight; timely

1 provision of health benefits.

2 (a) If, after reviewing the information submitted to it
3 under item (ii) of Section 5 of this Act, the Commission makes
4 a formal written determination that a proposed contract
5 inadequately balances the policies identified in Section 5 of
6 this Act, then the Commission may disapprove the proposed
7 contract at any time before it is finalized. If the Commission
8 disapproves a proposed contract, then that proposed contract
9 may not be finalized unless subsequently approved by a joint
10 resolution of the General Assembly.

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

21 (5 ILCS 375/6.5)

22 Sec. 6.5. Health benefits for TRS benefit recipients and
23 TRS dependent beneficiaries.

24 (a) Purpose. It is the purpose of this amendatory Act of
25 1995 to transfer the administration of the program of health

1 benefits established for benefit recipients and their
2 dependent beneficiaries under Article 16 of the Illinois
3 Pension Code to the Department of Central Management Services.

4 (b) Transition provisions. The Board of Trustees of the
5 Teachers' Retirement System shall continue to administer the
6 health benefit program established under Article 16 of the
7 Illinois Pension Code through December 31, 1995. Beginning
8 January 1, 1996, the Department of Central Management Services
9 shall be responsible for administering a program of health
10 benefits for TRS benefit recipients and TRS dependent
11 beneficiaries under this Section. The Department of Central
12 Management Services and the Teachers' Retirement System shall
13 cooperate in this endeavor and shall coordinate their
14 activities so as to ensure a smooth transition and
15 uninterrupted health benefit coverage.

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

25 A TRS dependent beneficiary who is a child age 19 or over
26 and mentally or physically disabled does not become ineligible

1 to participate by reason of (i) becoming ineligible to be
2 claimed as a dependent for Illinois or federal income tax
3 purposes or (ii) receiving earned income, so long as those
4 earnings are insufficient for the child to be fully
5 self-sufficient.

6 (d) Coverage. The level of health benefits provided under
7 this Section shall be similar to the level of benefits provided
8 by the program previously established under Article 16 of the
9 Illinois Pension Code.

10 Group life insurance benefits are not included in the
11 benefits to be provided to TRS benefit recipients and TRS
12 dependent beneficiaries under this Act.

13 The program of health benefits under this Section may
14 include any or all of the benefit limitations, including but
15 not limited to a reduction in benefits based on eligibility for
16 federal medicare benefits, that are provided under subsection
17 (a) of Section 6 of this Act for other health benefit programs
18 under this Act.

19 (e) Insurance rates and premiums. The Director shall
20 determine the insurance rates and premiums for TRS benefit
21 recipients and TRS dependent beneficiaries, and shall present
22 to the Teachers' Retirement System of the State of Illinois, by
23 April 15 of each calendar year, the rate-setting methodology
24 (including but not limited to utilization levels and costs)
25 used to determine the amount of the health care premiums.

26 For Fiscal Year 1996, the premium shall be equal to the

1 premium actually charged in Fiscal Year 1995; in subsequent
2 years, the premium shall never be lower than the premium
3 charged in Fiscal Year 1995.

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

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

8 For Fiscal Year 2005, the premium shall not exceed a
9 weighted average of 106.6% of the premium actually charged
10 in Fiscal Year 2004.

11 For Fiscal Year 2006, the premium shall not exceed a
12 weighted average of 109.1% of the premium actually charged
13 in Fiscal Year 2005.

14 For Fiscal Year 2007, the premium shall not exceed a
15 weighted average of 103.9% of the premium actually charged
16 in Fiscal Year 2006.

17 For Fiscal Year 2008 and thereafter, the premium in
18 each fiscal year shall not exceed 105% of the premium
19 actually charged in the previous fiscal year.

20 Rates and premiums may be based in part on age and
21 eligibility for federal medicare coverage. However, the cost of
22 participation for a TRS dependent beneficiary who is an
23 unmarried child age 19 or over and mentally or physically
24 disabled shall not exceed the cost for a TRS dependent
25 beneficiary who is an unmarried child under age 19 and
26 participates in the same major medical or managed care program.

1 The cost of health benefits under the program shall be paid
2 as follows:

3 (1) For a TRS benefit recipient selecting a managed
4 care program, up to 75% of the total insurance rate shall
5 be paid from the Teacher Health Insurance Security Fund.
6 Effective with Fiscal Year 2007 and thereafter, for a TRS
7 benefit recipient selecting a managed care program, 75% of
8 the total insurance rate shall be paid from the Teacher
9 Health Insurance Security Fund.

10 (2) For a TRS benefit recipient selecting the major
11 medical coverage program, up to 50% of the total insurance
12 rate shall be paid from the Teacher Health Insurance
13 Security Fund if a managed care program is accessible, as
14 determined by the Teachers' Retirement System. Effective
15 with Fiscal Year 2007 and thereafter, for a TRS benefit
16 recipient selecting the major medical coverage program,
17 50% of the total insurance rate shall be paid from the
18 Teacher Health Insurance Security Fund if a managed care
19 program is accessible, as determined by the Department of
20 Central Management Services.

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

1 benefit recipient selecting the major medical coverage
2 program, 75% of the total insurance rate shall be paid from
3 the Teacher Health Insurance Security Fund if a managed
4 care program is not accessible, as determined by the
5 Department of Central Management Services.

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

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

1 paid to the Teachers' Retirement System by the school board
2 of the school district from which the TRS benefit recipient
3 retired, in accordance with Section 10-22.3b of the School
4 Code. The Teachers' Retirement System shall promptly
5 deposit all moneys withheld by or paid to it under this
6 subdivision (e)(4) into the Teacher Health Insurance
7 Security Fund. These moneys shall not be considered assets
8 of the Retirement System.

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

18 Moneys in the Teacher Health Insurance Security Fund shall
19 be used only to pay the costs of the health benefit program
20 established under this Section, including associated
21 administrative costs, and the costs associated with the health
22 benefit program established under Article 16 of the Illinois
23 Pension Code, as authorized in this Section. Beginning July 1,
24 1995, the Department of Central Management Services may make
25 expenditures from the Teacher Health Insurance Security Fund
26 for those costs.

1 After other funds authorized for the payment of the costs
2 of the health benefit program established under Article 16 of
3 the Illinois Pension Code are exhausted and until January 1,
4 1996 (or such later date as may be agreed upon by the Director
5 of Central Management Services and the Secretary of the
6 Teachers' Retirement System), the Secretary of the Teachers'
7 Retirement System may make expenditures from the Teacher Health
8 Insurance Security Fund as necessary to pay up to 75% of the
9 cost of providing health coverage to eligible benefit
10 recipients (as defined in Sections 16-153.1 and 16-153.3 of the
11 Illinois Pension Code) who are enrolled in the Article 16
12 health benefit program and to facilitate the transfer of
13 administration of the health benefit program to the Department
14 of Central Management Services.

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

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

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

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

25 The Committee shall convene at least 4 times each year, and
26 shall consider and make recommendations on issues affecting the

1 program of health benefits provided under this Section.
2 Recommendations of the Committee shall be based on a consensus
3 of the members of the Committee.

4 If the Teacher Health Insurance Security Fund experiences a
5 deficit balance based upon the contribution and subsidy rates
6 established in this Section and Section 6.6 for Fiscal Year
7 2008 or thereafter, the Committee shall make recommendations
8 for adjustments to the funding sources established under these
9 Sections.

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

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

18 (i) Repeal. (Blank).

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

20 (5 ILCS 375/6.10)

21 Sec. 6.10. Contributions to the Community College Health
22 Insurance Security Fund.

23 (a) Beginning January 1, 1999, every active contributor of
24 the State Universities Retirement System (established under
25 Article 15 of the Illinois Pension Code) who (1) is a full-time

1 employee of a community college district (other than a
2 community college district subject to Article VII of the Public
3 Community College Act) or an association of community college
4 boards and (2) is not an employee as defined in Section 3 of
5 this Act shall make contributions toward the cost of community
6 college annuitant and survivor health benefits at the rate of
7 0.50% of salary.

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

18 The State Universities Retirement System shall promptly
19 deposit all moneys collected under this subsection (a) into the
20 Community College Health Insurance Security Fund created in
21 Section 6.9 of this Act. The moneys collected under this
22 Section shall be used only for the purposes authorized in
23 Section 6.9 of this Act and shall not be considered to be
24 assets of the State Universities Retirement System.
25 Contributions made under this Section are not transferable to
26 other pension funds or retirement systems and are not

1 refundable upon termination of service.

2 (b) Beginning January 1, 1999, every community college
3 district (other than a community college district subject to
4 Article VII of the Public Community College Act) or association
5 of community college boards that is an employer under the State
6 Universities Retirement System shall contribute toward the
7 cost of the community college health benefits provided under
8 Section 6.9 of this Act an amount equal to 0.50% of the salary
9 paid to its full-time employees who participate in the State
10 Universities Retirement System and are not members as defined
11 in Section 3 of this Act.

12 These contributions shall be paid by the employer to the
13 State Universities Retirement System as service agent for the
14 Department of Central Management Services. The System may use
15 the same processes for collecting the contributions required by
16 this subsection that it uses to collect the contributions
17 received from those employers under Section 15-155 of the
18 Illinois Pension Code.

19 The State Universities Retirement System shall promptly
20 deposit all moneys collected under this subsection (b) into the
21 Community College Health Insurance Security Fund created in
22 Section 6.9 of this Act. The moneys collected under this
23 Section shall be used only for the purposes authorized in
24 Section 6.9 of this Act and shall not be considered to be
25 assets of the State Universities Retirement System.
26 Contributions made under this Section are not transferable to

1 other pension funds or retirement systems and are not
2 refundable upon termination of service.

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

26 (c) On or before November 15 of each year, the Board of

1 Trustees of the State Universities Retirement System shall
2 certify to the Governor, the Director of Central Management
3 Services, and the State Comptroller its estimate of the total
4 amount of contributions to be paid under subsection (a) of this
5 Section for the next fiscal year. Beginning in fiscal year
6 2008, the amount certified shall be decreased or increased each
7 year by the 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 the previous
10 fiscal year. The State Universities Retirement System shall
11 calculate the amount of actual active employee contributions in
12 fiscal years 1999 through 2005. Based upon this calculation,
13 the fiscal year 2008 certification shall include an amount
14 equal to the cumulative amount that the actual active employee
15 contributions either fell short of or exceeded the estimate
16 used by the Board in making the certification for those fiscal
17 years. The certification shall include a detailed explanation
18 of the methods and information that the Board relied upon in
19 preparing its estimate. As soon as possible after the effective
20 date of this Section, the Board shall submit its estimate for
21 fiscal year 1999.

22 (d) Beginning in fiscal year 1999, on the first day of each
23 month, or as soon thereafter as may be practical, the State
24 Treasurer and the State Comptroller shall transfer from the
25 General Revenue Fund to the Community College Health Insurance
26 Security Fund 1/12 of the annual amount appropriated for that

1 fiscal year to the State Comptroller for deposit into the
2 Community College Health Insurance Security Fund under Section
3 1.4 of the State Pension Funds Continuing Appropriation Act.

4 (e) Except where otherwise specified in this Section, the
5 definitions that apply to Article 15 of the Illinois Pension
6 Code apply to this Section.

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

8 (5 ILCS 375/10) (from Ch. 127, par. 530)

9 Sec. 10. Payments by State; premiums.

10 (a) The State shall pay the cost of basic non-contributory
11 group life insurance and, subject to member paid contributions
12 set by the Department or required by this Section, the basic
13 program of group health benefits on each eligible member,
14 except a member, not otherwise covered by this Act, who has
15 retired as a participating member under Article 2 of the
16 Illinois Pension Code but is ineligible for the retirement
17 annuity under Section 2-119 of the Illinois Pension Code, and
18 part of each eligible member's and retired member's premiums
19 for health insurance coverage for enrolled dependents as
20 provided by Section 9. The State shall pay the cost of the
21 basic program of group health benefits only after benefits are
22 reduced by the amount of benefits covered by Medicare for all
23 members and dependents who are eligible for benefits under
24 Social Security or the Railroad Retirement system or who had
25 sufficient Medicare-covered government employment, except that

1 such reduction in benefits shall apply only to those members
2 and dependents who (1) first become eligible for such Medicare
3 coverage on or after July 1, 1992; or (2) are Medicare-eligible
4 members or dependents of a local government unit which began
5 participation in the program on or after July 1, 1992; or (3)
6 remain eligible for, but no longer receive Medicare coverage
7 which they had been receiving on or after July 1, 1992. The
8 Department may determine the aggregate level of the State's
9 contribution on the basis of actual cost of medical services
10 adjusted for age, sex or geographic or other demographic
11 characteristics which affect the costs of such programs.

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

23 (a-1) Beginning January 1, 1998, for each person who
24 becomes a new SERS annuitant and participates in the basic
25 program of group health benefits, the State shall contribute
26 toward the cost of the annuitant's coverage under the basic

1 program of group health benefits an amount equal to 5% of that
2 cost for each full year of creditable service upon which the
3 annuitant's retirement annuity is based, up to a maximum of
4 100% for an annuitant with 20 or more years of creditable
5 service. The remainder of the cost of a new SERS annuitant's
6 coverage under the basic program of group health benefits shall
7 be the responsibility of the annuitant. In the case of a new
8 SERS annuitant who has elected to receive an alternative
9 retirement cancellation payment under Section 14-108.5 of the
10 Illinois Pension Code in lieu of an annuity, for the purposes
11 of this subsection the annuitant shall be deemed to be
12 receiving a retirement annuity based on the number of years of
13 creditable service that the annuitant had established at the
14 time of his or her termination of service under SERS.

15 (a-2) Beginning January 1, 1998, for each person who
16 becomes a new SERS survivor and participates in the basic
17 program of group health benefits, the State shall contribute
18 toward the cost of the survivor's coverage under the basic
19 program of group health benefits an amount equal to 5% of that
20 cost for each full year of the deceased employee's or deceased
21 annuitant's creditable service in the State Employees'
22 Retirement System of Illinois on the date of death, up to a
23 maximum of 100% for a survivor of an employee or annuitant with
24 20 or more years of creditable service. The remainder of the
25 cost of the new SERS survivor's coverage under the basic
26 program of group health benefits shall be the responsibility of

1 the survivor. In the case of a new SERS survivor who was the
2 dependent of an annuitant who elected to receive an alternative
3 retirement cancellation payment under Section 14-108.5 of the
4 Illinois Pension Code in lieu of an annuity, for the purposes
5 of this subsection the deceased annuitant's creditable service
6 shall be determined as of the date of termination of service
7 rather than the date of death.

8 (a-3) Beginning January 1, 1998, for each person who
9 becomes a new SURS annuitant and participates in the basic
10 program of group health benefits, the State shall contribute
11 toward the cost of the annuitant'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 creditable service upon which the
14 annuitant's retirement annuity is based, up to a maximum of
15 100% for an annuitant with 20 or more years of creditable
16 service. The remainder of the cost of a new SURS annuitant's
17 coverage under the basic program of group health benefits shall
18 be the responsibility of the annuitant.

19 (a-4) (Blank).

20 (a-5) Beginning January 1, 1998, for each person who
21 becomes a new SURS survivor and participates in the basic
22 program of group health benefits, the State shall contribute
23 toward the cost of the survivor's coverage under the basic
24 program of group health benefits an amount equal to 5% of that
25 cost for each full year of the deceased employee's or deceased
26 annuitant's creditable service in the State Universities

1 Retirement System on the date of death, up to a maximum of 100%
2 for a survivor of an employee or annuitant with 20 or more
3 years of creditable service. The remainder of the cost of the
4 new SURS survivor's coverage under the basic program of group
5 health benefits shall be the responsibility of the survivor.

6 (a-6) Beginning July 1, 1998, for each person who becomes a
7 new TRS State annuitant and participates in the basic program
8 of group health benefits, the State shall contribute toward the
9 cost of the annuitant's coverage under the basic program of
10 group health benefits an amount equal to 5% of that cost for
11 each full year of creditable service as a teacher as defined in
12 paragraph (2), (3), or (5) of Section 16-106 of the Illinois
13 Pension Code upon which the annuitant's retirement annuity is
14 based, up to a maximum of 100%; except that the State
15 contribution shall be 12.5% per year (rather than 5%) for each
16 full year of creditable service as a regional superintendent or
17 assistant regional superintendent of schools. The remainder of
18 the cost of a new TRS State annuitant's coverage under the
19 basic program of group health benefits shall be the
20 responsibility of the annuitant.

21 (a-7) Beginning July 1, 1998, for each person who becomes a
22 new TRS State survivor and participates in the basic program of
23 group health benefits, the State shall contribute toward the
24 cost of the survivor's coverage under the basic program of
25 group health benefits an amount equal to 5% of that cost for
26 each full year of the deceased employee's or deceased

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

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

21 (a-9) No later than May 1 of each calendar year, the
22 Director of Central Management Services shall certify in
23 writing to the Executive Secretary of the State Employees'
24 Retirement System of Illinois the amounts of the Medicare
25 supplement health care premiums and the amounts of the health
26 care premiums for all other retirees who are not Medicare

1 eligible.

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

4 The Director of Central Management Services shall provide
5 to the Executive Secretary of the State Employees' Retirement
6 System of Illinois such information, statistics, and other data
7 as he or she may require to review the premium amounts
8 certified by the Director of Central Management Services.

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

1 and interest accrued thereon, shall not be used for any other
2 purpose including, but not limited to, reimbursement of
3 administration fees due the administrative service
4 organization pursuant to its contract or contracts with the
5 Department.

6 (b) State employees who become eligible for this program on
7 or after January 1, 1980 in positions normally requiring actual
8 performance of duty not less than 1/2 of a normal work period
9 but not equal to that of a normal work period, shall be given
10 the option of participating in the available program. If the
11 employee elects coverage, the State shall contribute on behalf
12 of such employee to the cost of the employee's benefit and any
13 applicable dependent supplement, that sum which bears the same
14 percentage as that percentage of time the employee regularly
15 works when compared to normal work period.

16 (c) The basic non-contributory coverage from the basic
17 program of group health benefits shall be continued for each
18 employee not in pay status or on active service by reason of
19 (1) leave of absence due to illness or injury, (2) authorized
20 educational leave of absence or sabbatical leave, or (3)
21 military leave. This coverage shall continue until expiration
22 of authorized leave and return to active service, but not to
23 exceed 24 months for leaves under item (1) or (2). This
24 24-month limitation and the requirement of returning to active
25 service shall not apply to persons receiving ordinary or
26 accidental disability benefits or retirement benefits through

1 the appropriate State retirement system or benefits under the
2 Workers' Compensation or Occupational Disease Act.

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

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

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

22 (g) The State shall not pay the cost of the basic
23 non-contributory group life insurance, program of health
24 benefits and other employee benefits for members who are
25 survivors as defined by paragraphs (1) and (2) of subsection
26 (q) of Section 3 of this Act. The costs of benefits for these

1 survivors shall be paid by the survivors or by the University
2 of Illinois Cooperative Extension Service, or any combination
3 thereof. However, the State shall pay the amount of the
4 reduction in the cost of participation, if any, resulting from
5 the amendment to subsection (a) made by this amendatory Act of
6 the 91st General Assembly.

7 (h) Those persons occupying positions with any department
8 as a result of emergency appointments pursuant to Section 8b.8
9 of the Personnel Code who are not considered employees under
10 this Act shall be given the option of participating in the
11 programs of group life insurance, health benefits and other
12 employee benefits. Such persons electing coverage may
13 participate only by making payment equal to the amount normally
14 contributed by the State for similarly situated employees. Such
15 amounts shall be determined by the Director. Such payments and
16 coverage may be continued until such time as the person becomes
17 an employee pursuant to this Act or such person's appointment
18 is terminated.

19 (i) Any unit of local government within the State of
20 Illinois may apply to the Director to have its employees,
21 annuitants, and their dependents provided group health
22 coverage under this Act on a non-insured basis. To participate,
23 a unit of local government must agree to enroll all of its
24 employees, who may select coverage under either the State group
25 health benefits plan or a health maintenance organization that
26 has contracted with the State to be available as a health care

1 provider for employees as defined in this Act. A unit of local
2 government must remit the entire cost of providing coverage
3 under the State group health benefits plan or, for coverage
4 under a health maintenance organization, an amount determined
5 by the Director based on an analysis of the sex, age,
6 geographic location, or other relevant demographic variables
7 for its employees, except that the unit of local government
8 shall not be required to enroll those of its employees who are
9 covered spouses or dependents under this plan or another group
10 policy or plan providing health benefits as long as (1) an
11 appropriate official from the unit of local government attests
12 that each employee not enrolled is a covered spouse or
13 dependent under this plan or another group policy or plan, and
14 (2) at least 50% of the employees are enrolled and the unit of
15 local government remits the entire cost of providing coverage
16 to those employees, except that a participating school district
17 must have enrolled at least 50% of its full-time employees who
18 have not waived coverage under the district's group health plan
19 by participating in a component of the district's cafeteria
20 plan. A participating school district is not required to enroll
21 a full-time employee who has waived coverage under the
22 district's health plan, provided that an appropriate official
23 from the participating school district attests that the
24 full-time employee has waived coverage by participating in a
25 component of the district's cafeteria plan. For the purposes of
26 this subsection, "participating school district" includes a

1 unit of local government whose primary purpose is education as
2 defined by the Department's rules.

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

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

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

1 employees of the unit of local government and their
2 dependents.

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

6 In the case of coverage of local government employees under
7 a health maintenance organization, the Director shall annually
8 determine for each participating unit of local government the
9 maximum monthly amount the unit may contribute toward that
10 coverage, based on an analysis of (i) the age, sex, geographic
11 location, and other relevant demographic variables of the
12 unit's employees and (ii) the cost to cover those employees
13 under the State group health benefits plan. The Director may
14 similarly determine the maximum monthly amount each unit of
15 local government may contribute toward coverage of its
16 employees' dependents under a health maintenance organization.

17 Monthly payments by the unit of local government or its
18 employees for group health benefits plan or health maintenance
19 organization coverage shall be deposited in the Local
20 Government Health Insurance Reserve Fund.

21 The Local Government Health Insurance Reserve Fund is
22 hereby created as a nonappropriated trust fund to be held
23 outside the State Treasury, with the State Treasurer as
24 custodian. The Local Government Health Insurance Reserve Fund
25 shall be a continuing fund not subject to fiscal year
26 limitations. The Local Government Health Insurance Reserve

1 Fund is not subject to administrative charges or charge-backs,
2 including but not limited to those authorized under Section 8h
3 of the State Finance Act. All revenues arising from the
4 administration of the health benefits program established
5 under this Section shall be deposited into the Local Government
6 Health Insurance Reserve Fund. Any interest earned on moneys in
7 the Local Government Health Insurance Reserve Fund shall be
8 deposited into the Fund. All expenditures from this Fund shall
9 be used for payments for health care benefits for local
10 government and rehabilitation facility employees, annuitants,
11 and dependents, and to reimburse the Department or its
12 administrative service organization for all expenses incurred
13 in the administration of benefits. No other State funds may be
14 used for these purposes.

15 A local government employer's participation or desire to
16 participate in a program created under this subsection shall
17 not limit that employer's duty to bargain with the
18 representative of any collective bargaining unit of its
19 employees.

20 (j) Any rehabilitation facility within the State of
21 Illinois may apply to the Director to have its employees,
22 annuitants, and their eligible dependents provided group
23 health coverage under this Act on a non-insured basis. To
24 participate, a rehabilitation facility must agree to enroll all
25 of its employees and remit the entire cost of providing such
26 coverage for its employees, except that the rehabilitation

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

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

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

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

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

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

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

1 plan and (2) at least 50% of the employees are enrolled and the
2 domestic violence shelter remits the entire cost of providing
3 coverage to those employees. Employees of a participating
4 domestic violence shelter who are not enrolled due to coverage
5 under another group health policy or plan may enroll in the
6 event of a qualifying change in status, special enrollment, or
7 special circumstance as defined by the Director or during the
8 annual Benefit Choice Period. A participating domestic
9 violence shelter may also elect to cover its annuitants.
10 Dependent coverage shall be offered on an optional basis, with
11 employees, or some combination of the 2 as determined by the
12 domestic violence shelter or service. The domestic violence
13 shelter or service shall be responsible for timely collection
14 and transmission of dependent premiums.

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

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

1 and their dependents.

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

6 Monthly payments by the domestic violence shelter or
7 service or its employees for group health insurance shall be
8 deposited in the Local Government Health Insurance Reserve
9 Fund.

10 (1) A public community college or entity organized pursuant
11 to the Public Community College Act may apply to the Director
12 initially to have only annuitants not covered prior to July 1,
13 1992 by the district's health plan provided health coverage
14 under this Act on a non-insured basis. The community college
15 must execute a 2-year contract to participate in the Local
16 Government Health Plan. Any annuitant may enroll in the event
17 of a qualifying change in status, special enrollment, special
18 circumstance as defined by the Director, or during the annual
19 Benefit Choice Period.

20 The Director shall annually determine monthly rates of
21 payment subject to the following constraints: for those
22 community colleges with annuitants only enrolled, first year
23 rates shall be equal to the average cost to cover claims for a
24 State member adjusted for demographics, Medicare
25 participation, and other factors; and in the second year, a
26 further adjustment of rates shall be made to reflect the actual

1 first year's claims experience of the covered annuitants.

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

4 (m) The Director shall adopt any rules deemed necessary for
5 implementation of this amendatory Act of 1989 (Public Act
6 86-978).

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

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

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

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

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

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

26 (Source: P.A. 95-331, eff. 8-21-07; 95-632, eff. 9-25-07;

1 95-707, eff. 1-11-08; 96-756, eff. 1-1-10; 96-1232, eff.
2 7-23-10; 96-1519, eff. 2-4-11.)

3 (5 ILCS 375/13.1) (from Ch. 127, par. 533.1)

4 Sec. 13.1. (a) All contributions, appropriations,
5 interest, and dividend payments to fund the program of health
6 benefits and other employee benefits, and all other revenues
7 arising from the administration of any employee health benefits
8 program, shall be deposited in a trust fund outside the State
9 Treasury, with the State Treasurer as ex-officio custodian, to
10 be known as the Health Insurance Reserve Fund.

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

1 employee benefits shall be deposited in the Health Insurance
2 Reserve Fund. The Department shall draw the appropriation from
3 the General Revenue Fund and the Road Fund from time to time as
4 necessary to make expenditures authorized under this Act.

5 The Director may employ such assistance and services and
6 may purchase such goods as may be necessary for the proper
7 development and administration of any of the benefit programs
8 authorized by this Act. The Director may promulgate rules and
9 regulations in regard to the administration of these programs.

10 All monies received by the Department for deposit in or
11 transfer to the Health Insurance Reserve Fund, through
12 appropriation or otherwise, shall be used to provide for the
13 making of payments to claimants and providers and to reimburse
14 the Department for all expenses directly incurred relating to
15 Department development and administration of the program of
16 health benefits and other employee benefits.

17 Any administrative service organization administering any
18 self-insurance health plan and paying claims and benefits under
19 authority of this Act may receive, pursuant to written
20 authorization and direction of the Director, an initial
21 transfer and periodic transfers of funds from the Health
22 Insurance Reserve Fund in amounts determined by the Director
23 who may consider the amount recommended by the administrative
24 service organization. Notwithstanding any other statute, such
25 transferred funds shall be retained by the administrative
26 service organization in a separate account provided by any bank

1 as defined by the Illinois Banking Act. The Department may
2 promulgate regulations further defining the banks authorized
3 to accept such funds and all methodology for transfer of such
4 funds. Any interest earned by monies in such account shall
5 inure to the Health Insurance Reserve Fund, shall remain in
6 such account and shall be used exclusively to pay claims and
7 benefits under this Act. Such transferred funds shall be used
8 exclusively for administrative service organization payment of
9 claims to claimants and providers under the self-insurance
10 health plan by the drawing of checks against such account. The
11 administrative service organization may not use such
12 transferred funds, or interest accrued thereon, for any other
13 purpose including, but not limited to, reimbursement of
14 administrative expenses or payments of administration fees due
15 the organization pursuant to its contract or contracts with the
16 Department of Central Management Services.

17 The account of the administrative service organization
18 established under this Section, any transfers from the Health
19 Insurance Reserve Fund to such account and the use of such
20 account and funds shall be subject to (1) audit by the
21 Department or private contractor authorized by the Department
22 to conduct audits, and (2) post audit pursuant to the Illinois
23 State Auditing Act.

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

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

20 (c) The Director, with the advice and consent of the
21 Commission, shall establish premiums for optional coverage for
22 dependents of eligible members for the health plans. The
23 eligible members shall be responsible for their portion of such
24 optional premium. The State shall contribute an amount per
25 month for each eligible member who has enrolled one or more
26 dependents under the health plans. Such contribution shall be

1 made directly to the Health Insurance Reserve Fund. Those
2 employees described in subsection (b) of Section 9 of this Act
3 shall be allowed to continue in the health plan by making
4 personal payments with the premiums to be deposited in the
5 Health Insurance Reserve Fund.

6 (d) The Health Insurance Reserve Fund shall be a continuing
7 fund not subject to fiscal year limitations. All expenditures
8 from that fund shall be at the direction of the Director and
9 shall be only for the purpose of:

10 (1) the payment of administrative expenses incurred by
11 the Department for the program of health benefits or other
12 employee benefit programs, including but not limited to the
13 costs of audits or actuarial consultations, professional
14 and contractual services, electronic data processing
15 systems and services, and expenses in connection with the
16 development and administration of such programs;

17 (2) the payment of administrative expenses incurred by
18 the Administrative Service Organization;

19 (3) the payment of health benefits;

20 (3.5) the payment of medical expenses incurred by the
21 Department for the treatment of employees who suffer
22 accidental injury or death within the scope of their
23 employment;

24 (4) refunds to employees for erroneous payments of
25 their selected dependent coverage;

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

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

3 (7) payment of adoption program benefits; and

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

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

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

11 (20 ILCS 405/405-520 new)

12 Sec. 405-520. State healthcare purchasing. On and after
13 January 1, 2012, as provided in the State Healthcare Purchasing
14 Reorganization Act, all of the powers, duties, rights, and
15 responsibilities related to State healthcare purchasing under
16 this Code that were transferred from the Department to the
17 Department of Healthcare and Family Services by Executive Order
18 3 (2005) are transferred back to the Department.

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

21 (20 ILCS 1305/1-20)

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

1 (a) The Department shall exercise the rights, powers,
2 duties, and functions provided by law, including (but not
3 limited to) the rights, powers, duties, and functions
4 transferred to the Department under Article 80 and Article 90
5 of this Act.

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

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

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

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

22 (20 ILCS 2205/2205-20 new)

23 Sec. 2205-20. State healthcare purchasing. On and after
24 January 1, 2012, as provided in the State Healthcare Purchasing

1 Reorganization Act, all of the powers, duties, rights, and
2 responsibilities related to State healthcare purchasing under
3 this Code that were transferred to the Department of Healthcare
4 and Family Services by Executive Order 3 (2005) are transferred
5 back to the Departments from which those powers, duties,
6 rights, and responsibilities were transferred; however,
7 powers, duties, rights, and responsibilities related to State
8 healthcare purchasing under this Code that were exercised by
9 the Department of Corrections before Executive Order 3 (2005)
10 but that pertain to individuals resident in facilities operated
11 by Department of Juvenile Justice shall be transferred to the
12 Department of Juvenile Justice.

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

15 (20 ILCS 2805/2.08 new)

16 Sec. 2.08. 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 Act that were transferred from the Department to the
21 Department of Healthcare and Family Services by Executive Order
22 3 (2005) are transferred back to the Department.

23 Section 925. The Commission on Government Forecasting and

1 Accountability Act is amended by changing Section 3 as follows:

2 (25 ILCS 155/3) (from Ch. 63, par. 343)

3 Sec. 3. The Commission shall:

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

6 (2) Make such special economic and fiscal studies as it
7 deems appropriate or desirable or as the General Assembly
8 may request.

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

13 (4) Prepare annually a State economic report.

14 (5) Provide information for all appropriate
15 legislative organizations and personnel on economic trends
16 in relation to long range planning and budgeting.

17 (6) Study and make such recommendations as it deems
18 appropriate to the General Assembly on local and regional
19 economic and fiscal policy and on federal fiscal policy as
20 it may affect Illinois.

21 (7) Review capital expenditures, appropriations and
22 authorizations for both the State's general obligation and
23 revenue bonding authorities. At the direction of the
24 Commission, specific reviews may include economic
25 feasibility reviews of existing or proposed revenue bond

1 projects to determine the accuracy of the original estimate
2 of useful life of the projects, maintenance requirements
3 and ability to meet debt service requirements through their
4 operating expenses.

5 (8) Receive and review all executive agency and revenue
6 bonding authority annual and 3 year plans. The Commission
7 shall prepare a consolidated review of these plans, an
8 updated assessment of current State agency capital plans, a
9 report on the outstanding and unissued bond
10 authorizations, an evaluation of the State's ability to
11 market further bond issues and shall submit them as the
12 "Legislative Capital Plan Analysis" to the House and Senate
13 Appropriations Committees at least once a year. The
14 Commission shall annually submit to the General Assembly on
15 the first Wednesday of April a report on the State's
16 long-term capital needs, with particular emphasis upon and
17 detail of the 5-year period in the immediate future.

18 (9) Study and make recommendations it deems
19 appropriate to the General Assembly on State bond
20 financing, bondability guidelines, and debt management. At
21 the direction of the Commission, specific studies and
22 reviews may take into consideration short and long-run
23 implications of State bonding and debt management policy.

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

26 (11) Comply with the provisions of the Pension Impact

1 Note Act, as now or hereafter amended.

2 (12) By August 1st of each year, the Commission must
3 prepare and cause to be published a summary report of State
4 appropriations for the State fiscal year beginning the
5 previous July 1st. The summary report must discuss major
6 categories of appropriations, the issues the General
7 Assembly faced in allocating appropriations, comparisons
8 with appropriations for previous State fiscal years, and
9 other matters helpful in providing the citizens of Illinois
10 with an overall understanding of appropriations for that
11 fiscal year. The summary report must be written in plain
12 language and designed for readability. Publication must be
13 in newspapers of general circulation in the various areas
14 of the State to ensure distribution statewide. The summary
15 report must also be published on the General Assembly's web
16 site.

17 (13) Comply with the provisions of the State Facilities
18 Closure Act.

19 (14) For fiscal year 2012 and thereafter, develop a
20 3-year budget forecast for the State, including
21 opportunities and threats concerning anticipated revenues
22 and expenditures, with an appropriate level of detail.

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

25 The requirement for reporting to the General Assembly shall
26 be satisfied by filing copies of the report with the Speaker,

1 the Minority Leader and the Clerk of the House of
2 Representatives and the President, the Minority Leader and the
3 Secretary of the Senate and the Legislative Research Unit, as
4 required by Section 3.1 of the General Assembly Organization
5 Act, and filing such additional copies with the State
6 Government Report Distribution Center for the General Assembly
7 as is required under paragraph (t) of Section 7 of the State
8 Library Act.

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

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

12 (30 ILCS 500/20-60)

13 Sec. 20-60. Duration of contracts.

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

1 subject bond or mortgage may remain outstanding.

2 (b) Subject to appropriation. All contracts made or entered
3 into shall recite that they are subject to termination and
4 cancellation in any year for which the General Assembly fails
5 to make an appropriation to make payments under the terms of
6 the contract.

7 (c) The chief procurement officer shall file a proposed
8 extension or renewal of a contract with the Procurement Policy
9 Board prior to entering into any extension or renewal if the
10 cost associated with the extension or renewal exceeds \$249,999.
11 The Procurement Policy Board may object to the proposed
12 extension or renewal within 30 calendar days and require a
13 hearing before the Board prior to entering into the extension
14 or renewal. If the Procurement Policy Board does not object
15 within 30 calendar days or takes affirmative action to
16 recommend the extension or renewal, the chief procurement
17 officer may enter into the extension or renewal of a contract.
18 This subsection does not apply to any emergency procurement,
19 any procurement under Article 40, or any procurement exempted
20 by Section 1-10(b) of this Code. If any State agency contract
21 is paid for in whole or in part with federal-aid funds, grants,
22 or loans and the provisions of this subsection would result in
23 the loss of those federal-aid funds, grants, or loans, then the
24 contract is exempt from the provisions of this subsection in
25 order to remain eligible for those federal-aid funds, grants,
26 or loans, and the State agency shall file notice of this

1 exemption with the Procurement Policy Board prior to entering
2 into the proposed extension or renewal. Nothing in this
3 subsection permits a chief procurement officer to enter into an
4 extension or renewal in violation of subsection (a). By August
5 1 each year, the Procurement Policy Board shall file a report
6 with the General Assembly identifying for the previous fiscal
7 year (i) the proposed extensions or renewals that were filed
8 with the Board and whether the Board objected and (ii) the
9 contracts exempt from this subsection.

10 (d) If there is a conflict between the provisions of this
11 Section and Section 5.5 of the State Employees Group Insurance
12 Act of 1971, the provisions of Section 5.5 of the State
13 Employees Group Insurance Act of 1971 control.

14 (Source: P.A. 95-344, eff. 8-21-07; 96-15, eff. 6-22-09;
15 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the
16 effective date of changes made by P.A. 96-795); 96-920, eff.
17 7-1-10; 96-1478, eff. 8-23-10.)

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

20 (105 ILCS 55/7 new)

21 Sec. 7. State healthcare purchasing. On and after January
22 1, 2012, as provided in the State Healthcare Purchasing
23 Reorganization Act, all of the powers, duties, rights, and
24 responsibilities related to State healthcare purchasing under

1 this Act that were transferred from the Department to the
2 Department of Healthcare and Family Services by Executive Order
3 3 (2005) are transferred back to the Department.

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

6 (730 ILCS 5/3-2-2) (from Ch. 38, par. 1003-2-2)

7 Sec. 3-2-2. Powers and Duties of the Department.

8 (1) In addition to the powers, duties and responsibilities
9 which are otherwise provided by law, the Department shall have
10 the following powers:

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

17 (b) To develop and maintain reception and evaluation
18 units for purposes of analyzing the custody and
19 rehabilitation needs of persons committed to it and to
20 assign such persons to institutions and programs under its
21 control or transfer them to other appropriate agencies. In
22 consultation with the Department of Alcoholism and
23 Substance Abuse (now the Department of Human Services), the
24 Department of Corrections shall develop a master plan for

1 the screening and evaluation of persons committed to its
2 custody who have alcohol or drug abuse problems, and for
3 making appropriate treatment available to such persons;
4 the Department shall report to the General Assembly on such
5 plan not later than April 1, 1987. The maintenance and
6 implementation of such plan shall be contingent upon the
7 availability of funds.

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

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

26 (c) To maintain and administer all State correctional

1 institutions and facilities under its control and to
2 establish new ones as needed. Pursuant to its power to
3 establish new institutions and facilities, the Department
4 may, with the written approval of the Governor, authorize
5 the Department of Central Management Services to enter into
6 an agreement of the type described in subsection (d) of
7 Section 405-300 of the Department of Central Management
8 Services Law (20 ILCS 405/405-300). The Department shall
9 designate those institutions which shall constitute the
10 State Penitentiary System.

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

25 Upon receipt of the bids, the Department may certify
26 one or more of the bids and shall submit any such bids to

1 the General Assembly for approval. Upon approval of a bid
2 by a constitutional majority of both houses of the General
3 Assembly, pursuant to joint resolution, the Department of
4 Central Management Services may enter into an agreement
5 with the county or municipality pursuant to such bid.

6 (c-5) To build and maintain regional juvenile
7 detention centers and to charge a per diem to the counties
8 as established by the Department to defray the costs of
9 housing each minor in a center. In this subsection (c-5),
10 "juvenile detention center" means a facility to house
11 minors during pendency of trial who have been transferred
12 from proceedings under the Juvenile Court Act of 1987 to
13 prosecutions under the criminal laws of this State in
14 accordance with Section 5-805 of the Juvenile Court Act of
15 1987, whether the transfer was by operation of law or
16 permissive under that Section. The Department shall
17 designate the counties to be served by each regional
18 juvenile detention center.

19 (d) To develop and maintain programs of control,
20 rehabilitation and employment of committed persons within
21 its institutions.

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

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

26 (f) To establish in cooperation with the Department of

1 Transportation to supply a sufficient number of prisoners
2 for use by the Department of Transportation to clean up the
3 trash and garbage along State, county, township, or
4 municipal highways as designated by the Department of
5 Transportation. The Department of Corrections, at the
6 request of the Department of Transportation, shall furnish
7 such prisoners at least annually for a period to be agreed
8 upon between the Director of Corrections and the Director
9 of Transportation. The prisoners used on this program shall
10 be selected by the Director of Corrections on whatever
11 basis he deems proper in consideration of their term,
12 behavior and earned eligibility to participate in such
13 program - where they will be outside of the prison facility
14 but still in the custody of the Department of Corrections.
15 Prisoners convicted of first degree murder, or a Class X
16 felony, or armed violence, or aggravated kidnapping, or
17 criminal sexual assault, aggravated criminal sexual abuse
18 or a subsequent conviction for criminal sexual abuse, or
19 forcible detention, or arson, or a prisoner adjudged a
20 Habitual Criminal shall not be eligible for selection to
21 participate in such program. The prisoners shall remain as
22 prisoners in the custody of the Department of Corrections
23 and such Department shall furnish whatever security is
24 necessary. The Department of Transportation shall furnish
25 trucks and equipment for the highway cleanup program and
26 personnel to supervise and direct the program. Neither the

1 Department of Corrections nor the Department of
2 Transportation shall replace any regular employee with a
3 prisoner.

4 (g) To maintain records of persons committed to it and
5 to establish programs of research, statistics and
6 planning.

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

21 If any person fails to obey a subpoena issued under
22 this subsection, the Director may apply to any circuit
23 court to secure compliance with the subpoena. The failure
24 to comply with the order of the court issued in response
25 thereto shall be punishable as contempt of court.

26 (i) To appoint and remove the chief administrative

1 officers, and administer programs of training and
2 development of personnel of the Department. Personnel
3 assigned by the Department to be responsible for the
4 custody and control of committed persons or to investigate
5 the alleged misconduct of committed persons or employees or
6 alleged violations of a parolee's or releasee's conditions
7 of parole shall be conservators of the peace for those
8 purposes, and shall have the full power of peace officers
9 outside of the facilities of the Department in the
10 protection, arrest, retaking and reconfining of committed
11 persons or where the exercise of such power is necessary to
12 the investigation of such misconduct or violations.

13 (j) To cooperate with other departments and agencies
14 and with local communities for the development of standards
15 and programs for better correctional services in this
16 State.

17 (k) To administer all moneys and properties of the
18 Department.

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

21 (l-5) In a confidential annual report to the Governor,
22 the Department shall identify all inmate gangs by
23 specifying each current gang's name, population and allied
24 gangs. The Department shall further specify the number of
25 top leaders identified by the Department for each gang
26 during the past year, and the measures taken by the

1 Department to segregate each leader from his or her gang
2 and allied gangs. The Department shall further report the
3 current status of leaders identified and segregated in
4 previous years. All leaders described in the report shall
5 be identified by inmate number or other designation to
6 enable tracking, auditing, and verification without
7 revealing the names of the leaders. Because this report
8 contains law enforcement intelligence information
9 collected by the Department, the report is confidential and
10 not subject to public disclosure.

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

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

17 (o) To administer the distribution of funds from the
18 State Treasury to reimburse counties where State penal
19 institutions are located for the payment of assistant
20 state's attorneys' salaries under Section 4-2001 of the
21 Counties Code.

22 (p) To exchange information with the Department of
23 Human Services and the Department of Healthcare and Family
24 Services for the purpose of verifying living arrangements
25 and for other purposes directly connected with the
26 administration of this Code and the Illinois Public Aid

1 Code.

2 (q) To establish a diversion program.

3 The program shall provide a structured environment for
4 selected technical parole or mandatory supervised release
5 violators and committed persons who have violated the rules
6 governing their conduct while in work release. This program
7 shall not apply to those persons who have committed a new
8 offense while serving on parole or mandatory supervised
9 release or while committed to work release.

10 Elements of the program shall include, but shall not be
11 limited to, the following:

12 (1) The staff of a diversion facility shall provide
13 supervision in accordance with required objectives set
14 by the facility.

15 (2) Participants shall be required to maintain
16 employment.

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

20 (4) Each participant shall:

21 (A) provide restitution to victims in
22 accordance with any court order;

23 (B) provide financial support to his
24 dependents; and

25 (C) make appropriate payments toward any other
26 court-ordered obligations.

1 (5) Each participant shall complete community
2 service in addition to employment.

3 (6) Participants shall take part in such
4 counseling, educational and other programs as the
5 Department may deem appropriate.

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

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

10 (r) To enter into intergovernmental cooperation
11 agreements under which persons in the custody of the
12 Department may participate in a county impact
13 incarceration program established under Section 3-6038 or
14 3-15003.5 of the Counties Code.

15 (r-5) (Blank).

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

1 (i) are members of a criminal streetgang;

2 (ii) with respect to other individuals within the
3 streetgang, occupy a position of organizer,
4 supervisor, or other position of management or
5 leadership; and

6 (iii) are actively and personally engaged in
7 directing, ordering, authorizing, or requesting
8 commission of criminal acts by others, which are
9 punishable as a felony, in furtherance of streetgang
10 related activity both within and outside of the
11 Department of Corrections.

12 "Streetgang", "gang", and "streetgang related" have the
13 meanings ascribed to them in Section 10 of the Illinois
14 Streetgang Terrorism Omnibus Prevention Act.

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

19 (t) To monitor any unprivileged conversation or any
20 unprivileged communication, whether in person or by mail,
21 telephone, or other means, between an inmate who, before
22 commitment to the Department, was a member of an organized
23 gang and any other person without the need to show cause or
24 satisfy any other requirement of law before beginning the
25 monitoring, except as constitutionally required. The
26 monitoring may be by video, voice, or other method of

1 recording or by any other means. As used in this
2 subdivision (1)(t), "organized gang" has the meaning
3 ascribed to it in Section 10 of the Illinois Streetgang
4 Terrorism Omnibus Prevention Act.

5 As used in this subdivision (1)(t), "unprivileged
6 conversation" or "unprivileged communication" means a
7 conversation or communication that is not protected by any
8 privilege recognized by law or by decision, rule, or order
9 of the Illinois Supreme Court.

10 (u) To establish a Women's and Children's Pre-release
11 Community Supervision Program for the purpose of providing
12 housing and services to eligible female inmates, as
13 determined by the Department, and their newborn and young
14 children.

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

1 correctional officials and shall be executed the same as
2 criminal process.

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

5 (2) The Department of Corrections shall by January 1, 1998,
6 consider building and operating a correctional facility within
7 100 miles of a county of over 2,000,000 inhabitants, especially
8 a facility designed to house juvenile participants in the
9 impact incarceration program.

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

18 (4) When the Department lets bids for contracts for food or
19 commissary services to be provided to Department facilities,
20 the bid may only be let to a food or commissary services
21 provider that has obtained an irrevocable letter of credit or
22 performance bond issued by a company whose bonds are rated AAA
23 by a bond rating organization.

24 (5) On and after January 1, 2012, as provided in the State
25 Healthcare Purchasing Reorganization Act, all of the powers,
26 duties, rights, and responsibilities related to State

1 healthcare purchasing under this Code that were transferred
2 from the Department of Corrections to the Department of
3 Healthcare and Family Services by Executive Order 3 (2005) are
4 transferred back to the Department of Corrections; however,
5 powers, duties, rights, and responsibilities related to State
6 healthcare purchasing under this Code that were exercised by
7 the Department of Corrections before Executive Order 3 (2005)
8 but that pertain to individuals resident in facilities operated
9 by Department of Juvenile Justice are transferred to the
10 Department of Juvenile Justice.

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

12 (730 ILCS 5/3-2.5-20)

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

14 (a) In addition to the powers, duties, and responsibilities
15 which are otherwise provided by law or transferred to the
16 Department as a result of this Article, the Department, as
17 determined by the Director, shall have, but are not limited to,
18 the following rights, powers, functions and duties:

19 (1) To accept juveniles committed to it by the courts
20 of this State for care, custody, treatment, and
21 rehabilitation.

22 (2) To maintain and administer all State juvenile
23 correctional institutions previously under the control of
24 the Juvenile and Women's & Children Divisions of the
25 Department of Corrections, and to establish and maintain

1 institutions as needed to meet the needs of the youth
2 committed to its care.

3 (3) To identify the need for and recommend the funding
4 and implementation of an appropriate mix of programs and
5 services within the juvenile justice continuum, including
6 but not limited to prevention, nonresidential and
7 residential commitment programs, day treatment, and
8 conditional release programs and services, with the
9 support of educational, vocational, alcohol, drug abuse,
10 and mental health services where appropriate.

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

15 (i) family and individual counseling and treatment
16 placement;

17 (ii) referral services to any other State or local
18 agencies;

19 (iii) mental health services;

20 (iv) educational services;

21 (v) family counseling services; and

22 (vi) substance abuse services.

23 (5) To access vital records of juveniles for the
24 purposes of providing necessary documentation for
25 transitional services such as obtaining identification,
26 educational enrollment, employment, and housing.

1 (6) To develop staffing and workload standards and
2 coordinate staff development and training appropriate for
3 juvenile populations.

4 (7) To develop, with the approval of the Office of the
5 Governor and the Governor's Office of Management and
6 Budget, annual budget requests.

7 (8) To administer the Interstate Compact for
8 Juveniles, with respect to all juveniles under its
9 jurisdiction, and to cooperate with the Department of Human
10 Services with regard to all non-offender juveniles subject
11 to the Interstate Compact for Juveniles.

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

17 (c) 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. 94-696, eff. 6-1-06; 95-937, eff. 8-26-08.)

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

7 Section 999. Effective date. This Act takes effect upon
8 becoming law.".