



Rep. Chapin Rose

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1 AMENDMENT TO SENATE BILL 1538

2 AMENDMENT NO. _____. Amend Senate Bill 1538, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The State Employees Group Insurance Act of 1971
6 is amended by changing Sections 3 and 8 as follows:

7 (5 ILCS 375/3) (from Ch. 127, par. 523)

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

14 (a) "Administrative service organization" means any
15 person, firm or corporation experienced in the handling of
16 claims which is fully qualified, financially sound and capable

1 of meeting the service requirements of a contract of
2 administration executed with the Department.

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

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

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

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

26 (b-7) "New TRS State annuitant" means a person who, on or

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

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

14 (d) "Compensation" means salary or wages payable on a
15 regular payroll by the State Treasurer on a warrant of the
16 State Comptroller out of any State, trust or federal fund, or
17 by the Governor of the State through a disbursing officer of
18 the State out of a trust or out of federal funds, or by any
19 Department out of State, trust, federal or other funds held by
20 the State Treasurer or the Department, to any person for
21 personal services currently performed, and ordinary or
22 accidental disability benefits under Articles 2, 14, 15
23 (including ordinary or accidental disability benefits under
24 the optional retirement program established under Section
25 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
26 Article 18 of the Illinois Pension Code, for disability

1 incurred after January 1, 1966, or benefits payable under the
2 Workers' Compensation or Occupational Diseases Act or benefits
3 payable under a sick pay plan established in accordance with
4 Section 36 of the State Finance Act. "Compensation" also means
5 salary or wages paid to an employee of any qualified local
6 government, qualified rehabilitation facility, qualified
7 domestic violence shelter or service, or qualified child
8 advocacy center.

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

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

22 (g) "Department" means any department, institution, board,
23 commission, officer, court or any agency of the State
24 government receiving appropriations and having power to
25 certify payrolls to the Comptroller authorizing payments of
26 salary and wages against such appropriations as are made by the

1 General Assembly from any State fund, or against trust funds
2 held by the State Treasurer and includes boards of trustees of
3 the retirement systems created by Articles 2, 14, 15, 16 and 18
4 of the Illinois Pension Code. "Department" also includes the
5 Illinois Comprehensive Health Insurance Board, the Board of
6 Examiners established under the Illinois Public Accounting
7 Act, and the Illinois Finance Authority.

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

1 Management Services and file with the Department any and all
2 forms required by the Department.

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

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

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

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

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

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

1 to participate in the group insurance system under the
2 applicable retirement system in order for the survivor to be
3 eligible for group insurance benefits under that system.

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

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

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

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

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

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

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

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

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

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

1 14-108.5 of the Illinois Pension Code.

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

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

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

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

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

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

1 Section 10 of this Act.

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

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

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

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

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

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

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

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

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

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

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

23 (y) (Blank).

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

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

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

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

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

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

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

1 prior to the age of 19 (age 26 if enrolled as an adult
2 child).

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

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

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

20 (5 ILCS 375/8) (from Ch. 127, par. 528)

21 Sec. 8. Eligibility.

22 (a) Each employee ~~member~~ eligible under the provisions of
23 this Act and any rules and regulations promulgated and adopted
24 hereunder by the Director shall become immediately eligible and
25 covered for all benefits available under the programs.

1 Employees ~~Members~~ electing coverage for eligible dependents
2 shall have the coverage effective immediately, provided that
3 the election is properly filed in accordance with required
4 filing dates and procedures specified by the Director,
5 including the completion and submission of all documentation
6 and forms required by the Director.

7 (1) Every member originally eligible to elect
8 dependent coverage, but not electing it during the original
9 eligibility period, may subsequently obtain dependent
10 coverage only in the event of a qualifying change in
11 status, special enrollment, special circumstance as
12 defined by the Director, or during the annual Benefit
13 Choice Period.

14 (2) Members described above being transferred from
15 previous coverage towards which the State has been
16 contributing shall be transferred regardless of
17 preexisting conditions, waiting periods, or other
18 requirements that might jeopardize claim payments to which
19 they would otherwise have been entitled.

20 (3) Eligible and covered members that are eligible for
21 coverage as dependents except for the fact of being members
22 shall be transferred to, and covered under, dependent
23 status regardless of preexisting conditions, waiting
24 periods, or other requirements that might jeopardize claim
25 payments to which they would otherwise have been entitled
26 upon cessation of member status and the election of

1 dependent coverage by a member eligible to elect that
2 coverage.

3 (b) New employees shall be immediately insured for the
4 basic group life insurance and covered by the program of health
5 benefits on the first day of active State service. Optional
6 life insurance coverage one to 4 times the basic amount, if
7 elected during the relevant eligibility period, will become
8 effective on the date of employment. Optional life insurance
9 coverage exceeding 4 times the basic amount and all life
10 insurance amounts applied for after the eligibility period will
11 be effective, subject to satisfactory evidence of insurability
12 when applicable, or other necessary qualifications, pursuant
13 to the requirements of the applicable benefit program, unless
14 there is a change in status that would confer new eligibility
15 for change of enrollment under rules established supplementing
16 this Act, in which event application must be made within the
17 new eligibility period.

18 (c) As to the group health benefits program contracted to
19 begin or continue after June 30, 1973, each annuitant,
20 survivor, and retired employee shall become immediately
21 eligible ~~and covered~~ for all benefits available under that
22 program. Each annuitant, survivor, and retired employee shall
23 have coverage effective immediately, provided that the
24 election is properly filed in accordance with the required
25 filing dates and procedures specified by the Director,
26 including the completion and submission of all documentation

1 and forms required by the Director. Annuitants, survivors, and
2 retired ~~Retired~~ employees may elect coverage for eligible
3 dependents and shall have the coverage effective immediately,
4 provided that the election is properly filed in accordance with
5 required filing dates and procedures specified by the Director,
6 except that, for a survivor, the dependent sought to be added
7 on or after the effective date of this amendatory Act of the
8 97th General Assembly must have been eligible for coverage as a
9 dependent under the deceased member upon whom the survivor's
10 annuity is based in order to be eligible for coverage under the
11 survivor.

12 Except as otherwise provided in this Act, where husband and
13 wife are both eligible members, each shall be enrolled as a
14 member and coverage on their eligible dependent children, if
15 any, may be under the enrollment and election of either.

16 Regardless of other provisions herein regarding late
17 enrollment or other qualifications, as appropriate, the
18 Director may periodically authorize open enrollment periods
19 for each of the benefit programs at which time each member may
20 elect enrollment or change of enrollment without regard to age,
21 sex, health, or other qualification under the conditions as may
22 be prescribed in rules and regulations supplementing this Act.
23 Special open enrollment periods may be declared by the Director
24 for certain members only when special circumstances occur that
25 affect only those members.

26 (d) Beginning with fiscal year 2003 and for all subsequent

1 years, eligible members may elect not to participate in the
2 program of health benefits as defined in this Act. The election
3 must be made during the annual benefit choice period, subject
4 to the conditions in this subsection.

5 (1) Members must furnish proof of health benefit
6 coverage, either comprehensive major medical coverage or
7 comprehensive managed care plan, from a source other than
8 the Department of Central Management Services in order to
9 elect not to participate in the program.

10 (2) Members may re-enroll in the Department of Central
11 Management Services program of health benefits upon
12 showing a qualifying change in status, as defined in the
13 U.S. Internal Revenue Code, without evidence of
14 insurability and with no limitations on coverage for
15 pre-existing conditions, provided that there was not a
16 break in coverage of more than 63 days.

17 (3) Members may also re-enroll in the program of health
18 benefits during any annual benefit choice period, without
19 evidence of insurability.

20 (4) Members who elect not to participate in the program
21 of health benefits shall be furnished a written explanation
22 of the requirements and limitations for the election not to
23 participate in the program and for re-enrolling in the
24 program. The explanation shall also be included in the
25 annual benefit choice options booklets furnished to
26 members.

1 (d-5) Beginning July 1, 2005, the Director may establish a
2 program of financial incentives to encourage annuitants
3 receiving a retirement annuity from the State Employees
4 Retirement System, but who are not eligible for benefits under
5 the federal Medicare health insurance program (Title XVIII of
6 the Social Security Act, as added by Public Law 89-97) to elect
7 not to participate in the program of health benefits provided
8 under this Act. The election by an annuitant not to participate
9 under this program must be made in accordance with the
10 requirements set forth under subsection (d). The financial
11 incentives provided to these annuitants under the program may
12 not exceed \$150 per month for each annuitant electing not to
13 participate in the program of health benefits provided under
14 this Act.

15 (e) Notwithstanding any other provision of this Act or the
16 rules adopted under this Act, if a person participating in the
17 program of health benefits as the dependent spouse of an
18 eligible member becomes an annuitant, the person may elect, at
19 the time of becoming an annuitant or during any subsequent
20 annual benefit choice period, to continue participation as a
21 dependent rather than as an eligible member for as long as the
22 person continues to be an eligible dependent. In order to be
23 eligible to make such an election, the person must have been
24 enrolled as a dependent under the program of health benefits
25 for no less than one year prior to becoming an annuitant.

26 An eligible member who has elected to participate as a

1 dependent may re-enroll in the program of health benefits as an
2 eligible member (i) during any subsequent annual benefit choice
3 period or (ii) upon showing a qualifying change in status, as
4 defined in the U.S. Internal Revenue Code, without evidence of
5 insurability and with no limitations on coverage for
6 pre-existing conditions.

7 A person who elects to participate in the program of health
8 benefits as a dependent rather than as an eligible member shall
9 be furnished a written explanation of the consequences of
10 electing to participate as a dependent and the conditions and
11 procedures for re-enrolling as an eligible member. The
12 explanation shall also be included in the annual benefit choice
13 options booklet furnished to members.

14 (Source: P.A. 94-95, eff. 7-1-05; 94-109, eff. 7-1-05; 95-331,
15 eff. 8-21-07.)

16 Section 99. Effective date. This Act takes effect upon
17 becoming law."