



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB3416

Introduced 2/7/2012, by Sen. Carole Pankau

SYNOPSIS AS INTRODUCED:

215 ILCS 106/20
215 ILCS 106/40
215 ILCS 170/20

Amends the Children's Health Insurance Program Act and the Covering ALL KIDS Health Insurance Act. In the provisions concerning eligibility for the KidCare and Covering ALL KIDS programs, sets an asset limit of \$10,000, excluding the value of the child's residence and the value of a vehicle (other than a recreational vehicle) used by the household. Makes changes concerning the reporting of changes in income and other circumstances that affect eligibility. Requires the Department of Healthcare and Family Services to seek a waiver of federal requirements under the Patient Protection and Affordable Care Act in order to allow the Department to immediately implement the changes made by the amendatory Act. Effective immediately.

LRB097 19939 RPM 65230 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning insurance.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 10. The Children's Health Insurance Program Act is
5 amended by changing Sections 20 and 40 as follows:

6 (215 ILCS 106/20)

7 Sec. 20. Eligibility.

8 (a) To be eligible for this Program, a person must be a
9 person who has a child eligible under this Act and who is
10 eligible under a waiver of federal requirements pursuant to an
11 application made pursuant to subdivision (a)(1) of Section 40
12 of this Act or who is a child who:

13 (1) is a child who is not eligible for medical
14 assistance;

15 (2) is a child whose annual household income, as
16 determined by the Department, is above 133% of the federal
17 poverty level and at or below 200% of the federal poverty
18 level;

19 (2.5) is a child whose household assets do not exceed
20 \$10,000, excluding (i) the value of the residence in which
21 the child lives and (ii) the value of a vehicle used by the
22 household for transportation purposes; for purposes of
23 this paragraph (2.5), "vehicle" does not include a

1 recreational vehicle as defined in the Campground
2 Licensing and Recreational Area Act;

3 (3) is a resident of the State of Illinois; and

4 (4) is a child who is either a United States citizen or
5 included in one of the following categories of
6 non-citizens:

7 (A) unmarried dependent children of either a
8 United States Veteran honorably discharged or a person
9 on active military duty;

10 (B) refugees under Section 207 of the Immigration
11 and Nationality Act;

12 (C) asylees under Section 208 of the Immigration
13 and Nationality Act;

14 (D) persons for whom deportation has been withheld
15 under Section 243(h) of the Immigration and
16 Nationality Act;

17 (E) persons granted conditional entry under
18 Section 203(a)(7) of the Immigration and Nationality
19 Act as in effect prior to April 1, 1980;

20 (F) persons lawfully admitted for permanent
21 residence under the Immigration and Nationality Act;
22 and

23 (G) parolees, for at least one year, under Section
24 212(d)(5) of the Immigration and Nationality Act.

25 Those children who are in the categories set forth in
26 subdivisions (4)(F) and (4)(G) of this subsection, who enter

1 the United States on or after August 22, 1996, shall not be
2 eligible for 5 years beginning on the date the child entered
3 the United States.

4 (b) A child who is determined to be eligible for assistance
5 may remain eligible for 12 months, provided the child maintains
6 his or her residence in the State, has not yet attained 19
7 years of age, and is not excluded pursuant to subsection (c). A
8 child who has been determined to be eligible for assistance
9 must reapply or otherwise establish eligibility at least
10 annually. An eligible child shall be required, ~~as determined by~~
11 ~~the Department by rule,~~ to report ~~promptly~~ those changes in
12 income and other circumstances that affect eligibility within
13 30 days after the occurrence of the change. The eligibility of
14 a child may be redetermined based on the information reported
15 or may be terminated based on the failure to report or failure
16 to report accurately. A child's responsible relative or
17 caretaker may also be held liable to the Department for any
18 payments made by the Department on such child's behalf that
19 were inappropriate. An applicant shall be provided with notice
20 of these obligations.

21 (c) A child shall not be eligible for coverage under this
22 Program if:

23 (1) the premium required pursuant to Section 30 of this
24 Act has not been paid. If the required premiums are not
25 paid the liability of the Program shall be limited to
26 benefits incurred under the Program for the time period for

1 which premiums had been paid. Re-enrollment shall be
2 completed prior to the next covered medical visit and the
3 first month's required premium shall be paid in advance of
4 the next covered medical visit. The Department shall
5 promulgate rules regarding grace periods, notice
6 requirements, and hearing procedures pursuant to this
7 subsection;

8 (2) the child is an inmate of a public institution or a
9 patient in an institution for mental diseases; or

10 (3) the child is a member of a family that is eligible
11 for health benefits covered under the State of Illinois
12 health benefits plan on the basis of a member's employment
13 with a public agency.

14 (d) The Department shall seek a waiver of federal
15 requirements under the Patient Protection and Affordable Care
16 Act in order to allow the Department to immediately implement
17 the changes made to this Section by this amendatory Act of the
18 97th General Assembly. Upon federal waiver approval, the
19 Department shall adopt rules necessary to implement the changes
20 made to this Section by this amendatory Act of the 97th General
21 Assembly.

22 (Source: P.A. 96-1272, eff. 1-1-11.)

23 (215 ILCS 106/40)

24 Sec. 40. Waivers.

25 (a) The Department shall request any necessary waivers of

1 federal requirements in order to allow receipt of federal
2 funding for:

3 (1) the coverage of families with eligible children
4 under this Act; and

5 (2) the coverage of children who would otherwise be
6 eligible under this Act, but who have health insurance.

7 (b) The failure of the responsible federal agency to
8 approve a waiver for children who would otherwise be eligible
9 under this Act but who have health insurance shall not prevent
10 the implementation of any Section of this Act provided that
11 there are sufficient appropriated funds.

12 (c) Eligibility of a person under an approved waiver due to
13 the relationship with a child pursuant to Article V of the
14 Illinois Public Aid Code or this Act shall be limited to such a
15 person whose countable income is determined by the Department
16 to be at or below such income eligibility standard as the
17 Department by rule shall establish. The income level
18 established by the Department shall not be below 90% of the
19 federal poverty level. Such persons who are determined to be
20 eligible must reapply, or otherwise establish eligibility, at
21 least annually. An eligible person shall be required, ~~as~~
22 ~~determined by the Department by rule,~~ to report ~~promptly~~ those
23 changes in income and other circumstances that affect
24 eligibility to the Department within 30 days after the
25 occurrence of the change. The eligibility of a person may be
26 redetermined based on the information reported or may be

1 terminated based on the failure to report or failure to report
2 accurately. A person may also be held liable to the Department
3 for any payments made by the Department on such person's behalf
4 that were inappropriate. An applicant shall be provided with
5 notice of these obligations.

6 (d) The Department shall adopt rules necessary to implement
7 the changes made to this Section by this amendatory Act of the
8 97th General Assembly.

9 (Source: P.A. 96-328, eff. 8-11-09.)

10 Section 15. The Covering ALL KIDS Health Insurance Act is
11 amended by changing Section 20 as follows:

12 (215 ILCS 170/20)

13 (Section scheduled to be repealed on July 1, 2016)

14 Sec. 20. Eligibility.

15 (a) To be eligible for the Program, a person must be a
16 child:

17 (1) who is a resident of the State of Illinois;

18 (2) who is ineligible for medical assistance under the
19 Illinois Public Aid Code or benefits under the Children's
20 Health Insurance Program Act;

21 (3) either (i) who has been without health insurance
22 coverage for 12 months, (ii) whose parent has lost
23 employment that made available affordable dependent health
24 insurance coverage, until such time as affordable

1 employer-sponsored dependent health insurance coverage is
2 again available for the child as set forth by the
3 Department in rules, (iii) who is a newborn whose
4 responsible relative does not have available affordable
5 private or employer-sponsored health insurance, or (iv)
6 who, within one year of applying for coverage under this
7 Act, lost medical benefits under the Illinois Public Aid
8 Code or the Children's Health Insurance Program Act; ~~and~~

9 (3.5) whose household income, as determined by the
10 Department, is at or below 300% of the federal poverty
11 level. This item (3.5) is effective July 1, 2011; ~~and~~ -

12 (4) whose household assets do not exceed \$10,000,
13 excluding (i) the value of the residence in which the child
14 lives and (ii) the value of a vehicle used by the household
15 for transportation purposes; for purposes of this
16 paragraph (4), "vehicle" does not include a recreational
17 vehicle as defined in the Campground Licensing and
18 Recreational Area Act.

19 An entity that provides health insurance coverage (as
20 defined in Section 2 of the Comprehensive Health Insurance Plan
21 Act) to Illinois residents shall provide health insurance data
22 match to the Department of Healthcare and Family Services as
23 provided by and subject to Section 5.5 of the Illinois
24 Insurance Code.

25 The Department of Healthcare and Family Services, in
26 collaboration with the Department of Insurance, shall adopt

1 rules governing the exchange of information under this Section.
2 The rules shall be consistent with all laws relating to the
3 confidentiality or privacy of personal information or medical
4 records, including provisions under the Federal Health
5 Insurance Portability and Accountability Act (HIPAA).

6 (b) The Department shall monitor the availability and
7 retention of employer-sponsored dependent health insurance
8 coverage and shall modify the period described in subdivision
9 (a) (3) if necessary to promote retention of private or
10 employer-sponsored health insurance and timely access to
11 healthcare services, but at no time shall the period described
12 in subdivision (a) (3) be less than 6 months.

13 (c) The Department, at its discretion, may take into
14 account the affordability of dependent health insurance when
15 determining whether employer-sponsored dependent health
16 insurance coverage is available upon reemployment of a child's
17 parent as provided in subdivision (a) (3).

18 (d) A child who is determined to be eligible for the
19 Program shall remain eligible for 12 months, provided that the
20 child maintains his or her residence in this State, has not yet
21 attained 19 years of age, and is not excluded under subsection
22 (e).

23 (e) A child is not eligible for coverage under the Program
24 if:

25 (1) the premium required under Section 40 has not been
26 timely paid; if the required premiums are not paid, the

1 liability of the Program shall be limited to benefits
2 incurred under the Program for the time period for which
3 premiums have been paid; re-enrollment shall be completed
4 before the next covered medical visit, and the first
5 month's required premium shall be paid in advance of the
6 next covered medical visit; or

7 (2) the child is an inmate of a public institution or
8 an institution for mental diseases.

9 (f) The Department may adopt rules, including, but not
10 limited to: rules regarding annual renewals of eligibility for
11 the Program in conformance with Section 7 of this Act; rules
12 providing for re-enrollment, grace periods, notice
13 requirements, and hearing procedures under subdivision (e) (1)
14 of this Section; and rules regarding what constitutes
15 availability and affordability of private or
16 employer-sponsored health insurance, with consideration of
17 such factors as the percentage of income needed to purchase
18 children or family health insurance, the availability of
19 employer subsidies, and other relevant factors.

20 (g) Each child enrolled in the Program as of July 1, 2011
21 whose family income, as established by the Department, exceeds
22 300% of the federal poverty level may remain enrolled in the
23 Program for 12 additional months commencing July 1, 2011.
24 Continued enrollment pursuant to this subsection shall be
25 available only if the child continues to meet all eligibility
26 criteria established under the Program as of the effective date

1 of this amendatory Act of the 96th General Assembly without a
2 break in coverage. Nothing contained in this subsection shall
3 prevent a child from qualifying for any other health benefits
4 program operated by the Department.

5 (d) The Department shall seek a waiver of federal
6 requirements under the Patient Protection and Affordable Care
7 Act in order to allow the Department to immediately implement
8 the changes made to this Section by this amendatory Act of the
9 97th General Assembly. Upon federal waiver approval, the
10 Department shall adopt rules necessary to implement the changes
11 made to this Section by this amendatory Act of the 97th General
12 Assembly.

13 (Source: P.A. 96-1272, eff. 1-1-11; 96-1501, eff. 1-25-11.)

14 Section 99. Effective date. This Act takes effect upon
15 becoming law.