



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB3919

Introduced 5/10/2012, by Sen. Dale A. Righter

SYNOPSIS AS INTRODUCED:

5 ILCS 375/10

from Ch. 127, par. 530

Amends the State Employees Group Insurance Act of 1971. Requires, beginning on the effective date of the amendatory Act, retired employees, annuitants, and survivors to pay premiums in order to obtain coverage for themselves and any dependents under the program of group health benefits. Requires the Director to determine the amount of the premium to be paid by each retired employee, annuitant, and survivor, based upon a system that takes into account (i) points, which are calculated by summing the retiree's age when benefits commenced and his or her total years of service, and (ii) annual State pension income. Specifies that, with respect to any annuitant, retired employee, or survivor covered by a collective bargaining agreement in effect on the effective date of the amendatory Act and until that collective bargaining agreement terminates, the obligation of each retired employee, annuitant, and survivor to pay the required premium applies only to the extent that the obligation is consistent with any contractual obligations existing in any collective bargaining agreement in effect on the effective date of the amendatory Act. Allows the Director, upon the expiration of any collective bargaining agreement in effect on the effective date of the amendatory Act, to alter the schedule of premium contributions to ensure that 49% of the costs associated with the basic program of group health benefits are covered by participating retired employees, annuitants, and survivors. Defines "State pension income". Effective July 1, 2012.

LRB097 21447 JDS 69476 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning government.

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

4 Section 5. The State Employees Group Insurance Act of 1971
5 is amended by changing Section 10 as follows:

6 (5 ILCS 375/10) (from Ch. 127, par. 530)

7 Sec. 10. Payments by State; premiums.

8 (a) The State shall pay the cost of basic non-contributory
9 group life insurance and, subject to member paid contributions
10 set by the Department or required by this Section, the basic
11 program of group health benefits on each eligible member,
12 except a member, not otherwise covered by this Act, who has
13 retired as a participating member under Article 2 of the
14 Illinois Pension Code but is ineligible for the retirement
15 annuity under Section 2-119 of the Illinois Pension Code, and
16 part of each eligible member's and retired member's premiums
17 for health insurance coverage for enrolled dependents as
18 provided by Section 9. The State shall pay the cost of the
19 basic program of group health benefits only after benefits are
20 reduced by the amount of benefits covered by Medicare for all
21 members and dependents who are eligible for benefits under
22 Social Security or the Railroad Retirement system or who had
23 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 Healthcare and Family Services, or any
10 successor agency designated to procure healthcare contracts
11 pursuant to this Act, is authorized to establish funds,
12 separate accounts provided by any bank or banks as defined by
13 the Illinois Banking Act, or separate accounts provided by any
14 savings and loan association or associations as defined by the
15 Illinois Savings and Loan Act of 1985 to be held by the
16 Director, outside the State treasury, for the purpose of
17 receiving the transfer of moneys from the Local Government
18 Health Insurance Reserve Fund. The Department may promulgate
19 rules further defining the methodology for the transfers. Any
20 interest earned by moneys in the funds or accounts shall inure
21 to the Local Government Health Insurance Reserve Fund. The
22 transferred moneys, and interest accrued thereon, shall be used
23 exclusively for transfers to administrative service
24 organizations or their financial institutions for payments of
25 claims to claimants and providers under the self-insurance
26 health plan. The transferred moneys, and interest accrued

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

5 (a-10) Notwithstanding any provision of this Act to the
6 contrary, beginning July 1, 2012, annuitants, retired
7 employees, and survivors must pay premiums in order to obtain
8 coverage for themselves and any dependents under the program of
9 group health benefits provided under this Act. The Director
10 shall determine the amount of the premium to be paid by each
11 annuitant, retired employee, and survivor, based upon a system
12 that takes into account (i) points, which are calculated by
13 summing the retiree's age when benefits commenced and his or
14 her total years of service, and (ii) annual State pension
15 income, according to the following schedule:

16 (1) For a retired employee, annuitant, or survivor with
17 78 or fewer points and:

18 (A) An annual State pension income of less than
19 \$15,000, 50% of the applicable premium.

20 (B) An annual State pension income of at least
21 \$15,000 but less than \$30,000, 60% of the applicable
22 premium.

23 (C) An annual State pension income of at least
24 \$30,000 but less than \$50,000, 70% of the applicable
25 premium.

26 (D) An annual State pension income of at least

1 \$50,000 but less than \$100,000, 80% of the applicable
2 premium.

3 (E) An annual State pension income of at least
4 \$100,000 but less than \$125,000, 90% of the applicable
5 premium.

6 (F) An annual State pension income of \$125,000 or
7 more, 100% of the applicable premium.

8 (2) For a retired employee, annuitant, or survivor with
9 79 to 85 points and:

10 (A) An annual State pension income of less than
11 \$15,000, 35% of the applicable premium.

12 (B) An annual State pension income of at least
13 \$15,000 but less than \$30,000, 45% of the applicable
14 premium.

15 (C) An annual State pension income of at least
16 \$30,000 but less than \$50,000, 55% of the applicable
17 premium.

18 (D) An annual State pension income of at least
19 \$50,000 but less than \$100,000, 65% of the applicable
20 premium.

21 (E) An annual State pension income of at least
22 \$100,000 but less than \$125,000, 75% of the applicable
23 premium.

24 (F) An annual State pension income of \$125,000 or
25 more, 100% of the applicable premium.

26 (3) For a retired employee, annuitant, or survivor with

1 86 to 92 points and:

2 (A) An annual State pension income of less than
3 \$15,000, 20% of the applicable premium.

4 (B) An annual State pension income of at least
5 \$15,000 but less than \$30,000, 30% of the applicable
6 premium.

7 (C) An annual State pension income of at least
8 \$30,000 but less than \$50,000, 40% of the applicable
9 premium.

10 (D) An annual State pension income of at least
11 \$50,000 but less than \$100,000, 50% of the applicable
12 premium.

13 (E) An annual State pension income of at least
14 \$100,000 but less than \$125,000, 60% of the applicable
15 premium.

16 (F) An annual State pension income of \$125,000 or
17 more, 100% of the applicable premium.

18 (4) For a retired employee, annuitant, or survivor with
19 93 or more points and:

20 (A) An annual State pension income of less than
21 \$15,000, 5% of the applicable premium.

22 (B) An annual State pension income of at least
23 \$15,000 but less than \$30,000, 15% of the applicable
24 premium.

25 (C) An annual State pension income of at least
26 \$30,000 but less than \$50,000, 25% of the applicable

1 premium.

2 (D) An annual State pension income of at least
3 \$50,000 but less than \$100,000, 35% of the applicable
4 premium.

5 (E) An annual State pension income of at least
6 \$100,000 but less than \$125,000, 45% of the applicable
7 premium.

8 (F) An annual State pension income of \$125,000 or
9 more, 85% of the applicable premium.

10 The schedule of premium contributions for annuitants,
11 retired employees, and survivors that is set forth in this
12 subsection (a-10) shall also be used for the purpose of
13 calculating the portion of premiums that is to be paid by those
14 persons for dependent coverage.

15 The Director shall establish by rule a process for retired
16 employees, annuitants, and survivors to appeal determinations
17 of annual State pension income.

18 With respect to any annuitant, retired employee, or
19 survivor covered by a collective bargaining agreement in effect
20 on the effective date of this amendatory Act of the 97th
21 General Assembly and until that collective bargaining
22 agreement terminates, the obligation of each retired employee,
23 annuitant, or survivor to pay the required premium applies only
24 to the extent that the obligation is consistent with any
25 contractual obligations existing in any collective bargaining
26 agreement.

1 Upon the expiration of any collective bargaining agreement
2 in effect on the effective date of this amendatory Act of the
3 97th General Assembly, the Director may alter the schedule
4 above to ensure that 49% of the costs associated with the basic
5 program of group health benefits are covered by retired
6 employees, annuitants, and survivors.

7 For the purposes of this subsection (a-10), "State pension
8 income" means income paid or payable to an individual from a
9 retirement system created under Article 2, 14, 15, 16, or 18 of
10 the Illinois Pension Code.

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

21 (c) The basic non-contributory coverage from the basic
22 program of group health benefits shall be continued for each
23 employee not in pay status or on active service by reason of
24 (1) leave of absence due to illness or injury, (2) authorized
25 educational leave of absence or sabbatical leave, or (3)
26 military leave. This coverage shall continue until expiration

1 of authorized leave and return to active service, but not to
2 exceed 24 months for leaves under item (1) or (2). This
3 24-month limitation and the requirement of returning to active
4 service shall not apply to persons receiving ordinary or
5 accidental disability benefits or retirement benefits through
6 the appropriate State retirement system or benefits under the
7 Workers' Compensation or Occupational Disease Act.

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

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

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

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

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

24 (i) Any unit of local government within the State of
25 Illinois may apply to the Director to have its employees,
26 annuitants, and their dependents provided group health

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

1 district's health plan, provided that an appropriate official
2 from the participating school district attests that the
3 full-time employee has waived coverage by participating in a
4 component of the district's cafeteria plan. For the purposes of
5 this subsection, "participating school district" includes a
6 unit of local government whose primary purpose is education as
7 defined by the Department's rules.

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

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

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

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

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

22 Monthly payments by the unit of local government or its
23 employees for group health benefits plan or health maintenance
24 organization coverage shall be deposited in the Local
25 Government Health Insurance Reserve Fund.

26 The Local Government Health Insurance Reserve Fund is

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

20 A local government employer's participation or desire to
21 participate in a program created under this subsection shall
22 not limit that employer's duty to bargain with the
23 representative of any collective bargaining unit of its
24 employees.

25 (j) Any rehabilitation facility within the State of
26 Illinois may apply to the Director to have its employees,

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

26 The Director shall annually determine quarterly rates of

1 payment, subject to the following constraints:

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

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

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

19 (k) Any domestic violence shelter or service within the
20 State of Illinois may apply to the Director to have its
21 employees, annuitants, and their dependents provided group
22 health coverage under this Act on a non-insured basis. To
23 participate, a domestic violence shelter or service must agree
24 to enroll all of its employees and pay the entire cost of
25 providing such coverage for its employees. The domestic
26 violence shelter shall not be required to enroll those of its

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

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

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

1 employees and employees of the domestic violence shelter or
2 service in age, sex, geographic location or other relevant
3 demographic variables, plus an amount sufficient to pay for
4 the additional administrative costs of providing coverage
5 to employees of the domestic violence shelter or service
6 and their dependents.

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

11 Monthly payments by the domestic violence shelter or
12 service or its employees for group health insurance shall be
13 deposited in the Local Government Health Insurance Reserve
14 Fund.

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

25 The Director shall annually determine monthly rates of
26 payment subject to the following constraints: for those

1 community colleges with annuitants only enrolled, first year
2 rates shall be equal to the average cost to cover claims for a
3 State member adjusted for demographics, Medicare
4 participation, and other factors; and in the second year, a
5 further adjustment of rates shall be made to reflect the actual
6 first year's claims experience of the covered annuitants.

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

9 (m) The Director shall adopt any rules deemed necessary for
10 implementation of this amendatory Act of 1989 (Public Act
11 86-978).

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

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

12 The Director shall annually determine rates of payment,
13 subject to the following constraints:

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

25 (2) In subsequent years, a further adjustment shall be
26 made to reflect the actual prior years' claims experience

1 of the employees of the child advocacy center.

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

5 (Source: P.A. 95-331, eff. 8-21-07; 95-632, eff. 9-25-07;
6 95-707, eff. 1-11-08; 96-756, eff. 1-1-10; 96-1232, eff.
7 7-23-10; 96-1519, eff. 2-4-11.)

8 Section 99. Effective date. This Act takes effect July 1,
9 2012.