

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 5. The State Employees Group Insurance Act of 1971  
5 is amended by changing Section 6.11 as follows:

6 (5 ILCS 375/6.11)

7 Sec. 6.11. Required health benefits; Illinois Insurance  
8 Code requirements. The program of health benefits shall provide  
9 the post-mastectomy care benefits required to be covered by a  
10 policy of accident and health insurance under Section 356t of  
11 the Illinois Insurance Code. The program of health benefits  
12 shall provide the coverage required under Sections 356g,  
13 356g.5, 356g.5-1, 356m, 356u, 356w, 356x, 356z.2, 356z.4,  
14 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,  
15 356z.14, 356z.15, ~~and 356z.17,~~ and 356z.19, and 356z.22 of the  
16 Illinois Insurance Code. The program of health benefits must  
17 comply with Sections 155.22a, ~~and 155.37,~~ and 356z.19 of the  
18 Illinois Insurance Code.

19 Rulemaking authority to implement Public Act 95-1045, if  
20 any, is conditioned on the rules being adopted in accordance  
21 with all provisions of the Illinois Administrative Procedure  
22 Act and all rules and procedures of the Joint Committee on  
23 Administrative Rules; any purported rule not so adopted, for

1 whatever reason, is unauthorized.

2 (Source: P.A. 96-139, eff. 1-1-10; 96-328, eff. 8-11-09;  
3 96-639, eff. 1-1-10; 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11;  
4 97-343, eff. 1-1-12; revised 10-14-11.)

5 Section 10. The Counties Code is amended by changing  
6 Section 5-1069.3 as follows:

7 (55 ILCS 5/5-1069.3)

8 Sec. 5-1069.3. Required health benefits. If a county,  
9 including a home rule county, is a self-insurer for purposes of  
10 providing health insurance coverage for its employees, the  
11 coverage shall include coverage for the post-mastectomy care  
12 benefits required to be covered by a policy of accident and  
13 health insurance under Section 356t and the coverage required  
14 under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x,  
15 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,  
16 356z.14, ~~and 356z.15,~~ and 356z.22 of the Illinois Insurance  
17 Code. The coverage shall comply with Sections ~~Section~~ 155.22a  
18 and 356z.19 of the Illinois Insurance Code. The requirement  
19 that health benefits be covered as provided in this Section is  
20 an exclusive power and function of the State and is a denial  
21 and limitation under Article VII, Section 6, subsection (h) of  
22 the Illinois Constitution. A home rule county to which this  
23 Section applies must comply with every provision of this  
24 Section.

1 Rulemaking authority to implement Public Act 95-1045, if  
2 any, is conditioned on the rules being adopted in accordance  
3 with all provisions of the Illinois Administrative Procedure  
4 Act and all rules and procedures of the Joint Committee on  
5 Administrative Rules; any purported rule not so adopted, for  
6 whatever reason, is unauthorized.

7 (Source: P.A. 96-139, eff. 1-1-10; 96-328, eff. 8-11-09;  
8 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11; 97-343, eff. 1-1-12;  
9 revised 10-14-11.)

10 Section 15. The Illinois Municipal Code is amended by  
11 changing Section 10-4-2.3 as follows:

12 (65 ILCS 5/10-4-2.3)

13 Sec. 10-4-2.3. Required health benefits. If a  
14 municipality, including a home rule municipality, is a  
15 self-insurer for purposes of providing health insurance  
16 coverage for its employees, the coverage shall include coverage  
17 for the post-mastectomy care benefits required to be covered by  
18 a policy of accident and health insurance under Section 356t  
19 and the coverage required under Sections 356g, 356g.5,  
20 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10,  
21 356z.11, 356z.12, 356z.13, 356z.14, ~~and~~ 356z.15, and 356z.22 of  
22 the Illinois Insurance Code. The coverage shall comply with  
23 Sections ~~Section~~ 155.22a and 356z.19 of the Illinois Insurance  
24 Code. The requirement that health benefits be covered as

1 provided in this is an exclusive power and function of the  
2 State and is a denial and limitation under Article VII, Section  
3 6, subsection (h) of the Illinois Constitution. A home rule  
4 municipality to which this Section applies must comply with  
5 every provision of this Section.

6 Rulemaking authority to implement Public Act 95-1045, if  
7 any, is conditioned on the rules being adopted in accordance  
8 with all provisions of the Illinois Administrative Procedure  
9 Act and all rules and procedures of the Joint Committee on  
10 Administrative Rules; any purported rule not so adopted, for  
11 whatever reason, is unauthorized.

12 (Source: P.A. 96-139, eff. 1-1-10; 96-328, eff. 8-11-09;  
13 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11; 97-343, eff. 1-1-12;  
14 revised 10-14-11.)

15 Section 20. The School Code is amended by changing Section  
16 10-22.3f as follows:

17 (105 ILCS 5/10-22.3f)

18 Sec. 10-22.3f. Required health benefits. Insurance  
19 protection and benefits for employees shall provide the  
20 post-mastectomy care benefits required to be covered by a  
21 policy of accident and health insurance under Section 356t and  
22 the coverage required under Sections 356g, 356g.5, 356g.5-1,  
23 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.11, 356z.12,  
24 356z.13, 356z.14, ~~and~~ 356z.15, and 356z.22 of the Illinois

1 Insurance Code. Insurance policies shall comply with Section  
2 356z.19 of the Illinois Insurance Code. The coverage shall  
3 comply with Section 155.22a of the Illinois Insurance Code.

4 Rulemaking authority to implement Public Act 95-1045, if  
5 any, is conditioned on the rules being adopted in accordance  
6 with all provisions of the Illinois Administrative Procedure  
7 Act and all rules and procedures of the Joint Committee on  
8 Administrative Rules; any purported rule not so adopted, for  
9 whatever reason, is unauthorized.

10 (Source: P.A. 96-139, eff. 1-1-10; 96-328, eff. 8-11-09;  
11 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11; 97-343, eff. 1-1-12;  
12 revised 9-28-11.)

13 Section 25. The Illinois Insurance Code is amended by  
14 adding Section 356z.22 as follows:

15 (215 ILCS 5/356z.22 new)

16 Sec. 356z.22. AIDS prevention.

17 (a) A group or individual policy of accident and health  
18 insurance or managed care plan amended, delivered, issued, or  
19 renewed after the effective date of this amendatory Act of the  
20 98th General Assembly must provide coverage for drugs that are  
21 approved for marketing by the federal Food and Drug  
22 Administration and that are recommended by the United States  
23 Public Health Service or the U.S. Centers for Disease Control  
24 and Prevention for pre-exposure prophylaxis (PrEP) to reduce

1 the likelihood of HIV infection among individuals who are not  
2 infected with HIV but who are at high risk of HIV infection.

3 (b) This Section does not require a policy of accident and  
4 health insurance to provide coverage for any clinical trials  
5 relating to any drug that is for pre-exposure prophylaxis for  
6 HIV that has been approved by the federal Food and Drug  
7 Administration in the form of an investigational new drug  
8 application.

9 Section 30. The Health Maintenance Organization Act is  
10 amended by changing Section 5-3 as follows:

11 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

12 Sec. 5-3. Insurance Code provisions.

13 (a) Health Maintenance Organizations shall be subject to  
14 the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,  
15 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154,  
16 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 355.3,  
17 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4, 356z.5,  
18 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,  
19 356z.14, 356z.15, 356z.17, 356z.18, 356z.19, 356z.21, 356z.22,  
20 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c, 368d, 368e,  
21 370c, 370c.1, 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412,  
22 444, and 444.1, paragraph (c) of subsection (2) of Section 367,  
23 and Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV,  
24 and XXVI of the Illinois Insurance Code.

1 (b) For purposes of the Illinois Insurance Code, except for  
2 Sections 444 and 444.1 and Articles XIII and XIII 1/2, Health  
3 Maintenance Organizations in the following categories are  
4 deemed to be "domestic companies":

5 (1) a corporation authorized under the Dental Service  
6 Plan Act or the Voluntary Health Services Plans Act;

7 (2) a corporation organized under the laws of this  
8 State; or

9 (3) a corporation organized under the laws of another  
10 state, 30% or more of the enrollees of which are residents  
11 of this State, except a corporation subject to  
12 substantially the same requirements in its state of  
13 organization as is a "domestic company" under Article VIII  
14 1/2 of the Illinois Insurance Code.

15 (c) In considering the merger, consolidation, or other  
16 acquisition of control of a Health Maintenance Organization  
17 pursuant to Article VIII 1/2 of the Illinois Insurance Code,

18 (1) the Director shall give primary consideration to  
19 the continuation of benefits to enrollees and the financial  
20 conditions of the acquired Health Maintenance Organization  
21 after the merger, consolidation, or other acquisition of  
22 control takes effect;

23 (2) (i) the criteria specified in subsection (1) (b) of  
24 Section 131.8 of the Illinois Insurance Code shall not  
25 apply and (ii) the Director, in making his determination  
26 with respect to the merger, consolidation, or other

1 acquisition of control, need not take into account the  
2 effect on competition of the merger, consolidation, or  
3 other acquisition of control;

4 (3) the Director shall have the power to require the  
5 following information:

6 (A) certification by an independent actuary of the  
7 adequacy of the reserves of the Health Maintenance  
8 Organization sought to be acquired;

9 (B) pro forma financial statements reflecting the  
10 combined balance sheets of the acquiring company and  
11 the Health Maintenance Organization sought to be  
12 acquired as of the end of the preceding year and as of  
13 a date 90 days prior to the acquisition, as well as pro  
14 forma financial statements reflecting projected  
15 combined operation for a period of 2 years;

16 (C) a pro forma business plan detailing an  
17 acquiring party's plans with respect to the operation  
18 of the Health Maintenance Organization sought to be  
19 acquired for a period of not less than 3 years; and

20 (D) such other information as the Director shall  
21 require.

22 (d) The provisions of Article VIII 1/2 of the Illinois  
23 Insurance Code and this Section 5-3 shall apply to the sale by  
24 any health maintenance organization of greater than 10% of its  
25 enrollee population (including without limitation the health  
26 maintenance organization's right, title, and interest in and to



1 its health care certificates).

2 (e) In considering any management contract or service  
3 agreement subject to Section 141.1 of the Illinois Insurance  
4 Code, the Director (i) shall, in addition to the criteria  
5 specified in Section 141.2 of the Illinois Insurance Code, take  
6 into account the effect of the management contract or service  
7 agreement on the continuation of benefits to enrollees and the  
8 financial condition of the health maintenance organization to  
9 be managed or serviced, and (ii) need not take into account the  
10 effect of the management contract or service agreement on  
11 competition.

12 (f) Except for small employer groups as defined in the  
13 Small Employer Rating, Renewability and Portability Health  
14 Insurance Act and except for medicare supplement policies as  
15 defined in Section 363 of the Illinois Insurance Code, a Health  
16 Maintenance Organization may by contract agree with a group or  
17 other enrollment unit to effect refunds or charge additional  
18 premiums under the following terms and conditions:

19 (i) the amount of, and other terms and conditions with  
20 respect to, the refund or additional premium are set forth  
21 in the group or enrollment unit contract agreed in advance  
22 of the period for which a refund is to be paid or  
23 additional premium is to be charged (which period shall not  
24 be less than one year); and

25 (ii) the amount of the refund or additional premium  
26 shall not exceed 20% of the Health Maintenance

1 Organization's profitable or unprofitable experience with  
2 respect to the group or other enrollment unit for the  
3 period (and, for purposes of a refund or additional  
4 premium, the profitable or unprofitable experience shall  
5 be calculated taking into account a pro rata share of the  
6 Health Maintenance Organization's administrative and  
7 marketing expenses, but shall not include any refund to be  
8 made or additional premium to be paid pursuant to this  
9 subsection (f)). The Health Maintenance Organization and  
10 the group or enrollment unit may agree that the profitable  
11 or unprofitable experience may be calculated taking into  
12 account the refund period and the immediately preceding 2  
13 plan years.

14 The Health Maintenance Organization shall include a  
15 statement in the evidence of coverage issued to each enrollee  
16 describing the possibility of a refund or additional premium,  
17 and upon request of any group or enrollment unit, provide to  
18 the group or enrollment unit a description of the method used  
19 to calculate (1) the Health Maintenance Organization's  
20 profitable experience with respect to the group or enrollment  
21 unit and the resulting refund to the group or enrollment unit  
22 or (2) the Health Maintenance Organization's unprofitable  
23 experience with respect to the group or enrollment unit and the  
24 resulting additional premium to be paid by the group or  
25 enrollment unit.

26 In no event shall the Illinois Health Maintenance

1 Organization Guaranty Association be liable to pay any  
2 contractual obligation of an insolvent organization to pay any  
3 refund authorized under this Section.

4 (g) Rulemaking authority to implement Public Act 95-1045,  
5 if any, is conditioned on the rules being adopted in accordance  
6 with all provisions of the Illinois Administrative Procedure  
7 Act and all rules and procedures of the Joint Committee on  
8 Administrative Rules; any purported rule not so adopted, for  
9 whatever reason, is unauthorized.

10 (Source: P.A. 96-328, eff. 8-11-09; 96-639, eff. 1-1-10;  
11 96-833, eff. 6-1-10; 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11;  
12 97-343, eff. 1-1-12; 97-437, eff. 8-18-11; 97-486, eff. 1-1-12;  
13 97-592, eff. 1-1-12; 97-805, eff. 1-1-13; 97-813, eff.  
14 7-13-12.)

15 Section 35. The Voluntary Health Services Plans Act is  
16 amended by changing Section 10 as follows:

17 (215 ILCS 165/10) (from Ch. 32, par. 604)

18 Sec. 10. Application of Insurance Code provisions. Health  
19 services plan corporations and all persons interested therein  
20 or dealing therewith shall be subject to the provisions of  
21 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,  
22 143, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3, 356g,  
23 356g.5, 356g.5-1, 356r, 356t, 356u, 356v, 356w, 356x, 356y,  
24 356z.1, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9,

1 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18,  
2 356z.19, 356z.21, 356z.22, 364.01, 367.2, 368a, 401, 401.1,  
3 402, 403, 403A, 408, 408.2, and 412, and paragraphs (7) and  
4 (15) of Section 367 of the Illinois Insurance Code.

5 Rulemaking authority to implement Public Act 95-1045, if  
6 any, is conditioned on the rules being adopted in accordance  
7 with all provisions of the Illinois Administrative Procedure  
8 Act and all rules and procedures of the Joint Committee on  
9 Administrative Rules; any purported rule not so adopted, for  
10 whatever reason, is unauthorized.

11 (Source: P.A. 96-328, eff. 8-11-09; 96-833, eff. 6-1-10;  
12 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11; 97-343, eff. 1-1-12;  
13 97-486, eff. 1-1-12; 97-592, eff. 1-1-12; 97-805, eff. 1-1-13;  
14 97-813, eff. 7-13-12.)