



Sen. David Koehler

**Filed: 5/6/2013**

09800HB3227sam002

LRB098 03489 AMC 45480 a

1 AMENDMENT TO HOUSE BILL 3227

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 3227 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Personnel Code is amended by changing  
5 Section 4c as follows:

6 (20 ILCS 415/4c) (from Ch. 127, par. 63b104c)

7 Sec. 4c. General exemptions. The following positions in  
8 State service shall be exempt from jurisdictions A, B, and C,  
9 unless the jurisdictions shall be extended as provided in this  
10 Act:

11 (1) All officers elected by the people.

12 (2) All positions under the Lieutenant Governor,  
13 Secretary of State, State Treasurer, State Comptroller,  
14 State Board of Education, Clerk of the Supreme Court,  
15 Attorney General, and State Board of Elections.

16 (3) Judges, and officers and employees of the courts,

1 and notaries public.

2 (4) All officers and employees of the Illinois General  
3 Assembly, all employees of legislative commissions, all  
4 officers and employees of the Illinois Legislative  
5 Reference Bureau, the Legislative Research Unit, and the  
6 Legislative Printing Unit.

7 (5) All positions in the Illinois National Guard and  
8 Illinois State Guard, paid from federal funds or positions  
9 in the State Military Service filled by enlistment and paid  
10 from State funds.

11 (6) All employees of the Governor at the executive  
12 mansion and on his immediate personal staff.

13 (7) Directors of Departments, the Adjutant General,  
14 the Assistant Adjutant General, the Director of the  
15 Illinois Emergency Management Agency, members of boards  
16 and commissions, and all other positions appointed by the  
17 Governor by and with the consent of the Senate.

18 (8) The presidents, other principal administrative  
19 officers, and teaching, research and extension faculties  
20 of Chicago State University, Eastern Illinois University,  
21 Governors State University, Illinois State University,  
22 Northeastern Illinois University, Northern Illinois  
23 University, Western Illinois University, the Illinois  
24 Community College Board, Southern Illinois University,  
25 Illinois Board of Higher Education, University of  
26 Illinois, State Universities Civil Service System,

1 University Retirement System of Illinois, and the  
2 administrative officers and scientific and technical staff  
3 of the Illinois State Museum.

4 (9) All other employees except the presidents, other  
5 principal administrative officers, and teaching, research  
6 and extension faculties of the universities under the  
7 jurisdiction of the Board of Regents and the colleges and  
8 universities under the jurisdiction of the Board of  
9 Governors of State Colleges and Universities, Illinois  
10 Community College Board, Southern Illinois University,  
11 Illinois Board of Higher Education, Board of Governors of  
12 State Colleges and Universities, the Board of Regents,  
13 University of Illinois, State Universities Civil Service  
14 System, University Retirement System of Illinois, so long  
15 as these are subject to the provisions of the State  
16 Universities Civil Service Act.

17 (10) The State Police so long as they are subject to  
18 the merit provisions of the State Police Act.

19 (11) (Blank).

20 (12) The technical and engineering staffs of the  
21 Department of Transportation, the Department of Nuclear  
22 Safety, the Pollution Control Board, and the Illinois  
23 Commerce Commission, and the technical and engineering  
24 staff providing architectural and engineering services in  
25 the Department of Central Management Services.

26 (13) All employees of the Illinois State Toll Highway

1 Authority.

2 (14) The Secretary of the Illinois Workers'  
3 Compensation Commission.

4 (15) All persons who are appointed or employed by the  
5 Director of Insurance under authority of Section 202 of the  
6 Illinois Insurance Code to assist the Director of Insurance  
7 in discharging his responsibilities relating to the  
8 rehabilitation, liquidation, conservation, and dissolution  
9 of companies that are subject to the jurisdiction of the  
10 Illinois Insurance Code.

11 (16) All employees of the St. Louis Metropolitan Area  
12 Airport Authority.

13 (17) All investment officers employed by the Illinois  
14 State Board of Investment.

15 (18) Employees of the Illinois Young Adult  
16 Conservation Corps program, administered by the Illinois  
17 Department of Natural Resources, authorized grantee under  
18 Title VIII of the Comprehensive Employment and Training Act  
19 of 1973, 29 USC 993.

20 (19) Seasonal employees of the Department of  
21 Agriculture for the operation of the Illinois State Fair  
22 and the DuQuoin State Fair, no one person receiving more  
23 than 29 days of such employment in any calendar year.

24 (20) All "temporary" employees hired under the  
25 Department of Natural Resources' Illinois Conservation  
26 Service, a youth employment program that hires young people

1 to work in State parks for a period of one year or less.

2 (21) All hearing officers of the Human Rights  
3 Commission.

4 (22) All employees of the Illinois Mathematics and  
5 Science Academy.

6 (23) All employees of the Kankakee River Valley Area  
7 Airport Authority.

8 (24) The commissioners and employees of the Executive  
9 Ethics Commission.

10 (25) The Executive Inspectors General, including  
11 special Executive Inspectors General, and employees of  
12 each Office of an Executive Inspector General.

13 (26) The commissioners and employees of the  
14 Legislative Ethics Commission.

15 (27) The Legislative Inspector General, including  
16 special Legislative Inspectors General, and employees of  
17 the Office of the Legislative Inspector General.

18 (28) The Auditor General's Inspector General and  
19 employees of the Office of the Auditor General's Inspector  
20 General.

21 (29) All employees of the Illinois Power Agency.

22 (30) Employees having demonstrable, defined advanced  
23 skills in accounting, financial reporting, or technical  
24 expertise who are employed within executive branch  
25 agencies and whose duties are directly related to the  
26 submission to the Office of the Comptroller of financial

1 information for the publication of the Comprehensive  
2 Annual Financial Report (CAFR).

3 (31) The employees of the Illinois Health Benefits  
4 Exchange.

5 (Source: P.A. 97-618, eff. 10-26-11; 97-1055, eff. 8-23-12.)

6 Section 10. The Illinois State Auditing Act is amended by  
7 changing Section 3-1 as follows:

8 (30 ILCS 5/3-1) (from Ch. 15, par. 303-1)

9 Sec. 3-1. Jurisdiction of Auditor General. The Auditor  
10 General has jurisdiction over all State agencies to make post  
11 audits and investigations authorized by or under this Act or  
12 the Constitution.

13 The Auditor General has jurisdiction over local government  
14 agencies and private agencies only:

15 (a) to make such post audits authorized by or under  
16 this Act as are necessary and incidental to a post audit of  
17 a State agency or of a program administered by a State  
18 agency involving public funds of the State, but this  
19 jurisdiction does not include any authority to review local  
20 governmental agencies in the obligation, receipt,  
21 expenditure or use of public funds of the State that are  
22 granted without limitation or condition imposed by law,  
23 other than the general limitation that such funds be used  
24 for public purposes;

1           (b) to make investigations authorized by or under this  
2 Act or the Constitution; and

3           (c) to make audits of the records of local government  
4 agencies to verify actual costs of state-mandated programs  
5 when directed to do so by the Legislative Audit Commission  
6 at the request of the State Board of Appeals under the  
7 State Mandates Act.

8           In addition to the foregoing, the Auditor General may  
9 conduct an audit of the Metropolitan Pier and Exposition  
10 Authority, the Regional Transportation Authority, the Suburban  
11 Bus Division, the Commuter Rail Division and the Chicago  
12 Transit Authority and any other subsidized carrier when  
13 authorized by the Legislative Audit Commission. Such audit may  
14 be a financial, management or program audit, or any combination  
15 thereof.

16           The audit shall determine whether they are operating in  
17 accordance with all applicable laws and regulations. Subject to  
18 the limitations of this Act, the Legislative Audit Commission  
19 may by resolution specify additional determinations to be  
20 included in the scope of the audit.

21           In addition to the foregoing, the Auditor General must also  
22 conduct a financial audit of the Illinois Sports Facilities  
23 Authority's expenditures of public funds in connection with the  
24 reconstruction, renovation, remodeling, extension, or  
25 improvement of all or substantially all of any existing  
26 "facility", as that term is defined in the Illinois Sports

1 Facilities Authority Act.

2 The Auditor General may also conduct an audit, when  
3 authorized by the Legislative Audit Commission, of any hospital  
4 which receives 10% or more of its gross revenues from payments  
5 from the State of Illinois, Department of Healthcare and Family  
6 Services (formerly Department of Public Aid), Medical  
7 Assistance Program.

8 The Auditor General is authorized to conduct financial and  
9 compliance audits of the Illinois Distance Learning Foundation  
10 and the Illinois Conservation Foundation.

11 As soon as practical after the effective date of this  
12 amendatory Act of 1995, the Auditor General shall conduct a  
13 compliance and management audit of the City of Chicago and any  
14 other entity with regard to the operation of Chicago O'Hare  
15 International Airport, Chicago Midway Airport and Merrill C.  
16 Meigs Field. The audit shall include, but not be limited to, an  
17 examination of revenues, expenses, and transfers of funds;  
18 purchasing and contracting policies and practices; staffing  
19 levels; and hiring practices and procedures. When completed,  
20 the audit required by this paragraph shall be distributed in  
21 accordance with Section 3-14.

22 The Auditor General shall conduct a financial and  
23 compliance and program audit of distributions from the  
24 Municipal Economic Development Fund during the immediately  
25 preceding calendar year pursuant to Section 8-403.1 of the  
26 Public Utilities Act at no cost to the city, village, or



1 incorporated town that received the distributions.

2 The Auditor General must conduct an audit of the Health  
3 Facilities and Services Review Board pursuant to Section 19.5  
4 of the Illinois Health Facilities Planning Act.

5 The Auditor General of the State of Illinois shall annually  
6 conduct or cause to be conducted a financial and compliance  
7 audit of the books and records of any county water commission  
8 organized pursuant to the Water Commission Act of 1985 and  
9 shall file a copy of the report of that audit with the Governor  
10 and the Legislative Audit Commission. The filed audit shall be  
11 open to the public for inspection. The cost of the audit shall  
12 be charged to the county water commission in accordance with  
13 Section 6z-27 of the State Finance Act. The county water  
14 commission shall make available to the Auditor General its  
15 books and records and any other documentation, whether in the  
16 possession of its trustees or other parties, necessary to  
17 conduct the audit required. These audit requirements apply only  
18 through July 1, 2007.

19 The Auditor General must conduct audits of the Rend Lake  
20 Conservancy District as provided in Section 25.5 of the River  
21 Conservancy Districts Act.

22 The Auditor General must conduct financial audits of the  
23 Southeastern Illinois Economic Development Authority as  
24 provided in Section 70 of the Southeastern Illinois Economic  
25 Development Authority Act.

26 The Auditor General shall conduct a compliance audit in

1 accordance with subsections (d) and (f) of Section 30 of the  
2 Innovation Development and Economy Act.

3 The Auditor General shall have the authority to conduct an  
4 audit of the Illinois Health Benefits Exchange. The audit may  
5 be a financial audit, a management audit, a program audit, or  
6 any combination thereof.

7 (Source: P.A. 95-331, eff. 8-21-07; 96-31, eff. 6-30-09;  
8 96-939, eff. 6-24-10.)

9 Section 15. The Comprehensive Health Insurance Plan Act is  
10 amended by adding Sections 16 and 17 as follows:

11 (215 ILCS 105/16 new)

12 Sec. 16. Cessation of operations. Notwithstanding any  
13 other provision of this Act, the insurance operations of the  
14 Plan authorized by this Act shall cease on January 1, 2014 in  
15 accordance with Section 5-30 of the Illinois Health Benefits  
16 Exchange Law. Plan coverage does not apply to service provided  
17 on or after January 1, 2014 in accordance with Section 5-30 of  
18 the Illinois Health Benefits Exchange Law.

19 (215 ILCS 105/17 new)

20 Sec. 17. Repealer. This Act is repealed on January 1, 2015.

21 Section 20. The Illinois Health Benefits Exchange Law is  
22 amended by changing Sections 5-3, 5-5, and 5-15 and by adding

1 Sections 5-4, 5-6, 5-16, 5-17, 5-18, 5-21, 5-23, and 5-30 as  
2 follows:

3 (215 ILCS 122/5-3)

4 Sec. 5-3. Legislative intent. The General Assembly finds  
5 the health benefits exchanges authorized by the federal Patient  
6 Protection and Affordable Care Act represent one of a number of  
7 ways in which the State can address coverage gaps and provide  
8 individual consumers and small employers access to greater  
9 coverage options. The General Assembly also finds that the  
10 State is best positioned to implement an exchange that is  
11 sensitive to the coverage gaps and market landscape unique to  
12 this State.

13 The purpose of this Law is to provide for the establishment  
14 of an Illinois Health Benefits Exchange (the Exchange) to  
15 facilitate the purchase and sale of qualified health plans and  
16 qualified dental plans in the individual market in this State  
17 and to provide for the establishment of a Small Business Health  
18 Options Program (SHOP Exchange) to assist qualified small  
19 employers in this State in facilitating the enrollment of their  
20 employees in qualified health plans and qualified dental plans  
21 offered in the small group market. The intent of the Exchange  
22 is to supplement the existing health insurance market to  
23 simplify shopping for individual and small employers by  
24 increasing access to benefit options, encouraging a  
25 competitive market both inside and outside the Exchange,

1 reducing the number of uninsured, and providing a transparent  
2 marketplace and effective consumer education and programmatic  
3 assistance tools. ~~The purpose of this Law is to ensure that the~~  
4 ~~State is making sufficient progress towards establishing an~~  
5 ~~exchange within the guidelines outlined by the federal law and~~  
6 ~~to protect Illinoisans from undue federal regulation. Although~~  
7 ~~the federal law imposes a number of core requirements on~~  
8 ~~state level exchanges, the State has significant flexibility~~  
9 ~~in the design and operation of a State exchange that make it~~  
10 ~~prudent for the State to carefully analyze, plan, and prepare~~  
11 ~~for the exchange. The General Assembly finds that in order for~~  
12 ~~the State to craft a tenable exchange that meets the~~  
13 ~~fundamental goals outlined by the Patient Protection and~~  
14 ~~Affordable Care Act of expanding access to affordable coverage~~  
15 ~~and improving the quality of care, the implementation process~~  
16 ~~should (1) provide for broad stakeholder representation; (2)~~  
17 ~~foster a robust and competitive marketplace, both inside and~~  
18 ~~outside of the exchange; and (3) provide for a broad based~~  
19 ~~approach to the fiscal solvency of the exchange.~~

20 (Source: P.A. 97-142, eff. 7-14-11.)

21 (215 ILCS 122/5-4 new)

22 Sec. 5-4. Definitions. In this Law:

23 "Board" means the Illinois Health Benefits Exchange Board  
24 established pursuant to this Law.

25 "Department" means the Department of Insurance.

1       "Director" means the Director of Insurance.

2       "Educated health care consumer" means an individual who is  
3 knowledgeable about the health care system, and has background  
4 or experience in making informed decisions regarding health,  
5 medical, and public health matters.

6       "Essential health benefits" has the meaning provided under  
7 Section 1302(b) of the Federal Act.

8       "Exchange" means the Illinois Health Benefits Exchange  
9 established by this Law and includes the Individual Exchange  
10 and the SHOP Exchange, unless otherwise specified.

11       "Executive Director" means the Executive Director of the  
12 Illinois Health Benefits Exchange.

13       "Federal Act" means the federal Patient Protection and  
14 Affordable Care Act (Public Law 111-148), as amended by the  
15 federal Health Care and Education Reconciliation Act of 2010  
16 (Public Law 111-152), and any amendments thereto, or  
17 regulations or guidance issued under, those Acts.

18       "Health benefit plan" means a policy, contract,  
19 certificate, or agreement offered or issued by a health carrier  
20 to provide, deliver, arrange for, pay for, or reimburse any of  
21 the costs of health care services. "Health benefit plan" does  
22 not include:

23           (1) coverage for accident only or disability income  
24 insurance or any combination thereof;

25           (2) coverage issued as a supplement to liability  
26 insurance;

1           (3) liability insurance, including general liability  
2           insurance and automobile liability insurance;

3           (4) workers' compensation or similar insurance;

4           (5) automobile medical payment insurance;

5           (6) credit-only insurance;

6           (7) coverage for on-site medical clinics; or

7           (8) other similar insurance coverage, specified in  
8           federal regulations issued pursuant to the federal Health  
9           Information Portability and Accountability Act of 1996,  
10           Public Law 104-191, under which benefits for health care  
11           services are secondary or incidental to other insurance  
12           benefits.

13           "Health benefit plan" does not include the following  
14           benefits if they are provided under a separate policy,  
15           certificate, or contract of insurance or are otherwise not an  
16           integral part of the plan:

17           (a) limited scope dental or vision benefits;

18           (b) benefits for long-term care, nursing home care,  
19           home health care, community-based care, or any combination  
20           thereof; or

21           (c) other similar, limited benefits specified in  
22           federal regulations issued pursuant to Public Law 104-191.

23           "Health benefit plan" does not include the following  
24           benefits if the benefits are provided under a separate policy,  
25           certificate, or contract of insurance, there is no coordination  
26           between the provision of the benefits and any exclusion of

1 benefits under any group health plan maintained by the same  
2 plan sponsor, and the benefits are paid with respect to an  
3 event without regard to whether benefits are provided with  
4 respect to such an event under any group health plan maintained  
5 by the same plan sponsor:

6 (i) coverage only for a specified disease or illness;

7 or

8 (ii) hospital indemnity or other fixed indemnity  
9 insurance.

10 "Health benefit plan" does not include the following if  
11 offered as a separate policy, certificate, or contract of  
12 insurance:

13 (A) Medicare supplemental health insurance as defined  
14 under Section 1882(g)(1) of the federal Social Security  
15 Act;

16 (B) coverage supplemental to the coverage provided  
17 under Chapter 55 of Title 10, United States Code (Civilian  
18 Health and Medical Program of the Uniformed Services  
19 (CHAMPUS)); or

20 (C) similar supplemental coverage provided to coverage  
21 under a group health plan.

22 "Health benefit plan" does not include a group health plan  
23 or multiple employer welfare arrangement to the extent the plan  
24 or arrangement is not subject to State insurance regulation  
25 under Section 514 of the federal Employee Retirement Income  
26 Security Act of 1974.

1       "Health insurance carrier" or "carrier" means an entity  
2 subject to the insurance laws and regulations of this State, or  
3 subject to the jurisdiction of the Director, that contracts or  
4 offers to contract to provide, deliver, arrange for, pay for,  
5 or reimburse any of the costs of health care services,  
6 including a sickness and accident insurance company, a health  
7 maintenance organization, or any other entity providing a plan  
8 of health insurance, or health benefits. "Health insurance  
9 carrier" does not include short term, accident only, disability  
10 income, hospital confinement or fixed indemnity, vision only,  
11 limited benefit, or credit insurance, coverage issued as a  
12 supplement to liability insurance, insurance arising out of a  
13 workers' compensation or similar law, automobile  
14 medical-payment insurance, insurance under which benefits are  
15 payable with or without regard to fault and which is  
16 statutorily required to be contained in any liability insurance  
17 policy or equivalent self-insurance, or a Consumer Operated and  
18 Oriented Plan.

19       "Illinois Health Benefits Exchange Fund" means the fund  
20 created outside of the State treasury to be used exclusively to  
21 provide funding for the operation and administration of the  
22 Exchange in carrying out the purposes authorized by this Law.

23       "Individual Exchange" means the exchange marketplace  
24 established by this Law through which qualified individuals may  
25 obtain coverage through an individual market qualified health  
26 plan.



1       "Principal place of business" means the location in a state  
2 where an employer has its headquarters or significant place of  
3 business and where the persons with direction and control  
4 authority over the business are employed.

5       "Qualified dental plan" means a limited scope dental plan  
6 that has been certified in accordance with this Law.

7       "Qualified employee" means an eligible individual employed  
8 by a qualified employer who has been offered health insurance  
9 coverage by that qualified employer through the SHOP on the  
10 Exchange.

11       "Qualified employer" means a small employer that elects to  
12 make its full-time employees eligible for one or more qualified  
13 health plans or qualified dental plans offered through the SHOP  
14 Exchange, and at the option of the employer, some or all of its  
15 part-time employees, provided that the employer has its  
16 principal place of business in this State and elects to provide  
17 coverage through the SHOP Exchange to all of its eligible  
18 employees, wherever employed.

19       "Qualified health plan" or "QHP" means a health benefit  
20 plan that has in effect a certification that the plan meets the  
21 criteria for certification described in Section 1311(c) of the  
22 Federal Act.

23       "Qualified health plan issuer" or "QHP issuer" means a  
24 health insurance issuer that offers a health plan that the  
25 Exchange has certified as a qualified health plan.

26       "Qualified individual" means an individual, including a

1 minor, who:

2 (1) is seeking to enroll in a qualified health plan or  
3 qualified dental plan offered to individuals through the  
4 Exchange;

5 (2) resides in this State;

6 (3) at the time of enrollment, is not incarcerated,  
7 other than incarceration pending the disposition of  
8 charges; and

9 (4) is, and is reasonably expected to be, for the  
10 entire period for which enrollment is sought, a citizen or  
11 national of the United States or an alien lawfully present  
12 in the United States.

13 "Secretary" means the Secretary of the federal Department  
14 of Health and Human Services.

15 "SHOP Exchange" means the Small Business Health Options  
16 Program established under this Law through which a qualified  
17 employer can provide small group qualified health plans to its  
18 qualified employees through various options available to the  
19 employer, including, but not limited to: (a) offering one  
20 qualified health plan to employees, (b) offering multiple  
21 qualified health plans to employees, or (c) offering an  
22 employee-directed choice of a qualified health plan within an  
23 employer-selected coverage tier.

24 "Small employer" means, in connection with a group health  
25 plan with respect to a calendar year and a plan year, an  
26 employer who employed an average of at least 2 but not more

1 than 50 employees before January 1, 2016 and no more than 100  
2 employees on and after January 1, 2016 on business days during  
3 the preceding calendar year and who employs at least one  
4 employee on the first day of the plan year. For purposes of  
5 this definition:

6 (a) all persons treated as a single employer under  
7 subsection (b), (c), (m) or (o) of Section 414 of the  
8 federal Internal Revenue Code of 1986 shall be treated as a  
9 single employer;

10 (b) an employer and any predecessor employer shall be  
11 treated as a single employer;

12 (c) employees shall be counted in accordance with  
13 federal law and regulations and State law and regulations;  
14 provided however, that in the event of a conflict between  
15 the federal law and regulations and the State law and  
16 regulations, the federal law and regulations shall  
17 prevail;

18 (d) if an employer was not in existence throughout the  
19 preceding calendar year, then the determination of whether  
20 that employer is a small employer shall be based on the  
21 average number of employees that is reasonably expected  
22 that employer will employ on business days in the current  
23 calendar year; and

24 (e) an employer that makes enrollment in qualified  
25 health plans or qualified dental plans available to its  
26 employees through the SHOP Exchange, and would cease to be

1       a small employer by reason of an increase in the number of  
2       its employees, shall continue to be treated as a small  
3       employer for purposes of this Law as long as it  
4       continuously makes enrollment through the SHOP Exchange  
5       available to its employees.

6           (215 ILCS 122/5-5)

7           Sec. 5-5. Establishment of the Exchange ~~State health~~  
8 ~~benefits exchange.~~

9           (a) It is declared that this State, beginning on the  
10 effective date of this amendatory Act of the 98th General  
11 Assembly ~~October 1, 2013,~~ in accordance with Section 1311 of  
12 the federal Patient Protection and Affordable Care Act, shall  
13 establish a State health benefits exchange to be known as the  
14 Illinois Health Benefits Exchange in order to help individuals  
15 and small employers ~~with no more than 50 employees~~ shop for,  
16 select, and enroll in qualified, affordable private health  
17 plans that fit their needs at competitive prices. The Exchange  
18 shall separate coverage pools for individuals and small  
19 employers and shall supplement and not supplant any existing  
20 private health insurance market for individuals and small  
21 employers. These health plans shall be available to individuals  
22 and small employers for enrollment by October 1, 2014.

23           (b) There is hereby created a political subdivision, body  
24 politic and corporate, named the Illinois Health Benefits  
25 Exchange. The Exchange shall be a public entity, but shall not

1 be considered a department, institution, or agency of the  
2 State.

3 (c) The Exchange shall be comprised of an individual and a  
4 small business health options (SHOP) exchange. Pursuant to  
5 Section 1311(b)(2) of the Federal Act, the Exchange shall  
6 provide individual exchange services to qualified individuals  
7 and SHOP Exchange services to qualified employers under a  
8 single governance and administrative structure. The Board  
9 shall produce an assessment, which must include a premium  
10 impact study, by July 1, 2016 to determine the viability of  
11 merging the SHOP Exchange and Individual Exchange functions  
12 into a single exchange by January 1, 2017. Any recommended  
13 merger of the SHOP Exchange and Individual Exchange functions  
14 shall be subject to legislative approval.

15 (d) The Exchange shall promote a competitive marketplace  
16 for consumer access to affordable health coverage options. The  
17 Department shall review and recommend that the Board certify  
18 health benefit plans on the individual and SHOP Exchange, as  
19 applicable, provided that any such health benefit plan meets  
20 the requirements set forth in Section 1311(c) of the Federal  
21 Act and any other requirements of the Illinois Insurance Code.  
22 The Board shall certify health benefit plans that the  
23 Department recommends for certification.

24 (e) The Exchange shall not supersede the provisions of the  
25 Illinois Insurance Code, nor the functions of the Department of  
26 Insurance, the Department of Healthcare and Family Services, or

1 the Department of Public Health.

2 (Source: P.A. 97-142, eff. 7-14-11.)

3 (215 ILCS 122/5-6 new)

4 Sec. 5-6. Health benefit plan certification.

5 (a) To be certified as a qualified health plan, a health  
6 benefit plan shall, at a minimum:

7 (1) provide the essential health benefits package  
8 described in Section 1302(a) of the Federal Act; except  
9 that the plan is not required to provide essential benefits  
10 that duplicate the minimum benefits of qualified dental  
11 plans, as provided in subsection (e) of this Section if:

12 (A) the Board, in cooperation with the Department,  
13 has determined that at least one qualified dental plan  
14 is available to supplement the plan's coverage; and

15 (B) the health carrier makes prominent disclosure  
16 at the time it offers the plan, in a form approved by  
17 the Board, that the plan does not provide the full  
18 range of essential pediatric dental benefits and that  
19 qualified dental plans providing those benefits and  
20 other dental benefits not covered by the plan are  
21 offered through the Exchange;

22 (2) fulfill all premium rate and contract filing  
23 requirements and ensure that no contract language has been  
24 disapproved by the Director;

25 (3) provide at least the minimum level of coverage

1 prescribed by the Federal Act;

2 (4) ensure that the cost-sharing requirements of the  
3 plan do not exceed the limits established under Section  
4 1302(c)(1) of the Federal Act, and if the plan is offered  
5 through the SHOP Exchange, the plan's deductible does not  
6 exceed the limits established under Section 1302(c)(2) of  
7 the Federal Act;

8 (5) be offered by a health carrier that:

9 (A) is authorized and in good standing to offer  
10 health insurance coverage;

11 (B) offers at least one qualified health plan at  
12 the silver level and at least one plan at the gold  
13 level, as described in the Federal Act, through each  
14 component of the Board in which the health carrier  
15 participates; for the purposes of this subparagraph  
16 (B), "component" means the SHOP Exchange and the  
17 exchange for individual coverage within the American  
18 Health Benefit Exchange;

19 (C) charges the same premium rate for each  
20 qualified health plan without regard to whether the  
21 plan is offered through the Exchange and without regard  
22 to whether the plan is offered directly from the health  
23 carrier or through an insurance producer;

24 (D) does not charge any cancellation fees or  
25 penalties; and

26 (E) complies with the regulations established by

1           the Secretary under Section 1311 (d) of the Federal Act  
2           and any other requirements of the Illinois Insurance  
3           Code and the Department;

4           (6) meet the requirements of certification pursuant to  
5           the requirements of the Department and the Illinois  
6           Insurance Code provided in this Law and the requirements  
7           issued by the Secretary under Section 1311(c) of the  
8           Federal Act and rules promulgated or adopted pursuant to  
9           this Law or the Federal Act, which shall include:

10           (A) minimum standards in the areas of marketing  
11           practices;

12           (B) network adequacy;

13           (C) essential community providers in underserved  
14           areas;

15           (D) accreditation;

16           (E) quality improvement;

17           (F) uniform enrollment forms and descriptions of  
18           coverage; and

19           (G) information on quality measures for health  
20           benefit plan performance; and

21           (7) include outpatient clinics in the health plan's  
22           region that are controlled by an entity that also controls  
23           a 340B eligible provider as defined by Section 340B(a) (4)  
24           of the federal Public Health Service Act such that the  
25           outpatient clinics are subject to the same mission,  
26           policies, and medical standards related to the provision of



1 health care services as the 340B eligible provider.

2 (b) The Department shall require each health carrier  
3 seeking certification of a plan as a qualified health plan to:

4 (1) make available to the public, in plain language as  
5 defined in Section 1311(e)(3)(B) of the Federal Act, and  
6 submit to the Board, the Secretary, and the Department  
7 accurate and timely disclosure of the following:

8 (i) claims payment policies and practices;

9 (ii) periodic financial disclosures;

10 (iii) data on enrollment;

11 (iv) data on disenrollment;

12 (v) data on the number of claims that are  
13 denied;

14 (vi) data on rating practices;

15 (vii) information on cost-sharing and payments  
16 with respect to any out-of-network coverage;

17 (viii) information on enrollee and participant  
18 rights under Title I of the Federal Act; and

19 (ix) other information as determined  
20 appropriate by the Secretary, including, but not  
21 limited to, accredited clinical quality measures;

22 and

23 (2) permit individuals to learn, in a timely manner  
24 upon the request of the individual, the comparative quality  
25 standards of the plans along established clinical  
26 data-based standards and the amount of cost-sharing,

1 including deductibles, copayments, and coinsurance, under  
2 the individual's plan or coverage that the individual would  
3 be responsible for paying with respect to the furnishing of  
4 a specific item or service by a participating provider and  
5 make this information available to the individual through  
6 an Internet website that is publicly accessible and through  
7 other means for individuals without access to the Internet.

8 (c) The Department shall not exempt any health carrier  
9 seeking certification as a qualified health plan, regardless of  
10 the type or size of the health carrier, from licensure or  
11 solvency requirements and shall apply the criteria of this  
12 Section in a manner that ensures a level playing field between  
13 or among health carriers participating in the Exchange.

14 (d) The provisions of this Law that are applicable to  
15 qualified health plans shall also apply, to the extent  
16 relevant, to qualified dental plans, except as modified in  
17 accordance with the provisions of paragraphs (1), (2), and (3)  
18 of this subsection (d) or by rules adopted by the Board.

19 (1) The health carrier shall be licensed to offer  
20 dental coverage, but need not be licensed to offer other  
21 health benefits.

22 (2) The plan shall be limited to dental and oral health  
23 benefits, without substantially duplicating the benefits  
24 typically offered by health benefit plans without dental  
25 coverage and shall include, at a minimum, the essential  
26 pediatric dental benefits prescribed by the Secretary

1 pursuant to Section 1302(b)(1)(J) of the Federal Act and  
2 such other dental benefits as the Board or the Secretary  
3 may specify by rule.

4 (3) Health carriers may jointly offer a comprehensive  
5 plan through the Exchange in which the dental benefits are  
6 provided by a health carrier through a qualified dental  
7 plan and the other benefits are provided by a health  
8 carrier through a qualified health plan, provided that the  
9 plans are priced separately and are also made available for  
10 purchase separately at the same price.

11 (215 ILCS 122/5-15)

12 Sec. 5-15. Illinois Health Benefits Exchange Legislative  
13 Oversight Study Committee.

14 (a) There is created an Illinois Health Benefits Exchange  
15 Legislative Oversight Study Committee within the Commission on  
16 Government Forecasting and Accountability to provide  
17 accountability for ~~conduct a study regarding State~~  
18 ~~implementation and establishment of~~ the Illinois Health  
19 Benefits Exchange and to ensure Exchange operations and  
20 functions align with the goals and duties outlined by this Law.  
21 The Committee shall also be responsible for providing policy  
22 recommendations to ensure the Exchange aligns with the Federal  
23 Act, amendments to the Federal Act, and regulations promulgated  
24 pursuant to the Federal Act.

25 (b) Members of the Legislative Oversight Study Committee

1 shall be appointed as follows: 3 members of the Senate shall be  
2 appointed by the President of the Senate; 3 members of the  
3 Senate shall be appointed by the Minority Leader of the Senate;  
4 3 members of the House of Representatives shall be appointed by  
5 the Speaker of the House of Representatives; and 3 members of  
6 the House of Representatives shall be appointed by the Minority  
7 Leader of the House of Representatives. Each legislative leader  
8 shall select one member to serve as co-chair of the committee.

9 ~~(e) Members of the Legislative Oversight Study Committee~~  
10 ~~shall be appointed no later than June 1, 2013 within 30 days~~  
11 ~~after the effective date of this Law. The co-chairs shall~~  
12 ~~convene the first meeting of the committee no later than 45~~  
13 ~~days after the effective date of this Law.~~

14 (Source: P.A. 97-142, eff. 7-14-11.)

15 (215 ILCS 122/5-16 new)

16 Sec. 5-16. Exchange governance. The governing and  
17 administrative powers of the Exchange shall be vested in a body  
18 known as the Illinois Health Benefits Exchange Board. The  
19 following provisions shall apply:

20 (1) The Board shall consist of 11 voting members  
21 appointed by the Governor with the advice and consent of a  
22 majority of the members elected to the Senate. In addition,  
23 the Director of Healthcare and Family Services, and the  
24 Executive Director of the Exchange shall serve as  
25 non-voting, ex-officio members of the Board. The Governor

1       shall also appoint as non-voting, ex-officio members one  
2       economist with experience in the health care markets and  
3       one educated health care consumer advocate. All Board  
4       members shall be appointed no later than January 1, 2014.

5       (2) The Governor shall make the appointments so as to  
6       reflect no less than proportional representation of the  
7       geographic, gender, cultural, racial, and ethnic  
8       composition of this State and in accordance with  
9       subparagraphs (A), (B), and (C) of this paragraph, as  
10       follows:

11               (A) No more than 4 voting members may represent the  
12               following interests, of which no more than 2 may  
13               represent any one interest:

14                       (1) the insurance industry;

15                       (2) health care administrators; and

16                       (3) licensed health care professionals.

17               (B) At least 7 voting members shall represent the  
18               following interest groups, with each interest group  
19               represented by at least one voting member:

20                       (1) a labor interest group;

21                       (2) a women's interest group;

22                       (3) a minorities' interest group;

23                       (4) a disabled persons' interest group;

24                       (5) a small business interest group; and

25                       (6) a public health interest group.

26               (C) Each person appointed to the Board should have

1           demonstrated experience in at least one of the  
2           following areas:

3                   (1) individual health insurance coverage;

4                   (2) small employer health insurance;

5                   (3) health benefits administration;

6                   (4) health care finance;

7                   (5) administration of a public or private  
8           health care delivery system;

9                   (6) the provision of health care services;

10                  (7) the purchase of health insurance coverage;

11                  (8) health care consumer navigation or  
12           assistance;

13                  (9) health care economics or health care  
14           actuarial sciences;

15                  (10) information technology; or

16                  (11) starting a small business with 50 or fewer  
17           employees.

18           (3) The Board shall elect one voting member of the  
19           Board to serve as chairperson and one voting member to  
20           serve as vice-chairperson, upon approval of a majority of  
21           the Board.

22           (4) The Exchange shall be administered by an Executive  
23           Director, who shall be appointed, and may be removed, by a  
24           majority of the Board. The Board shall have the power to  
25           determine compensation for the Executive Director.

26           (5) The terms of the non-voting, ex-officio members of

1 the Board shall run concurrent with their terms of  
2 appointment to office, or in the case of the Executive  
3 Director, his or her term of appointment to that position,  
4 subject to the determination of the Board. The terms of the  
5 members, including those non-voting, ex-officio members  
6 appointed by the Governor, shall be 4 years. Upon  
7 conclusion of the initial term, the next term and every  
8 term subsequent to it shall run for 3 years. Voting members  
9 shall serve no more than 3 consecutive terms.

10 A person appointed to fill a vacancy and complete the  
11 unexpired term of a member of the Board shall only be  
12 appointed to serve out the unexpired term by the individual  
13 who made the original appointment within 45 days after the  
14 initial vacancy. A person appointed to fill a vacancy and  
15 complete the unexpired term of a member of the Board may be  
16 re-appointed to the Board for another term, but shall not  
17 serve than more than 2 consecutive terms following their  
18 completion of the unexpired term of a member of the Board.

19 If a voting Board member's qualifications change due to  
20 a change in employment during the term of their  
21 appointment, then the Board member shall resign their  
22 position, subject to reappointment by the individual who  
23 made the original appointment.

24 (6) The Board shall, as necessary, create and appoint  
25 qualified persons with requisite expertise to Exchange  
26 technical advisory groups. These Exchange technical

1 advisory groups shall meet in a manner and frequency  
2 determined by the Board to discuss exchange-related issues  
3 and to provide exchange-related guidance, advice, and  
4 recommendations to the Board and the Exchange. There shall  
5 be at a minimum, 6 technical advisory groups, including the  
6 following:

7 (1) an insurer advisory group;

8 (2) a business advisory group;

9 (3) a consumer advisory group;

10 (4) a provider advisory group;

11 (5) an insurance producer advisory group; and

12 (6) a dentist advisory group.

13 (7) The Board shall meet no less than quarterly on a  
14 schedule established by the chairperson. Meetings shall be  
15 public and public records shall be maintained, subject to  
16 the Open Meetings Act. A majority of the Board shall  
17 constitute a quorum and the affirmative vote of a majority  
18 is necessary for any action of the Board. No vacancy shall  
19 impair the ability of the Board to act provided a quorum is  
20 reached. Members shall serve without pay, but shall be  
21 reimbursed for their actual and reasonable expenses  
22 incurred in the performance of their duties. The  
23 chairperson of the Board shall file a written report  
24 regarding the activities of the Board and the Exchange to  
25 the Governor and General Assembly annually, and the  
26 Legislative Oversight Committee established in Section



1       5-15 quarterly, beginning on September 1, 2013 through  
2       December 31, 2014.

3       (8) The Board shall adopt conflict of interest rules  
4       and recusal procedures. Such rules and procedures shall (i)  
5       prohibit a member of the Board from performing an official  
6       act that may have a direct economic benefit on a business  
7       or other endeavor in which that member has a direct or  
8       substantial financial interest and (ii) require a member of  
9       the Board to recuse himself or herself from an official  
10       matter, whether direct or indirect. All recusals must be in  
11       writing and specify the reason and date of the recusal. All  
12       recusals shall be maintained by the Executive Director and  
13       shall be disclosed to any person upon written request.

14       (9) The Board shall develop a budget, to be submitted  
15       to the General Assembly along with the Governor's annual  
16       budget proposal and approved by the General Assembly, for  
17       the implementation and operation of the Exchange for  
18       operating expenses, including, but not limited to:

19               (A) proposed compensation levels for the Executive  
20               Director and shall identify personnel and staffing  
21               needs for the implementation and operation of the  
22               Exchange;

23               (B) disclosure of funds received or expected to be  
24               received from the federal government for the  
25               infrastructure and systems of the Exchange and those  
26               funds received or expected to be received for program

1           administration and operations;

2           (C) delineation of those functions of the Exchange  
3           that are to be paid by State and federal programs that  
4           are allocable to the State's General Revenue Fund; and

5           (D) beginning January 1, 2015, insurer assessments  
6           contingent upon the use of federal funds for the first  
7           year of operation of the Exchange and upon the review  
8           and recommendations of the Commission on Government  
9           Forecasting and Accountability.

10          (10) The Board shall, in consultation with the Health  
11          Benefits Exchange Legislative Oversight Committee, produce  
12          a cost-benefit analysis of the State's essential health  
13          benefits no later than August 1, 2015 for the purposes of  
14          informing the U.S. Department of Health and Human Services  
15          in their re-evaluation of the essential health benefits for  
16          plan years 2016 and beyond.

17          (11) The purpose of the Board shall be to implement the  
18          Exchange in accordance with this Section and shall be  
19          authorized to establish procedures for the operation of the  
20          Exchange, subject to legislative approval.

21          (215 ILCS 122/5-17 new)

22          Sec. 5-17. Insurer's assessment. Every carrier licensed to  
23          issue, and that issues for delivery, policies of accident and  
24          health insurance in this State shall be assessed. An insurer's  
25          assessment shall be determined by multiplying the total

1 assessment, as determined in this Section, by a fraction, the  
2 numerator of which equals that insurer's direct Illinois  
3 premiums, excluding those premiums from limited lines policies  
4 and supplemental insurance policies, during the preceding  
5 calendar year and the denominator of which equals the total of  
6 all insurers' direct Illinois premiums, excluding those  
7 premiums from limited lines policies and supplemental  
8 insurance policies. The Board may exempt those insurers whose  
9 share as determined under this Section would be so minimal as  
10 to not exceed the estimated cost of levying the assessment. The  
11 Board shall charge and collect from each insurer the amounts  
12 determined to be due under this Section. The assessment shall  
13 be billed by Board invoice based upon the insurer's direct  
14 Illinois premium income, excluding premium income from limited  
15 lines policies and supplemental insurance policies, as shown in  
16 its annual statement for the preceding calendar year as filed  
17 with the Director. The invoice shall be due upon receipt and  
18 must be paid no later than 30 days after receipt by the  
19 insurer.

20 When a carrier fails to pay the full amount of any  
21 assessment of \$100 or more due under this Section there shall  
22 be added to the amount due as a penalty the greater of \$50 or an  
23 amount equal to 5% of the deficiency for each month or part of  
24 a month that the deficiency remains unpaid. All moneys  
25 collected by the Board shall be placed in the Illinois Health  
26 Benefits Exchange Fund.

1       Insurers shall be assessed only an amount not exceeding the  
2 General Assembly's approved Board budget. No assessment shall  
3 be made on insurers while assessments are being made pursuant  
4 to Section 12 of the Comprehensive Health Insurance Plan Act.  
5 The assessment shall also take into consideration any unspent  
6 federal funds remaining and shall be reduced accordingly.

7       The Board shall prepare annually a complete and detailed  
8 written report accounting for all funds received and dispensed  
9 during the preceding fiscal year.

10       (215 ILCS 122/5-18 new)

11       Sec. 5-18. Illinois Health Benefits Exchange Fund. There  
12 is hereby created as a fund outside of the State treasury the  
13 Illinois Health Benefits Exchange Fund to be used, subject to  
14 appropriation, exclusively by the Exchange to provide funding  
15 for the operation and administration of the Exchange in  
16 carrying out the purposes authorized in this Law.

17       (215 ILCS 122/5-21 new)

18       Sec. 5-21. Enrollment through brokers and agents; producer  
19 compensation.

20       (a) In accordance with Section 1312(e) of the Federal Act,  
21 the Exchange shall allow licensed insurance producers to (1)  
22 enroll qualified individuals in any qualified health plan, for  
23 which the individual is eligible, in the individual exchange,  
24 (2) assist qualified individuals in applying for premium tax

1 credits and cost-sharing reductions for qualified health plans  
2 purchased through the individual exchange, and (3) enroll  
3 qualified employers in any qualified health plan, for which the  
4 employer is eligible, offered through the SHOP exchange.  
5 Nothing in this subsection (a) shall be construed as to require  
6 a qualified individual or qualified employer to utilize a  
7 licensed insurance producer for any of the purposes outlined in  
8 this subsection (a).

9 (b) In order to enroll individuals and small employers in  
10 qualified health plans on the Exchange, licensed producers must  
11 complete a certification program. The Department of Insurance  
12 may develop and implement a certification program for licensed  
13 insurance producers who enroll individuals and employers in the  
14 exchange. The Department of Insurance may charge a reasonable  
15 fee, by regulation, to producers for the certification program.  
16 The Department of Insurance may approve certification programs  
17 developed and instructed by others, charging a reasonable fee,  
18 by regulation, for approval.

19 (c) The Exchange shall include on its Internet website a  
20 producer locator section, featured prominently, through which  
21 individuals and small employers can find exchange-certified  
22 producers.

23 (d) The Exchange shall take no role in developing or  
24 determining the manner or amount of compensation producers  
25 receive from qualified health plans for individuals or  
26 employers enrolled in health plans through the Exchange.

1 (215 ILCS 122/5-23 new)

2 Sec. 5-23. Examination or investigation of the Exchange.  
3 The Director shall have the ability to examine or investigate  
4 the Exchange pursuant to his or her authority under Article  
5 XXIV of the Illinois Insurance Code.

6 (215 ILCS 122/5-30 new)

7 Sec. 5-30. Dissolution of Comprehensive Health Insurance  
8 Plan.

9 (a) Except as otherwise provided in this Section, the  
10 insurance operations of the Comprehensive Health Insurance  
11 Plan authorized by the Comprehensive Health Insurance Plan Act  
12 shall cease on January 1, 2014. As used in this Section, "Plan"  
13 means the Comprehensive Health Insurance plan.

14 (b) Coverage under the Plan does not apply to service  
15 provided on or after January 1, 2014.

16 (c) A claim for payment under the Plan must be submitted  
17 within 180 days after January 1, 2014 and paid within 60 days  
18 after receipt.

19 (d) Any grievance shall be resolved by the Plan Board not  
20 later than 360 days after January 1, 2014. In this Section,  
21 "Plan Board" means the Illinois Comprehensive Health Insurance  
22 Board.

23 (e) The Plan Board shall, not later than June 30, 2013,  
24 submit to the Director of Insurance a plan of dissolution,

1 which must provide for, but not be limited to, the following:

2 (1) Continuity of care for an individual who is covered  
3 under the Plan and is an inpatient on January 1, 2014.

4 (2) A final accounting of assessments.

5 (3) Resolution of any net asset deficiency.

6 (4) Cessation of all liability of the Plan.

7 (5) Final dissolution of the Plan.

8 (f) The plan of dissolution may provide that, with the  
9 approval of the Plan Board and the Director, a power or duty of  
10 the association may be delegated to a person that is to perform  
11 functions similar to the functions of the Plan.

12 (g) The Director shall, after notice and hearing, approve a  
13 plan of dissolution submitted under subsection (e) of this  
14 Section if the Director determines that the plan of dissolution  
15 is suitable to ensure the fair, reasonable, and equitable  
16 dissolution of the Plan and complies with subsection (e) of  
17 this Section. If the Director does not find that the plan of  
18 dissolution is suitable to ensure the fair, reasonable, and  
19 equitable dissolution of the Plan, he or she may by order  
20 require changes to the plan that cure the deficiencies  
21 identified in his or her findings.

22 (h) A plan of dissolution submitted under subsection (e) of  
23 this Section is effective upon the written approval of the  
24 Director.

25 (i) An action by or against the Plan must be filed not more  
26 than one year after January 1, 2014.

1       (j) General Revenue Fund funds remaining in the Plan on the  
2 date on which final dissolution of the Plan occurs must be  
3 transferred back into the General Revenue Fund.

4       (k) Insurer assessments remaining in the Plan on the date  
5 on which dissolution of the Plan occurs must be returned to  
6 insurers based on subsection e of Section 12 of the  
7 Comprehensive Health Insurance Plan Act.

8       (l) The Plan, or the person or entity to which the Plan  
9 delegates powers under subsection (f) of this Section, may  
10 implement this Section in accordance with the plan of  
11 dissolution approved by the Director under subsection (g) of  
12 this Section.

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