



Sen. David Koehler

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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.

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

13 "Individual Exchange" means the exchange marketplace
14 established by this Law through which qualified individuals may
15 obtain coverage through an individual market qualified health
16 plan.

17 "Principal place of business" means the location in a state
18 where an employer has its headquarters or significant place of
19 business and where the persons with direction and control
20 authority over the business are employed.

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

23 "Qualified employee" means an eligible individual employed
24 by a qualified employer who has been offered health insurance
25 coverage by that qualified employer through the SHOP on the
26 Exchange.

1 "Qualified employer" means a small employer that elects to
2 make its full-time employees eligible for one or more qualified
3 health plans or qualified dental plans offered through the SHOP
4 Exchange, and at the option of the employer, some or all of its
5 part-time employees, provided that the employer has its
6 principal place of business in this State and elects to provide
7 coverage through the SHOP Exchange to all of its eligible
8 employees, wherever employed.

9 "Qualified health plan" or "QHP" means a health benefit
10 plan that has in effect a certification that the plan meets the
11 criteria for certification described in Section 1311(c) of the
12 Federal Act.

13 "Qualified health plan issuer" or "QHP issuer" means a
14 health insurance issuer that offers a health plan that the
15 Exchange has certified as a qualified health plan.

16 "Qualified individual" means an individual, including a
17 minor, who:

18 (1) is seeking to enroll in a qualified health plan or
19 qualified dental plan offered to individuals through the
20 Exchange;

21 (2) resides in this State;

22 (3) at the time of enrollment, is not incarcerated,
23 other than incarceration pending the disposition of
24 charges; and

25 (4) is, and is reasonably expected to be, for the
26 entire period for which enrollment is sought, a citizen or

1 national of the United States or an alien lawfully present
2 in the United States.

3 "Secretary" means the Secretary of the federal Department
4 of Health and Human Services.

5 "SHOP Exchange" means the Small Business Health Options
6 Program established under this Law through which a qualified
7 employer can provide small group qualified health plans to its
8 qualified employees through various options available to the
9 employer, including, but not limited to: (a) offering one
10 qualified health plan to employees, (b) offering multiple
11 qualified health plans to employees, or (c) offering an
12 employee-directed choice of a qualified health plan within an
13 employer-selected coverage tier.

14 "Small employer" means, in connection with a group health
15 plan with respect to a calendar year and a plan year, an
16 employer who employed an average of at least 2 but not more
17 than 50 employees before January 1, 2016 and no more than 100
18 employees on and after January 1, 2016 on business days during
19 the preceding calendar year and who employs at least one
20 employee on the first day of the plan year. For purposes of
21 this definition:

22 (a) all persons treated as a single employer under
23 subsection (b), (c), (m) or (o) of Section 414 of the
24 federal Internal Revenue Code of 1986 shall be treated as a
25 single employer;

26 (b) an employer and any predecessor employer shall be

1 treated as a single employer;

2 (c) employees shall be counted in accordance with
3 federal law and regulations and State law and regulations;
4 provided however, that in the event of a conflict between
5 the federal law and regulations and the State law and
6 regulations, the federal law and regulations shall
7 prevail;

8 (d) if an employer was not in existence throughout the
9 preceding calendar year, then the determination of whether
10 that employer is a small employer shall be based on the
11 average number of employees that is reasonably expected
12 that employer will employ on business days in the current
13 calendar year; and

14 (e) an employer that makes enrollment in qualified
15 health plans or qualified dental plans available to its
16 employees through the SHOP Exchange, and would cease to be
17 a small employer by reason of an increase in the number of
18 its employees, shall continue to be treated as a small
19 employer for purposes of this Law as long as it
20 continuously makes enrollment through the SHOP Exchange
21 available to its employees.

22 (215 ILCS 122/5-5)

23 Sec. 5-5. Establishment of the Exchange ~~State health~~
24 ~~benefits exchange.~~

25 (a) It is declared that this State, beginning on the

1 effective date of this amendatory Act of the 98th General
2 Assembly ~~October 1, 2013,~~ in accordance with Section 1311 of
3 the federal Patient Protection and Affordable Care Act, shall
4 establish a State health benefits exchange to be known as the
5 Illinois Health Benefits Exchange in order to help individuals
6 and small employers ~~with no more than 50 employees~~ shop for,
7 select, and enroll in qualified, affordable private health
8 plans that fit their needs at competitive prices. The Exchange
9 shall separate coverage pools for individuals and small
10 employers and shall supplement and not supplant any existing
11 private health insurance market for individuals and small
12 employers. These health plans shall be available to individuals
13 and small employers for enrollment by October 1, 2014.

14 (b) There is hereby created a political subdivision, body
15 politic and corporate, named the Illinois Health Benefits
16 Exchange. The Exchange shall be a public entity, but shall not
17 be considered a department, institution, or agency of the
18 State.

19 (c) The Exchange shall be comprised of an individual and a
20 small business health options (SHOP) exchange. Pursuant to
21 Section 1311(b)(2) of the Federal Act, the Exchange shall
22 provide individual exchange services to qualified individuals
23 and SHOP Exchange services to qualified employers under a
24 single governance and administrative structure. The Board
25 shall produce an assessment, which must include a premium
26 impact study, by July 1, 2016 to determine the viability of

1 merging the SHOP Exchange and Individual Exchange functions
2 into a single exchange by January 1, 2017. Any recommended
3 merger of the SHOP Exchange and Individual Exchange functions
4 shall be subject to legislative approval.

5 (d) The Exchange shall promote a competitive marketplace
6 for consumer access to affordable health coverage options. The
7 Department shall review and recommend that the Board certify
8 health benefit plans on the individual and SHOP Exchange, as
9 applicable, provided that any such health benefit plan meets
10 the requirements set forth in Section 1311(c) of the Federal
11 Act and any other requirements of the Illinois Insurance Code.
12 The Board shall certify health benefit plans that the
13 Department recommends for certification.

14 (e) The Exchange shall not supersede the provisions of the
15 Illinois Insurance Code, nor the functions of the Department of
16 Insurance, the Department of Healthcare and Family Services, or
17 the Department of Public Health.

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

19 (215 ILCS 122/5-6 new)

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

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

23 (1) provide the essential health benefits package
24 described in Section 1302(a) of the Federal Act; except
25 that the plan is not required to provide essential benefits

1 that duplicate the minimum benefits of qualified dental
2 plans, as provided in subsection (e) of this Section if:

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

6 (B) the health carrier makes prominent disclosure
7 at the time it offers the plan, in a form approved by
8 the Board, that the plan does not provide the full
9 range of essential pediatric dental benefits and that
10 qualified dental plans providing those benefits and
11 other dental benefits not covered by the plan are
12 offered through the Exchange;

13 (2) fulfill all premium rate and contract filing
14 requirements and ensure that no contract language has been
15 disapproved by the Director;

16 (3) provide at least the minimum level of coverage
17 prescribed by the Federal Act;

18 (4) ensure that the cost-sharing requirements of the
19 plan do not exceed the limits established under Section
20 1302(c)(1) of the Federal Act, and if the plan is offered
21 through the SHOP Exchange, the plan's deductible does not
22 exceed the limits established under Section 1302(c)(2) of
23 the Federal Act;

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

25 (A) is authorized and in good standing to offer
26 health insurance coverage;

1 (B) offers at least one qualified health plan at
2 the silver level and at least one plan at the gold
3 level, as described in the Federal Act, through each
4 component of the Board in which the health carrier
5 participates; for the purposes of this subparagraph
6 (B), "component" means the SHOP Exchange and the
7 exchange for individual coverage within the American
8 Health Benefit Exchange;

9 (C) charges the same premium rate for each
10 qualified health plan without regard to whether the
11 plan is offered through the Exchange and without regard
12 to whether the plan is offered directly from the health
13 carrier or through an insurance producer;

14 (D) does not charge any cancellation fees or
15 penalties; and

16 (E) complies with the regulations established by
17 the Secretary under Section 1311 (d) of the Federal Act
18 and any other requirements of the Illinois Insurance
19 Code and the Department;

20 (6) meet the requirements of certification pursuant to
21 the requirements of the Department and the Illinois
22 Insurance Code provided in this Law and the requirements
23 issued by the Secretary under Section 1311(c) of the
24 Federal Act and rules promulgated or adopted pursuant to
25 this Law or the Federal Act, which shall include:

26 (A) minimum standards in the areas of marketing

1 (iv) data on disenrollment;

2 (v) data on the number of claims that are
3 denied;

4 (vi) data on rating practices;

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

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

9 (ix) other information as determined
10 appropriate by the Secretary, including, but not
11 limited to, accredited clinical quality measures;
12 and

13 (2) permit individuals to learn, in a timely manner
14 upon the request of the individual, the comparative quality
15 standards of the plans along established clinical
16 data-based standards and the amount of cost-sharing,
17 including deductibles, copayments, and coinsurance, under
18 the individual's plan or coverage that the individual would
19 be responsible for paying with respect to the furnishing of
20 a specific item or service by a participating provider and
21 make this information available to the individual through
22 an Internet website that is publicly accessible and through
23 other means for individuals without access to the Internet.

24 (c) The Department shall not exempt any health carrier
25 seeking certification as a qualified health plan, regardless of
26 the type or size of the health carrier, from licensure or

1 solvency requirements and shall apply the criteria of this
2 Section in a manner that ensures a level playing field between
3 or among health carriers participating in the Exchange.

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

9 (1) The health carrier shall be licensed to offer
10 dental coverage, but need not be licensed to offer other
11 health benefits.

12 (2) The plan shall be limited to dental and oral health
13 benefits, without substantially duplicating the benefits
14 typically offered by health benefit plans without dental
15 coverage and shall include, at a minimum, the essential
16 pediatric dental benefits prescribed by the Secretary
17 pursuant to Section 1302(b)(1)(J) of the Federal Act and
18 such other dental benefits as the Board or the Secretary
19 may specify by rule.

20 (3) Health carriers may jointly offer a comprehensive
21 plan through the Exchange in which the dental benefits are
22 provided by a health carrier through a qualified dental
23 plan and the other benefits are provided by a health
24 carrier through a qualified health plan, provided that the
25 plans are priced separately and are also made available for
26 purchase separately at the same price.

1 (215 ILCS 122/5-15)

2 Sec. 5-15. Illinois Health Benefits Exchange Legislative
3 Oversight Study Committee.

4 (a) There is created an Illinois Health Benefits Exchange
5 Legislative Oversight Study Committee within the Commission on
6 Government Forecasting and Accountability to provide
7 accountability for ~~conduct a study regarding State~~
8 ~~implementation and establishment of~~ the Illinois Health
9 Benefits Exchange and to ensure Exchange operations and
10 functions align with the goals and duties outlined by this Law.
11 The Committee shall also be responsible for providing policy
12 recommendations to ensure the Exchange aligns with the Federal
13 Act, amendments to the Federal Act, and regulations promulgated
14 pursuant to the Federal Act.

15 (b) Members of the Legislative Oversight Study Committee
16 shall be appointed as follows: 3 members of the Senate shall be
17 appointed by the President of the Senate; 3 members of the
18 Senate shall be appointed by the Minority Leader of the Senate;
19 3 members of the House of Representatives shall be appointed by
20 the Speaker of the House of Representatives; and 3 members of
21 the House of Representatives shall be appointed by the Minority
22 Leader of the House of Representatives. Each legislative leader
23 shall select one member to serve as co-chair of the committee.

24 ~~(c)~~ Members of the Legislative Oversight Study Committee
25 shall be appointed no later than June 1, 2013 ~~within 30 days~~

1 ~~after the effective date of this Law. The co chairs shall~~
2 ~~convene the first meeting of the committee no later than 45~~
3 ~~days after the effective date of this Law.~~

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

5 (215 ILCS 122/5-16 new)

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

10 (1) The Board shall consist of 11 voting members
11 appointed by the Governor with the advice and consent of a
12 majority of the members elected to the Senate. In addition,
13 the Director of Healthcare and Family Services, and the
14 Executive Director of the Exchange shall serve as
15 non-voting, ex-officio members of the Board. The Governor
16 shall also appoint as non-voting, ex-officio members one
17 economist with experience in the health care markets and
18 one educated health care consumer advocate. All Board
19 members shall be appointed no later than January 1, 2014.

20 (2) The Governor shall make the appointments so as to
21 reflect no less than proportional representation of the
22 geographic, gender, cultural, racial, and ethnic
23 composition of this State and in accordance with
24 subparagraphs (A), (B), and (C) of this paragraph, as
25 follows:

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

4 (1) the insurance industry;

5 (2) health care administrators; and

6 (3) licensed health care professionals.

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

10 (1) a labor interest group;

11 (2) a women's interest group;

12 (3) a minorities' interest group;

13 (4) a disabled persons' interest group;

14 (5) a small business interest group; and

15 (6) a public health interest group.

16 (C) Each person appointed to the Board should have
17 demonstrated experience in at least one of the
18 following areas:

19 (1) individual health insurance coverage;

20 (2) small employer health insurance;

21 (3) health benefits administration;

22 (4) health care finance;

23 (5) administration of a public or private
24 health care delivery system;

25 (6) the provision of health care services;

26 (7) the purchase of health insurance coverage;

1 (8) health care consumer navigation or
2 assistance;

3 (9) health care economics or health care
4 actuarial sciences;

5 (10) information technology; or

6 (11) starting a small business with 50 or fewer
7 employees.

8 (3) The Board shall elect one voting member of the
9 Board to serve as chairperson and one voting member to
10 serve as vice-chairperson, upon approval of a majority of
11 the Board.

12 (4) The Exchange shall be administered by an Executive
13 Director, who shall be appointed, and may be removed, by a
14 majority of the Board. The Board shall have the power to
15 determine compensation for the Executive Director.

16 (5) The terms of the non-voting, ex-officio members of
17 the Board shall run concurrent with their terms of
18 appointment to office, or in the case of the Executive
19 Director, his or her term of appointment to that position,
20 subject to the determination of the Board. The terms of the
21 members, including those non-voting, ex-officio members
22 appointed by the Governor, shall be 4 years. Upon
23 conclusion of the initial term, the next term and every
24 term subsequent to it shall run for 3 years. Voting members
25 shall serve no more than 3 consecutive terms.

26 A person appointed to fill a vacancy and complete the

1 unexpired term of a member of the Board shall only be
2 appointed to serve out the unexpired term by the individual
3 who made the original appointment within 45 days after the
4 initial vacancy. A person appointed to fill a vacancy and
5 complete the unexpired term of a member of the Board may be
6 re-appointed to the Board for another term, but shall not
7 serve than more than 2 consecutive terms following their
8 completion of the unexpired term of a member of the Board.

9 If a voting Board member's qualifications change due to
10 a change in employment during the term of their
11 appointment, then the Board member shall resign their
12 position, subject to reappointment by the individual who
13 made the original appointment.

14 (6) The Board shall, as necessary, create and appoint
15 qualified persons with requisite expertise to Exchange
16 technical advisory groups. These Exchange technical
17 advisory groups shall meet in a manner and frequency
18 determined by the Board to discuss exchange-related issues
19 and to provide exchange-related guidance, advice, and
20 recommendations to the Board and the Exchange. There shall
21 be at a minimum, 6 technical advisory groups, including the
22 following:

23 (1) an insurer advisory group;

24 (2) a business advisory group;

25 (3) a consumer advisory group;

26 (4) a provider advisory group;

1 (5) an insurance producer advisory group; and

2 (6) a dentist advisory group.

3 (7) The Board shall meet no less than quarterly on a
4 schedule established by the chairperson. Meetings shall be
5 public and public records shall be maintained, subject to
6 the Open Meetings Act. A majority of the Board shall
7 constitute a quorum and the affirmative vote of a majority
8 is necessary for any action of the Board. No vacancy shall
9 impair the ability of the Board to act provided a quorum is
10 reached. Members shall serve without pay, but shall be
11 reimbursed for their actual and reasonable expenses
12 incurred in the performance of their duties. The
13 chairperson of the Board shall file a written report
14 regarding the activities of the Board and the Exchange to
15 the Governor and General Assembly annually, and the
16 Legislative Oversight Committee established in Section
17 5-15 quarterly, beginning on September 1, 2013 through
18 December 31, 2014.

19 (8) The Board shall adopt conflict of interest rules
20 and recusal procedures. Such rules and procedures shall (i)
21 prohibit a member of the Board from performing an official
22 act that may have a direct economic benefit on a business
23 or other endeavor in which that member has a direct or
24 substantial financial interest and (ii) require a member of
25 the Board to recuse himself or herself from an official
26 matter, whether direct or indirect. All recusals must be in

1 writing and specify the reason and date of the recusal. All
2 recusals shall be maintained by the Executive Director and
3 shall be disclosed to any person upon written request.

4 (9) The Board shall develop a budget, to be submitted
5 to the General Assembly along with the Governor's annual
6 budget proposal and approved by the General Assembly, for
7 the implementation and operation of the Exchange for
8 operating expenses, including, but not limited to:

9 (A) proposed compensation levels for the Executive
10 Director and shall identify personnel and staffing
11 needs for the implementation and operation of the
12 Exchange;

13 (B) disclosure of funds received or expected to be
14 received from the federal government for the
15 infrastructure and systems of the Exchange and those
16 funds received or expected to be received for program
17 administration and operations;

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

21 (D) beginning January 1, 2015, insurer assessments
22 contingent upon the use of federal funds for the first
23 year of operation of the Exchange and upon the review
24 and recommendations of the Commission on Government
25 Forecasting and Accountability.

26 (10) The Board shall, in consultation with the Health

1 Benefits Exchange Legislative Oversight Committee, produce
2 a cost-benefit analysis of the State's essential health
3 benefits no later than August 1, 2015 for the purposes of
4 informing the U.S. Department of Health and Human Services
5 in their re-evaluation of the essential health benefits for
6 plan years 2016 and beyond.

7 (11) The purpose of the Board shall be to implement the
8 Exchange in accordance with this Section and shall be
9 authorized to establish procedures for the operation of the
10 Exchange, subject to legislative approval.

11 (215 ILCS 122/5-17 new)

12 Sec. 5-17. Insurer's assessment. Every carrier licensed to
13 issue, and that issues for delivery, policies of accident and
14 health insurance in this State shall be assessed. An insurer's
15 assessment shall be determined by multiplying the total
16 assessment, as determined in this Section, by a fraction, the
17 numerator of which equals that insurer's direct Illinois
18 premiums (excluding those premiums from short term, accident
19 only, disability income, hospital confinement or fixed
20 indemnity, vision only, limited benefit, Medicare supplement,
21 long-term care, or credit insurance, coverage issued as a
22 supplement to liability insurance, insurance arising out of a
23 workers' compensation or similar law, automobile
24 medical-payment insurance, insurance under which benefits are
25 payable with or without regard to fault and which is

1 statutorily required to be contained in any liability insurance
2 policy or equivalent self-insurance, or a Consumer Operated and
3 Oriented Plan), during the preceding calendar year and the
4 denominator of which equals the total of all insurers' direct
5 Illinois premiums (excluding those premiums from short term,
6 accident only, disability income, hospital confinement or
7 fixed indemnity, vision only, limited benefit, Medicare
8 supplement, long-term care, or credit insurance, coverage
9 issued as a supplement to liability insurance, insurance
10 arising out of a workers' compensation or similar law,
11 automobile medical-payment insurance, insurance under which
12 benefits are payable with or without regard to fault and which
13 is statutorily required to be contained in any liability
14 insurance policy or equivalent self-insurance, or a Consumer
15 Operated and Oriented Plan). The Board may exempt those
16 insurers whose share as determined under this Section would be
17 so minimal as to not exceed the estimated cost of levying the
18 assessment. The Board shall charge and collect from each
19 insurer the amounts determined to be due under this Section.
20 The assessment shall be billed by Board invoice based upon the
21 insurer's direct Illinois premium income, excluding premium
22 income from limited lines policies and supplemental insurance
23 policies, as shown in its annual statement for the preceding
24 calendar year as filed with the Director. The invoice shall be
25 due upon receipt and must be paid no later than 30 days after
26 receipt by the insurer.

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

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

14 The Board shall prepare annually a complete and detailed
15 written report accounting for all funds received and dispensed
16 during the preceding fiscal year.

17 (215 ILCS 122/5-18 new)

18 Sec. 5-18. Illinois Health Benefits Exchange Fund. There
19 is hereby created as a fund outside of the State treasury the
20 Illinois Health Benefits Exchange Fund to be used, subject to
21 appropriation, exclusively by the Exchange to provide funding
22 for the operation and administration of the Exchange in
23 carrying out the purposes authorized in this Law.

24 (215 ILCS 122/5-21 new)

1 Sec. 5-21. Enrollment through brokers and agents; producer
2 compensation.

3 (a) In accordance with Section 1312(e) of the Federal Act,
4 the Exchange shall allow licensed insurance producers to (1)
5 enroll qualified individuals in any qualified health plan, for
6 which the individual is eligible, in the individual exchange,
7 (2) assist qualified individuals in applying for premium tax
8 credits and cost-sharing reductions for qualified health plans
9 purchased through the individual exchange, and (3) enroll
10 qualified employers in any qualified health plan, for which the
11 employer is eligible, offered through the SHOP exchange.
12 Nothing in this subsection (a) shall be construed as to require
13 a qualified individual or qualified employer to utilize a
14 licensed insurance producer for any of the purposes outlined in
15 this subsection (a).

16 (b) In order to enroll individuals and small employers in
17 qualified health plans on the Exchange, licensed producers must
18 complete a certification program. The Department of Insurance
19 may develop and implement a certification program for licensed
20 insurance producers who enroll individuals and employers in the
21 exchange. The Department of Insurance may charge a reasonable
22 fee, by regulation, to producers for the certification program.
23 The Department of Insurance may approve certification programs
24 developed and instructed by others, charging a reasonable fee,
25 by regulation, for approval.

26 (c) The Exchange shall include on its Internet website a

1 producer locator section, featured prominently, through which
2 individuals and small employers can find exchange-certified
3 producers.

4 (d) The Exchange shall take no role in developing or
5 determining the manner or amount of compensation producers
6 receive from qualified health plans for individuals or
7 employers enrolled in health plans through the Exchange.

8 (215 ILCS 122/5-23 new)

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

13 (215 ILCS 122/5-30 new)

14 Sec. 5-30. Dissolution of Comprehensive Health Insurance
15 Plan.

16 (a) Except as otherwise provided in this Section, the
17 insurance operations of the Comprehensive Health Insurance
18 Plan authorized by the Comprehensive Health Insurance Plan Act
19 shall cease on January 1, 2014. As used in this Section, "Plan"
20 means the Comprehensive Health Insurance plan.

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

23 (c) A claim for payment under the Plan must be submitted
24 within 180 days after January 1, 2014 and paid within 60 days

1 after receipt.

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

6 (e) The Plan Board shall, not later than June 30, 2013,
7 submit to the Director of Insurance a plan of dissolution,
8 which must provide for, but not be limited to, the following:

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

11 (2) A final accounting of assessments.

12 (3) Resolution of any net asset deficiency.

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

14 (5) Final dissolution of the Plan.

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

19 (g) The Director shall, after notice and hearing, approve a
20 plan of dissolution submitted under subsection (e) of this
21 Section if the Director determines that the plan of dissolution
22 is suitable to ensure the fair, reasonable, and equitable
23 dissolution of the Plan and complies with subsection (e) of
24 this Section. If the Director does not find that the plan of
25 dissolution is suitable to ensure the fair, reasonable, and
26 equitable dissolution of the Plan, he or she may by order

1 require changes to the plan that cure the deficiencies
2 identified in his or her findings.

3 (h) A plan of dissolution submitted under subsection (e) of
4 this Section is effective upon the written approval of the
5 Director.

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

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

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

15 (l) The Plan, or the person or entity to which the Plan
16 delegates powers under subsection (f) of this Section, may
17 implement this Section in accordance with the plan of
18 dissolution approved by the Director under subsection (g) of
19 this Section.

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.".