

1 AN ACT concerning insurance.

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

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

6 (5 ILCS 375/6.11)

7 Sec. 6.11. Required health benefits; Illinois Insurance
8 Code requirements. The program of health benefits shall provide
9 the post-mastectomy care benefits required to be covered by a
10 policy of accident and health insurance under Section 356t of
11 the Illinois Insurance Code. The program of health benefits
12 shall provide the coverage required under Sections 356g,
13 356g.5, 356g.5-1, 356m, 356u, 356w, 356x, 356z.2, 356z.4,
14 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
15 356z.14, 356z.15, and 356z.17 ~~and 356z.19~~ of the Illinois
16 Insurance Code. The program of health benefits must comply with
17 Sections 155.22a, 155.37, 355b, and 356z.19 of the Illinois
18 Insurance Code.

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

1 whatever reason, is unauthorized.

2 (Source: P.A. 96-139, eff. 1-1-10; 96-328, eff. 8-11-09;
3 96-639, eff. 1-1-10; 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11;
4 97-343, eff. 1-1-12; 97-813, eff. 7-13-12.)

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

7 (55 ILCS 5/5-1069.3)

8 Sec. 5-1069.3. Required health benefits. If a county,
9 including a home rule county, is a self-insurer for purposes of
10 providing health insurance coverage for its employees, the
11 coverage shall include coverage for the post-mastectomy care
12 benefits required to be covered by a policy of accident and
13 health insurance under Section 356t and the coverage required
14 under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x,
15 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
16 356z.14, and 356z.15 of the Illinois Insurance Code. The
17 coverage shall comply with Sections 155.22a, 355b, and 356z.19
18 of the Illinois Insurance Code. The requirement that health
19 benefits be covered as provided in this Section is an exclusive
20 power and function of the State and is a denial and limitation
21 under Article VII, Section 6, subsection (h) of the Illinois
22 Constitution. A home rule county to which this Section applies
23 must comply with every provision of this Section.

24 Rulemaking authority to implement Public Act 95-1045, if

1 any, is conditioned on the rules being adopted in accordance
2 with all provisions of the Illinois Administrative Procedure
3 Act and all rules and procedures of the Joint Committee on
4 Administrative Rules; any purported rule not so adopted, for
5 whatever reason, is unauthorized.

6 (Source: P.A. 96-139, eff. 1-1-10; 96-328, eff. 8-11-09;
7 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11; 97-343, eff. 1-1-12;
8 97-813, eff. 7-13-12.)

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

11 (65 ILCS 5/10-4-2.3)

12 Sec. 10-4-2.3. Required health benefits. If a
13 municipality, including a home rule municipality, is a
14 self-insurer for purposes of providing health insurance
15 coverage for its employees, the coverage shall include coverage
16 for the post-mastectomy care benefits required to be covered by
17 a policy of accident and health insurance under Section 356t
18 and the coverage required under Sections 356g, 356g.5,
19 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10,
20 356z.11, 356z.12, 356z.13, 356z.14, and 356z.15 of the Illinois
21 Insurance Code. The coverage shall comply with Sections
22 155.22a, 355b, and 356z.19 of the Illinois Insurance Code. The
23 requirement that health benefits be covered as provided in this
24 is an exclusive power and function of the State and is a denial

1 and limitation under Article VII, Section 6, subsection (h) of
2 the Illinois Constitution. A home rule municipality to which
3 this Section applies must comply with every provision of this
4 Section.

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

11 (Source: P.A. 96-139, eff. 1-1-10; 96-328, eff. 8-11-09;
12 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11; 97-343, eff. 1-1-12;
13 97-813, eff. 7-13-12.)

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

16 (105 ILCS 5/10-22.3f)

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

1 Illinois Insurance Code. The coverage shall comply with
2 Sections ~~Section~~ 155.22a and 355b of the Illinois Insurance
3 Code.

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

10 (Source: P.A. 96-139, eff. 1-1-10; 96-328, eff. 8-11-09;
11 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11; 97-343, eff. 1-1-12;
12 97-813, eff. 7-13-12.)

13 Section 25. The Illinois Insurance Code is amended by
14 adding Sections 355b and 356z.16 as follows:

15 (215 ILCS 5/355b new)

16 Sec. 355b. Claim-related information; alternative means of
17 communication.

18 (a) For the purposes of this Section, "claim-related
19 information" means all claim or billing information relating
20 specifically to an insured, subscriber, or person covered by an
21 individual or group policy of accident and health insurance
22 issued, delivered, amended, or renewed by a company doing
23 business in this State.

24 (b) A company that issues, delivers, amends, or renews an

1 individual or group policy of accident and health insurance on
2 or after the effective date of this amendatory Act of the 98th
3 General Assembly shall accommodate a reasonable request by a
4 person covered by a policy issued by the company to receive
5 communications of claim-related information from the company
6 by alternative means or at alternative locations if the person
7 clearly states that disclosure of all or part of the
8 information could endanger the person.

9 (c) If a child is covered by a policy issued by a company,
10 then the child's parent or guardian may make a request to the
11 company pursuant to subsection (b) of this Section.

12 (d) A company may require (1) a person making a request
13 pursuant to subsection (b) of this Section to do so in writing,
14 (2) the request to contain a statement that disclosure of all
15 or part of the claim-related information to which the request
16 pertains could endanger the person or child, and (3) the
17 specification of an alternative address, telephone number, or
18 other method of contact.

19 (e) Except with the express consent of the person making a
20 request pursuant to subsection (b) of this Section, a company
21 may not disclose to the policyholder (1) the address, telephone
22 number, or any other personally identifying information of the
23 person who made the request or child for whose benefit a
24 request was made, (2) the nature of the health care services
25 provided, or (3) the name or address of the provider of the
26 health care services.

1 (f) A company that makes reasonable and good faith efforts
2 to comply with this Section shall not be subject to civil or
3 criminal liability on the grounds of noncompliance with this
4 Section.

5 (g) The Director shall adopt rules to guide companies in
6 guarding against the disclosure of the information protected
7 pursuant to this Section.

8 (h) Nothing in this Section shall prevent, hinder, or
9 otherwise affect the entry of an appropriate order made in the
10 best interests of a child by a court of competent jurisdiction
11 adjudicating disputed issues of child welfare or custody.

12 (215 ILCS 5/356z.16)

13 Sec. 356z.16. Applicability of mandated benefits to
14 supplemental policies. Unless specified otherwise, the
15 following Sections of the Illinois Insurance Code do not apply
16 to short-term travel, disability income, long-term care,
17 accident only, or limited or specified disease policies: 355b,
18 356b, 356c, 356d, 356g, 356k, 356m, 356n, 356p, 356q, 356r,
19 356t, 356u, 356w, 356x, 356z.1, 356z.2, 356z.4, 356z.5, 356z.6,
20 356z.8, 356z.12, 356z.14, 356z.19, 356z.21, 364.01, 367.2-5,
21 and 367e.

22 (Source: P.A. 96-180, eff. 1-1-10; 96-1000, eff. 7-2-10;
23 96-1034, eff. 1-1-11; 97-91, eff. 1-1-12; 97-282, eff. 8-9-11;
24 97-592, eff. 1-1-12; 97-813, eff. 7-13-12; 97-972, eff.
25 1-1-13.)

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

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

4 Sec. 5-3. Insurance Code provisions.

5 (a) Health Maintenance Organizations shall be subject to
6 the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,
7 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154,
8 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 355.3,
9 355b, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4,
10 356z.5, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12,
11 356z.13, 356z.14, 356z.15, 356z.17, 356z.18, 356z.19, 356z.21,
12 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c, 368d, 368e,
13 370c, 370c.1, 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412,
14 444, and 444.1, paragraph (c) of subsection (2) of Section 367,
15 and Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV,
16 and XXVI of the Illinois Insurance Code.

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

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

23 (2) a corporation organized under the laws of this
24 State; or

1 (3) a corporation organized under the laws of another
2 state, 30% or more of the enrollees of which are residents
3 of this State, except a corporation subject to
4 substantially the same requirements in its state of
5 organization as is a "domestic company" under Article VIII
6 1/2 of the Illinois Insurance Code.

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

10 (1) the Director shall give primary consideration to
11 the continuation of benefits to enrollees and the financial
12 conditions of the acquired Health Maintenance Organization
13 after the merger, consolidation, or other acquisition of
14 control takes effect;

15 (2) (i) the criteria specified in subsection (1)(b) of
16 Section 131.8 of the Illinois Insurance Code shall not
17 apply and (ii) the Director, in making his determination
18 with respect to the merger, consolidation, or other
19 acquisition of control, need not take into account the
20 effect on competition of the merger, consolidation, or
21 other acquisition of control;

22 (3) the Director shall have the power to require the
23 following information:

24 (A) certification by an independent actuary of the
25 adequacy of the reserves of the Health Maintenance
26 Organization sought to be acquired;

1 (B) pro forma financial statements reflecting the
2 combined balance sheets of the acquiring company and
3 the Health Maintenance Organization sought to be
4 acquired as of the end of the preceding year and as of
5 a date 90 days prior to the acquisition, as well as pro
6 forma financial statements reflecting projected
7 combined operation for a period of 2 years;

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

12 (D) such other information as the Director shall
13 require.

14 (d) The provisions of Article VIII 1/2 of the Illinois
15 Insurance Code and this Section 5-3 shall apply to the sale by
16 any health maintenance organization of greater than 10% of its
17 enrollee population (including without limitation the health
18 maintenance organization's right, title, and interest in and to
19 its health care certificates).

20 (e) In considering any management contract or service
21 agreement subject to Section 141.1 of the Illinois Insurance
22 Code, the Director (i) shall, in addition to the criteria
23 specified in Section 141.2 of the Illinois Insurance Code, take
24 into account the effect of the management contract or service
25 agreement on the continuation of benefits to enrollees and the
26 financial condition of the health maintenance organization to

1 be managed or serviced, and (ii) need not take into account the
2 effect of the management contract or service agreement on
3 competition.

4 (f) Except for small employer groups as defined in the
5 Small Employer Rating, Renewability and Portability Health
6 Insurance Act and except for medicare supplement policies as
7 defined in Section 363 of the Illinois Insurance Code, a Health
8 Maintenance Organization may by contract agree with a group or
9 other enrollment unit to effect refunds or charge additional
10 premiums under the following terms and conditions:

11 (i) the amount of, and other terms and conditions with
12 respect to, the refund or additional premium are set forth
13 in the group or enrollment unit contract agreed in advance
14 of the period for which a refund is to be paid or
15 additional premium is to be charged (which period shall not
16 be less than one year); and

17 (ii) the amount of the refund or additional premium
18 shall not exceed 20% of the Health Maintenance
19 Organization's profitable or unprofitable experience with
20 respect to the group or other enrollment unit for the
21 period (and, for purposes of a refund or additional
22 premium, the profitable or unprofitable experience shall
23 be calculated taking into account a pro rata share of the
24 Health Maintenance Organization's administrative and
25 marketing expenses, but shall not include any refund to be
26 made or additional premium to be paid pursuant to this

1 subsection (f)). The Health Maintenance Organization and
2 the group or enrollment unit may agree that the profitable
3 or unprofitable experience may be calculated taking into
4 account the refund period and the immediately preceding 2
5 plan years.

6 The Health Maintenance Organization shall include a
7 statement in the evidence of coverage issued to each enrollee
8 describing the possibility of a refund or additional premium,
9 and upon request of any group or enrollment unit, provide to
10 the group or enrollment unit a description of the method used
11 to calculate (1) the Health Maintenance Organization's
12 profitable experience with respect to the group or enrollment
13 unit and the resulting refund to the group or enrollment unit
14 or (2) the Health Maintenance Organization's unprofitable
15 experience with respect to the group or enrollment unit and the
16 resulting additional premium to be paid by the group or
17 enrollment unit.

18 In no event shall the Illinois Health Maintenance
19 Organization Guaranty Association be liable to pay any
20 contractual obligation of an insolvent organization to pay any
21 refund authorized under this Section.

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

1 whatever reason, is unauthorized.

2 (Source: P.A. 96-328, eff. 8-11-09; 96-639, eff. 1-1-10;
3 96-833, eff. 6-1-10; 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11;
4 97-343, eff. 1-1-12; 97-437, eff. 8-18-11; 97-486, eff. 1-1-12;
5 97-592, eff. 1-1-12; 97-805, eff. 1-1-13; 97-813, eff.
6 7-13-12.)

7 Section 35. The Limited Health Service Organization Act is
8 amended by changing Section 4003 as follows:

9 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

10 Sec. 4003. Illinois Insurance Code provisions. Limited
11 health service organizations shall be subject to the provisions
12 of Sections 133, 134, 136, 137, 139, 140, 141.1, 141.2, 141.3,
13 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6,
14 154.7, 154.8, 155.04, 155.37, 355.2, 355.3, 355b, 356v,
15 356z.10, 356z.21, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2,
16 409, 412, 444, and 444.1 and Articles IIA, VIII 1/2, XII, XII
17 1/2, XIII, XIII 1/2, XXV, and XXVI of the Illinois Insurance
18 Code. For purposes of the Illinois Insurance Code, except for
19 Sections 444 and 444.1 and Articles XIII and XIII 1/2, limited
20 health service organizations in the following categories are
21 deemed to be domestic companies:

22 (1) a corporation under the laws of this State; or

23 (2) a corporation organized under the laws of another
24 state, 30% of more of the enrollees of which are residents

1 of this State, except a corporation subject to
2 substantially the same requirements in its state of
3 organization as is a domestic company under Article VIII
4 1/2 of the Illinois Insurance Code.

5 (Source: P.A. 97-486, eff. 1-1-12; 97-592, 1-1-12; 97-805, eff.
6 1-1-13; 97-813, eff. 7-13-12.)

7 Section 40. The Voluntary Health Services Plans Act is
8 amended by changing Section 10 as follows:

9 (215 ILCS 165/10) (from Ch. 32, par. 604)

10 Sec. 10. Application of Insurance Code provisions. Health
11 services plan corporations and all persons interested therein
12 or dealing therewith shall be subject to the provisions of
13 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,
14 143, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3, 355b, 356g,
15 356g.5, 356g.5-1, 356r, 356t, 356u, 356v, 356w, 356x, 356y,
16 356z.1, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9,
17 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18,
18 356z.19, 356z.21, 364.01, 367.2, 368a, 401, 401.1, 402, 403,
19 403A, 408, 408.2, and 412, and paragraphs (7) and (15) of
20 Section 367 of the Illinois Insurance Code.

21 Rulemaking authority to implement Public Act 95-1045, if
22 any, is conditioned on the rules being adopted in accordance
23 with all provisions of the Illinois Administrative Procedure
24 Act and all rules and procedures of the Joint Committee on

1 Administrative Rules; any purported rule not so adopted, for
2 whatever reason, is unauthorized.

3 (Source: P.A. 96-328, eff. 8-11-09; 96-833, eff. 6-1-10;
4 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11; 97-343, eff. 1-1-12;
5 97-486, eff. 1-1-12; 97-592, eff. 1-1-12; 97-805, eff. 1-1-13;
6 97-813, eff. 7-13-12.)

1 INDEX

2 Statutes amended in order of appearance

3 5 ILCS 375/6.11

4 55 ILCS 5/5-1069.3

5 65 ILCS 5/10-4-2.3

6 105 ILCS 5/10-22.3f

7 215 ILCS 5/355b new

8 215 ILCS 125/5-3 from Ch. 111 1/2, par. 1411.2

9 215 ILCS 130/4003 from Ch. 73, par. 1504-3

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