



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB3309

by Rep. Ron Sandack

SYNOPSIS AS INTRODUCED:

5 ILCS 375/6.5
5 ILCS 375/6.9
5 ILCS 375/10

from Ch. 127, par. 530

Amends the State Employees Group Insurance Act of 1971. Decreases the amount paid by the State for the program of health benefits provided under the Act. Increases the amount paid by benefit recipients for the program of health benefits provided under the Act. Directs the Director of Central Management Services, beginning in State fiscal year 2014, to determine the amount that each annuitant, survivor, and retired employee shall contribute toward the basic program of group health benefits by taking into account age, years of service, and pension income. Effective July 1, 2013.

LRB098 08776 JDS 38902 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning government.

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

4 Section 5. The State Employees Group Insurance Act of 1971
5 is amended by changing Sections 6.5, 6.9, and 10 as follows:

6 (5 ILCS 375/6.5)

7 Sec. 6.5. Health benefits for TRS benefit recipients and
8 TRS dependent beneficiaries.

9 (a) Purpose. It is the purpose of this amendatory Act of
10 1995 to transfer the administration of the program of health
11 benefits established for benefit recipients and their
12 dependent beneficiaries under Article 16 of the Illinois
13 Pension Code to the Department of Central Management Services.

14 (b) Transition provisions. The Board of Trustees of the
15 Teachers' Retirement System shall continue to administer the
16 health benefit program established under Article 16 of the
17 Illinois Pension Code through December 31, 1995. Beginning
18 January 1, 1996, the Department of Central Management Services
19 shall be responsible for administering a program of health
20 benefits for TRS benefit recipients and TRS dependent
21 beneficiaries under this Section. The Department of Central
22 Management Services and the Teachers' Retirement System shall
23 cooperate in this endeavor and shall coordinate their

1 activities so as to ensure a smooth transition and
2 uninterrupted health benefit coverage.

3 (c) Eligibility. All persons who were enrolled in the
4 Article 16 program at the time of the transfer shall be
5 eligible to participate in the program established under this
6 Section without any interruption or delay in coverage or
7 limitation as to pre-existing medical conditions. Eligibility
8 to participate shall be determined by the Teachers' Retirement
9 System. Eligibility information shall be communicated to the
10 Department of Central Management Services in a format
11 acceptable to the Department.

12 A TRS dependent beneficiary who is a child age 19 or over
13 and mentally or physically disabled does not become ineligible
14 to participate by reason of (i) becoming ineligible to be
15 claimed as a dependent for Illinois or federal income tax
16 purposes or (ii) receiving earned income, so long as those
17 earnings are insufficient for the child to be fully
18 self-sufficient.

19 (d) Coverage. The level of health benefits provided under
20 this Section shall be similar to the level of benefits provided
21 by the program previously established under Article 16 of the
22 Illinois Pension Code.

23 Group life insurance benefits are not included in the
24 benefits to be provided to TRS benefit recipients and TRS
25 dependent beneficiaries under this Act.

26 The program of health benefits under this Section may

1 include any or all of the benefit limitations, including but
2 not limited to a reduction in benefits based on eligibility for
3 federal medicare benefits, that are provided under subsection
4 (a) of Section 6 of this Act for other health benefit programs
5 under this Act.

6 (e) Insurance rates and premiums. The Director shall
7 determine the insurance rates and premiums for TRS benefit
8 recipients and TRS dependent beneficiaries, and shall present
9 to the Teachers' Retirement System of the State of Illinois, by
10 April 15 of each calendar year, the rate-setting methodology
11 (including but not limited to utilization levels and costs)
12 used to determine the amount of the health care premiums.

13 For Fiscal Year 1996, the premium shall be equal to the
14 premium actually charged in Fiscal Year 1995; in subsequent
15 years, the premium shall never be lower than the premium
16 charged in Fiscal Year 1995.

17 For Fiscal Year 2003, the premium shall not exceed 110%
18 of the premium actually charged in Fiscal Year 2002.

19 For Fiscal Year 2004, the premium shall not exceed 112%
20 of the premium actually charged in Fiscal Year 2003.

21 For Fiscal Year 2005, the premium shall not exceed a
22 weighted average of 106.6% of the premium actually charged
23 in Fiscal Year 2004.

24 For Fiscal Year 2006, the premium shall not exceed a
25 weighted average of 109.1% of the premium actually charged
26 in Fiscal Year 2005.

1 For Fiscal Year 2007, the premium shall not exceed a
2 weighted average of 103.9% of the premium actually charged
3 in Fiscal Year 2006.

4 For Fiscal Year 2008 and prior to Fiscal Year 2014 ~~and~~
5 ~~thereafter~~, the premium in each fiscal year shall not
6 exceed 105% of the premium actually charged in the previous
7 fiscal year.

8 Rates and premiums shall ~~may~~ be based in part on age, ~~and~~
9 eligibility for federal medicare coverage, years of service,
10 pension income, and the type of insurance program selected.
11 However, the cost of participation for a TRS dependent
12 beneficiary who is an unmarried child age 19 or over and
13 mentally or physically disabled shall not exceed the cost for a
14 TRS dependent beneficiary who is an unmarried child under age
15 19 and participates in the same major medical or managed care
16 program.

17 The cost of health benefits under the program shall be paid
18 as follows:

19 (1) For each Medicare-covered ~~a~~ TRS benefit recipient
20 ~~selecting a managed care program,~~ other than a
21 Medicare-covered TRS benefit recipient who first becomes a
22 teacher, as defined under paragraphs (1), (4), and (6)
23 through (10) of Section 16-106 of the Illinois Pension
24 Code, on or after the effective date of this amendatory Act
25 of the 98th General Assembly, up to 46% 75% of the total
26 insurance rate shall be paid from the Teacher Health

1 Insurance Security Fund. ~~Effective with Fiscal Year 2007~~
2 ~~and thereafter, for a TRS benefit recipient selecting a~~
3 ~~managed care program, 75% of the total insurance rate shall~~
4 ~~be paid from the Teacher Health Insurance Security Fund.~~

5 (2) For each non-Medicare-covered a TRS benefit
6 recipient ~~selecting the major medical coverage program,~~
7 other than a non-Medicare-covered TRS benefit recipient
8 who either first becomes a TRS benefit recipient on or
9 after the effective date of this amendatory Act of the 98th
10 General Assembly or first becomes a teacher, as defined
11 under paragraphs (1), (4), and (6) through (10) of Section
12 16-106 of the Illinois Pension Code, on or after the
13 effective date of this amendatory Act of the 98th General
14 Assembly, up to 46% 50% of the total insurance rate shall
15 be paid from the Teacher Health Insurance Security Fund if
16 ~~a managed care program is accessible, as determined by the~~
17 ~~Teachers' Retirement System. Effective with Fiscal Year~~
18 ~~2007 and thereafter, for a TRS benefit recipient selecting~~
19 ~~the major medical coverage program, 50% of the total~~
20 ~~insurance rate shall be paid from the Teacher Health~~
21 ~~Insurance Security Fund if a managed care program is~~
22 ~~accessible, as determined by the Department of Central~~
23 ~~Management Services.~~

24 (3) For each non-Medicare-covered a TRS benefit
25 recipient who first becomes a TRS benefit recipient on or
26 after the effective date of this amendatory Act of the 98th

1 General Assembly, other than a non-Medicare-covered TRS
2 benefit recipient who first becomes a teacher, as defined
3 under paragraphs (1), (4), and (6) through (10) of Section
4 16-106 of the Illinois Pension Code, on or after the
5 effective date of this amendatory Act of the 98th General
6 Assembly selecting the major medical coverage program, up
7 to 46% 75% of the total insurance rate that would be paid
8 on behalf of that TRS benefit recipient if he or she were
9 eligible for Medicare shall be paid from the Teacher Health
10 Insurance Security Fund ~~if a managed care program is not~~
11 ~~accessible, as determined by the Teachers' Retirement~~
12 ~~System. Effective with Fiscal Year 2007 and thereafter, for~~
13 ~~a TRS benefit recipient selecting the major medical~~
14 ~~coverage program, 75% of the total insurance rate shall be~~
15 ~~paid from the Teacher Health Insurance Security Fund if a~~
16 ~~managed care program is not accessible, as determined by~~
17 ~~the Department of Central Management Services.~~

18 (3.1) For each a TRS benefit recipient who first
19 becomes a teacher, as defined under paragraphs (1), (4),
20 and (6) through (10) of Section 16-106 of the Illinois
21 Pension Code, on or after the effective date of this
22 amendatory Act of the 98th General Assembly, no portion of
23 the total insurance rate shall be paid from the Teacher
24 Health Insurance Security Fund. ~~dependent beneficiary who~~
25 ~~is Medicare primary and enrolled in a managed care plan, or~~
26 ~~the major medical coverage program if a managed care plan~~

1 ~~is not available, 25% of the total insurance rate shall be~~
2 ~~paid from the Teacher Health Security Fund as determined by~~
3 ~~the Department of Central Management Services. For the~~
4 ~~purpose of this item (3.1), the term "TRS dependent~~
5 ~~beneficiary who is Medicare primary" means a TRS dependent~~
6 ~~beneficiary who is participating in Medicare Parts A and B.~~

7 (4) ~~The~~ Except as otherwise provided in item (3.1), the
8 balance of the rate of insurance, including the entire
9 premium of any coverage for TRS dependent beneficiaries
10 that has been elected, shall be paid by deductions
11 authorized by the TRS benefit recipient to be withheld from
12 his or her monthly annuity or benefit payment from the
13 Teachers' Retirement System; except that (i) if the balance
14 of the cost of coverage exceeds the amount of the monthly
15 annuity or benefit payment, the difference shall be paid
16 directly to the Teachers' Retirement System by the TRS
17 benefit recipient, and (ii) all or part of the balance of
18 the cost of coverage may, at the school board's option, be
19 paid to the Teachers' Retirement System by the school board
20 of the school district from which the TRS benefit recipient
21 retired, in accordance with Section 10-22.3b of the School
22 Code. The Teachers' Retirement System shall promptly
23 deposit all moneys withheld by or paid to it under this
24 subdivision (e)(4) into the Teacher Health Insurance
25 Security Fund. These moneys shall not be considered assets
26 of the Retirement System.

1 (f) Financing. Beginning July 1, 1995, all revenues arising
2 from the administration of the health benefit programs
3 established under Article 16 of the Illinois Pension Code or
4 this Section shall be deposited into the Teacher Health
5 Insurance Security Fund, which is hereby created as a
6 nonappropriated trust fund to be held outside the State
7 Treasury, with the State Treasurer as custodian. Any interest
8 earned on moneys in the Teacher Health Insurance Security Fund
9 shall be deposited into the Fund.

10 Moneys in the Teacher Health Insurance Security Fund shall
11 be used only to pay the costs of the health benefit program
12 established under this Section, including associated
13 administrative costs, and the costs associated with the health
14 benefit program established under Article 16 of the Illinois
15 Pension Code, as authorized in this Section. Beginning July 1,
16 1995, the Department of Central Management Services may make
17 expenditures from the Teacher Health Insurance Security Fund
18 for those costs.

19 After other funds authorized for the payment of the costs
20 of the health benefit program established under Article 16 of
21 the Illinois Pension Code are exhausted and until January 1,
22 1996 (or such later date as may be agreed upon by the Director
23 of Central Management Services and the Secretary of the
24 Teachers' Retirement System), the Secretary of the Teachers'
25 Retirement System may make expenditures from the Teacher Health
26 Insurance Security Fund as necessary to pay up to 75% of the

1 cost of providing health coverage to eligible benefit
2 recipients (as defined in Sections 16-153.1 and 16-153.3 of the
3 Illinois Pension Code) who are enrolled in the Article 16
4 health benefit program and to facilitate the transfer of
5 administration of the health benefit program to the Department
6 of Central Management Services.

7 The Department of Healthcare and Family Services, or any
8 successor agency designated to procure healthcare contracts
9 pursuant to this Act, is authorized to establish funds,
10 separate accounts provided by any bank or banks as defined by
11 the Illinois Banking Act, or separate accounts provided by any
12 savings and loan association or associations as defined by the
13 Illinois Savings and Loan Act of 1985 to be held by the
14 Director, outside the State treasury, for the purpose of
15 receiving the transfer of moneys from the Teacher Health
16 Insurance Security Fund. The Department may promulgate rules
17 further defining the methodology for the transfers. Any
18 interest earned by moneys in the funds or accounts shall inure
19 to the Teacher Health Insurance Security Fund. The transferred
20 moneys, and interest accrued thereon, shall be used exclusively
21 for transfers to administrative service organizations or their
22 financial institutions for payments of claims to claimants and
23 providers under the self-insurance health plan. The
24 transferred moneys, and interest accrued thereon, shall not be
25 used for any other purpose including, but not limited to,
26 reimbursement of administration fees due the administrative

1 service organization pursuant to its contract or contracts with
2 the Department.

3 (g) Contract for benefits. The Director shall by contract,
4 self-insurance, or otherwise make available the program of
5 health benefits for TRS benefit recipients and their TRS
6 dependent beneficiaries that is provided for in this Section.
7 The contract or other arrangement for the provision of these
8 health benefits shall be on terms deemed by the Director to be
9 in the best interest of the State of Illinois and the TRS
10 benefit recipients based on, but not limited to, such criteria
11 as administrative cost, service capabilities of the carrier or
12 other contractor, and the costs of the benefits.

13 (g-5) Committee. A Teacher Retirement Insurance Program
14 Committee shall be established, to consist of 10 persons
15 appointed by the Governor.

16 The Committee shall convene at least 4 times each year, and
17 shall consider and make recommendations on issues affecting the
18 program of health benefits provided under this Section.
19 Recommendations of the Committee shall be based on a consensus
20 of the members of the Committee.

21 If the Teacher Health Insurance Security Fund experiences a
22 deficit balance based upon the contribution and subsidy rates
23 established in this Section and Section 6.6 for Fiscal Year
24 2008 or thereafter, the Committee shall make recommendations
25 for adjustments to the funding sources established under these
26 Sections.

1 In addition, the Committee shall identify proposed
2 solutions to the funding shortfalls that are affecting the
3 Teacher Health Insurance Security Fund, and it shall report
4 those solutions to the Governor and the General Assembly within
5 6 months after August 15, 2011 (the effective date of Public
6 Act 97-386).

7 (h) Continuation of program. It is the intention of the
8 General Assembly that the program of health benefits provided
9 under this Section be maintained on an ongoing, affordable
10 basis.

11 The program of health benefits provided under this Section
12 may be amended by the State and is not intended to be a pension
13 or retirement benefit subject to protection under Article XIII,
14 Section 5 of the Illinois Constitution.

15 (i) Repeal. (Blank).

16 (Source: P.A. 96-1519, eff. 2-4-11; 97-386, eff. 8-15-11;
17 97-813, eff. 7-13-12.)

18 (5 ILCS 375/6.9)

19 Sec. 6.9. Health benefits for community college benefit
20 recipients and community college dependent beneficiaries.

21 (a) Purpose. It is the purpose of this amendatory Act of
22 1997 to establish a uniform program of health benefits for
23 community college benefit recipients and their dependent
24 beneficiaries under the administration of the Department of
25 Central Management Services.

1 (b) Creation of program. Beginning July 1, 1999, the
2 Department of Central Management Services shall be responsible
3 for administering a program of health benefits for community
4 college benefit recipients and community college dependent
5 beneficiaries under this Section. The State Universities
6 Retirement System and the boards of trustees of the various
7 community college districts shall cooperate with the
8 Department in this endeavor.

9 (c) Eligibility. All community college benefit recipients
10 and community college dependent beneficiaries shall be
11 eligible to participate in the program established under this
12 Section, without any interruption or delay in coverage or
13 limitation as to pre-existing medical conditions. Eligibility
14 to participate shall be determined by the State Universities
15 Retirement System. Eligibility information shall be
16 communicated to the Department of Central Management Services
17 in a format acceptable to the Department.

18 (d) Coverage. The health benefit coverage provided under
19 this Section shall be a program of health, dental, and vision
20 benefits.

21 The program of health benefits under this Section may
22 include any or all of the benefit limitations, including but
23 not limited to a reduction in benefits based on eligibility for
24 federal medicare benefits, that are provided under subsection
25 (a) of Section 6 of this Act for other health benefit programs
26 under this Act.

1 (e) Insurance rates and premiums. The Director shall
2 determine the insurance rates and premiums for community
3 college benefit recipients and community college dependent
4 beneficiaries. Rates and premiums may be based in part on age,
5 ~~and~~ eligibility for federal Medicare coverage, years of
6 service, pension income, and the type of insurance program
7 selected. The Director shall also determine premiums that will
8 allow for the establishment of an actuarially sound reserve for
9 this program.

10 The cost of health benefits under the program shall be paid
11 as follows:

12 (1) For each Medicare-covered a community college
13 benefit recipient, other than a Medicare-covered community
14 college benefit recipient who first becomes eligible, on or
15 after the effective date of this amendatory Act of the 98th
16 General Assembly, to participate in the program
17 established under this Section, up to 46% ~~75%~~ of the total
18 insurance rate shall be paid from the Community College
19 Health Insurance Security Fund.

20 (1.1) For each non-Medicare-covered community college
21 benefit recipient, other than a non-Medicare-covered
22 community college benefit recipient who either first
23 becomes a community college benefit recipient on or after
24 the effective date of this amendatory Act of the 98th
25 General Assembly or first becomes eligible, on or after the
26 effective date of this amendatory Act of the 98th General

1 Assembly, to participate in the program established under
2 this Section, up to 46% of the total insurance rate shall
3 be paid from the Community College Health Insurance
4 Security Fund.

5 (1.2) For each non-Medicare-covered community college
6 benefit recipient who first becomes a community college
7 benefit recipient on or after the effective date of this
8 amendatory Act of the 98th General Assembly, other than a
9 non-Medicare-covered community college benefit recipient
10 who first becomes eligible, on or after the effective date
11 of this amendatory Act of the 98th General Assembly, to
12 participate in the program established under this Section,
13 up to 46% of the total insurance rate that would be paid on
14 behalf of the community college benefit recipient if he or
15 she were eligible for Medicare shall be paid from the
16 Community College Health Insurance Security Fund.

17 (1.3) For each community college benefit recipient who
18 first becomes eligible, on or after the effective date of
19 this amendatory Act of the 98th General Assembly, to
20 participate in the program established under this Section,
21 no portion of the total insurance rate shall be paid from
22 the Community College Health Insurance Security Fund.

23 (2) The balance of the rate of insurance, including the
24 entire premium for any coverage for community college
25 dependent beneficiaries that has been elected, shall be
26 paid by deductions authorized by the community college

1 benefit recipient to be withheld from his or her monthly
2 annuity or benefit payment from the State Universities
3 Retirement System; except that (i) if the balance of the
4 cost of coverage exceeds the amount of the monthly annuity
5 or benefit payment, the difference shall be paid directly
6 to the State Universities Retirement System by the
7 community college benefit recipient, and (ii) all or part
8 of the balance of the cost of coverage may, at the option
9 of the board of trustees of the community college district,
10 be paid to the State Universities Retirement System by the
11 board of the community college district from which the
12 community college benefit recipient retired. The State
13 Universities Retirement System shall promptly deposit all
14 moneys withheld by or paid to it under this subdivision
15 (e) (2) into the Community College Health Insurance
16 Security Fund. These moneys shall not be considered assets
17 of the State Universities Retirement System.

18 (f) Financing. All revenues arising from the
19 administration of the health benefit program established under
20 this Section shall be deposited into the Community College
21 Health Insurance Security Fund, which is hereby created as a
22 nonappropriated trust fund to be held outside the State
23 Treasury, with the State Treasurer as custodian. Any interest
24 earned on moneys in the Community College Health Insurance
25 Security Fund shall be deposited into the Fund.

26 Moneys in the Community College Health Insurance Security

1 Fund shall be used only to pay the costs of the health benefit
2 program established under this Section, including associated
3 administrative costs and the establishment of a program
4 reserve. Beginning January 1, 1999, the Department of Central
5 Management Services may make expenditures from the Community
6 College Health Insurance Security Fund for those costs.

7 (g) Contract for benefits. The Director shall by contract,
8 self-insurance, or otherwise make available the program of
9 health benefits for community college benefit recipients and
10 their community college dependent beneficiaries that is
11 provided for in this Section. The contract or other arrangement
12 for the provision of these health benefits shall be on terms
13 deemed by the Director to be in the best interest of the State
14 of Illinois and the community college benefit recipients based
15 on, but not limited to, such criteria as administrative cost,
16 service capabilities of the carrier or other contractor, and
17 the costs of the benefits.

18 (h) Continuation of program. It is the intention of the
19 General Assembly that the program of health benefits provided
20 under this Section be maintained on an ongoing, affordable
21 basis. The program of health benefits provided under this
22 Section may be amended by the State and is not intended to be a
23 pension or retirement benefit subject to protection under
24 Article XIII, Section 5 of the Illinois Constitution.

25 (i) Other health benefit plans. A health benefit plan
26 provided by a community college district (other than a

1 community college district subject to Article VII of the Public
2 Community College Act) under the terms of a collective
3 bargaining agreement in effect on or prior to the effective
4 date of this amendatory Act of 1997 shall continue in force
5 according to the terms of that agreement, unless otherwise
6 mutually agreed by the parties to that agreement and the
7 affected retiree. A community college benefit recipient or
8 community college dependent beneficiary whose coverage under
9 such a plan expires shall be eligible to begin participating in
10 the program established under this Section without any
11 interruption or delay in coverage or limitation as to
12 pre-existing medical conditions.

13 This Act does not prohibit any community college district
14 from offering additional health benefits for its retirees or
15 their dependents or survivors.

16 (Source: P.A. 90-497, eff. 8-18-97; 90-655, eff. 7-30-98.)

17 (5 ILCS 375/10) (from Ch. 127, par. 530)

18 Sec. 10. Contributions by the State and members.

19 (a) The State shall pay the cost of basic non-contributory
20 group life insurance and, subject to member paid contributions
21 set by the Department or required by this Section and except as
22 provided in this Section, the basic program of group health
23 benefits on each eligible member, except a member, not
24 otherwise covered by this Act, who has retired as a
25 participating member under Article 2 of the Illinois Pension

1 Code but is ineligible for the retirement annuity under Section
2 2-119 of the Illinois Pension Code, and part of each eligible
3 member's and retired member's premiums for health insurance
4 coverage for enrolled dependents as provided by Section 9. The
5 State shall pay the cost of the basic program of group health
6 benefits only after benefits are reduced by the amount of
7 benefits covered by Medicare for all members and dependents who
8 are eligible for benefits under Social Security or the Railroad
9 Retirement system or who had sufficient Medicare-covered
10 government employment, except that such reduction in benefits
11 shall apply only to those members and dependents who (1) first
12 become eligible for such Medicare coverage on or after July 1,
13 1992; or (2) are Medicare-eligible members or dependents of a
14 local government unit which began participation in the program
15 on or after July 1, 1992; or (3) remain eligible for, but no
16 longer receive Medicare coverage which they had been receiving
17 on or after July 1, 1992. The Department may determine the
18 aggregate level of the State's contribution on the basis of
19 actual cost of medical services adjusted for age, sex or
20 geographic or other demographic characteristics which affect
21 the costs of such programs.

22 The cost of participation in the basic program of group
23 health benefits for the dependent or survivor of a living or
24 deceased retired employee who was formerly employed by the
25 University of Illinois in the Cooperative Extension Service and
26 would be an annuitant but for the fact that he or she was made

1 ineligible to participate in the State Universities Retirement
2 System by clause (4) of subsection (a) of Section 15-107 of the
3 Illinois Pension Code shall not be greater than the cost of
4 participation that would otherwise apply to that dependent or
5 survivor if he or she were the dependent or survivor of an
6 annuitant under the State Universities Retirement System.

7 (a-1) (Blank).

8 (a-2) (Blank).

9 (a-3) (Blank).

10 (a-4) (Blank).

11 (a-5) (Blank).

12 (a-6) (Blank).

13 (a-7) (Blank).

14 (a-8) Any annuitant, survivor, or retired employee may
15 waive or terminate coverage in the program of group health
16 benefits. Any such annuitant, survivor, or retired employee who
17 has waived or terminated coverage may enroll or re-enroll in
18 the program of group health benefits only during the annual
19 benefit choice period, as determined by the Director; except
20 that in the event of termination of coverage due to nonpayment
21 of premiums, the annuitant, survivor, or retired employee may
22 not re-enroll in the program.

23 (a-8.5) Beginning on July 1, 2012 (the effective date of
24 Public Act 97-695) and prior to the effective date of this
25 amendatory Act of the 98th ~~97th~~ General Assembly, the Director
26 of Central Management Services shall, on an annual basis,

1 determine the amount that the State shall contribute toward the
2 basic program of group health benefits on behalf of annuitants
3 (including individuals who (i) participated in the General
4 Assembly Retirement System, the State Employees' Retirement
5 System of Illinois, the State Universities Retirement System,
6 the Teachers' Retirement System of the State of Illinois, or
7 the Judges Retirement System of Illinois and (ii) qualify as
8 annuitants under subsection (b) of Section 3 of this Act),
9 survivors (including individuals who (i) receive an annuity as
10 a survivor of an individual who participated in the General
11 Assembly Retirement System, the State Employees' Retirement
12 System of Illinois, the State Universities Retirement System,
13 the Teachers' Retirement System of the State of Illinois, or
14 the Judges Retirement System of Illinois and (ii) qualify as
15 survivors under subsection (q) of Section 3 of this Act), and
16 retired employees (as defined in subsection (p) of Section 3 of
17 this Act). The remainder of the cost of coverage for each
18 annuitant, survivor, or retired employee, as determined by the
19 Director of Central Management Services, shall be the
20 responsibility of that annuitant, survivor, or retired
21 employee.

22 Contributions required of annuitants, survivors, and
23 retired employees shall be the same for all retirement systems
24 and shall also be based on whether an individual has made an
25 election under Section 15-135.1 of the Illinois Pension Code.
26 Contributions may be based on annuitants', survivors', or

1 retired employees' Medicare eligibility, but may not be based
2 on Social Security eligibility.

3 (a-8.6) Beginning on the effective date of this amendatory
4 Act of the 98th General Assembly, the Director of Central
5 Management Services shall annually determine the amount that
6 each annuitant, survivor, and retired employee shall
7 contribute toward the basic program of group health benefits.
8 To determine that amount, the Director shall take into account
9 benefit points (which are calculated by summing (i) in the case
10 of annuitants and retired employees, the age in years of the
11 benefit recipient when his or her benefits commence and, in the
12 case of survivors, the age in years of the decedent at the time
13 of death and (ii) the total years of service of the person upon
14 whose service that benefit is based) and annual pension income
15 in accordance with the requirements of this Act and the
16 schedule of required contributions set forth in paragraphs (1)
17 through (5) of this subsection (a-8.5):

18 (1) For an annuitant, survivor, or retired employee
19 with fewer than 63 benefit points, the required
20 contribution shall be 100% of the cost of coverage,
21 regardless of pension income.

22 (2) For an annuitant, survivor, or retired employee
23 with 63 to 78 benefit points and:

24 (A) an annual pension income of less than \$15,000,
25 the required contribution shall be 35% of the cost of
26 coverage.

1 (B) an annual pension income of at least \$15,000
2 but less than \$30,000, the required contribution shall
3 be 55% of the cost of coverage.

4 (C) an annual pension income of at least \$30,000
5 but less than \$50,000, the required contribution shall
6 be 75% of the cost of coverage.

7 (D) an annual pension income of at least \$50,000
8 but less than \$100,000, the required contribution
9 shall be 100% of the cost of coverage.

10 (E) an annual pension income of at least \$100,000
11 but less than \$125,000, the required contribution
12 shall be 100% of the cost of coverage.

13 (F) an annual pension income of \$125,000 or more,
14 the required contribution shall be 100% of the
15 applicable premium.

16 (3) For an annuitant, survivor, or retired employee
17 with 79 to 85 benefit points and:

18 (A) an annual pension income of less than \$15,000,
19 the required contribution shall be 20% of the cost of
20 coverage.

21 (B) an annual pension income of at least \$15,000
22 but less than \$30,000, the required contribution shall
23 be 40% of the cost of coverage.

24 (C) an annual pension income of at least \$30,000
25 but less than \$50,000, the required contribution shall
26 be 55% of the cost of coverage.

1 (D) an annual pension income of at least \$50,000
2 but less than \$100,000, the required contribution
3 shall be 75% of the cost of coverage.

4 (E) an annual pension income of at least \$100,000
5 but less than \$125,000, the required contribution
6 shall be 95% of the cost of coverage.

7 (F) an annual pension income of \$125,000 or more,
8 the required contribution shall be 100% of the cost of
9 coverage.

10 (4) For an annuitant, survivor, or retired employee
11 with 86 to 92 benefit points and:

12 (A) an annual pension income of less than \$15,000,
13 the required contribution shall be 10% of the cost of
14 coverage.

15 (B) an annual pension income of at least \$15,000
16 but less than \$30,000, the required contribution shall
17 be 30% of the cost of coverage.

18 (C) an annual pension income of at least \$30,000
19 but less than \$50,000, the required contribution shall
20 be 50% of the cost of coverage.

21 (D) an annual pension income of at least \$50,000
22 but less than \$100,000, the required contribution
23 shall be 70% of the cost of coverage.

24 (E) an annual pension income of at least \$100,000
25 but less than \$125,000, the required contribution
26 shall be 90% of the cost of coverage.

1 (F) an annual pension income of \$125,000 or more,
2 the required contribution shall be 100% of the cost of
3 coverage.

4 (5) For an annuitant, survivor, or retired employee
5 with 93 or more benefit points and:

6 (A) an annual pension income of less than \$15,000,
7 the required contribution shall be 5% of the cost of
8 coverage.

9 (B) an annual pension income of at least \$15,000
10 but less than \$30,000, the required contribution shall
11 be 20% of the cost of coverage.

12 (C) an annual pension income of at least \$30,000
13 but less than \$50,000, the required contribution shall
14 be 45% of the cost of coverage.

15 (D) an annual pension income of at least \$50,000
16 but less than \$100,000, the required contribution
17 shall be 60% of the cost of coverage.

18 (E) an annual pension income of at least \$100,000
19 but less than \$125,000, the required contribution
20 shall be 80% of the cost of coverage.

21 (F) an annual pension income of \$125,000 or more,
22 the required contribution shall be 100% of the cost of
23 coverage.

24 The Director may by administrative rule alter the schedule
25 of required contributions set forth in paragraphs (1) through
26 (5) of this subsection to ensure (i) that at least 54% of the

1 costs associated with the basic program of group health
2 benefits for retired employees are covered by retired
3 employees, at least 54% of the costs associated with the basic
4 program of group health benefits for annuitants are covered by
5 annuitants, and at least 54% of the costs associated with the
6 basic program of group health benefits for survivors are
7 covered by survivors and (ii) that any costs that are
8 associated with the basic program of group health benefits and
9 not covered either by the State under subsection (a-8.6) or by
10 the annuitant, survivor, or retired employee under paragraphs
11 (1) through (5) of this subsection are covered by the
12 annuitant, survivor, or retired employee, as applicable.

13 (a-8.7) Beginning on the effective date of this amendatory
14 Act of the 98th General Assembly, the State shall contribute
15 toward the basic program of group health benefits the following
16 amounts:

17 (1) for each Medicare-covered annuitant,
18 Medicare-covered survivor, and Medicare-covered retired
19 employee, other than a Medicare-covered annuitant,
20 Medicare-covered survivor, or Medicare-covered retired
21 employee who first becomes an employee on or after the
22 effective date of this amendatory Act of the 98th General
23 Assembly, the remainder of the cost of coverage under the
24 basic program of group health benefits; and

25 (2) for each non-Medicare-covered annuitant,
26 non-Medicare-covered survivor, and non-Medicare-covered

1 retired employee, other than a non-Medicare-covered
2 annuitant, non-Medicare-covered survivor, and
3 non-Medicare-covered retired employee who either first
4 becomes an annuitant, survivor, or retired employee on or
5 after the effective date of this amendatory Act of the 98th
6 General Assembly or first becomes an employee on or after
7 the effective date of this amendatory Act of the 98th
8 General Assembly, the remainder of the cost of coverage
9 under the basic program of group health benefits; and

10 (3) for each non-Medicare-covered annuitant,
11 non-Medicare-covered survivor, and non-Medicare-covered
12 retired employee who first becomes an annuitant, survivor,
13 or retired employee on or after the effective date of this
14 amendatory Act of the 98th General Assembly, other than a
15 non-Medicare-covered annuitant, non-Medicare-covered
16 survivor, or non-Medicare-covered retired employee who
17 first becomes an employee on or after the effective date of
18 this amendatory Act of the 98th General Assembly, an amount
19 that is equal to the amount that the State would pay for
20 that annuitant, survivor, or retired employee if he or she
21 were covered by Medicare.

22 Regardless of Medicare coverage, the State shall not
23 contribute toward the basic program of group health
24 benefits for annuitants, survivors, or retired employees
25 who first become employees on or after the effective date
26 of this amendatory Act of the 98th General Assembly.

1 (a-9) No later than May 1 of each calendar year, the
2 Director of Central Management Services shall certify in
3 writing to the Executive Secretary of the State Employees'
4 Retirement System of Illinois the amounts of the Medicare
5 supplement health care premiums and the amounts of the health
6 care premiums for all other retirees who are not Medicare
7 eligible.

8 A separate calculation of the premiums based upon the
9 actual cost of each health care plan shall be so certified.

10 The Director of Central Management Services shall provide
11 to the Executive Secretary of the State Employees' Retirement
12 System of Illinois such information, statistics, and other data
13 as he or she may require to review the premium amounts
14 certified by the Director of Central Management Services.

15 The Department of Healthcare and Family Services, or any
16 successor agency designated to procure healthcare contracts
17 pursuant to this Act, is authorized to establish funds,
18 separate accounts provided by any bank or banks as defined by
19 the Illinois Banking Act, or separate accounts provided by any
20 savings and loan association or associations as defined by the
21 Illinois Savings and Loan Act of 1985 to be held by the
22 Director, outside the State treasury, for the purpose of
23 receiving the transfer of moneys from the Local Government
24 Health Insurance Reserve Fund. The Department may promulgate
25 rules further defining the methodology for the transfers. Any
26 interest earned by moneys in the funds or accounts shall inure

1 to the Local Government Health Insurance Reserve Fund. The
2 transferred moneys, and interest accrued thereon, shall be used
3 exclusively for transfers to administrative service
4 organizations or their financial institutions for payments of
5 claims to claimants and providers under the self-insurance
6 health plan. The transferred moneys, and interest accrued
7 thereon, shall not be used for any other purpose including, but
8 not limited to, reimbursement of administration fees due the
9 administrative service organization pursuant to its contract
10 or contracts with the Department.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 (2) In subsequent years, a further adjustment shall be
9 made to reflect the actual prior years' claims experience
10 of the employees of the unit of local government.

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

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

26 The Local Government Health Insurance Reserve Fund is

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

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

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

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

26 The Director shall annually determine quarterly rates of

1 payment, subject to the following constraints:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 of the employees of the child advocacy center.

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

5 (Source: P.A. 96-756, eff. 1-1-10; 96-1232, eff. 7-23-10;
6 96-1519, eff. 2-4-11; 97-695, eff. 7-1-12.)

7 Section 99. Effective date. This Act takes effect July 1,
8 2013.