



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB5309

by Rep. Laura Fine

SYNOPSIS AS INTRODUCED:

5 ILCS 375/6.11	
55 ILCS 5/5-1069.3	
65 ILCS 5/10-4-2.3	
105 ILCS 5/10-22.3f	
215 ILCS 5/356z.22 new	
215 ILCS 125/5-3	from Ch. 111 1/2, par. 1411.2
215 ILCS 130/4003	from Ch. 73, par. 1504-3
215 ILCS 165/10	from Ch. 32, par. 604

Amends the Illinois Insurance Code. Provides that a group or individual policy of accident and health insurance or managed care plan shall include coverage for foreign language interpretation services and sign language interpreter services within the context of the provision of health care. Makes conforming changes in the State Employees Group Insurance Act of 1971, the Counties Code, the Illinois Municipal Code, the School Code, the Health Maintenance Organization Act, the Limited Health Service Organization Act, and the Voluntary Health Services Plans Act.

LRB098 19723 RPM 54936 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning regulation.

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.22 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. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-813,
3 eff. 7-13-12; 98-189, eff. 1-1-14.)

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

6 (55 ILCS 5/5-1069.3)

7 Sec. 5-1069.3. Required health benefits. If a county,
8 including a home rule county, is a self-insurer for purposes of
9 providing health insurance coverage for its employees, the
10 coverage shall include coverage for the post-mastectomy care
11 benefits required to be covered by a policy of accident and
12 health insurance under Section 356t and the coverage required
13 under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x,
14 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
15 356z.14, and 356z.15 of the Illinois Insurance Code. The
16 coverage shall comply with Sections 155.22a, 355b, ~~and~~ 356z.19,
17 and 356z.22 of the Illinois Insurance Code. The requirement
18 that health benefits be covered as provided in this Section is
19 an exclusive power and function of the State and is a denial
20 and limitation under Article VII, Section 6, subsection (h) of
21 the Illinois Constitution. A home rule county to which this
22 Section applies must comply with every provision of this
23 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. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-813,
7 eff. 7-13-12; 98-189, eff. 1-1-14.)

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

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

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

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

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. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-813,
11 eff. 7-13-12; 98-189, eff. 1-1-14.)

12 Section 20. The School Code is amended by changing Section
13 10-22.3f as follows:

14 (105 ILCS 5/10-22.3f)

15 Sec. 10-22.3f. Required health benefits. Insurance
16 protection and benefits for employees shall provide the
17 post-mastectomy care benefits required to be covered by a
18 policy of accident and health insurance under Section 356t and
19 the coverage required under Sections 356g, 356g.5, 356g.5-1,
20 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.11, 356z.12,
21 356z.13, 356z.14, ~~and~~ 356z.15, and 356z.22 of the Illinois
22 Insurance Code. Insurance policies shall comply with Section
23 356z.19 of the Illinois Insurance Code. The coverage shall
24 comply with Sections 155.22a and 355b of the Illinois Insurance

1 Code.

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

8 (Source: P.A. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-813,
9 eff. 7-13-12; 98-189, eff. 1-1-14.)

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

12 (215 ILCS 5/356z.22 new)

13 Sec. 356z.22. Translation and interpretation services;
14 sign language interpreter. A group or individual policy of
15 accident and health insurance or managed care plan amended,
16 delivered, issued, or renewed after the effective date of this
17 amendatory Act of the 98th General Assembly shall include
18 coverage for foreign language interpretation services and sign
19 language interpreter services within the context of the
20 provision of health care.

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

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

2 Sec. 5-3. Insurance Code provisions.

3 (a) Health Maintenance Organizations shall be subject to
4 the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,
5 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154,
6 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 355.3,
7 355b, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4,
8 356z.5, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12,
9 356z.13, 356z.14, 356z.15, 356z.17, 356z.18, 356z.19, 356z.21,
10 356z.22, 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c, 368d,
11 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A, 408, 408.2,
12 409, 412, 444, and 444.1, paragraph (c) of subsection (2) of
13 Section 367, and Articles IIA, VIII 1/2, XII, XII 1/2, XIII,
14 XIII 1/2, XXV, and XXVI of the Illinois Insurance Code.

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

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

21 (2) a corporation organized under the laws of this
22 State; or

23 (3) a corporation organized under the laws of another
24 state, 30% or more of the enrollees of which are residents
25 of this State, except a corporation subject to
26 substantially the same requirements in its state of

1 organization as is a "domestic company" under Article VIII
2 1/2 of the Illinois Insurance Code.

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

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

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

18 (3) the Director shall have the power to require the
19 following information:

20 (A) certification by an independent actuary of the
21 adequacy of the reserves of the Health Maintenance
22 Organization sought to be acquired;

23 (B) pro forma financial statements reflecting the
24 combined balance sheets of the acquiring company and
25 the Health Maintenance Organization sought to be
26 acquired as of the end of the preceding year and as of

1 a date 90 days prior to the acquisition, as well as pro
2 forma financial statements reflecting projected
3 combined operation for a period of 2 years;

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

8 (D) such other information as the Director shall
9 require.

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

16 (e) In considering any management contract or service
17 agreement subject to Section 141.1 of the Illinois Insurance
18 Code, the Director (i) shall, in addition to the criteria
19 specified in Section 141.2 of the Illinois Insurance Code, take
20 into account the effect of the management contract or service
21 agreement on the continuation of benefits to enrollees and the
22 financial condition of the health maintenance organization to
23 be managed or serviced, and (ii) need not take into account the
24 effect of the management contract or service agreement on
25 competition.

26 (f) Except for small employer groups as defined in the

1 Small Employer Rating, Renewability and Portability Health
2 Insurance Act and except for medicare supplement policies as
3 defined in Section 363 of the Illinois Insurance Code, a Health
4 Maintenance Organization may by contract agree with a group or
5 other enrollment unit to effect refunds or charge additional
6 premiums under the following terms and conditions:

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

13 (ii) the amount of the refund or additional premium
14 shall not exceed 20% of the Health Maintenance
15 Organization's profitable or unprofitable experience with
16 respect to the group or other enrollment unit for the
17 period (and, for purposes of a refund or additional
18 premium, the profitable or unprofitable experience shall
19 be calculated taking into account a pro rata share of the
20 Health Maintenance Organization's administrative and
21 marketing expenses, but shall not include any refund to be
22 made or additional premium to be paid pursuant to this
23 subsection (f)). The Health Maintenance Organization and
24 the group or enrollment unit may agree that the profitable
25 or unprofitable experience may be calculated taking into
26 account the refund period and the immediately preceding 2

1 plan years.

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

14 In no event shall the Illinois Health Maintenance
15 Organization Guaranty Association be liable to pay any
16 contractual obligation of an insolvent organization to pay any
17 refund authorized under this Section.

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

24 (Source: P.A. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-437,
25 eff. 8-18-11; 97-486, eff. 1-1-12; 97-592, eff. 1-1-12; 97-805,
26 eff. 1-1-13; 97-813, eff. 7-13-12; 98-189, eff. 1-1-14.)

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

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

4 Sec. 4003. Illinois Insurance Code provisions. Limited
5 health service organizations shall be subject to the provisions
6 of Sections 133, 134, 136, 137, 139, 140, 141.1, 141.2, 141.3,
7 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6,
8 154.7, 154.8, 155.04, 155.37, 355.2, 355.3, 355b, 356v,
9 356z.10, 356z.21, 356z.22, 368a, 401, 401.1, 402, 403, 403A,
10 408, 408.2, 409, 412, 444, and 444.1 and Articles IIA, VIII
11 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of the
12 Illinois Insurance Code. For purposes of the Illinois Insurance
13 Code, except for Sections 444 and 444.1 and Articles XIII and
14 XIII 1/2, limited health service organizations in the following
15 categories are deemed to be domestic companies:

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

17 (2) a corporation organized under the laws of another
18 state, 30% of more of the enrollees of which are residents
19 of this State, except a corporation subject to
20 substantially the same requirements in its state of
21 organization as is a domestic company under Article VIII
22 1/2 of the Illinois Insurance Code.

23 (Source: P.A. 97-486, eff. 1-1-12; 97-592, 1-1-12; 97-805, eff.
24 1-1-13; 97-813, eff. 7-13-12; 98-189, eff. 1-1-14.)

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

3 (215 ILCS 165/10) (from Ch. 32, par. 604)

4 Sec. 10. Application of Insurance Code provisions. Health
5 services plan corporations and all persons interested therein
6 or dealing therewith shall be subject to the provisions of
7 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,
8 143, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3, 355b, 356g,
9 356g.5, 356g.5-1, 356r, 356t, 356u, 356v, 356w, 356x, 356y,
10 356z.1, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9,
11 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18,
12 356z.19, 356z.21, 356z.22, 364.01, 367.2, 368a, 401, 401.1,
13 402, 403, 403A, 408, 408.2, and 412, and paragraphs (7) and
14 (15) of Section 367 of the Illinois Insurance Code.

15 Rulemaking authority to implement Public Act 95-1045, if
16 any, is conditioned on the rules being adopted in accordance
17 with all provisions of the Illinois Administrative Procedure
18 Act and all rules and procedures of the Joint Committee on
19 Administrative Rules; any purported rule not so adopted, for
20 whatever reason, is unauthorized.

21 (Source: P.A. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-486,
22 eff. 1-1-12; 97-592, eff. 1-1-12; 97-805, eff. 1-1-13; 97-813,
23 eff. 7-13-12; 98-189, eff. 1-1-14.)