



Sen. David Koehler

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1 AMENDMENT TO SENATE BILL 34

2 AMENDMENT NO. _____. Amend Senate Bill 34 by replacing
3 everything after the enacting clause with the following:

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

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

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

11 (1) All officers elected by the people.

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

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

1 and notaries public.

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

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

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

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

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

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

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

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

19 (11) (Blank).

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

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

1 Authority.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Facilities Authority Act.

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

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

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

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

1 incorporated town that received the distributions.

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

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

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

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

26 The Auditor General shall conduct a compliance audit in

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

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

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

9 Section 15. The Illinois Health Benefits Exchange Law is
10 amended by changing Sections 5-3, 5-5, and 5-15 and by adding
11 Sections 5-4, 5-6, 5-16, 5-17, 5-18, 5-21, and 5-23 as follows:

12 (215 ILCS 122/5-3)

13 Sec. 5-3. Legislative intent. The General Assembly finds
14 the health benefits exchanges authorized by the federal Patient
15 Protection and Affordable Care Act represent one of a number of
16 ways in which the State can address coverage gaps and provide
17 individual consumers and small employers access to greater
18 coverage options. The General Assembly also finds that the
19 State is best positioned to implement an exchange that is
20 sensitive to the coverage gaps and market landscape unique to
21 this State.

22 The purpose of this Law is to provide for the establishment
23 of an Illinois Health Benefits Exchange (the Exchange) to
24 facilitate the purchase and sale of qualified health plans and

1 qualified dental plans in the individual market in this State
2 and to provide for the establishment of a Small Business Health
3 Options Program (SHOP Exchange) to assist qualified small
4 employers in this State in facilitating the enrollment of their
5 employees in qualified health plans and qualified dental plans
6 offered in the small group market. The intent of the Exchange
7 is to supplement the existing health insurance market to
8 simplify shopping for individual and small employers by
9 increasing access to benefit options, encouraging a
10 competitive market both inside and outside the Exchange,
11 reducing the number of uninsured, and providing a transparent
12 marketplace and effective consumer education and programmatic
13 assistance tools. The purpose of this Law is to ensure that the
14 State is making sufficient progress towards establishing an
15 exchange within the guidelines outlined by the federal law and
16 to protect Illinoisans from undue federal regulation. Although
17 the federal law imposes a number of core requirements on
18 state level exchanges, the State has significant flexibility
19 in the design and operation of a State exchange that make it
20 prudent for the State to carefully analyze, plan, and prepare
21 for the exchange. The General Assembly finds that in order for
22 the State to craft a tenable exchange that meets the
23 fundamental goals outlined by the Patient Protection and
24 Affordable Care Act of expanding access to affordable coverage
25 and improving the quality of care, the implementation process
26 should (1) provide for broad stakeholder representation; (2)

1 ~~foster a robust and competitive marketplace, both inside and~~
2 ~~outside of the exchange; and (3) provide for a broad-based~~
3 ~~approach to the fiscal solvency of the exchange.~~

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

5 (215 ILCS 122/5-4 new)

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

7 "Board" means the Illinois Health Benefits Exchange Board
8 established pursuant to this Law.

9 "Department" means the Department of Insurance.

10 "Director" means the Director of Insurance.

11 "Educated health care consumer" means an individual who is
12 knowledgeable about the health care system, and has background
13 or experience in making informed decisions regarding health,
14 medical, and public health matters.

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

17 "Exchange" means the Illinois Health Benefits Exchange
18 established by this Law and includes the Individual Exchange
19 and the SHOP Exchange, unless otherwise specified.

20 "Executive Director" means the Executive Director of the
21 Illinois Health Benefits Exchange.

22 "Federal Act" means the federal Patient Protection and
23 Affordable Care Act (Public Law 111-148), as amended by the
24 federal Health Care and Education Reconciliation Act of 2010
25 (Public Law 111-152), and any amendments thereto, or

1 regulations or guidance issued under, those Acts.

2 "Health benefit plan" means a policy, contract,
3 certificate, or agreement offered or issued by a health carrier
4 to provide, deliver, arrange for, pay for, or reimburse any of
5 the costs of health care services. "Health benefit plan" does
6 not include:

7 (1) coverage for accident only or disability income
8 insurance or any combination thereof;

9 (2) coverage issued as a supplement to liability
10 insurance;

11 (3) liability insurance, including general liability
12 insurance and automobile liability insurance;

13 (4) workers' compensation or similar insurance;

14 (5) automobile medical payment insurance;

15 (6) credit-only insurance;

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

17 (8) other similar insurance coverage, specified in
18 federal regulations issued pursuant to the federal Health
19 Information Portability and Accountability Act of 1996,
20 Public Law 104-191, under which benefits for health care
21 services are secondary or incidental to other insurance
22 benefits.

23 "Health benefit plan" does not include the following
24 benefits if they are provided under a separate policy,
25 certificate, or contract of insurance or are otherwise not an
26 integral part of the plan:

1 (a) limited scope dental or vision benefits;

2 (b) benefits for long-term care, nursing home care,
3 home health care, community-based care, or any combination
4 thereof; or

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

7 "Health benefit plan" does not include the following
8 benefits if the benefits are provided under a separate policy,
9 certificate, or contract of insurance, there is no coordination
10 between the provision of the benefits and any exclusion of
11 benefits under any group health plan maintained by the same
12 plan sponsor, and the benefits are paid with respect to an
13 event without regard to whether benefits are provided with
14 respect to such an event under any group health plan maintained
15 by the same plan sponsor:

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

17 or

18 (ii) hospital indemnity or other fixed indemnity
19 insurance.

20 "Health benefit plan" does not include the following if
21 offered as a separate policy, certificate, or contract of
22 insurance:

23 (A) Medicare supplemental health insurance as defined
24 under Section 1882(g)(1) of the federal Social Security
25 Act;

26 (B) coverage supplemental to the coverage provided

1 under Chapter 55 of Title 10, United States Code (Civilian
2 Health and Medical Program of the Uniformed Services
3 (CHAMPUS)); or

4 (C) similar supplemental coverage provided to coverage
5 under a group health plan.

6 "Health benefit plan" does not include a group health plan
7 or multiple employer welfare arrangement to the extent the plan
8 or arrangement is not subject to State insurance regulation
9 under Section 514 of the federal Employee Retirement Income
10 Security Act of 1974.

11 "Health insurance carrier" or "carrier" means an entity
12 subject to the insurance laws and regulations of this State, or
13 subject to the jurisdiction of the Director, that contracts or
14 offers to contract to provide, deliver, arrange for, pay for,
15 or reimburse any of the costs of health care services,
16 including a sickness and accident insurance company, a health
17 maintenance organization, or any other entity providing a plan
18 of health insurance, health benefits, or health services.

19 "Health insurance carrier" does not include short term,
20 accident only, disability income, hospital confinement or
21 fixed indemnity, vision only, limited benefit, or credit
22 insurance, coverage issued as a supplement to liability
23 insurance, insurance arising out of a workers' compensation or
24 similar law, automobile medical-payment insurance, insurance
25 under which benefits are payable with or without regard to
26 fault and which is statutorily required to be contained in any

1 liability insurance policy or equivalent self-insurance, or a
2 Consumer Operated and Oriented Plan.

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

7 "Individual Exchange" means the exchange marketplace
8 established by this Law through which qualified individuals may
9 obtain coverage through an individual market qualified health
10 plan.

11 "Principal place of business" means the location in a state
12 where an employer has its headquarters or significant place of
13 business and where the persons with direction and control
14 authority over the business are employed.

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

17 "Qualified employee" means an eligible individual employed
18 by a qualified employer who has been offered health insurance
19 coverage by that qualified employer through the SHOP on the
20 Exchange.

21 "Qualified employer" means a small employer that elects to
22 make its full-time employees eligible for one or more qualified
23 health plans or qualified dental plans offered through the SHOP
24 Exchange, and at the option of the employer, some or all of its
25 part-time employees, provided that the employer has its
26 principal place of business in this State and elects to provide

1 coverage through the SHOP Exchange to all of its eligible
2 employees, wherever employed.

3 "Qualified health plan" or "QHP" means a health benefit
4 plan that has in effect a certification that the plan meets the
5 criteria for certification described in Section 1311(c) of the
6 Federal Act.

7 "Qualified health plan issuer" or "QHP issuer" means a
8 health insurance issuer that offers a health plan that the
9 Exchange has certified as a qualified health plan.

10 "Qualified individual" means an individual, including a
11 minor, who:

12 (1) is seeking to enroll in a qualified health plan or
13 qualified dental plan offered to individuals through the
14 Exchange;

15 (2) resides in this State;

16 (3) at the time of enrollment, is not incarcerated,
17 other than incarceration pending the disposition of
18 charges; and

19 (4) is, and is reasonably expected to be, for the
20 entire period for which enrollment is sought, a citizen or
21 national of the United States or an alien lawfully present
22 in the United States.

23 "Secretary" means the Secretary of the federal Department
24 of Health and Human Services.

25 "SHOP Exchange" means the Small Business Health Options
26 Program established under this Law through which a qualified

1 employer can provide small group qualified health plans to its
2 qualified employees.

3 "Small employer" means, in connection with a group health
4 plan with respect to a calendar year and a plan year, an
5 employer who employed an average of at least 2 but not more
6 than 50 employees before January 1, 2016 and no more than 100
7 employees on and after January 1, 2016 on business days during
8 the preceding calendar year and who employs at least one
9 employee on the first day of the plan year. For purposes of
10 this definition:

11 (a) all persons treated as a single employer under
12 subsection (b), (c), (m) or (o) of Section 414 of the
13 federal Internal Revenue Code of 1986 shall be treated as a
14 single employer;

15 (b) an employer and any predecessor employer shall be
16 treated as a single employer;

17 (c) employees shall be counted in accordance with
18 federal law and regulations and State law and regulations;
19 provided however, that in the event of a conflict between
20 the federal law and regulations and the State law and
21 regulations, the federal law and regulations shall
22 prevail;

23 (d) if an employer was not in existence throughout the
24 preceding calendar year, then the determination of whether
25 that employer is a small employer shall be based on the
26 average number of employees that is reasonably expected

1 that employer will employ on business days in the current
2 calendar year; and

3 (e) an employer that makes enrollment in qualified
4 health plans or qualified dental plans available to its
5 employees through the SHOP Exchange, and would cease to be
6 a small employer by reason of an increase in the number of
7 its employees, shall continue to be treated as a small
8 employer for purposes of this Law as long as it
9 continuously makes enrollment through the SHOP Exchange
10 available to its employees.

11 (215 ILCS 122/5-5)

12 Sec. 5-5. Establishment of the Exchange ~~State health~~
13 ~~benefits exchange.~~

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

1 employers. These health plans shall be available to individuals
2 and small employers for enrollment by October 1, 2014.

3 (b) There is hereby created a political subdivision, body
4 politic and corporate, named the Illinois Health Benefits
5 Exchange. The Exchange shall be a public entity, but shall not
6 be considered a department, institution, or agency of the
7 State.

8 (c) The Exchange shall be comprised of an individual and a
9 small business health options (SHOP) exchange. Pursuant to
10 Section 1311(b)(2) of the Federal Act, the Exchange shall
11 provide individual exchange services to qualified individuals
12 and SHOP Exchange services to qualified employers under a
13 single governance and administrative structure. The Board
14 shall produce an assessment by July 1, 2016 to determine the
15 viability of merging the SHOP Exchange and Individual Exchange
16 functions into a single exchange by January 1, 2017.

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

26 (e) The Exchange shall not supersede the provisions of the

1 Illinois Insurance Code, nor the functions of the Department of
2 Insurance, the Department of Healthcare and Family Services, or
3 the Department of Public Health.

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

5 (215 ILCS 122/5-6 new)

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

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

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

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

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

24 (2) fulfill all premium rate and contract filing
25 requirements and ensure that no contract language has been

1 disapproved by the Director;

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

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

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

11 (A) is authorized and in good standing to offer
12 health insurance coverage;

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

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

26 (D) does not charge any cancellation fees or

1 penalties; and

2 (E) complies with the regulations established by
3 the Secretary under Section 1311 (d) of the Federal Act
4 and any other requirements of the Illinois Insurance
5 Code and the Department;

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

12 (A) minimum standards in the areas of marketing
13 practices;

14 (B) network adequacy;

15 (C) essential community providers in underserved
16 areas;

17 (D) accreditation;

18 (E) quality improvement;

19 (F) uniform enrollment forms and descriptions of
20 coverage; and

21 (G) information on quality measures for health
22 benefit plan performance; and

23 (7) include outpatient clinics in the health plan's
24 region that are controlled by an entity that also controls
25 a 340B eligible provider as defined by Section 340B(a) (4)
26 of the federal Public Health Service Act such that the

1 outpatient clinics are subject to the same mission,
2 policies, and medical standards related to the provision of
3 health care services as the 340B eligible provider.

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

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

10 (i) claims payment policies and practices;

11 (ii) periodic financial disclosures;

12 (iii) data on enrollment;

13 (iv) data on disenrollment;

14 (v) data on the number of claims that are
15 denied;

16 (vi) data on rating practices;

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

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

21 (ix) other information as determined
22 appropriate by the Secretary, including, but not
23 limited to, accredited clinical quality measures;
24 and

25 (2) permit individuals to learn, in a timely manner
26 upon the request of the individual, the comparative quality

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

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

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

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

24 (2) The plan shall be limited to dental and oral health
25 benefits, without substantially duplicating the benefits
26 typically offered by health benefit plans without dental

1 coverage and shall include, at a minimum, the essential
2 pediatric dental benefits prescribed by the Secretary
3 pursuant to Section 1302(b)(1)(J) of the Federal Act and
4 such other dental benefits as the Board or the Secretary
5 may specify by rule.

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

13 (215 ILCS 122/5-15)

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

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

1 pursuant to the Federal Act.

2 (b) Members of the Legislative Oversight Study Committee
3 shall be appointed as follows: 3 members of the Senate shall be
4 appointed by the President of the Senate; 3 members of the
5 Senate shall be appointed by the Minority Leader of the Senate;
6 3 members of the House of Representatives shall be appointed by
7 the Speaker of the House of Representatives; and 3 members of
8 the House of Representatives shall be appointed by the Minority
9 Leader of the House of Representatives. Each legislative leader
10 shall select one member to serve as co-chair of the committee.

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

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

17 (215 ILCS 122/5-16 new)

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

22 (1) The Board shall consist of 11 voting members
23 appointed by the Governor with the advice and consent of a
24 majority of the members elected to the Senate. In addition,
25 the Director of Healthcare and Family Services, and the

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

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

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

16 (1) the insurance industry;

17 (2) health care administrators; and

18 (3) licensed health care professionals.

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

22 (1) a labor interest group;

23 (2) a women's interest group;

24 (3) a minorities' interest group;

25 (4) a disabled persons' interest group;

26 (5) a small business interest group; and

1 (6) a public health interest group.

2 (C) Each person appointed to the Board should have
3 demonstrated experience in at least one of the
4 following areas:

5 (1) individual health insurance coverage;

6 (2) small employer health insurance;

7 (3) health benefits administration;

8 (4) health care finance;

9 (5) administration of a public or private
10 health care delivery system;

11 (6) the provision of health care services;

12 (7) the purchase of health insurance coverage;

13 (8) health care consumer navigation or
14 assistance;

15 (9) health care economics or health care
16 actuarial sciences;

17 (10) information technology; or

18 (11) starting a small business with 50 or fewer
19 employees.

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

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

1 determine compensation for the Executive Director.

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

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

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

26 (6) The Board shall, as necessary, create and appoint

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

9 (1) an insurer advisory group;

10 (2) a business advisory group;

11 (3) a consumer advisory group;

12 (4) a provider advisory group; and

13 (5) an insurance producer advisory group.

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

1 Legislative Oversight Committee established in Section
2 5-15 quarterly, beginning on September 1, 2013 through
3 December 31, 2014.

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

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

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

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

1 funds received or expected to be received for program
2 administration and operations;

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

6 (D) beginning January 1, 2015, insurer assessments
7 contingent upon the review and recommendations of the
8 Commission on Government Forecasting and
9 Accountability.

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

14 (215 ILCS 122/5-17 new)

15 Sec. 5-17. Insurer's assessment. Every carrier licensed to
16 issue, and that issues for delivery, policies of accident and
17 health insurance in this State shall be assessed. An insurer's
18 assessment shall be determined by multiplying the total
19 assessment, as determined in this Section, by a fraction, the
20 numerator of which equals that insurer's direct Illinois
21 premiums, excluding those premiums from limited lines policies
22 and supplemental insurance policies, during the preceding
23 calendar year and the denominator of which equals the total of
24 all insurers' direct Illinois premiums, excluding those
25 premiums from limited lines policies and supplemental

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

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

20 Insurers shall be assessed only an amount not exceeding the
21 General Assembly's approved Board budget. No assessment shall
22 be made on insurers while assessments are being made pursuant
23 to Section 12 of the Comprehensive Health Insurance Plan Act.

24 The Board shall prepare annually a complete and detailed
25 written report accounting for all funds received and dispensed
26 during the preceding fiscal year.

1 (215 ILCS 122/5-18 new)

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

8 (215 ILCS 122/5-21 new)

9 Sec. 5-21. Enrollment through brokers and agents; producer
10 compensation.

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

24 (b) In order to enroll individuals and small employers in

1 qualified health plans on the Exchange, licensed producers must
2 complete a certification program. The Department of Insurance
3 may develop and implement a certification program for licensed
4 insurance producers who enroll individuals and employers in the
5 exchange. The Department of Insurance may charge a reasonable
6 fee, by regulation, to producers for the certification program.
7 The Department of Insurance may approve certification programs
8 developed and instructed by others, charging a reasonable fee,
9 by regulation, for approval.

10 (c) The Exchange shall include on its Internet website a
11 producer locator section, featured prominently, through which
12 individuals and small employers can find exchange-certified
13 producers.

14 (215 ILCS 122/5-23 new)

15 Sec. 5-23. Examination or investigation of the Exchange;
16 hearing.

17 (a) In addition to any powers conferred upon him or her by
18 this or any other law, including Article XXIV of the Illinois
19 Insurance Code, the Director or any person designated by him or
20 her has the power to:

21 (1) at the expense of the Exchange, examine or
22 investigate any and all aspects regarding the operation and
23 finances of the Exchange and the Illinois Health Benefits
24 Exchange Fund through free access to all books, records,
25 files, papers, and documents relating to their operation

1 and finances and may summon, subpoena, qualify, and examine
2 as witnesses all persons having knowledge of such
3 operation, including directors, officers, agents, or
4 employees thereof; and

5 (2) require such reports as the Director may deem
6 necessary.

7 (b) The examiners designated by the Director pursuant to
8 this Section may make reports to the Director. Any report
9 alleging substantive violations of this Law, any applicable
10 provisions of the Illinois Insurance Code, any applicable Part
11 of Title 50 of the Illinois Administrative Code, or federal law
12 shall be in writing and be based upon facts obtained by the
13 examiners. The report shall be verified by the examiners.

14 (c) If a report is made, the Director shall deliver a
15 duplicate thereof to the Exchange or persons examined and
16 afford the Exchange or such persons examined an opportunity to
17 request a hearing to object to the report. The Exchange or such
18 persons examined may request a hearing within 30 days after
19 receipt of the duplicate of the examination report by giving
20 the Director written notice of such request together with
21 written objections to the report. Any hearing shall be
22 conducted in accordance with Sections 402 and 403 of the
23 Illinois Insurance Code. The right to hearing is waived if the
24 delivery of the report is refused or the report is otherwise
25 undeliverable or the Exchange or such persons examined do not
26 timely request a hearing.

1 After the hearing or upon expiration of the time period
2 during which the Exchange or such persons may request a
3 hearing, if the examination reveals that the Exchange or such
4 persons examined are operating in violation of any applicable
5 provision of this Article, the Illinois Insurance Code, any
6 applicable Part of Title 50 of the Illinois Administrative
7 Code, prior order, or federal law, the Director, in the written
8 order, may require the Exchange or such persons examined to
9 take any action the Director considers necessary or appropriate
10 in accordance with the report or examination hearing. If the
11 Director issues an order, it shall be issued within 90 days
12 after the report is filed, or if there is a hearing, within 90
13 days after the conclusion of the hearing. The order is subject
14 to review under the Administrative Review Law.

15 Section 99. Effective date. This Act takes effect upon
16 becoming law.".