



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 Comprehensive Health Insurance Plan Act is  
10 amended by adding Sections 16 and 17 as follows:

11 (215 ILCS 105/16 new)

12 Sec. 16. Cessation of operations. Notwithstanding any  
13 other provision of this Act, the insurance operations of the  
14 Plan authorized by this Act shall cease on January 1, 2014 in  
15 accordance with Section 5-30 of the Illinois Health Benefits  
16 Exchange Law. Plan coverage does not apply to service provided  
17 on or after January 1, 2014 in accordance with Section 5-30 of  
18 the Illinois Health Benefits Exchange Law.

19 (215 ILCS 105/17 new)

20 Sec. 17. Repealer. This Act is repealed on January 1, 2015.

21 Section 20. The Illinois Health Benefits Exchange Law is  
22 amended by changing Sections 5-3, 5-5, and 5-15 and by adding

1 Sections 5-4, 5-6, 5-16, 5-17, 5-18, 5-21, 5-23, and 5-30 as  
2 follows:

3 (215 ILCS 122/5-3)

4 Sec. 5-3. Legislative intent. The General Assembly finds  
5 the health benefits exchanges authorized by the federal Patient  
6 Protection and Affordable Care Act represent one of a number of  
7 ways in which the State can address coverage gaps and provide  
8 individual consumers and small employers access to greater  
9 coverage options. The General Assembly also finds that the  
10 State is best positioned to implement an exchange that is  
11 sensitive to the coverage gaps and market landscape unique to  
12 this State.

13 The purpose of this Law is to provide for the establishment  
14 of an Illinois Health Benefits Exchange (the Exchange) to  
15 facilitate the purchase and sale of qualified health plans and  
16 qualified dental plans in the individual market in this State  
17 and to provide for the establishment of a Small Business Health  
18 Options Program (SHOP Exchange) to assist qualified small  
19 employers in this State in facilitating the enrollment of their  
20 employees in qualified health plans and qualified dental plans  
21 offered in the small group market. The intent of the Exchange  
22 is to supplement the existing health insurance market to  
23 simplify shopping for individual and small employers by  
24 increasing access to benefit options, encouraging a  
25 competitive market both inside and outside the Exchange,

1 reducing the number of uninsured, and providing a transparent  
2 marketplace and effective consumer education and programmatic  
3 assistance tools. ~~The purpose of this Law is to ensure that the~~  
4 ~~State is making sufficient progress towards establishing an~~  
5 ~~exchange within the guidelines outlined by the federal law and~~  
6 ~~to protect Illinoisans from undue federal regulation. Although~~  
7 ~~the federal law imposes a number of core requirements on~~  
8 ~~state level exchanges, the State has significant flexibility~~  
9 ~~in the design and operation of a State exchange that make it~~  
10 ~~prudent for the State to carefully analyze, plan, and prepare~~  
11 ~~for the exchange. The General Assembly finds that in order for~~  
12 ~~the State to craft a tenable exchange that meets the~~  
13 ~~fundamental goals outlined by the Patient Protection and~~  
14 ~~Affordable Care Act of expanding access to affordable coverage~~  
15 ~~and improving the quality of care, the implementation process~~  
16 ~~should (1) provide for broad stakeholder representation; (2)~~  
17 ~~foster a robust and competitive marketplace, both inside and~~  
18 ~~outside of the exchange; and (3) provide for a broad based~~  
19 ~~approach to the fiscal solvency of the exchange.~~

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

21 (215 ILCS 122/5-4 new)

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

23 "Board" means the Illinois Health Benefits Exchange Board  
24 established pursuant to this Law.

25 "Department" means the Department of Insurance.

1       "Director" means the Director of Insurance.

2       "Educated health care consumer" means an individual who is  
3 knowledgeable about the health care system, and has background  
4 or experience in making informed decisions regarding health,  
5 medical, and public health matters.

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

8       "Exchange" means the Illinois Health Benefits Exchange  
9 established by this Law and includes the Individual Exchange  
10 and the SHOP Exchange, unless otherwise specified.

11       "Executive Director" means the Executive Director of the  
12 Illinois Health Benefits Exchange.

13       "Federal Act" means the federal Patient Protection and  
14 Affordable Care Act (Public Law 111-148), as amended by the  
15 federal Health Care and Education Reconciliation Act of 2010  
16 (Public Law 111-152), and any amendments thereto, or  
17 regulations or guidance issued under, those Acts.

18       "Health benefit plan" means a policy, contract,  
19 certificate, or agreement offered or issued by a health carrier  
20 to provide, deliver, arrange for, pay for, or reimburse any of  
21 the costs of health care services. "Health benefit plan" does  
22 not include:

23               (1) coverage for accident only or disability income  
24 insurance or any combination thereof;

25               (2) coverage issued as a supplement to liability  
26 insurance;

1           (3) liability insurance, including general liability  
2           insurance and automobile liability insurance;

3           (4) workers' compensation or similar insurance;

4           (5) automobile medical payment insurance;

5           (6) credit-only insurance;

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

7           (8) other similar insurance coverage, specified in  
8           federal regulations issued pursuant to the federal Health  
9           Information Portability and Accountability Act of 1996,  
10           Public Law 104-191, under which benefits for health care  
11           services are secondary or incidental to other insurance  
12           benefits.

13           "Health benefit plan" does not include the following  
14           benefits if they are provided under a separate policy,  
15           certificate, or contract of insurance or are otherwise not an  
16           integral part of the plan:

17           (a) limited scope dental or vision benefits;

18           (b) benefits for long-term care, nursing home care,  
19           home health care, community-based care, or any combination  
20           thereof; or

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

23           "Health benefit plan" does not include the following  
24           benefits if the benefits are provided under a separate policy,  
25           certificate, or contract of insurance, there is no coordination  
26           between the provision of the benefits and any exclusion of

1 benefits under any group health plan maintained by the same  
2 plan sponsor, and the benefits are paid with respect to an  
3 event without regard to whether benefits are provided with  
4 respect to such an event under any group health plan maintained  
5 by the same plan sponsor:

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

7 or

8 (ii) hospital indemnity or other fixed indemnity  
9 insurance.

10 "Health benefit plan" does not include the following if  
11 offered as a separate policy, certificate, or contract of  
12 insurance:

13 (A) Medicare supplemental health insurance as defined  
14 under Section 1882(g)(1) of the federal Social Security  
15 Act;

16 (B) coverage supplemental to the coverage provided  
17 under Chapter 55 of Title 10, United States Code (Civilian  
18 Health and Medical Program of the Uniformed Services  
19 (CHAMPUS)); or

20 (C) similar supplemental coverage provided to coverage  
21 under a group health plan.

22 "Health benefit plan" does not include a group health plan  
23 or multiple employer welfare arrangement to the extent the plan  
24 or arrangement is not subject to State insurance regulation  
25 under Section 514 of the federal Employee Retirement Income  
26 Security Act of 1974.

1       "Health insurance carrier" or "carrier" means an entity  
2 subject to the insurance laws and regulations of this State, or  
3 subject to the jurisdiction of the Director, that contracts or  
4 offers to contract to provide, deliver, arrange for, pay for,  
5 or reimburse any of the costs of health care services,  
6 including a sickness and accident insurance company, a health  
7 maintenance organization, or any other entity providing a plan  
8 of health insurance, health benefits, or health services.

9       "Health insurance carrier" does not include short term,  
10 accident only, disability income, hospital confinement or  
11 fixed indemnity, vision only, limited benefit, or credit  
12 insurance, coverage issued as a supplement to liability  
13 insurance, insurance arising out of a workers' compensation or  
14 similar law, automobile medical-payment insurance, insurance  
15 under which benefits are payable with or without regard to  
16 fault and which is statutorily required to be contained in any  
17 liability insurance policy or equivalent self-insurance, or a  
18 Consumer Operated and Oriented Plan.

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

23       "Individual Exchange" means the exchange marketplace  
24 established by this Law through which qualified individuals may  
25 obtain coverage through an individual market qualified health  
26 plan.



1       "Principal place of business" means the location in a state  
2 where an employer has its headquarters or significant place of  
3 business and where the persons with direction and control  
4 authority over the business are employed.

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

7       "Qualified employee" means an eligible individual employed  
8 by a qualified employer who has been offered health insurance  
9 coverage by that qualified employer through the SHOP on the  
10 Exchange.

11       "Qualified employer" means a small employer that elects to  
12 make its full-time employees eligible for one or more qualified  
13 health plans or qualified dental plans offered through the SHOP  
14 Exchange, and at the option of the employer, some or all of its  
15 part-time employees, provided that the employer has its  
16 principal place of business in this State and elects to provide  
17 coverage through the SHOP Exchange to all of its eligible  
18 employees, wherever employed.

19       "Qualified health plan" or "QHP" means a health benefit  
20 plan that has in effect a certification that the plan meets the  
21 criteria for certification described in Section 1311(c) of the  
22 Federal Act.

23       "Qualified health plan issuer" or "QHP issuer" means a  
24 health insurance issuer that offers a health plan that the  
25 Exchange has certified as a qualified health plan.

26       "Qualified individual" means an individual, including a

1 minor, who:

2 (1) is seeking to enroll in a qualified health plan or  
3 qualified dental plan offered to individuals through the  
4 Exchange;

5 (2) resides in this State;

6 (3) at the time of enrollment, is not incarcerated,  
7 other than incarceration pending the disposition of  
8 charges; and

9 (4) is, and is reasonably expected to be, for the  
10 entire period for which enrollment is sought, a citizen or  
11 national of the United States or an alien lawfully present  
12 in the United States.

13 "Secretary" means the Secretary of the federal Department  
14 of Health and Human Services.

15 "SHOP Exchange" means the Small Business Health Options  
16 Program established under this Law through which a qualified  
17 employer can provide small group qualified health plans to its  
18 qualified employees.

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

1           (a) all persons treated as a single employer under  
2           subsection (b), (c), (m) or (o) of Section 414 of the  
3           federal Internal Revenue Code of 1986 shall be treated as a  
4           single employer;

5           (b) an employer and any predecessor employer shall be  
6           treated as a single employer;

7           (c) employees shall be counted in accordance with  
8           federal law and regulations and State law and regulations;  
9           provided however, that in the event of a conflict between  
10           the federal law and regulations and the State law and  
11           regulations, the federal law and regulations shall  
12           prevail;

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

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

1 (215 ILCS 122/5-5)

2 Sec. 5-5. Establishment of the Exchange ~~State health~~  
3 ~~benefits exchange.~~

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

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

23 (c) The Exchange shall be comprised of an individual and a  
24 small business health options (SHOP) exchange. Pursuant to  
25 Section 1311(b)(2) of the Federal Act, the Exchange shall

1 provide individual exchange services to qualified individuals  
2 and SHOP Exchange services to qualified employers under a  
3 single governance and administrative structure. The Board  
4 shall produce an assessment by July 1, 2016 to determine the  
5 viability of merging the SHOP Exchange and Individual Exchange  
6 functions into a single exchange by January 1, 2017.

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

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

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

21 (215 ILCS 122/5-6 new)

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

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

25 (1) provide the essential health benefits package

1 described in Section 1302(a) of the Federal Act; except  
2 that the plan is not required to provide essential benefits  
3 that duplicate the minimum benefits of qualified dental  
4 plans, as provided in subsection (e) of this Section if:

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

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

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

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

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

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

1           (A) is authorized and in good standing to offer  
2           health insurance coverage;

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

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

16           (D) does not charge any cancellation fees or  
17           penalties; and

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

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

1 this Law or the Federal Act, which shall include:

2 (A) minimum standards in the areas of marketing  
3 practices;

4 (B) network adequacy;

5 (C) essential community providers in underserved  
6 areas;

7 (D) accreditation;

8 (E) quality improvement;

9 (F) uniform enrollment forms and descriptions of  
10 coverage; and

11 (G) information on quality measures for health  
12 benefit plan performance; and

13 (7) include outpatient clinics in the health plan's  
14 region that are controlled by an entity that also controls  
15 a 340B eligible provider as defined by Section 340B(a) (4)  
16 of the federal Public Health Service Act such that the  
17 outpatient clinics are subject to the same mission,  
18 policies, and medical standards related to the provision of  
19 health care services as the 340B eligible provider.

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

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

26 (i) claims payment policies and practices;



1 (ii) periodic financial disclosures;

2 (iii) data on enrollment;

3 (iv) data on disenrollment;

4 (v) data on the number of claims that are  
5 denied;

6 (vi) data on rating practices;

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

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

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

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

26 (c) The Department shall not exempt any health carrier

1 seeking certification as a qualified health plan, regardless of  
2 the type or size of the health carrier, from licensure or  
3 solvency requirements and shall apply the criteria of this  
4 Section in a manner that ensures a level playing field between  
5 or among health carriers participating in the Exchange.

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

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

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

22 (3) Health carriers may jointly offer a comprehensive  
23 plan through the Exchange in which the dental benefits are  
24 provided by a health carrier through a qualified dental  
25 plan and the other benefits are provided by a health  
26 carrier through a qualified health plan, provided that the

1       plans are priced separately and are also made available for  
2       purchase separately at the same price.

3           (215 ILCS 122/5-15)

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

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

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

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

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

7           (215 ILCS 122/5-16 new)

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

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

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

1       subparagraphs (A), (B), and (C) of this paragraph, as  
2       follows:

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

6                       (1) the insurance industry;

7                       (2) health care administrators; and

8                       (3) licensed health care professionals.

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

12                      (1) a labor interest group;

13                      (2) a women's interest group;

14                      (3) a minorities' interest group;

15                      (4) a disabled persons' interest group;

16                      (5) a small business interest group; and

17                      (6) a public health interest group.

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

21                      (1) individual health insurance coverage;

22                      (2) small employer health insurance;

23                      (3) health benefits administration;

24                      (4) health care finance;

25                      (5) administration of a public or private  
26              health care delivery system;

1                   (6) the provision of health care services;

2                   (7) the purchase of health insurance coverage;

3                   (8) health care consumer navigation or  
4                   assistance;

5                   (9) health care economics or health care  
6                   actuarial sciences;

7                   (10) information technology; or

8                   (11) starting a small business with 50 or fewer  
9                   employees.

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

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

18                  (5) The terms of the non-voting, ex-officio members of  
19                  the Board shall run concurrent with their terms of  
20                  appointment to office, or in the case of the Executive  
21                  Director, his or her term of appointment to that position,  
22                  subject to the determination of the Board. The terms of the  
23                  members, including those non-voting, ex-officio members  
24                  appointed by the Governor, shall be 4 years. Upon  
25                  conclusion of the initial term, the next term and every  
26                  term subsequent to it shall run for 3 years. Voting members

1 shall serve no more than 3 consecutive terms.

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

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

16 (6) The Board shall, as necessary, create and appoint  
17 qualified persons with requisite expertise to Exchange  
18 technical advisory groups. These Exchange technical  
19 advisory groups shall meet in a manner and frequency  
20 determined by the Board to discuss exchange-related issues  
21 and to provide exchange-related guidance, advice, and  
22 recommendations to the Board and the Exchange. There shall  
23 be at a minimum, 5 technical advisory groups, including the  
24 following:

25 (1) an insurer advisory group;

26 (2) a business advisory group;

1           (3) a consumer advisory group;

2           (4) a provider advisory group; and

3           (5) an insurance producer advisory group.

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

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



1 matter, whether direct or indirect. All recusals must be in  
2 writing and specify the reason and date of the recusal. All  
3 recusals shall be maintained by the Executive Director and  
4 shall be disclosed to any person upon written request.

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

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

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

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

22 (D) beginning January 1, 2015, insurer assessments  
23 contingent upon the review and recommendations of the  
24 Commission on Government Forecasting and  
25 Accountability.

26 (10) The purpose of the Board shall be to implement the

1       Exchange in accordance with this Section and shall be  
2       authorized to establish procedures for the operation of the  
3       Exchange, subject to legislative approval.

4           (215 ILCS 122/5-17 new)

5       Sec. 5-17. Insurer's assessment. Every carrier licensed to  
6       issue, and that issues for delivery, policies of accident and  
7       health insurance in this State shall be assessed. An insurer's  
8       assessment shall be determined by multiplying the total  
9       assessment, as determined in this Section, by a fraction, the  
10       numerator of which equals that insurer's direct Illinois  
11       premiums, excluding those premiums from limited lines policies  
12       and supplemental insurance policies, during the preceding  
13       calendar year and the denominator of which equals the total of  
14       all insurers' direct Illinois premiums, excluding those  
15       premiums from limited lines policies and supplemental  
16       insurance policies. The Board may exempt those insurers whose  
17       share as determined under this Section would be so minimal as  
18       to not exceed the estimated cost of levying the assessment. The  
19       Board shall charge and collect from each insurer the amounts  
20       determined to be due under this Section. The assessment shall  
21       be billed by Board invoice based upon the insurer's direct  
22       Illinois premium income, excluding premium income from limited  
23       lines policies and supplemental insurance policies, as shown in  
24       its annual statement for the preceding calendar year as filed  
25       with the Director. The invoice shall be due upon receipt and

1 must be paid no later than 30 days after receipt by the  
2 insurer.

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

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

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

17 (215 ILCS 122/5-18 new)

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

24 (215 ILCS 122/5-21 new)

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

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

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

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

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

4 (215 ILCS 122/5-23 new)

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

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

11 (1) at the expense of the Exchange, examine or  
12 investigate any and all aspects regarding the operation and  
13 finances of the Exchange and the Illinois Health Benefits  
14 Exchange Fund through free access to all books, records,  
15 files, papers, and documents relating to their operation  
16 and finances and may summon, subpoena, qualify, and examine  
17 as witnesses all persons having knowledge of such  
18 operation, including directors, officers, agents, or  
19 employees thereof; and

20 (2) require such reports as the Director may deem  
21 necessary.

22 (b) The examiners designated by the Director pursuant to  
23 this Section may make reports to the Director. Any report  
24 alleging substantive violations of this Law, any applicable  
25 provisions of the Illinois Insurance Code, any applicable Part

1 of Title 50 of the Illinois Administrative Code, or federal law  
2 shall be in writing and be based upon facts obtained by the  
3 examiners. The report shall be verified by the examiners.

4 (c) If a report is made, the Director shall deliver a  
5 duplicate thereof to the Exchange or persons examined and  
6 afford the Exchange or such persons examined an opportunity to  
7 request a hearing to object to the report. The Exchange or such  
8 persons examined may request a hearing within 30 days after  
9 receipt of the duplicate of the examination report by giving  
10 the Director written notice of such request together with  
11 written objections to the report. Any hearing shall be  
12 conducted in accordance with Sections 402 and 403 of the  
13 Illinois Insurance Code. The right to hearing is waived if the  
14 delivery of the report is refused or the report is otherwise  
15 undeliverable or the Exchange or such persons examined do not  
16 timely request a hearing.

17 After the hearing or upon expiration of the time period  
18 during which the Exchange or such persons may request a  
19 hearing, if the examination reveals that the Exchange or such  
20 persons examined are operating in violation of any applicable  
21 provision of this Article, the Illinois Insurance Code, any  
22 applicable Part of Title 50 of the Illinois Administrative  
23 Code, prior order, or federal law, the Director, in the written  
24 order, may require the Exchange or such persons examined to  
25 take any action the Director considers necessary or appropriate  
26 in accordance with the report or examination hearing. If the

1 Director issues an order, it shall be issued within 90 days  
2 after the report is filed, or if there is a hearing, within 90  
3 days after the conclusion of the hearing. The order is subject  
4 to review under the Administrative Review Law.

5 (215 ILCS 122/5-30 new)

6 Sec. 5-30. Dissolution of Comprehensive Health Insurance  
7 Plan.

8 (a) Except as otherwise provided in this Section, the  
9 insurance operations of the Comprehensive Health Insurance  
10 Plan authorized by the Comprehensive Health Insurance Plan Act  
11 shall cease on January 1, 2014. As used in this Section, "Plan"  
12 means the Comprehensive Health Insurance plan.

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

15 (c) A claim for payment under the Plan must be submitted  
16 within 180 days after January 1, 2014 and paid within 60 days  
17 after receipt.

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

22 (e) Balance billing under this Section by a health care  
23 provider that is not a member of the provider network  
24 arrangement used by the Plan is prohibited.

25 (f) The Plan Board shall, not later than June 30, 2013,

1 submit to the Director of Insurance a plan of dissolution,  
2 which must provide for, but not be limited to, the following:

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

5 (2) A final accounting of assessments.

6 (3) Resolution of any net asset deficiency.

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

8 (5) Final dissolution of the Plan.

9 (g) The plan of dissolution may provide that, with the  
10 approval of the Plan Board and the Director, a power or duty of  
11 the association may be delegated to a person that is to perform  
12 functions similar to the functions of the Plan.

13 (h) The Director shall, after notice and hearing, approve a  
14 plan of dissolution submitted under subsection (f) of this  
15 Section if the Director determines that the plan of dissolution  
16 is suitable to ensure the fair, reasonable, and equitable  
17 dissolution of the Plan and complies with subsection (f) of  
18 this Section. If the Director does not find that the plan of  
19 dissolution is suitable to ensure the fair, reasonable, and  
20 equitable dissolution of the Plan, he or she may by order  
21 require changes to the plan that cure the deficiencies  
22 identified in his or her findings.

23 (i) A plan of dissolution submitted under subsection (f) of  
24 this Section is effective upon the written approval of the  
25 Director.

26 (j) An action by or against the Plan must be filed not more



1 than one year after January 1, 2014.

2 (k) General Revenue Fund funds remaining in the Plan on the  
3 date on which final dissolution of the Plan occurs must be  
4 transferred back into the General Revenue Fund.

5 (l) Insurer assessments remaining in the Plan on the date  
6 on which dissolution of the Plan occurs must be returned to  
7 insurers based on subsection e of Section 12 of the  
8 Comprehensive Health Insurance Plan Act.

9 (m) The Plan, or the person or entity to which the Plan  
10 delegates powers under subsection (g) of this Section, may  
11 implement this Section in accordance with the plan of  
12 dissolution approved by the Director under subsection (h) of  
13 this Section.

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