



Sen. Michael W. Frerichs

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1 AMENDMENT TO SENATE BILL 214

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 214 by replacing  
3 everything after the enacting clause with the following:

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

6 (5 ILCS 375/5) (from Ch. 127, par. 525)

7 Sec. 5. Employee benefits; declaration of State policy. The  
8 General Assembly declares that it is the policy of the State  
9 and in the best interest of the State to assure quality  
10 benefits to members and their dependents under this Act. The  
11 implementation of this policy depends upon, among other things,  
12 stability and continuity of coverage, care, and services under  
13 benefit programs for members and their dependents.  
14 Specifically, but without limitation, members should have  
15 continued access, on substantially similar terms and  
16 conditions, to trusted family health care providers with whom

1 they have developed long-term relationships through a benefit  
2 program under this Act. Therefore, the Director must administer  
3 this Act consistent with that State policy, but may consider  
4 affordability, cost of coverage and care, and competition among  
5 health insurers and providers. All contracts for provision of  
6 employee benefits, including those portions of any proposed  
7 collective bargaining agreement that would require  
8 implementation through contracts entered into under this Act,  
9 are subject to the following requirements:

10 (i) By April 1 of each year, the Director must report  
11 and provide information to the Commission concerning the  
12 status of the employee benefits program to be offered for  
13 the next fiscal year. Information includes, but is not  
14 limited to, documents, reports of negotiations, bid  
15 invitations, requests for proposals, specifications,  
16 copies of proposed and final contracts or agreements, and  
17 any other materials concerning contracts or agreements for  
18 the employee benefits program. By the first of each month  
19 thereafter, the Director must provide updated, and any new,  
20 information to the Commission until the employee benefits  
21 program for the next fiscal year is determined. In addition  
22 to these monthly reporting requirements, at any time the  
23 Commission makes a written request, the Director must  
24 promptly, but in no event later than 5 business days after  
25 receipt of the request, provide to the Commission any  
26 additional requested information in the possession of the

1 Director concerning employee benefits programs. The  
2 Commission may waive any of the reporting requirements of  
3 this item (i) upon the written request by the Director. Any  
4 waiver granted under this item (i) must be in writing.  
5 Nothing in this item is intended to abrogate any  
6 attorney-client privilege.

7 (ii) Within 30 days after notice of the awarding or  
8 letting of a contract has appeared in the Illinois  
9 Procurement Bulletin in accordance with subsection (b) of  
10 Section 15-25 of the Illinois Procurement Code, the  
11 Commission may request in writing from the Director and the  
12 Director shall promptly, but in no event later than 5  
13 business days after receipt of the request, provide to the  
14 Commission information in the possession of the Director  
15 concerning the proposed contract. Nothing in this item is  
16 intended to waive or abrogate any privilege or right of  
17 confidentiality authorized by law.

18 (iii) Except as otherwise provided in this item (iii),  
19 no contract subject to this Section may be entered into  
20 until the 30-day period described in item (ii) has expired,  
21 unless the Director requests in writing that the Commission  
22 waive the period and the Commission grants the waiver in  
23 writing. This item (iii) does not apply to any contract  
24 entered into after the effective date of this amendatory  
25 Act of the 98th General Assembly and through January 1,  
26 2014 to provide a program of group health benefits for

1 Medicare-primary members and their Medicare-primary  
2 dependents that is comparable in stability and continuity  
3 of coverage, care, and services to the program of health  
4 benefits offered to other members and their dependents  
5 under this Act.

6 (iv) If the Director seeks to make any substantive  
7 modification to any provision of a proposed contract after  
8 it is submitted to the Commission in accordance with item  
9 (ii), the modified contract shall be subject to the  
10 requirements of items (ii) and (iii) unless the Commission  
11 agrees, in writing, to a waiver of those requirements with  
12 respect to the modified contract.

13 (v) By the date of the beginning of the annual benefit  
14 choice period, the Director must transmit to the Commission  
15 a copy of each final contract or agreement for the employee  
16 benefits program to be offered for the next fiscal year.  
17 The annual benefit choice period for an employee benefits  
18 program must begin on May 1 of the fiscal year preceding  
19 the year for which the program is to be offered. If,  
20 however, in any such preceding fiscal year collective  
21 bargaining over employee benefit programs for the next  
22 fiscal year remains pending on April 15, the beginning date  
23 of the annual benefit choice period shall be not later than  
24 15 days after ratification of the collective bargaining  
25 agreement.

26 (vi) The Director must provide the reports,

1 information, and contracts required under items (i), (ii),  
2 (iv), and (v) by electronic or other means satisfactory to  
3 the Commission. Reports, information, and contracts in the  
4 possession of the Commission pursuant to items (i), (ii),  
5 (iv), and (v) are exempt from disclosure by the Commission  
6 and its members and employees under the Freedom of  
7 Information Act. Reports, information, and contracts  
8 received by the Commission pursuant to items (i), (ii),  
9 (iv), and (v) must be kept confidential by and may not be  
10 disclosed or used by the Commission or its members or  
11 employees if such disclosure or use could compromise the  
12 fairness or integrity of the procurement, bidding, or  
13 contract process. Commission meetings, or portions of  
14 Commission meetings, in which reports, information, and  
15 contracts received by the Commission pursuant to items (i),  
16 (ii), (iv), and (v) are discussed must be closed if  
17 disclosure or use of the report or information could  
18 compromise the fairness or integrity of the procurement,  
19 bidding, or contract process.

20 All contracts entered into under this Section are subject  
21 to appropriation and shall comply with Section 20-60(b) of the  
22 Illinois Procurement Code (30 ILCS 500/20-60(b)).

23 The Director shall contract or otherwise make available  
24 group life insurance, health benefits and other employee  
25 benefits to eligible members and, where elected, their eligible  
26 dependents. Any contract or, if applicable, contracts or other

1 arrangement for provision of benefits shall be on terms  
2 consistent with State policy and based on, but not limited to,  
3 such criteria as administrative cost, service capabilities of  
4 the carrier or other contractor and premiums, fees or charges  
5 as related to benefits.

6 Notwithstanding any other provisions of this Act, by  
7 January 1, 2014, the Department of Central Management Services,  
8 in consultation with and subject to the approval of the Chief  
9 Procurement Officer, shall contract or make otherwise  
10 available a program of group health benefits for  
11 Medicare-primary members and their Medicare-primary  
12 dependents. The Director may procure a single contract or  
13 multiple contracts that provide a program of group health  
14 benefits that is comparable in stability and continuity of  
15 coverage, care, and services to the program of health benefits  
16 offered to other members and their dependents under this Act.  
17 The initial procurement of a contract or contracts under this  
18 paragraph is not subject to the provisions of the Illinois  
19 Procurement Code, except for Sections 20-60, 20-65, 20-70, and  
20 20-160 and Article 50 of that Code, provided that the Chief  
21 Procurement Officer may, in writing with justification, waive  
22 any certification required under Article 50.

23 The Department failed to provide the program of group  
24 health benefits for Medicare-primary members and their  
25 Medicare-primary dependents by January 1, 2014. Furthermore,  
26 the Department failed to procure for Medicare-primary members

1 and their Medicare-primary dependents a program comparable in  
2 stability and continuity of coverage, care, and services to the  
3 program of health benefits offered to other members and their  
4 dependents under this Act. The General Assembly requires the  
5 Department to procure a supplemental Medicare Advantage Health  
6 Maintenance Organization Request for Proposal (RFP) to meet the  
7 legislative intent of the General Assembly. If an offeror  
8 responds to the Supplement RFP and is currently an approved  
9 Medicare Advantage plan, with 5 years of experience, by Centers  
10 for Medicare and Medicaid Services, the offeror shall be  
11 qualified to be selected for an award.

12       The Director may prepare and issue specifications for group  
13 life insurance, health benefits, other employee benefits and  
14 administrative services for the purpose of receiving proposals  
15 from interested parties.

16       The Director is authorized to execute a contract, or  
17 contracts, for the programs of group life insurance, health  
18 benefits, other employee benefits and administrative services  
19 authorized by this Act (including, without limitation,  
20 prescription drug benefits). All of the benefits provided under  
21 this Act may be included in one or more contracts, or the  
22 benefits may be classified into different types with each type  
23 included under one or more similar contracts with the same or  
24 different companies.

25       The term of any contract may not extend beyond 5 fiscal  
26 years. Upon recommendation of the Commission, the Director may

1 exercise renewal options of the same contract for up to a  
2 period of 5 years. Any increases in premiums, fees or charges  
3 requested by a contractor whose contract may be renewed  
4 pursuant to a renewal option contained therein, must be  
5 justified on the basis of (1) audited experience data, (2)  
6 increases in the costs of health care services provided under  
7 the contract, (3) contractor performance, (4) increases in  
8 contractor responsibilities, or (5) any combination thereof.

9 Any contractor shall agree to abide by all requirements of  
10 this Act and Rules and Regulations promulgated and adopted  
11 thereto; to submit such information and data as may from time  
12 to time be deemed necessary by the Director for effective  
13 administration of the provisions of this Act and the programs  
14 established hereunder, and to fully cooperate in any audit.

15 (Source: P.A. 98-19, eff. 6-10-13.)

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