



Sen. William R. Haine

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1 AMENDMENT TO SENATE BILL 214

2 AMENDMENT NO. _____. Amend Senate Bill 214, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

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

7 (5 ILCS 375/5) (from Ch. 127, par. 525)

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

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

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

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

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

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

1 2014 to provide a program of group health benefits for
2 Medicare-primary members and their Medicare-primary
3 dependents that is comparable in stability and continuity
4 of coverage, care, and services to the program of health
5 benefits offered to other members and their dependents
6 under this Act.

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

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

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

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

24 The Director shall contract or otherwise make available
25 group life insurance, health benefits and other employee
26 benefits to eligible members and, where elected, their eligible

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

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

24 At least 2 group health benefits providers must be
25 available to Medicare-primary members and their
26 Medicare-primary dependents in each county in the State, with

1 at least one of those providers being a managed care option.
2 The Department must conduct a supplemental procurement for
3 counties that, on the effective date of this amendatory Act of
4 the 98th General Assembly, do not offer at least 2 group health
5 benefits providers to Medicare-primary members and their
6 medicare-primary dependents to ensure that such options are
7 available in these counties. The deadline for enrolling in a
8 program of group health benefits for Medicare-primary members
9 and their Medicare-primary dependents in counties that, on the
10 effective date of this amendatory Act of the 98th General
11 Assembly, do not offer at least 2 group health benefits
12 providers to Medicare-primary members and their
13 medicare-primary dependents shall be extended to such a date as
14 to ensure that at least 2 options are available as required by
15 this Section.

16 The Director may prepare and issue specifications for group
17 life insurance, health benefits, other employee benefits and
18 administrative services for the purpose of receiving proposals
19 from interested parties.

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

1 included under one or more similar contracts with the same or
2 different companies.

3 The term of any contract may not extend beyond 5 fiscal
4 years. Upon recommendation of the Commission, the Director may
5 exercise renewal options of the same contract for up to a
6 period of 5 years. Any increases in premiums, fees or charges
7 requested by a contractor whose contract may be renewed
8 pursuant to a renewal option contained therein, must be
9 justified on the basis of (1) audited experience data, (2)
10 increases in the costs of health care services provided under
11 the contract, (3) contractor performance, (4) increases in
12 contractor responsibilities, or (5) any combination thereof.

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

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

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.".