



## 99TH GENERAL ASSEMBLY

### State of Illinois

### 2015 and 2016

### HB0398

by Rep. Martin J. Moylan

#### SYNOPSIS AS INTRODUCED:

5 ILCS 375/6	from Ch. 127, par. 526
5 ILCS 375/7	from Ch. 127, par. 527
5 ILCS 375/10	from Ch. 127, par. 530
5 ILCS 375/10.5 new	

Amends the State Employees Group Insurance Act of 1971. Provides that, on and after the effective date of the amendatory Act, the State shall not pay or otherwise make contributions toward the costs of any health or life insurance benefits provided under the Act for retired elected officials under the General Assembly Retirement System. Provides that retired elected officials shall pay the entirety of the cost of coverage under the group life insurance program and the program of health benefits under the Act; provides that the cost of coverage shall be determined by the Director. Provides that nothing in the amendatory Act shall be construed to prevent any retired elected official from receiving health or life insurance benefits under the Act, where that retired elected official contributes the entirety of the cost of coverage. Provides that any retired elected official may waive or terminate coverage in the program of health benefits or group life insurance. Further provides that any retired elected official who has waived or terminated coverage may enroll or re-enroll in the program of health benefits or group life insurance only during the annual benefit choice period, as determined by the Director; except that in the event of termination of coverage due to nonpayment of premiums, the retired elected official may not re-enroll in the program. Makes corresponding changes throughout the Act. Defines "retired elected official". Effective immediately.

LRB099 03498 JLK 23506 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning government.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The State Employees Group Insurance Act of 1971  
5 is amended by changing Sections 6, 7, and 10 and by adding  
6 Section 10.5 as follows:

7 (5 ILCS 375/6) (from Ch. 127, par. 526)

8 Sec. 6. Program of health benefits.

9 (a) The program of health benefits shall provide for  
10 protection against the financial costs of health care expenses  
11 incurred in and out of hospital including basic  
12 hospital-surgical-medical coverages. The program may include,  
13 but shall not be limited to, such supplemental coverages as  
14 out-patient diagnostic X-ray and laboratory expenses,  
15 prescription drugs, dental services, hearing evaluations,  
16 hearing aids, the dispensing and fitting of hearing aids, and  
17 similar group benefits as are now or may become available.  
18 However, nothing in this Act shall be construed to permit, on  
19 or after July 1, 1980, the non-contributory portion of any such  
20 program to include the expenses of obtaining an abortion,  
21 induced miscarriage or induced premature birth unless, in the  
22 opinion of a physician, such procedures are necessary for the  
23 preservation of the life of the woman seeking such treatment,

1 or except an induced premature birth intended to produce a live  
2 viable child and such procedure is necessary for the health of  
3 the mother or the unborn child. The program may also include  
4 coverage for those who rely on treatment by prayer or spiritual  
5 means alone for healing in accordance with the tenets and  
6 practice of a recognized religious denomination.

7 The program of health benefits shall be designed by the  
8 Director (1) to provide a reasonable relationship between the  
9 benefits to be included and the expected distribution of  
10 expenses of each such type to be incurred by the covered  
11 members and dependents, (2) to specify, as covered benefits and  
12 as optional benefits, the medical services of practitioners in  
13 all categories licensed under the Medical Practice Act of 1987,  
14 (3) to include reasonable controls, which may include  
15 deductible and co-insurance provisions, applicable to some or  
16 all of the benefits, or a coordination of benefits provision,  
17 to prevent or minimize unnecessary utilization of the various  
18 hospital, surgical and medical expenses to be provided and to  
19 provide reasonable assurance of stability of the program, and  
20 (4) to provide benefits to the extent possible to members  
21 throughout the State, wherever located, on an equitable basis.  
22 Notwithstanding any other provision of this Section or Act, for  
23 all members or dependents who are eligible for benefits under  
24 Social Security or the Railroad Retirement system or who had  
25 sufficient Medicare-covered government employment, the  
26 Department shall reduce benefits which would otherwise be paid

1 by Medicare, by the amount of benefits for which the member or  
2 dependents are eligible under Medicare, except that such  
3 reduction in benefits shall apply only to those members or  
4 dependents who (1) first become eligible for such medicare  
5 coverage on or after the effective date of this amendatory Act  
6 of 1992; or (2) are Medicare-eligible members or dependents of  
7 a local government unit which began participation in the  
8 program on or after July 1, 1992; or (3) remain eligible for  
9 but no longer receive Medicare coverage which they had been  
10 receiving on or after the effective date of this amendatory Act  
11 of 1992.

12 Notwithstanding any other provisions of this Act, where a  
13 covered member or dependents are eligible for benefits under  
14 the federal Medicare health insurance program (Title XVIII of  
15 the Social Security Act as added by Public Law 89-97, 89th  
16 Congress), benefits paid under the State of Illinois program or  
17 plan will be reduced by the amount of benefits paid by  
18 Medicare. For members or dependents who are eligible for  
19 benefits under Social Security or the Railroad Retirement  
20 system or who had sufficient Medicare-covered government  
21 employment, benefits shall be reduced by the amount for which  
22 the member or dependent is eligible under Medicare, except that  
23 such reduction in benefits shall apply only to those members or  
24 dependents who (1) first become eligible for such Medicare  
25 coverage on or after the effective date of this amendatory Act  
26 of 1992; or (2) are Medicare-eligible members or dependents of

1 a local government unit which began participation in the  
2 program on or after July 1, 1992; or (3) remain eligible for,  
3 but no longer receive Medicare coverage which they had been  
4 receiving on or after the effective date of this amendatory Act  
5 of 1992. Premiums may be adjusted, where applicable, to an  
6 amount deemed by the Director to be reasonably consistent with  
7 any reduction of benefits.

8 (b) (Blank). ~~A member, not otherwise covered by this Act,~~  
9 ~~who has retired as a participating member under Article 2 of~~  
10 ~~the Illinois Pension Code but is ineligible for the retirement~~  
11 ~~annuity under Section 2-119 of the Illinois Pension Code, shall~~  
12 ~~pay the premiums for coverage, not exceeding the amount paid by~~  
13 ~~the State for the non-contributory coverage for other members,~~  
14 ~~under the group health benefits program under this Act. The~~  
15 ~~Director shall determine the premiums to be paid by a member~~  
16 ~~under this subsection (b).~~

17 (Source: P.A. 93-47, eff. 7-1-03.)

18 (5 ILCS 375/7) (from Ch. 127, par. 527)

19 Sec. 7. Group life insurance program.

20 (a) The basic noncontributory group life insurance program  
21 shall provide coverage as follows:

22 (1) employees shall be insured in an amount equal to  
23 the basic annual salary rate, exclusive of overtime, bonus,  
24 or other cumulative additional income factors, raised to  
25 the next round hundred dollar amount if it is not already a

1 round hundred dollar amount;

2 (2) annuitants shall be insured in the same manner as  
3 described for active employees, based on the salary in  
4 force immediately before retirement, with coverage  
5 becoming effective on the effective date of retirement  
6 benefits or the first day of the month of application,  
7 whichever occurs later, except that at age 60 the amount of  
8 coverage for the annuitant shall be reduced to \$5,000;

9 (3) survivors whose coverage became effective prior to  
10 September 22, 1979 shall be insured for \$2,000;

11 (4) retired employees shall not be eligible under the  
12 group life insurance program contracted to begin or  
13 continue after June 30, 1973.

14 (a-5) There shall also be available on an optional basis to  
15 employees, annuitants whose retirement benefits begin within  
16 one year of their receipt of final compensation, and survivors  
17 whose coverage became effective prior to September 22, 1979, a  
18 contributory program of:

19 (1) supplemental life insurance in an amount not  
20 exceeding 8 times the basic life benefits for active  
21 employees and annuitants under age 60 and not exceeding 4  
22 times the basic life benefits for annuitants age 60 and  
23 over, as described above, except that (a) amounts selected  
24 by employees and annuitants must be in full multiples of  
25 the basic amount, and (b) premiums may be adjusted by age  
26 bracket established in rules supplementing this Act;

1 beginning July 1, 1981, survivors whose coverage becomes  
2 effective on or after September 22, 1979, shall have the  
3 option of participating in the contributory program of life  
4 insurance in an amount of \$5,000 coverage;

5 (2) accidental death and dismemberment, with the  
6 employee and annuitant having the option of electing an  
7 amount equal to the basic noncontributory life benefits  
8 only, or an amount equaling the combined total of basic  
9 plus optional life benefits not exceeding 5 times basic  
10 life benefits, or \$3,000,000, whichever is less;

11 (3) dependent life insurance in an amount of \$10,000  
12 coverage on the spouse; however, coverage reduces to \$5,000  
13 when the eligible annuitant turns 60; and

14 (4) dependent life insurance in an amount of \$10,000  
15 coverage on each dependent other than the spouse.

16 (b) (Blank). ~~A member, not otherwise covered by this Act,~~  
17 ~~who has retired as a participating member under Article 2 of~~  
18 ~~the Illinois Pension Code, but is ineligible for the retirement~~  
19 ~~annuity under Section 2-119 of the Illinois Pension Code, shall~~  
20 ~~pay the premiums for coverage under the group life insurance~~  
21 ~~program under this Act. The Director shall promulgate rules and~~  
22 ~~regulations to determine the premiums to be paid by a member~~  
23 ~~under this subsection (b).~~

24 (Source: P.A. 94-95, eff. 7-1-05.)

25 (5 ILCS 375/10) (from Ch. 127, par. 530)

1           Sec. 10. Contributions by the State and members.

2           (a) Except as otherwise provided in Section 10.5 of this  
3 Act, the ~~The~~ State shall pay the cost of basic non-contributory  
4 group life insurance and, subject to member paid contributions  
5 set by the Department or required by this Section and except as  
6 provided in this Section, the basic program of group health  
7 benefits on each eligible member, ~~except a member, not~~  
8 ~~otherwise covered by this Act, who has retired as a~~  
9 ~~participating member under Article 2 of the Illinois Pension~~  
10 ~~Code but is ineligible for the retirement annuity under Section~~  
11 ~~2-119 of the Illinois Pension Code,~~ and part of each eligible  
12 member's and retired member's premiums for health insurance  
13 coverage for enrolled dependents as provided by Section 9. The  
14 State shall pay the cost of the basic program of group health  
15 benefits only after benefits are reduced by the amount of  
16 benefits covered by Medicare for all members and dependents who  
17 are eligible for benefits under Social Security or the Railroad  
18 Retirement system or who had sufficient Medicare-covered  
19 government employment, except that such reduction in benefits  
20 shall apply only to those members and dependents who (1) first  
21 become eligible for such Medicare coverage on or after July 1,  
22 1992; or (2) are Medicare-eligible members or dependents of a  
23 local government unit which began participation in the program  
24 on or after July 1, 1992; or (3) remain eligible for, but no  
25 longer receive Medicare coverage which they had been receiving  
26 on or after July 1, 1992. The Department may determine the



1 aggregate level of the State's contribution on the basis of  
2 actual cost of medical services adjusted for age, sex or  
3 geographic or other demographic characteristics which affect  
4 the costs of such programs.

5 The cost of participation in the basic program of group  
6 health benefits for the dependent or survivor of a living or  
7 deceased retired employee who was formerly employed by the  
8 University of Illinois in the Cooperative Extension Service and  
9 would be an annuitant but for the fact that he or she was made  
10 ineligible to participate in the State Universities Retirement  
11 System by clause (4) of subsection (a) of Section 15-107 of the  
12 Illinois Pension Code shall not be greater than the cost of  
13 participation that would otherwise apply to that dependent or  
14 survivor if he or she were the dependent or survivor of an  
15 annuitant under the State Universities Retirement System.

16 (a-1) (Blank).

17 (a-2) (Blank).

18 (a-3) (Blank).

19 (a-4) (Blank).

20 (a-5) (Blank).

21 (a-6) (Blank).

22 (a-7) (Blank).

23 (a-8) Any annuitant, survivor, or retired employee may  
24 waive or terminate coverage in the program of group health  
25 benefits. Any such annuitant, survivor, or retired employee who  
26 has waived or terminated coverage may enroll or re-enroll in

1 the program of group health benefits only during the annual  
2 benefit choice period, as determined by the Director; except  
3 that in the event of termination of coverage due to nonpayment  
4 of premiums, the annuitant, survivor, or retired employee may  
5 not re-enroll in the program.

6 (a-8.5) Beginning on the effective date of this amendatory  
7 Act of the 97th General Assembly, the Director of Central  
8 Management Services shall, on an annual basis, determine the  
9 amount that the State shall contribute toward the basic program  
10 of group health benefits on behalf of annuitants (including  
11 individuals who (i) participated in ~~the General Assembly~~  
12 ~~Retirement System~~, the State Employees' Retirement System of  
13 Illinois, the State Universities Retirement System, the  
14 Teachers' Retirement System of the State of Illinois, or the  
15 Judges Retirement System of Illinois and (ii) qualify as  
16 annuitants under subsection (b) of Section 3 of this Act),  
17 survivors (including individuals who (i) receive an annuity as  
18 a survivor of an individual who participated in ~~the General~~  
19 ~~Assembly Retirement System~~, the State Employees' Retirement  
20 System of Illinois, the State Universities Retirement System,  
21 the Teachers' Retirement System of the State of Illinois, or  
22 the Judges Retirement System of Illinois and (ii) qualify as  
23 survivors under subsection (q) of Section 3 of this Act), and  
24 retired employees (as defined in subsection (p) of Section 3 of  
25 this Act). The remainder of the cost of coverage for each  
26 annuitant, survivor, or retired employee, as determined by the

1 Director of Central Management Services, shall be the  
2 responsibility of that annuitant, survivor, or retired  
3 employee.

4 Except as otherwise provided in Section 10.5 of this Act,  
5 contributions ~~Contributions~~ required of annuitants, survivors,  
6 and retired employees shall be the same for all retirement  
7 systems and shall also be based on whether an individual has  
8 made an election under Section 15-135.1 of the Illinois Pension  
9 Code. Contributions may be based on annuitants', survivors', or  
10 retired employees' Medicare eligibility, but may not be based  
11 on Social Security eligibility.

12 (a-9) No later than May 1 of each calendar year, the  
13 Director of Central Management Services shall certify in  
14 writing to the Executive Secretary of the State Employees'  
15 Retirement System of Illinois the amounts of the Medicare  
16 supplement health care premiums and the amounts of the health  
17 care premiums for all other retirees who are not Medicare  
18 eligible.

19 A separate calculation of the premiums based upon the  
20 actual cost of each health care plan shall be so certified.

21 The Director of Central Management Services shall provide  
22 to the Executive Secretary of the State Employees' Retirement  
23 System of Illinois such information, statistics, and other data  
24 as he or she may require to review the premium amounts  
25 certified by the Director of Central Management Services.

26 The Department of Central Management Services, or any

1 successor agency designated to procure healthcare contracts  
2 pursuant to this Act, is authorized to establish funds,  
3 separate accounts provided by any bank or banks as defined by  
4 the Illinois Banking Act, or separate accounts provided by any  
5 savings and loan association or associations as defined by the  
6 Illinois Savings and Loan Act of 1985 to be held by the  
7 Director, outside the State treasury, for the purpose of  
8 receiving the transfer of moneys from the Local Government  
9 Health Insurance Reserve Fund. The Department may promulgate  
10 rules further defining the methodology for the transfers. Any  
11 interest earned by moneys in the funds or accounts shall inure  
12 to the Local Government Health Insurance Reserve Fund. The  
13 transferred moneys, and interest accrued thereon, shall be used  
14 exclusively for transfers to administrative service  
15 organizations or their financial institutions for payments of  
16 claims to claimants and providers under the self-insurance  
17 health plan. The transferred moneys, and interest accrued  
18 thereon, shall not be used for any other purpose including, but  
19 not limited to, reimbursement of administration fees due the  
20 administrative service organization pursuant to its contract  
21 or contracts with the Department.

22 (b) State employees who become eligible for this program on  
23 or after January 1, 1980 in positions normally requiring actual  
24 performance of duty not less than 1/2 of a normal work period  
25 but not equal to that of a normal work period, shall be given  
26 the option of participating in the available program. If the

1 employee elects coverage, the State shall contribute on behalf  
2 of such employee to the cost of the employee's benefit and any  
3 applicable dependent supplement, that sum which bears the same  
4 percentage as that percentage of time the employee regularly  
5 works when compared to normal work period.

6 (c) The basic non-contributory coverage from the basic  
7 program of group health benefits shall be continued for each  
8 employee not in pay status or on active service by reason of  
9 (1) leave of absence due to illness or injury, (2) authorized  
10 educational leave of absence or sabbatical leave, or (3)  
11 military leave. This coverage shall continue until expiration  
12 of authorized leave and return to active service, but not to  
13 exceed 24 months for leaves under item (1) or (2). This  
14 24-month limitation and the requirement of returning to active  
15 service shall not apply to persons receiving ordinary or  
16 accidental disability benefits or retirement benefits through  
17 the appropriate State retirement system or benefits under the  
18 Workers' Compensation or Occupational Disease Act.

19 (d) The basic group life insurance coverage shall continue,  
20 with full State contribution, where such person is (1) absent  
21 from active service by reason of disability arising from any  
22 cause other than self-inflicted, (2) on authorized educational  
23 leave of absence or sabbatical leave, or (3) on military leave.

24 (e) Where the person is in non-pay status for a period in  
25 excess of 30 days or on leave of absence, other than by reason  
26 of disability, educational or sabbatical leave, or military

1 leave, such person may continue coverage only by making  
2 personal payment equal to the amount normally contributed by  
3 the State on such person's behalf. Such payments and coverage  
4 may be continued: (1) until such time as the person returns to  
5 a status eligible for coverage at State expense, but not to  
6 exceed 24 months or (2) until such person's employment or  
7 annuitant status with the State is terminated (exclusive of any  
8 additional service imposed pursuant to law).

9 (f) The Department shall establish by rule the extent to  
10 which other employee benefits will continue for persons in  
11 non-pay status or who are not in active service.

12 (g) The State shall not pay the cost of the basic  
13 non-contributory group life insurance, program of health  
14 benefits and other employee benefits for members who are  
15 survivors as defined by paragraphs (1) and (2) of subsection  
16 (q) of Section 3 of this Act. The costs of benefits for these  
17 survivors shall be paid by the survivors or by the University  
18 of Illinois Cooperative Extension Service, or any combination  
19 thereof. However, the State shall pay the amount of the  
20 reduction in the cost of participation, if any, resulting from  
21 the amendment to subsection (a) made by this amendatory Act of  
22 the 91st General Assembly.

23 (h) Those persons occupying positions with any department  
24 as a result of emergency appointments pursuant to Section 8b.8  
25 of the Personnel Code who are not considered employees under  
26 this Act shall be given the option of participating in the

1 programs of group life insurance, health benefits and other  
2 employee benefits. Such persons electing coverage may  
3 participate only by making payment equal to the amount normally  
4 contributed by the State for similarly situated employees. Such  
5 amounts shall be determined by the Director. Such payments and  
6 coverage may be continued until such time as the person becomes  
7 an employee pursuant to this Act or such person's appointment  
8 is terminated.

9 (i) Any unit of local government within the State of  
10 Illinois may apply to the Director to have its employees,  
11 annuitants, and their dependents provided group health  
12 coverage under this Act on a non-insured basis. To participate,  
13 a unit of local government must agree to enroll all of its  
14 employees, who may select coverage under either the State group  
15 health benefits plan or a health maintenance organization that  
16 has contracted with the State to be available as a health care  
17 provider for employees as defined in this Act. A unit of local  
18 government must remit the entire cost of providing coverage  
19 under the State group health benefits plan or, for coverage  
20 under a health maintenance organization, an amount determined  
21 by the Director based on an analysis of the sex, age,  
22 geographic location, or other relevant demographic variables  
23 for its employees, except that the unit of local government  
24 shall not be required to enroll those of its employees who are  
25 covered spouses or dependents under this plan or another group  
26 policy or plan providing health benefits as long as (1) an

1 appropriate official from the unit of local government attests  
2 that each employee not enrolled is a covered spouse or  
3 dependent under this plan or another group policy or plan, and  
4 (2) at least 50% of the employees are enrolled and the unit of  
5 local government remits the entire cost of providing coverage  
6 to those employees, except that a participating school district  
7 must have enrolled at least 50% of its full-time employees who  
8 have not waived coverage under the district's group health plan  
9 by participating in a component of the district's cafeteria  
10 plan. A participating school district is not required to enroll  
11 a full-time employee who has waived coverage under the  
12 district's health plan, provided that an appropriate official  
13 from the participating school district attests that the  
14 full-time employee has waived coverage by participating in a  
15 component of the district's cafeteria plan. For the purposes of  
16 this subsection, "participating school district" includes a  
17 unit of local government whose primary purpose is education as  
18 defined by the Department's rules.

19 Employees of a participating unit of local government who  
20 are not enrolled due to coverage under another group health  
21 policy or plan may enroll in the event of a qualifying change  
22 in status, special enrollment, special circumstance as defined  
23 by the Director, or during the annual Benefit Choice Period. A  
24 participating unit of local government may also elect to cover  
25 its annuitants. Dependent coverage shall be offered on an  
26 optional basis, with the costs paid by the unit of local



1 government, its employees, or some combination of the two as  
2 determined by the unit of local government. The unit of local  
3 government shall be responsible for timely collection and  
4 transmission of dependent premiums.

5 The Director shall annually determine monthly rates of  
6 payment, subject to the following constraints:

7 (1) In the first year of coverage, the rates shall be  
8 equal to the amount normally charged to State employees for  
9 elected optional coverages or for enrolled dependents  
10 coverages or other contributory coverages, or contributed  
11 by the State for basic insurance coverages on behalf of its  
12 employees, adjusted for differences between State  
13 employees and employees of the local government in age,  
14 sex, geographic location or other relevant demographic  
15 variables, plus an amount sufficient to pay for the  
16 additional administrative costs of providing coverage to  
17 employees of the unit of local government and their  
18 dependents.

19 (2) In subsequent years, a further adjustment shall be  
20 made to reflect the actual prior years' claims experience  
21 of the employees of the unit of local government.

22 In the case of coverage of local government employees under  
23 a health maintenance organization, the Director shall annually  
24 determine for each participating unit of local government the  
25 maximum monthly amount the unit may contribute toward that  
26 coverage, based on an analysis of (i) the age, sex, geographic

1 location, and other relevant demographic variables of the  
2 unit's employees and (ii) the cost to cover those employees  
3 under the State group health benefits plan. The Director may  
4 similarly determine the maximum monthly amount each unit of  
5 local government may contribute toward coverage of its  
6 employees' dependents under a health maintenance organization.

7 Monthly payments by the unit of local government or its  
8 employees for group health benefits plan or health maintenance  
9 organization coverage shall be deposited in the Local  
10 Government Health Insurance Reserve Fund.

11 The Local Government Health Insurance Reserve Fund is  
12 hereby created as a nonappropriated trust fund to be held  
13 outside the State Treasury, with the State Treasurer as  
14 custodian. The Local Government Health Insurance Reserve Fund  
15 shall be a continuing fund not subject to fiscal year  
16 limitations. The Local Government Health Insurance Reserve  
17 Fund is not subject to administrative charges or charge-backs,  
18 including but not limited to those authorized under Section 8h  
19 of the State Finance Act. All revenues arising from the  
20 administration of the health benefits program established  
21 under this Section shall be deposited into the Local Government  
22 Health Insurance Reserve Fund. Any interest earned on moneys in  
23 the Local Government Health Insurance Reserve Fund shall be  
24 deposited into the Fund. All expenditures from this Fund shall  
25 be used for payments for health care benefits for local  
26 government and rehabilitation facility employees, annuitants,

1 and dependents, and to reimburse the Department or its  
2 administrative service organization for all expenses incurred  
3 in the administration of benefits. No other State funds may be  
4 used for these purposes.

5 A local government employer's participation or desire to  
6 participate in a program created under this subsection shall  
7 not limit that employer's duty to bargain with the  
8 representative of any collective bargaining unit of its  
9 employees.

10 (j) Any rehabilitation facility within the State of  
11 Illinois may apply to the Director to have its employees,  
12 annuitants, and their eligible dependents provided group  
13 health coverage under this Act on a non-insured basis. To  
14 participate, a rehabilitation facility must agree to enroll all  
15 of its employees and remit the entire cost of providing such  
16 coverage for its employees, except that the rehabilitation  
17 facility shall not be required to enroll those of its employees  
18 who are covered spouses or dependents under this plan or  
19 another group policy or plan providing health benefits as long  
20 as (1) an appropriate official from the rehabilitation facility  
21 attests that each employee not enrolled is a covered spouse or  
22 dependent under this plan or another group policy or plan, and  
23 (2) at least 50% of the employees are enrolled and the  
24 rehabilitation facility remits the entire cost of providing  
25 coverage to those employees. Employees of a participating  
26 rehabilitation facility who are not enrolled due to coverage

1 under another group health policy or plan may enroll in the  
2 event of a qualifying change in status, special enrollment,  
3 special circumstance as defined by the Director, or during the  
4 annual Benefit Choice Period. A participating rehabilitation  
5 facility may also elect to cover its annuitants. Dependent  
6 coverage shall be offered on an optional basis, with the costs  
7 paid by the rehabilitation facility, its employees, or some  
8 combination of the 2 as determined by the rehabilitation  
9 facility. The rehabilitation facility shall be responsible for  
10 timely collection and transmission of dependent premiums.

11 The Director shall annually determine quarterly rates of  
12 payment, subject to the following constraints:

13 (1) In the first year of coverage, the rates shall be  
14 equal to the amount normally charged to State employees for  
15 elected optional coverages or for enrolled dependents  
16 coverages or other contributory coverages on behalf of its  
17 employees, adjusted for differences between State  
18 employees and employees of the rehabilitation facility in  
19 age, sex, geographic location or other relevant  
20 demographic variables, plus an amount sufficient to pay for  
21 the additional administrative costs of providing coverage  
22 to employees of the rehabilitation facility and their  
23 dependents.

24 (2) In subsequent years, a further adjustment shall be  
25 made to reflect the actual prior years' claims experience  
26 of the employees of the rehabilitation facility.

1           Monthly payments by the rehabilitation facility or its  
2 employees for group health benefits shall be deposited in the  
3 Local Government Health Insurance Reserve Fund.

4           (k) Any domestic violence shelter or service within the  
5 State of Illinois may apply to the Director to have its  
6 employees, annuitants, and their dependents provided group  
7 health coverage under this Act on a non-insured basis. To  
8 participate, a domestic violence shelter or service must agree  
9 to enroll all of its employees and pay the entire cost of  
10 providing such coverage for its employees. The domestic  
11 violence shelter shall not be required to enroll those of its  
12 employees who are covered spouses or dependents under this plan  
13 or another group policy or plan providing health benefits as  
14 long as (1) an appropriate official from the domestic violence  
15 shelter attests that each employee not enrolled is a covered  
16 spouse or dependent under this plan or another group policy or  
17 plan and (2) at least 50% of the employees are enrolled and the  
18 domestic violence shelter remits the entire cost of providing  
19 coverage to those employees. Employees of a participating  
20 domestic violence shelter who are not enrolled due to coverage  
21 under another group health policy or plan may enroll in the  
22 event of a qualifying change in status, special enrollment, or  
23 special circumstance as defined by the Director or during the  
24 annual Benefit Choice Period. A participating domestic  
25 violence shelter may also elect to cover its annuitants.  
26 Dependent coverage shall be offered on an optional basis, with

1 employees, or some combination of the 2 as determined by the  
2 domestic violence shelter or service. The domestic violence  
3 shelter or service shall be responsible for timely collection  
4 and transmission of dependent premiums.

5 The Director shall annually determine rates of payment,  
6 subject to the following constraints:

7 (1) In the first year of coverage, the rates shall be  
8 equal to the amount normally charged to State employees for  
9 elected optional coverages or for enrolled dependents  
10 coverages or other contributory coverages on behalf of its  
11 employees, adjusted for differences between State  
12 employees and employees of the domestic violence shelter or  
13 service in age, sex, geographic location or other relevant  
14 demographic variables, plus an amount sufficient to pay for  
15 the additional administrative costs of providing coverage  
16 to employees of the domestic violence shelter or service  
17 and their dependents.

18 (2) In subsequent years, a further adjustment shall be  
19 made to reflect the actual prior years' claims experience  
20 of the employees of the domestic violence shelter or  
21 service.

22 Monthly payments by the domestic violence shelter or  
23 service or its employees for group health insurance shall be  
24 deposited in the Local Government Health Insurance Reserve  
25 Fund.

26 (1) A public community college or entity organized pursuant

1 to the Public Community College Act may apply to the Director  
2 initially to have only annuitants not covered prior to July 1,  
3 1992 by the district's health plan provided health coverage  
4 under this Act on a non-insured basis. The community college  
5 must execute a 2-year contract to participate in the Local  
6 Government Health Plan. Any annuitant may enroll in the event  
7 of a qualifying change in status, special enrollment, special  
8 circumstance as defined by the Director, or during the annual  
9 Benefit Choice Period.

10 The Director shall annually determine monthly rates of  
11 payment subject to the following constraints: for those  
12 community colleges with annuitants only enrolled, first year  
13 rates shall be equal to the average cost to cover claims for a  
14 State member adjusted for demographics, Medicare  
15 participation, and other factors; and in the second year, a  
16 further adjustment of rates shall be made to reflect the actual  
17 first year's claims experience of the covered annuitants.

18 (l-5) The provisions of subsection (l) become inoperative  
19 on July 1, 1999.

20 (m) The Director shall adopt any rules deemed necessary for  
21 implementation of this amendatory Act of 1989 (Public Act  
22 86-978).

23 (n) Any child advocacy center within the State of Illinois  
24 may apply to the Director to have its employees, annuitants,  
25 and their dependents provided group health coverage under this  
26 Act on a non-insured basis. To participate, a child advocacy

1 center must agree to enroll all of its employees and pay the  
2 entire cost of providing coverage for its employees. The child  
3 advocacy center shall not be required to enroll those of its  
4 employees who are covered spouses or dependents under this plan  
5 or another group policy or plan providing health benefits as  
6 long as (1) an appropriate official from the child advocacy  
7 center attests that each employee not enrolled is a covered  
8 spouse or dependent under this plan or another group policy or  
9 plan and (2) at least 50% of the employees are enrolled and the  
10 child advocacy center remits the entire cost of providing  
11 coverage to those employees. Employees of a participating child  
12 advocacy center who are not enrolled due to coverage under  
13 another group health policy or plan may enroll in the event of  
14 a qualifying change in status, special enrollment, or special  
15 circumstance as defined by the Director or during the annual  
16 Benefit Choice Period. A participating child advocacy center  
17 may also elect to cover its annuitants. Dependent coverage  
18 shall be offered on an optional basis, with the costs paid by  
19 the child advocacy center, its employees, or some combination  
20 of the 2 as determined by the child advocacy center. The child  
21 advocacy center shall be responsible for timely collection and  
22 transmission of dependent premiums.

23 The Director shall annually determine rates of payment,  
24 subject to the following constraints:

- 25 (1) In the first year of coverage, the rates shall be  
26 equal to the amount normally charged to State employees for



1 elected optional coverages or for enrolled dependents  
2 coverages or other contributory coverages on behalf of its  
3 employees, adjusted for differences between State  
4 employees and employees of the child advocacy center in  
5 age, sex, geographic location, or other relevant  
6 demographic variables, plus an amount sufficient to pay for  
7 the additional administrative costs of providing coverage  
8 to employees of the child advocacy center and their  
9 dependents.

10 (2) In subsequent years, a further adjustment shall be  
11 made to reflect the actual prior years' claims experience  
12 of the employees of the child advocacy center.

13 Monthly payments by the child advocacy center or its  
14 employees for group health insurance shall be deposited into  
15 the Local Government Health Insurance Reserve Fund.

16 (Source: P.A. 97-695, eff. 7-1-12; 98-488, eff. 8-16-13.)

17 (5 ILCS 375/10.5 new)

18 Sec. 10.5. Ending State-funded benefits for retired  
19 elected officials.

20 (a) For the purposes of this Section, "retired elected  
21 official" means an annuitant under Article 2 of the Illinois  
22 Pension Code, a person receiving a survivor's annuity under  
23 Article 2 of the Pension Code, or a member, not otherwise  
24 covered by this Act, who has retired as a participating member  
25 under Article 2 of the Pension Code but is ineligible for the

1 retirement annuity under Section 2-119 of the Illinois Pension  
2 Code.

3 (b) Notwithstanding any other provision of law, on and  
4 after the effective date of this amendatory Act of the 99th  
5 General Assembly, the State shall not pay or otherwise make  
6 contributions toward the costs of any group life insurance  
7 program or program of health benefits provided under this Act  
8 for retired elected officials.

9 (c) Notwithstanding any other provision of law, a retired  
10 elected official enrolled in any group life insurance program  
11 or program of health benefits provided under this Act shall pay  
12 the entirety of the cost of coverage, unless he or she has  
13 waived or terminated coverage under subsection (d) of this  
14 Section. The cost of coverage shall be determined by the  
15 Director. Nothing in this Section shall be construed to prevent  
16 any retired elected official from receiving group health or  
17 life insurance benefits under this Act, where that retired  
18 elected official contributes the entirety of the cost of  
19 coverage.

20 (d) Any retired elected official may waive or terminate  
21 coverage in the program of health benefits or group life  
22 insurance. Any retired elected official who has waived or  
23 terminated coverage may enroll or re-enroll in the program of  
24 group health benefits or group life insurance only during the  
25 annual benefit choice period, as determined by the Director;  
26 except that in the event of termination of coverage due to

1 nonpayment of premiums, the retired elected official may not  
2 re-enroll in the program.

3 Section 99. Effective date. This Act takes effect upon  
4 becoming law.