



Rep. Ann M. Williams

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LRB099 04711 EGJ 46011 a

1 AMENDMENT TO HOUSE BILL 887

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 887 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 6.11 as follows:

6 (5 ILCS 375/6.11)

7 Sec. 6.11. Required health benefits; Illinois Insurance  
8 Code requirements. The program of health benefits shall provide  
9 the post-mastectomy care benefits required to be covered by a  
10 policy of accident and health insurance under Section 356t of  
11 the Illinois Insurance Code. The program of health benefits  
12 shall provide the coverage required under Sections 355c, 356g,  
13 356g.5, 356g.5-1, 356m, 356u, 356w, 356x, 356z.2, 356z.4,  
14 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,  
15 356z.14, 356z.15, 356z.17, and 356z.22 of the Illinois  
16 Insurance Code. The program of health benefits must comply with

1 Sections 155.22a, 155.37, 355b, 356z.19, 370c, and 370c.1 of  
2 the Illinois Insurance Code.

3 Rulemaking authority to implement Public Act 95-1045, if  
4 any, is conditioned on the rules being adopted in accordance  
5 with all provisions of the Illinois Administrative Procedure  
6 Act and all rules and procedures of the Joint Committee on  
7 Administrative Rules; any purported rule not so adopted, for  
8 whatever reason, is unauthorized.

9 (Source: P.A. 98-189, eff. 1-1-14; 98-1091, eff. 1-1-15;  
10 99-480, eff. 9-9-15.)

11 Section 10. The Counties Code is amended by changing  
12 Section 5-1069.3 as follows:

13 (55 ILCS 5/5-1069.3)

14 Sec. 5-1069.3. Required health benefits. If a county,  
15 including a home rule county, is a self-insurer for purposes of  
16 providing health insurance coverage for its employees, the  
17 coverage shall include coverage for the post-mastectomy care  
18 benefits required to be covered by a policy of accident and  
19 health insurance under Section 356t and the coverage required  
20 under Sections 355c, 356g, 356g.5, 356g.5-1, 356u, 356w, 356x,  
21 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,  
22 356z.14, 356z.15, and 356z.22 of the Illinois Insurance Code.  
23 The coverage shall comply with Sections 155.22a, 355b, 356z.19,  
24 and 370c of the Illinois Insurance Code. The requirement that

1 health benefits be covered as provided in this Section is an  
2 exclusive power and function of the State and is a denial and  
3 limitation under Article VII, Section 6, subsection (h) of the  
4 Illinois Constitution. A home rule county to which this Section  
5 applies must comply with every provision of this Section.

6 Rulemaking authority to implement Public Act 95-1045, if  
7 any, is conditioned on the rules being adopted in accordance  
8 with all provisions of the Illinois Administrative Procedure  
9 Act and all rules and procedures of the Joint Committee on  
10 Administrative Rules; any purported rule not so adopted, for  
11 whatever reason, is unauthorized.

12 (Source: P.A. 98-189, eff. 1-1-14; 98-1091, eff. 1-1-15;  
13 99-480, eff. 9-9-15.)

14 Section 15. The Illinois Municipal Code is amended by  
15 changing Section 10-4-2.3 as follows:

16 (65 ILCS 5/10-4-2.3)

17 Sec. 10-4-2.3. Required health benefits. If a  
18 municipality, including a home rule municipality, is a  
19 self-insurer for purposes of providing health insurance  
20 coverage for its employees, the coverage shall include coverage  
21 for the post-mastectomy care benefits required to be covered by  
22 a policy of accident and health insurance under Section 356t  
23 and the coverage required under Sections 355c, 356g, 356g.5,  
24 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10,

1 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, and 356z.22 of the  
2 Illinois Insurance Code. The coverage shall comply with  
3 Sections 155.22a, 355b, 356z.19, and 370c of the Illinois  
4 Insurance Code. The requirement that health benefits be covered  
5 as provided in this is an exclusive power and function of the  
6 State and is a denial and limitation under Article VII, Section  
7 6, subsection (h) of the Illinois Constitution. A home rule  
8 municipality to which this Section applies must comply with  
9 every provision of this Section.

10 Rulemaking authority to implement Public Act 95-1045, if  
11 any, is conditioned on the rules being adopted in accordance  
12 with all provisions of the Illinois Administrative Procedure  
13 Act and all rules and procedures of the Joint Committee on  
14 Administrative Rules; any purported rule not so adopted, for  
15 whatever reason, is unauthorized.

16 (Source: P.A. 98-189, eff. 1-1-14; 98-1091, eff. 1-1-15;  
17 99-480, eff. 9-9-15.)

18 Section 20. The School Code is amended by changing Section  
19 10-22.3f as follows:

20 (105 ILCS 5/10-22.3f)

21 Sec. 10-22.3f. Required health benefits. Insurance  
22 protection and benefits for employees shall provide the  
23 post-mastectomy care benefits required to be covered by a  
24 policy of accident and health insurance under Section 356t and

1 the coverage required under Sections 355c, 356g, 356g.5,  
2 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.11,  
3 356z.12, 356z.13, 356z.14, 356z.15, and 356z.22 of the Illinois  
4 Insurance Code. Insurance policies shall comply with Section  
5 356z.19 of the Illinois Insurance Code. The coverage shall  
6 comply with Sections 155.22a and 355b of the Illinois Insurance  
7 Code.

8 Rulemaking authority to implement Public Act 95-1045, if  
9 any, is conditioned on the rules being adopted in accordance  
10 with all provisions of the Illinois Administrative Procedure  
11 Act and all rules and procedures of the Joint Committee on  
12 Administrative Rules; any purported rule not so adopted, for  
13 whatever reason, is unauthorized.

14 (Source: P.A. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-813,  
15 eff. 7-13-12; 98-189, eff. 1-1-14; 98-1091, eff. 1-1-15.)

16 Section 25. The Illinois Insurance Code is amended by  
17 adding Section 355c and by changing Section 356z.16 as follows:

18 (215 ILCS 5/355c new)

19 Sec. 355c. Confidential communications.

20 (a) As used in this Section:

21 "Business associate" has the same meaning as in 45 CFR  
22 160.103.

23 "Confidential communication request" means any request for  
24 confidential communication made to a health insurance provider

1 pursuant to paragraph (1) of subsection (b) of this Section.

2 "Health insurance provider" includes any entity that  
3 issues, delivers, amends, or renews any individual or group  
4 policy of accident and health insurance on or after the  
5 effective date of this amendatory Act of the 99th General  
6 Assembly, including any business associates of a health  
7 insurance provider engaged in billing or communication  
8 activities on behalf of the health insurance provider.

9 "Department" means the Department of Insurance.

10 "Protected health information" has the same meaning as in  
11 45 CFR 160.103.

12 "Sensitive health services" includes, but is not limited  
13 to, prevention, screening, consultation, examination,  
14 treatment, or follow up related to:

15 (1) reproductive health, including, but not limited  
16 to, family planning, maternity, abortion, fertility,  
17 transgender-related care, and HIV/AIDS and sexually  
18 transmitted infection services;

19 (2) substance abuse;

20 (3) mental health; or

21 (4) domestic violence, sexual violence, and other  
22 interpersonal violence services.

23 (b) Notwithstanding any other law to the contrary and to  
24 the extent permitted by federal law, a health insurance  
25 provider shall take the following steps to protect the  
26 confidentiality of protected health information on and after

1 January 1, 2018:

2 (1) Health insurance providers must permit individuals  
3 to request and must accommodate reasonable requests to  
4 receive communications of protected health information by  
5 alternative means or at alternative locations. All  
6 confidential communication requests made under this  
7 Section must be accommodated by the health insurance  
8 provider where:

9 (A) the means of communication requested is  
10 readily producible; and

11 (B) the individual has clearly stated in the  
12 confidential communication request that:

13 (i) the confidential communications request is  
14 limited to disclosure of information regarding  
15 sensitive health services, including the name or  
16 address of the health care provider that provided  
17 the sensitive health services; or

18 (ii) disclosure other than in the manner  
19 called for by the confidential communication  
20 request of all or part of the individual's  
21 protected health information, including the name  
22 or address of the health care providers that  
23 provided the health care services related to the  
24 protected health information, could endanger the  
25 covered individual.

26 (2) A health insurance provider may require that a

1       confidential communication request described in paragraph  
2       (1) of this subsection be made in writing, but shall  
3       include the option to make the request by electronic  
4       transmission.

5       (3) A health insurance provider shall not require from  
6       the individual making the request an explanation regarding  
7       the basis for the confidential communications request as a  
8       condition of providing communications in the manner  
9       requested.

10       A confidential communication request shall be valid until  
11       the individual making the request submits a revocation of the  
12       confidential communication request or a new confidential  
13       communication request to the health insurance provider.

14       For the purposes of this Section, a health insurance  
15       provider shall comply with any confidential communications  
16       request beginning either 7 calendar days following receipt of  
17       an electronic transmission or telephonic confidential  
18       communication request or 14 calendar days following receipt of  
19       a confidential communication request received by first-class  
20       mail. During the respective 7-day or 14-day period after  
21       receiving a confidential communication request, the health  
22       insurance provider shall use its best efforts to abstain from  
23       sending any communications to the individual unless such  
24       communications are sent in a manner that complies with the  
25       terms of the confidential communication request.

26       (c) The health insurance provider shall acknowledge



1 receipt of the confidential communication request as soon as  
2 practicable after receiving the confidential communication  
3 request and shall notify the individual of the date on which it  
4 will begin complying with the terms of the confidential  
5 communication request. That acknowledgment and notification  
6 shall be communicated by the health insurance provider in  
7 accordance with the terms of the confidential communication  
8 request.

9 (d) Notwithstanding subparagraph (B) of paragraph (1) of  
10 subsection (b), the provider of health care may make  
11 arrangements with the covered individual for the payment of  
12 benefit cost sharing and communicate that arrangement with the  
13 health care service plan.

14 (e) A health insurance provider shall not condition  
15 enrollment or coverage on the waiver of rights provided in this  
16 Section.

17 (f) The Department shall develop and make available to the  
18 public a standardized form that individuals may use to make a  
19 confidential communications request. The Department shall  
20 encourage providers to clearly display the form and make it  
21 available to insured individuals. The form must, at a minimum,  
22 allow an individual to:

23 (1) provide their name, address, and member number;

24 (2) specify whether their request applies to:

25 (i) all information relating to sensitive health  
26 services; or

1           (ii) all protected health information, as  
2           disclosure in another manner could endanger the  
3           individual;

4           (3) indicate whether communications should be withheld  
5           by the health insurance provider or redirected to a  
6           specified mail or electronic mail address or specified  
7           telephone number; and

8           (4) designate a telephone number, mailing address, or  
9           electronic mail address for the health insurance provider  
10           to contact the individual if additional information or  
11           clarification is necessary to process the confidential  
12           communications request.

13           (g) The Department shall work with health insurance  
14           providers and other stakeholders to ensure the development and  
15           implementation of effective and consumer-friendly systems for  
16           receiving and processing confidential communications requests,  
17           monitor compliance with this Section, and collect, track, and  
18           investigate complaints of unauthorized disclosure of  
19           information under this Section.

20           (215 ILCS 5/356z.16)

21           Sec. 356z.16. Applicability of mandated benefits to  
22           supplemental policies. Unless specified otherwise, the  
23           following Sections of the Illinois Insurance Code do not apply  
24           to short-term travel, disability income, long-term care,  
25           accident only, or limited or specified disease policies: 355b,

1 355c, 356b, 356c, 356d, 356g, 356k, 356m, 356n, 356p, 356q,  
2 356r, 356t, 356u, 356w, 356x, 356z.1, 356z.2, 356z.4, 356z.5,  
3 356z.6, 356z.8, 356z.12, 356z.14, 356z.19, 356z.21, 364.01,  
4 367.2-5, and 367e.

5 (Source: P.A. 97-91, eff. 1-1-12; 97-282, eff. 8-9-11; 97-592,  
6 eff. 1-1-12; 97-813, eff. 7-13-12; 97-972, eff. 1-1-13; 98-189,  
7 eff. 1-1-14.)

8 Section 30. The Health Maintenance Organization Act is  
9 amended by changing Section 5-3 as follows:

10 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

11 Sec. 5-3. Insurance Code provisions.

12 (a) Health Maintenance Organizations shall be subject to  
13 the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,  
14 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154,  
15 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 355.3,  
16 355b, 355c, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2,  
17 356z.4, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11,  
18 356z.12, 356z.13, 356z.14, 356z.15, 356z.17, 356z.18, 356z.19,  
19 356z.21, 356z.22, 364.01, 367.2, 367.2-5, 367i, 368a, 368b,  
20 368c, 368d, 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A,  
21 408, 408.2, 409, 412, 444, and 444.1, paragraph (c) of  
22 subsection (2) of Section 367, and Articles IIA, VIII 1/2, XII,  
23 XII 1/2, XIII, XIII 1/2, XXV, and XXVI of the Illinois  
24 Insurance Code.

1 (b) For purposes of the Illinois Insurance Code, except for  
2 Sections 444 and 444.1 and Articles XIII and XIII 1/2, Health  
3 Maintenance Organizations in the following categories are  
4 deemed to be "domestic companies":

5 (1) a corporation authorized under the Dental Service  
6 Plan Act or the Voluntary Health Services Plans Act;

7 (2) a corporation organized under the laws of this  
8 State; or

9 (3) a corporation organized under the laws of another  
10 state, 30% or more of the enrollees of which are residents  
11 of this State, except a corporation subject to  
12 substantially the same requirements in its state of  
13 organization as is a "domestic company" under Article VIII  
14 1/2 of the Illinois Insurance Code.

15 (c) In considering the merger, consolidation, or other  
16 acquisition of control of a Health Maintenance Organization  
17 pursuant to Article VIII 1/2 of the Illinois Insurance Code,

18 (1) the Director shall give primary consideration to  
19 the continuation of benefits to enrollees and the financial  
20 conditions of the acquired Health Maintenance Organization  
21 after the merger, consolidation, or other acquisition of  
22 control takes effect;

23 (2) (i) the criteria specified in subsection (1) (b) of  
24 Section 131.8 of the Illinois Insurance Code shall not  
25 apply and (ii) the Director, in making his determination  
26 with respect to the merger, consolidation, or other

1 acquisition of control, need not take into account the  
2 effect on competition of the merger, consolidation, or  
3 other acquisition of control;

4 (3) the Director shall have the power to require the  
5 following information:

6 (A) certification by an independent actuary of the  
7 adequacy of the reserves of the Health Maintenance  
8 Organization sought to be acquired;

9 (B) pro forma financial statements reflecting the  
10 combined balance sheets of the acquiring company and  
11 the Health Maintenance Organization sought to be  
12 acquired as of the end of the preceding year and as of  
13 a date 90 days prior to the acquisition, as well as pro  
14 forma financial statements reflecting projected  
15 combined operation for a period of 2 years;

16 (C) a pro forma business plan detailing an  
17 acquiring party's plans with respect to the operation  
18 of the Health Maintenance Organization sought to be  
19 acquired for a period of not less than 3 years; and

20 (D) such other information as the Director shall  
21 require.

22 (d) The provisions of Article VIII 1/2 of the Illinois  
23 Insurance Code and this Section 5-3 shall apply to the sale by  
24 any health maintenance organization of greater than 10% of its  
25 enrollee population (including without limitation the health  
26 maintenance organization's right, title, and interest in and to

1 its health care certificates).

2 (e) In considering any management contract or service  
3 agreement subject to Section 141.1 of the Illinois Insurance  
4 Code, the Director (i) shall, in addition to the criteria  
5 specified in Section 141.2 of the Illinois Insurance Code, take  
6 into account the effect of the management contract or service  
7 agreement on the continuation of benefits to enrollees and the  
8 financial condition of the health maintenance organization to  
9 be managed or serviced, and (ii) need not take into account the  
10 effect of the management contract or service agreement on  
11 competition.

12 (f) Except for small employer groups as defined in the  
13 Small Employer Rating, Renewability and Portability Health  
14 Insurance Act and except for medicare supplement policies as  
15 defined in Section 363 of the Illinois Insurance Code, a Health  
16 Maintenance Organization may by contract agree with a group or  
17 other enrollment unit to effect refunds or charge additional  
18 premiums under the following terms and conditions:

19 (i) the amount of, and other terms and conditions with  
20 respect to, the refund or additional premium are set forth  
21 in the group or enrollment unit contract agreed in advance  
22 of the period for which a refund is to be paid or  
23 additional premium is to be charged (which period shall not  
24 be less than one year); and

25 (ii) the amount of the refund or additional premium  
26 shall not exceed 20% of the Health Maintenance

1 Organization's profitable or unprofitable experience with  
2 respect to the group or other enrollment unit for the  
3 period (and, for purposes of a refund or additional  
4 premium, the profitable or unprofitable experience shall  
5 be calculated taking into account a pro rata share of the  
6 Health Maintenance Organization's administrative and  
7 marketing expenses, but shall not include any refund to be  
8 made or additional premium to be paid pursuant to this  
9 subsection (f)). The Health Maintenance Organization and  
10 the group or enrollment unit may agree that the profitable  
11 or unprofitable experience may be calculated taking into  
12 account the refund period and the immediately preceding 2  
13 plan years.

14 The Health Maintenance Organization shall include a  
15 statement in the evidence of coverage issued to each enrollee  
16 describing the possibility of a refund or additional premium,  
17 and upon request of any group or enrollment unit, provide to  
18 the group or enrollment unit a description of the method used  
19 to calculate (1) the Health Maintenance Organization's  
20 profitable experience with respect to the group or enrollment  
21 unit and the resulting refund to the group or enrollment unit  
22 or (2) the Health Maintenance Organization's unprofitable  
23 experience with respect to the group or enrollment unit and the  
24 resulting additional premium to be paid by the group or  
25 enrollment unit.

26 In no event shall the Illinois Health Maintenance

1 Organization Guaranty Association be liable to pay any  
2 contractual obligation of an insolvent organization to pay any  
3 refund authorized under this Section.

4 (g) Rulemaking authority to implement Public Act 95-1045,  
5 if any, is conditioned on the rules being adopted in accordance  
6 with all provisions of the Illinois Administrative Procedure  
7 Act and all rules and procedures of the Joint Committee on  
8 Administrative Rules; any purported rule not so adopted, for  
9 whatever reason, is unauthorized.

10 (Source: P.A. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-437,  
11 eff. 8-18-11; 97-486, eff. 1-1-12; 97-592, eff. 1-1-12; 97-805,  
12 eff. 1-1-13; 97-813, eff. 7-13-12; 98-189, eff. 1-1-14;  
13 98-1091, eff. 1-1-15.)

14 Section 35. The Limited Health Service Organization Act is  
15 amended by changing Section 4003 as follows:

16 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

17 Sec. 4003. Illinois Insurance Code provisions. Limited  
18 health service organizations shall be subject to the provisions  
19 of Sections 133, 134, 136, 137, 139, 140, 141.1, 141.2, 141.3,  
20 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6,  
21 154.7, 154.8, 155.04, 155.37, 355.2, 355.3, 355b, 355c, 356v,  
22 356z.10, 356z.21, 356z.22, 368a, 401, 401.1, 402, 403, 403A,  
23 408, 408.2, 409, 412, 444, and 444.1 and Articles IIA, VIII  
24 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of the



1 Illinois Insurance Code. For purposes of the Illinois Insurance  
2 Code, except for Sections 444 and 444.1 and Articles XIII and  
3 XIII 1/2, limited health service organizations in the following  
4 categories are deemed to be domestic companies:

5 (1) a corporation under the laws of this State; or

6 (2) a corporation organized under the laws of another  
7 state, 30% of more of the enrollees of which are residents  
8 of this State, except a corporation subject to  
9 substantially the same requirements in its state of  
10 organization as is a domestic company under Article VIII  
11 1/2 of the Illinois Insurance Code.

12 (Source: P.A. 97-486, eff. 1-1-12; 97-592, 1-1-12; 97-805, eff.  
13 1-1-13; 97-813, eff. 7-13-12; 98-189, eff. 1-1-14; 98-1091,  
14 eff. 1-1-15.)

15 Section 40. The Voluntary Health Services Plans Act is  
16 amended by changing Section 10 as follows:

17 (215 ILCS 165/10) (from Ch. 32, par. 604)

18 Sec. 10. Application of Insurance Code provisions. Health  
19 services plan corporations and all persons interested therein  
20 or dealing therewith shall be subject to the provisions of  
21 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,  
22 143, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3, 355b, 355c,  
23 356g, 356g.5, 356g.5-1, 356r, 356t, 356u, 356v, 356w, 356x,  
24 356y, 356z.1, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9,

1 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18,  
2 356z.19, 356z.21, 356z.22, 364.01, 367.2, 368a, 401, 401.1,  
3 402, 403, 403A, 408, 408.2, and 412, and paragraphs (7) and  
4 (15) of Section 367 of the Illinois Insurance Code.

5 Rulemaking authority to implement Public Act 95-1045, if  
6 any, is conditioned on the rules being adopted in accordance  
7 with all provisions of the Illinois Administrative Procedure  
8 Act and all rules and procedures of the Joint Committee on  
9 Administrative Rules; any purported rule not so adopted, for  
10 whatever reason, is unauthorized.

11 (Source: P.A. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-486,  
12 eff. 1-1-12; 97-592, eff. 1-1-12; 97-805, eff. 1-1-13; 97-813,  
13 eff. 7-13-12; 98-189, eff. 1-1-14; 98-1091, eff. 1-1-15.)".