



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

SB1503

Introduced 2/20/2015, by Sen. Jason A. Barickman

#### SYNOPSIS AS INTRODUCED:

5 ILCS 375/6.11	
55 ILCS 5/5-1069.3	
65 ILCS 5/10-4-2.3	
105 ILCS 5/10-22.3f	
215 ILCS 5/370b.1 new	
215 ILCS 125/5-3	from Ch. 111 1/2, par. 1411.2
215 ILCS 130/4003	from Ch. 73, par. 1504-3
215 ILCS 165/10	from Ch. 32, par. 604
305 ILCS 5/5-16.8	

Amends the Illinois Insurance Code. Provides that an individual or group policy of accident and health insurance amended, delivered, issued, or renewed in this State after the effective date of the Act that provides coverage for eye care shall not discriminate against classes of eye care providers for setting professional fees, seeking service, promotional purposes, furnishing eye care goods and services, and setting hospital privileges requirements. Provides that insurers shall not require eye care providers or patients to purchase eye care goods from sources owned by, controlled by, or in common ownership with the benefits provider, and that insurers shall not set or create policies that interfere with the doctor-patient relationship. Allows persons to bring actions in court for injunctive relief for violations of the Section, and for recovery of attorney's fees and costs. Makes conforming changes in the State Employees Group Insurance Act of 1971, the Counties Code, the Illinois Municipal Code, the School Code, the Health Maintenance Organization Act, the Limited Health Service Organization Act, the Voluntary Health Services Plan Act, and the Illinois Public Aid Code.

LRB099 06277 MLM 29201 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning regulation.

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 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 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  
17 Sections 155.22a, 155.37, 355b, ~~and 356z.19,~~ and 370b.1 of the  
18 Illinois Insurance Code.

19 Rulemaking authority to implement Public Act 95-1045, if  
20 any, is conditioned on the rules being adopted in accordance  
21 with all provisions of the Illinois Administrative Procedure  
22 Act and all rules and procedures of the Joint Committee on  
23 Administrative Rules; any purported rule not so adopted, for

1 whatever reason, is unauthorized.

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

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

6 (55 ILCS 5/5-1069.3)

7 Sec. 5-1069.3. Required health benefits. If a county,  
8 including a home rule county, is a self-insurer for purposes of  
9 providing health insurance coverage for its employees, the  
10 coverage shall include coverage for the post-mastectomy care  
11 benefits required to be covered by a policy of accident and  
12 health insurance under Section 356t and the coverage required  
13 under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x,  
14 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,  
15 356z.14, 356z.15, and 356z.22 of the Illinois Insurance Code.  
16 The coverage shall comply with Sections 155.22a, 355b, ~~and~~  
17 356z.19, and 370b.1 of the Illinois Insurance Code. The  
18 requirement that health benefits be covered as provided in this  
19 Section is an exclusive power and function of the State and is  
20 a denial and limitation under Article VII, Section 6,  
21 subsection (h) of the Illinois Constitution. A home rule county  
22 to which this Section applies must comply with every provision  
23 of this Section.

24 Rulemaking authority to implement Public Act 95-1045, if

1 any, is conditioned on the rules being adopted in accordance  
2 with all provisions of the Illinois Administrative Procedure  
3 Act and all rules and procedures of the Joint Committee on  
4 Administrative Rules; any purported rule not so adopted, for  
5 whatever reason, is unauthorized.

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

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

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

11 Sec. 10-4-2.3. Required health benefits. If a  
12 municipality, including a home rule municipality, is a  
13 self-insurer for purposes of providing health insurance  
14 coverage for its employees, the coverage shall include coverage  
15 for the post-mastectomy care benefits required to be covered by  
16 a policy of accident and health insurance under Section 356t  
17 and the coverage required under Sections 356g, 356g.5,  
18 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10,  
19 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, and 356z.22 of the  
20 Illinois Insurance Code. The coverage shall comply with  
21 Sections 155.22a, 355b, ~~and~~ 356z.19, and 370b.1 of the Illinois  
22 Insurance Code. The requirement that health benefits be covered  
23 as provided in this is an exclusive power and function of the  
24 State and is a denial and limitation under Article VII, Section

1 6, subsection (h) of the Illinois Constitution. A home rule  
2 municipality to which this Section applies must comply with  
3 every provision of this Section.

4 Rulemaking authority to implement Public Act 95-1045, if  
5 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; 97-813,  
11 eff. 7-13-12; 98-189, eff. 1-1-14; 98-1091, eff. 1-1-15.)

12 Section 20. The School Code is amended by changing Section  
13 10-22.3f as follows:

14 (105 ILCS 5/10-22.3f)

15 Sec. 10-22.3f. Required health benefits. Insurance  
16 protection and benefits for employees shall provide the  
17 post-mastectomy care benefits required to be covered by a  
18 policy of accident and health insurance under Section 356t and  
19 the coverage required under Sections 356g, 356g.5, 356g.5-1,  
20 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.11, 356z.12,  
21 356z.13, 356z.14, 356z.15, and 356z.22 of the Illinois  
22 Insurance Code. Insurance policies shall comply with Section  
23 356z.19 of the Illinois Insurance Code. The coverage shall  
24 comply with Sections 155.22a, ~~and~~ 355b, and 370b.1 of the

1 Illinois Insurance Code.

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

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

10 Section 25. The Illinois Insurance Code is amended by  
11 adding Section 370b.1 as follows:

12 (215 ILCS 5/370b.1 new)

13 Sec. 370b.1. Patient access to eye care.

14 (a) For purposes of this Section, "eye care" means those  
15 health care services and materials related to the care of the  
16 eye and related structures and vision care services which an  
17 insurer is obligated to pay for or provide to covered persons.

18 (b) An individual or group policy of accident and health  
19 insurance amended, delivered, issued, or renewed in this State  
20 after the effective date of this amendatory Act of the 99th  
21 General Assembly that provides coverage for eye care, including  
22 benefits offered by managed care companies, limited health  
23 services organizations, and other similar entities:

24 (1) shall not set professional fees or reimbursement

1 for the same eye care services as defined by established  
2 current procedural terminology codes in a manner that  
3 discriminates against an individual eye care provider or a  
4 class of eye care providers;

5 (2) shall not preclude a covered person who seeks eye  
6 care from obtaining such service directly from a provider  
7 affiliated with an insurer's plan who is licensed to  
8 provide eye care;

9 (3) shall not promote or recommend any class of  
10 providers to the detriment of any other class of providers  
11 for the same eye care service;

12 (4) shall ensure that all eye care providers affiliated  
13 with an insurer's plan are included on any publicly  
14 accessible list of participating providers for the plan;

15 (5) shall include optometrists and ophthalmologists on  
16 the list of participating providers for the plan in a  
17 manner that ensures plan enrollees timely access and  
18 geographic access;

19 (6) shall allow each eye care provider affiliated with  
20 an insurer's plan, without discrimination between classes  
21 of eye care providers, to furnish covered eye care goods  
22 and services to covered persons to the extent permitted by  
23 such provider's licensure;

24 (7) shall not require any eye care provider to hold  
25 hospital privileges or impose any other condition or  
26 restriction for initial admittance to an insurer's plan not

1 necessary for the delivery of eye care upon such providers  
2 which would have the effect of excluding an individual eye  
3 care provider or class of eye care providers from  
4 participation on the insurer's plan;

5 (8) shall not require any eye care provider or patient  
6 to order or purchase covered goods, including, but not  
7 limited to, ophthalmic lenses, from any source owned by,  
8 controlled by, or in a common ownership scheme with the  
9 benefits provider; and

10 (9) shall not set or create a policy which interferes  
11 with the doctor-patient relationship, including the manner  
12 in which a provider performs eye care services or chooses  
13 to obtain covered eye care goods from commercially  
14 reasonable vendors.

15 (c) A person adversely affected by a violation of this  
16 Section by an insurer may bring an action in a court of  
17 competent jurisdiction for injunctive relief against the  
18 insurer and, upon prevailing, in addition to any injunctive  
19 relief that may be granted, shall recover from the insurer  
20 attorney's fees and costs.

21 (d) Nothing in this Section requires an individual or group  
22 policy of accident and health insurance to include eye care  
23 benefits.

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



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

2 Sec. 5-3. Insurance Code provisions.

3 (a) Health Maintenance Organizations shall be subject to  
4 the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,  
5 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154,  
6 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 355.3,  
7 355b, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4,  
8 356z.5, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12,  
9 356z.13, 356z.14, 356z.15, 356z.17, 356z.18, 356z.19, 356z.21,  
10 356z.22, 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c, 368d,  
11 368e, 370b.1, 370c, 370c.1, 401, 401.1, 402, 403, 403A, 408,  
12 408.2, 409, 412, 444, and 444.1, paragraph (c) of subsection  
13 (2) of Section 367, and Articles IIA, VIII 1/2, XII, XII 1/2,  
14 XIII, XIII 1/2, XXV, and XXVI of the Illinois Insurance Code.

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

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

21 (2) a corporation organized under the laws of this  
22 State; or

23 (3) a corporation organized under the laws of another  
24 state, 30% or more of the enrollees of which are residents  
25 of this State, except a corporation subject to

1 substantially the same requirements in its state of  
2 organization as is a "domestic company" under Article VIII  
3 1/2 of the Illinois Insurance Code.

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

7 (1) the Director shall give primary consideration to  
8 the continuation of benefits to enrollees and the financial  
9 conditions of the acquired Health Maintenance Organization  
10 after the merger, consolidation, or other acquisition of  
11 control takes effect;

12 (2) (i) the criteria specified in subsection (1) (b) of  
13 Section 131.8 of the Illinois Insurance Code shall not  
14 apply and (ii) the Director, in making his determination  
15 with respect to the merger, consolidation, or other  
16 acquisition of control, need not take into account the  
17 effect on competition of the merger, consolidation, or  
18 other acquisition of control;

19 (3) the Director shall have the power to require the  
20 following information:

21 (A) certification by an independent actuary of the  
22 adequacy of the reserves of the Health Maintenance  
23 Organization sought to be acquired;

24 (B) pro forma financial statements reflecting the  
25 combined balance sheets of the acquiring company and  
26 the Health Maintenance Organization sought to be

1           acquired as of the end of the preceding year and as of  
2           a date 90 days prior to the acquisition, as well as pro  
3           forma financial statements reflecting projected  
4           combined operation for a period of 2 years;

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

9           (D) such other information as the Director shall  
10          require.

11          (d) The provisions of Article VIII 1/2 of the Illinois  
12          Insurance Code and this Section 5-3 shall apply to the sale by  
13          any health maintenance organization of greater than 10% of its  
14          enrollee population (including without limitation the health  
15          maintenance organization's right, title, and interest in and to  
16          its health care certificates).

17          (e) In considering any management contract or service  
18          agreement subject to Section 141.1 of the Illinois Insurance  
19          Code, the Director (i) shall, in addition to the criteria  
20          specified in Section 141.2 of the Illinois Insurance Code, take  
21          into account the effect of the management contract or service  
22          agreement on the continuation of benefits to enrollees and the  
23          financial condition of the health maintenance organization to  
24          be managed or serviced, and (ii) need not take into account the  
25          effect of the management contract or service agreement on  
26          competition.

1           (f) Except for small employer groups as defined in the  
2 Small Employer Rating, Renewability and Portability Health  
3 Insurance Act and except for medicare supplement policies as  
4 defined in Section 363 of the Illinois Insurance Code, a Health  
5 Maintenance Organization may by contract agree with a group or  
6 other enrollment unit to effect refunds or charge additional  
7 premiums under the following terms and conditions:

8           (i) the amount of, and other terms and conditions with  
9 respect to, the refund or additional premium are set forth  
10 in the group or enrollment unit contract agreed in advance  
11 of the period for which a refund is to be paid or  
12 additional premium is to be charged (which period shall not  
13 be less than one year); and

14           (ii) the amount of the refund or additional premium  
15 shall not exceed 20% of the Health Maintenance  
16 Organization's profitable or unprofitable experience with  
17 respect to the group or other enrollment unit for the  
18 period (and, for purposes of a refund or additional  
19 premium, the profitable or unprofitable experience shall  
20 be calculated taking into account a pro rata share of the  
21 Health Maintenance Organization's administrative and  
22 marketing expenses, but shall not include any refund to be  
23 made or additional premium to be paid pursuant to this  
24 subsection (f)). The Health Maintenance Organization and  
25 the group or enrollment unit may agree that the profitable  
26 or unprofitable experience may be calculated taking into

1 account the refund period and the immediately preceding 2  
2 plan years.

3 The Health Maintenance Organization shall include a  
4 statement in the evidence of coverage issued to each enrollee  
5 describing the possibility of a refund or additional premium,  
6 and upon request of any group or enrollment unit, provide to  
7 the group or enrollment unit a description of the method used  
8 to calculate (1) the Health Maintenance Organization's  
9 profitable experience with respect to the group or enrollment  
10 unit and the resulting refund to the group or enrollment unit  
11 or (2) the Health Maintenance Organization's unprofitable  
12 experience with respect to the group or enrollment unit and the  
13 resulting additional premium to be paid by the group or  
14 enrollment unit.

15 In no event shall the Illinois Health Maintenance  
16 Organization Guaranty Association be liable to pay any  
17 contractual obligation of an insolvent organization to pay any  
18 refund authorized under this Section.

19 (g) Rulemaking authority to implement Public Act 95-1045,  
20 if any, is conditioned on the rules being adopted in accordance  
21 with all provisions of the Illinois Administrative Procedure  
22 Act and all rules and procedures of the Joint Committee on  
23 Administrative Rules; any purported rule not so adopted, for  
24 whatever reason, is unauthorized.

25 (Source: P.A. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-437,  
26 eff. 8-18-11; 97-486, eff. 1-1-12; 97-592, eff. 1-1-12; 97-805,

1 eff. 1-1-13; 97-813, eff. 7-13-12; 98-189, eff. 1-1-14;  
2 98-1091, eff. 1-1-15.)

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

5 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

6 Sec. 4003. Illinois Insurance Code provisions. Limited  
7 health service organizations shall be subject to the provisions  
8 of Sections 133, 134, 136, 137, 139, 140, 141.1, 141.2, 141.3,  
9 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6,  
10 154.7, 154.8, 155.04, 155.37, 355.2, 355.3, 355b, 356v,  
11 356z.10, 356z.21, 356z.22, 368a, 370b.1, 401, 401.1, 402, 403,  
12 403A, 408, 408.2, 409, 412, 444, and 444.1 and Articles IIA,  
13 VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of the  
14 Illinois Insurance Code. For purposes of the Illinois Insurance  
15 Code, except for Sections 444 and 444.1 and Articles XIII and  
16 XIII 1/2, limited health service organizations in the following  
17 categories are deemed to be domestic companies:

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

19 (2) a corporation organized under the laws of another  
20 state, 30% of more of the enrollees of which are residents  
21 of this State, except a corporation subject to  
22 substantially the same requirements in its state of  
23 organization as is a domestic company under Article VIII  
24 1/2 of the Illinois Insurance Code.

1 (Source: P.A. 97-486, eff. 1-1-12; 97-592, 1-1-12; 97-805, eff.  
2 1-1-13; 97-813, eff. 7-13-12; 98-189, eff. 1-1-14; 98-1091,  
3 eff. 1-1-15.)

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

6 (215 ILCS 165/10) (from Ch. 32, par. 604)

7 Sec. 10. Application of Insurance Code provisions. Health  
8 services plan corporations and all persons interested therein  
9 or dealing therewith shall be subject to the provisions of  
10 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,  
11 143, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3, 355b, 356g,  
12 356g.5, 356g.5-1, 356r, 356t, 356u, 356v, 356w, 356x, 356y,  
13 356z.1, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9,  
14 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18,  
15 356z.19, 356z.21, 356z.22, 364.01, 367.2, 368a, 370b.1, 401,  
16 401.1, 402, 403, 403A, 408, 408.2, and 412, and paragraphs (7)  
17 and (15) of Section 367 of the Illinois Insurance Code.

18 Rulemaking authority to implement Public Act 95-1045, if  
19 any, is conditioned on the rules being adopted in accordance  
20 with all provisions of the Illinois Administrative Procedure  
21 Act and all rules and procedures of the Joint Committee on  
22 Administrative Rules; any purported rule not so adopted, for  
23 whatever reason, is unauthorized.

24 (Source: P.A. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-486,

1 eff. 1-1-12; 97-592, eff. 1-1-12; 97-805, eff. 1-1-13; 97-813,  
2 eff. 7-13-12; 98-189, eff. 1-1-14; 98-1091, eff. 1-1-15.)

3 Section 45. The Illinois Public Aid Code is amended by  
4 changing Section 5-16.8 as follows:

5 (305 ILCS 5/5-16.8)

6 Sec. 5-16.8. Required health benefits. The medical  
7 assistance program shall (i) provide the post-mastectomy care  
8 benefits required to be covered by a policy of accident and  
9 health insurance under Section 356t and the coverage required  
10 under Sections 356g.5, 356u, 356w, 356x, and 356z.6 of the  
11 Illinois Insurance Code and (ii) be subject to the provisions  
12 of Sections 356z.19, ~~and~~ 364.01, and 370b.1 of the Illinois  
13 Insurance Code.

14 On and after July 1, 2012, the Department shall reduce any  
15 rate of reimbursement for services or other payments or alter  
16 any methodologies authorized by this Code to reduce any rate of  
17 reimbursement for services or other payments in accordance with  
18 Section 5-5e.

19 (Source: P.A. 97-282, eff. 8-9-11; 97-689, eff. 6-14-12.)