



Sen. Jason A. Barickman

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1 AMENDMENT TO SENATE BILL 1503

2 AMENDMENT NO. _____. Amend Senate Bill 1503 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 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, ~~and~~ 356z.19, and 370b.1 of the
2 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. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-813,
10 eff. 7-13-12; 98-189, eff. 1-1-14; 98-1091, eff. 1-1-15.)

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 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, ~~and~~
24 356z.19, and 370b.1 of the Illinois Insurance Code. The

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

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

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

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

17 (65 ILCS 5/10-4-2.3)

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

1 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10,
2 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, and 356z.22 of the
3 Illinois Insurance Code. The coverage shall comply with
4 Sections 155.22a, 355b, ~~and~~ 356z.19, and 370b.1 of the Illinois
5 Insurance Code. The requirement that health benefits be covered
6 as provided in this is an exclusive power and function of the
7 State and is a denial and limitation under Article VII, Section
8 6, subsection (h) of the Illinois Constitution. A home rule
9 municipality to which this Section applies must comply with
10 every provision of this Section.

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

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

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

21 (105 ILCS 5/10-22.3f)

22 Sec. 10-22.3f. Required health benefits. Insurance
23 protection and benefits for employees shall provide the
24 post-mastectomy care benefits required to be covered by a

1 policy of accident and health insurance under Section 356t and
2 the coverage required under Sections 356g, 356g.5, 356g.5-1,
3 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.11, 356z.12,
4 356z.13, 356z.14, 356z.15, and 356z.22 of the Illinois
5 Insurance Code. Insurance policies shall comply with Section
6 356z.19 of the Illinois Insurance Code. The coverage shall
7 comply with Sections 155.22a, ~~and 355b,~~ and 370b.1 of the
8 Illinois Insurance Code.

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

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

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

19 (215 ILCS 5/370b.1 new)

20 Sec. 370b.1. Patient access to eye care goods.

21 (a) As used in this Section, "eye care goods" means those
22 products or materials, including, but not limited to,
23 ophthalmic lenses, that are related to the care of the eye and
24 related structures that an insurer or other benefits provider

1 is obligated to pay for or provide benefits for to covered
2 persons.

3 (b) An individual or group policy of accident and health
4 insurance or a managed care plan amended, delivered, issued, or
5 renewed in this State after the effective date of this
6 amendatory Act of the 99th General Assembly that provides
7 coverage for eye care:

8 (1) shall allow each eye care provider affiliated with
9 an insurer's or benefits provider's plan, without
10 discrimination between eye care providers, to furnish
11 covered eye care goods to covered persons to the extent
12 permitted by a provider's licensure;

13 (2) shall not require any eye care provider or patient
14 to order or purchase eye care goods from any source owned
15 by, controlled by, or in a common ownership scheme with,
16 the insurer or benefits provider;

17 (3) shall not set or create a policy which interferes
18 with the doctor-patient relationship, including the manner
19 in which a provider chooses to obtain eye care goods from
20 commercially reasonable vendors; and

21 (4) shall not set or make policies preventing eye care
22 providers from ordering eye care goods from commercially
23 reasonable vendors qualified to manufacture and supply
24 such goods.

25 (c) A person adversely affected by a violation of this
26 Section by an insurer or benefits provider may bring an action

1 in a court of competent jurisdiction for injunctive relief
2 against the insurer and, upon prevailing, in addition to any
3 injunctive relief that may be granted, shall recover from the
4 insurer or benefits provider attorney's fees and costs.

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

8 (e) Nothing in this Section shall apply to eye care goods
9 supplied by the Department of Healthcare and Family Services or
10 the Department of Corrections directly to participants in a
11 State or federal program, such as Medicaid.

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

14 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

15 Sec. 5-3. Insurance Code provisions.

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

1 408.2, 409, 412, 444, and 444.1, paragraph (c) of subsection
2 (2) of Section 367, and Articles IIA, VIII 1/2, XII, XII 1/2,
3 XIII, XIII 1/2, XXV, and XXVI of the Illinois Insurance Code.

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

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

10 (2) a corporation organized under the laws of this
11 State; or

12 (3) a corporation organized under the laws of another
13 state, 30% or more of the enrollees of which are residents
14 of this State, except a corporation subject to
15 substantially the same requirements in its state of
16 organization as is a "domestic company" under Article VIII
17 1/2 of the Illinois Insurance Code.

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

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

26 (2) (i) the criteria specified in subsection (1) (b) of

1 Section 131.8 of the Illinois Insurance Code shall not
2 apply and (ii) the Director, in making his determination
3 with respect to the merger, consolidation, or other
4 acquisition of control, need not take into account the
5 effect on competition of the merger, consolidation, or
6 other acquisition of control;

7 (3) the Director shall have the power to require the
8 following information:

9 (A) certification by an independent actuary of the
10 adequacy of the reserves of the Health Maintenance
11 Organization sought to be acquired;

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

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

23 (D) such other information as the Director shall
24 require.

25 (d) The provisions of Article VIII 1/2 of the Illinois
26 Insurance Code and this Section 5-3 shall apply to the sale by

1 any health maintenance organization of greater than 10% of its
2 enrollee population (including without limitation the health
3 maintenance organization's right, title, and interest in and to
4 its health care certificates).

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

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

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

1 be less than one year); and

2 (ii) the amount of the refund or additional premium
3 shall not exceed 20% of the Health Maintenance
4 Organization's profitable or unprofitable experience with
5 respect to the group or other enrollment unit for the
6 period (and, for purposes of a refund or additional
7 premium, the profitable or unprofitable experience shall
8 be calculated taking into account a pro rata share of the
9 Health Maintenance Organization's administrative and
10 marketing expenses, but shall not include any refund to be
11 made or additional premium to be paid pursuant to this
12 subsection (f)). The Health Maintenance Organization and
13 the group or enrollment unit may agree that the profitable
14 or unprofitable experience may be calculated taking into
15 account the refund period and the immediately preceding 2
16 plan years.

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

1 resulting additional premium to be paid by the group or
2 enrollment unit.

3 In no event shall the Illinois Health Maintenance
4 Organization Guaranty Association be liable to pay any
5 contractual obligation of an insolvent organization to pay any
6 refund authorized under this Section.

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

13 (Source: P.A. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-437,
14 eff. 8-18-11; 97-486, eff. 1-1-12; 97-592, eff. 1-1-12; 97-805,
15 eff. 1-1-13; 97-813, eff. 7-13-12; 98-189, eff. 1-1-14;
16 98-1091, eff. 1-1-15.)

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

19 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

20 Sec. 4003. Illinois Insurance Code provisions. Limited
21 health service organizations shall be subject to the provisions
22 of Sections 133, 134, 136, 137, 139, 140, 141.1, 141.2, 141.3,
23 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6,
24 154.7, 154.8, 155.04, 155.37, 355.2, 355.3, 355b, 356v,

1 356z.10, 356z.21, 356z.22, 368a, 370b.1, 401, 401.1, 402, 403,
2 403A, 408, 408.2, 409, 412, 444, and 444.1 and Articles IIA,
3 VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of the
4 Illinois Insurance Code. For purposes of the Illinois Insurance
5 Code, except for Sections 444 and 444.1 and Articles XIII and
6 XIII 1/2, limited health service organizations in the following
7 categories are deemed to be domestic companies:

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

9 (2) a corporation organized under the laws of another
10 state, 30% of 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 (Source: P.A. 97-486, eff. 1-1-12; 97-592, 1-1-12; 97-805, eff.
16 1-1-13; 97-813, eff. 7-13-12; 98-189, eff. 1-1-14; 98-1091,
17 eff. 1-1-15.)

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

20 (215 ILCS 165/10) (from Ch. 32, par. 604)

21 Sec. 10. Application of Insurance Code provisions. Health
22 services plan corporations and all persons interested therein
23 or dealing therewith shall be subject to the provisions of
24 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,

1 143, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3, 355b, 356g,
2 356g.5, 356g.5-1, 356r, 356t, 356u, 356v, 356w, 356x, 356y,
3 356z.1, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9,
4 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18,
5 356z.19, 356z.21, 356z.22, 364.01, 367.2, 368a, 370b.1, 401,
6 401.1, 402, 403, 403A, 408, 408.2, and 412, and paragraphs (7)
7 and (15) of Section 367 of the Illinois Insurance 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; 97-486,
15 eff. 1-1-12; 97-592, eff. 1-1-12; 97-805, eff. 1-1-13; 97-813,
16 eff. 7-13-12; 98-189, eff. 1-1-14; 98-1091, eff. 1-1-15.)".