



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

SB1902

Introduced 2/20/2015, by Sen. William R. Haine

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 5/356z.10	
215 ILCS 5/356z.23 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. Removes limitations on coverage for amino acid-based elemental formulas, which restricted coverage to individuals diagnosed with eosinophilic disorders and short bowel syndrome. Provides that group or individual major medical accident and health insurance policies or managed care plans amended, delivered, issued, or renewed after the effective date the Act must provide coverage and reimbursement for enteral feeding services and related medical supplies, including disposable supplies, when a physician licensed to practice medicine in all of its branches determines that enteral feeding is medically necessary and has prescribed enteral feeding for a patient. Defines enteral feeding to mean delivery of nutrients directly into the stomach, duodenum, or jejunum. 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 Services Organization Act, the Voluntary Health Services Plan Act, and the Illinois Public Aid Code.

LRB099 04431 MLM 24459 b

1 AN ACT concerning insurance.

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,~~ and 356z.23 of the
16 Illinois Insurance Code. The program of health benefits must
17 comply with Sections 155.22a, 155.37, 355b, and 356z.19 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, and 356z.23 of the Illinois
16 Insurance Code. The coverage shall comply with Sections
17 155.22a, 355b, and 356z.19 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, and
20 356z.23 of the Illinois Insurance Code. The coverage shall
21 comply with Sections 155.22a, 355b, and 356z.19 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.10, 356z.11,
21 356z.12, 356z.13, 356z.14, 356z.15, ~~and~~ 356z.22, and 356z.23 of
22 the Illinois Insurance Code. Insurance policies shall comply
23 with Section 356z.19 of the Illinois Insurance Code. The
24 coverage shall comply with Sections 155.22a and 355b 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 changing Section 356z.10 and by adding Section 356z.23 as
12 follows:

13 (215 ILCS 5/356z.10)

14 Sec. 356z.10. Amino acid-based elemental formulas. A group
15 or individual major medical accident and health insurance
16 policy or managed care plan amended, delivered, issued, or
17 renewed after the effective date of this amendatory Act of the
18 99th General Assembly ~~this amendatory Act of the 95th General~~
19 ~~Assembly~~ must provide coverage and reimbursement for amino
20 acid-based elemental formulas, regardless of delivery method,
21 ~~for the diagnosis and treatment of (i) eosinophilic disorders~~
22 ~~and (ii) short bowel syndrome~~ when the prescribing physician
23 has issued a written order stating that the amino acid-based
24 elemental formula is medically necessary.

1 (Source: P.A. 95-520, eff. 8-28-07; 95-876, eff. 8-21-08.)

2 (215 ILCS 5/356z.23 new)

3 Sec. 356z.23. Coverage for enteral feeding services. A
4 group or individual major medical accident and health insurance
5 policy or managed care plan amended, delivered, issued, or
6 renewed after the effective date of this amendatory Act of the
7 99th General Assembly must provide coverage and reimbursement
8 for enteral feeding services and related medical supplies,
9 including disposable supplies, when a physician licensed to
10 practice medicine in all of its branches determines that
11 enteral feeding is medically necessary and has prescribed
12 enteral feeding for a patient. As used in this Section,
13 "enteral feeding" means the delivery of nutrients directly into
14 the stomach, duodenum, or jejunum. As used in this Section,
15 "related medical supplies" means items necessary for enteral
16 feeding, including, but not limited to, tubes, catheters,
17 pumps, and formulas.

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

20 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

21 Sec. 5-3. Insurance Code provisions.

22 (a) Health Maintenance Organizations shall be subject to
23 the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,

1 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154,
2 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 355.3,
3 355b, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4,
4 356z.5, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12,
5 356z.13, 356z.14, 356z.15, 356z.17, 356z.18, 356z.19, 356z.21,
6 356z.22, 356z.23, 364.01, 367.2, 367.2-5, 367i, 368a, 368b,
7 368c, 368d, 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A,
8 408, 408.2, 409, 412, 444, and 444.1, paragraph (c) of
9 subsection (2) of Section 367, and Articles IIA, VIII 1/2, XII,
10 XII 1/2, XIII, XIII 1/2, XXV, and XXVI of the Illinois
11 Insurance Code.

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

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

18 (2) a corporation organized under the laws of this
19 State; or

20 (3) a corporation organized under the laws of another
21 state, 30% or more of the enrollees of which are residents
22 of this State, except a corporation subject to
23 substantially the same requirements in its state of
24 organization as is a "domestic company" under Article VIII
25 1/2 of the Illinois Insurance Code.

26 (c) In considering the merger, consolidation, or other

1 acquisition of control of a Health Maintenance Organization
2 pursuant to Article VIII 1/2 of the Illinois Insurance Code,

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

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

15 (3) the Director shall have the power to require the
16 following information:

17 (A) certification by an independent actuary of the
18 adequacy of the reserves of the Health Maintenance
19 Organization sought to be acquired;

20 (B) pro forma financial statements reflecting the
21 combined balance sheets of the acquiring company and
22 the Health Maintenance Organization sought to be
23 acquired as of the end of the preceding year and as of
24 a date 90 days prior to the acquisition, as well as pro
25 forma financial statements reflecting projected
26 combined operation for a period of 2 years;

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

5 (D) such other information as the Director shall
6 require.

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

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

23 (f) Except for small employer groups as defined in the
24 Small Employer Rating, Renewability and Portability Health
25 Insurance Act and except for medicare supplement policies as
26 defined in Section 363 of the Illinois Insurance Code, a Health

1 Maintenance Organization may by contract agree with a group or
2 other enrollment unit to effect refunds or charge additional
3 premiums under the following terms and conditions:

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

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

25 The Health Maintenance Organization shall include a
26 statement in the evidence of coverage issued to each enrollee

1 describing the possibility of a refund or additional premium,
2 and upon request of any group or enrollment unit, provide to
3 the group or enrollment unit a description of the method used
4 to calculate (1) the Health Maintenance Organization's
5 profitable experience with respect to the group or enrollment
6 unit and the resulting refund to the group or enrollment unit
7 or (2) the Health Maintenance Organization's unprofitable
8 experience with respect to the group or enrollment unit and the
9 resulting additional premium to be paid by the group or
10 enrollment unit.

11 In no event shall the Illinois Health Maintenance
12 Organization Guaranty Association be liable to pay any
13 contractual obligation of an insolvent organization to pay any
14 refund authorized under this Section.

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

21 (Source: P.A. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-437,
22 eff. 8-18-11; 97-486, eff. 1-1-12; 97-592, eff. 1-1-12; 97-805,
23 eff. 1-1-13; 97-813, eff. 7-13-12; 98-189, eff. 1-1-14;
24 98-1091, eff. 1-1-15.)

25 Section 35. The Limited Health Service Organization Act is

1 amended by changing Section 4003 as follows:

2 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

3 Sec. 4003. Illinois Insurance Code provisions. Limited
4 health service organizations shall be subject to the provisions
5 of Sections 133, 134, 136, 137, 139, 140, 141.1, 141.2, 141.3,
6 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6,
7 154.7, 154.8, 155.04, 155.37, 355.2, 355.3, 355b, 356v,
8 356z.10, 356z.21, 356z.22, 356z.23, 368a, 401, 401.1, 402, 403,
9 403A, 408, 408.2, 409, 412, 444, and 444.1 and Articles IIA,
10 VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of the
11 Illinois Insurance Code. For purposes of the Illinois Insurance
12 Code, except for Sections 444 and 444.1 and Articles XIII and
13 XIII 1/2, limited health service organizations in the following
14 categories are deemed to be domestic companies:

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

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

22 (Source: P.A. 97-486, eff. 1-1-12; 97-592, 1-1-12; 97-805, eff.
23 1-1-13; 97-813, eff. 7-13-12; 98-189, eff. 1-1-14; 98-1091,
24 eff. 1-1-15.)

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

3 (215 ILCS 165/10) (from Ch. 32, par. 604)

4 Sec. 10. Application of Insurance Code provisions. Health
5 services plan corporations and all persons interested therein
6 or dealing therewith shall be subject to the provisions of
7 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,
8 143, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3, 355b, 356g,
9 356g.5, 356g.5-1, 356r, 356t, 356u, 356v, 356w, 356x, 356y,
10 356z.1, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9,
11 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18,
12 356z.19, 356z.21, 356z.22, 356z.23, 364.01, 367.2, 368a, 401,
13 401.1, 402, 403, 403A, 408, 408.2, and 412, and paragraphs (7)
14 and (15) of Section 367 of the Illinois Insurance Code.

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

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

24 Section 45. The Illinois Public Aid Code is amended by

1 changing Section 5-16.8 as follows:

2 (305 ILCS 5/5-16.8)

3 Sec. 5-16.8. Required health benefits. The medical
4 assistance program shall (i) provide the post-mastectomy care
5 benefits required to be covered by a policy of accident and
6 health insurance under Section 356t and the coverage required
7 under Sections 356g.5, 356u, 356w, 356x, ~~and~~ 356z.6, 356z.10,
8 and 356z.23 of the Illinois Insurance Code and (ii) be subject
9 to the provisions of Sections 356z.19 and 364.01 of the
10 Illinois Insurance Code.

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

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