

1 AN ACT concerning insurance coverage for pregnancy  
2 prevention, amending named Acts.

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

5 Section 5. The State Employees Group Insurance Act of  
6 1971 is amended by changing Section 6.11 as follows:

7 (5 ILCS 375/6.11)

8 Sec. 6.11. Required health benefits. The program of  
9 health benefits shall provide the post-mastectomy care  
10 benefits required to be covered by a policy of accident and  
11 health insurance under Section 356t of the Illinois Insurance  
12 Code. The program of health benefits shall provide the  
13 coverage required under Sections 356u, 356w, and 356x, and  
14 356z.1 of the Illinois Insurance Code.

15 (Source: P.A. 90-7, eff. 6-10-97; 90-655, eff. 7-30-98;  
16 90-741, eff. 1-1-99.)

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

19 (55 ILCS 5/5-1069.3)

20 Sec. 5-1069.3. Required health benefits. If a county,  
21 including a home rule county, is a self-insurer for purposes  
22 of providing health insurance coverage for its employees, the  
23 coverage shall include coverage for the post-mastectomy care  
24 benefits required to be covered by a policy of accident and  
25 health insurance under Section 356t and the coverage required  
26 under Sections 356u, 356w, and 356x, and 356z.1 of the  
27 Illinois Insurance Code. The requirement that health  
28 benefits be covered as provided in this Section is an  
29 exclusive power and function of the State and is a denial and

1 limitation under Article VII, Section 6, subsection (h) of  
2 the Illinois Constitution. A home rule county to which this  
3 Section applies must comply with every provision of this  
4 Section.

5 (Source: P.A. 90-7, eff. 6-10-97; 90-741, eff. 1-1-99.)

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

8 (65 ILCS 5/10-4-2.3)

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

23 (Source: P.A. 90-7, eff. 6-10-97; 90-741, eff. 1-1-99.)

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

26 (105 ILCS 5/10-22.3f)

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

1 and the coverage required under Sections 356u, 356w, and  
2 356x, and 356z.1 of the Illinois Insurance Code.

3 (Source: P.A. 90-7, eff. 6-10-97; 90-741, eff. 1-1-99.)

4 Section 25. The Illinois Insurance Code is amended by  
5 adding Section 356z.1 as follows:

6 (215 ILCS 5/356z.1 new)

7 Sec. 356z.1. Birth control coverage. A group or  
8 individual policy of accident and health insurance or managed  
9 care plan amended, delivered, issued, or renewed after the  
10 effective date of this amendatory Act of the 92nd General  
11 Assembly that provides coverage for prescribed drugs approved  
12 by the federal Food and Drug Administration for the treatment  
13 of impotence must also provide coverage for prescribed drugs  
14 approved by the federal Food and Drug Administration for the  
15 prevention of pregnancy on the same terms and conditions that  
16 are generally applicable to coverage for other prescribed  
17 drugs approved by the federal Food and Drug Administration.

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, 137, 140, 141.1, 141.2,  
24 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5,  
25 154.6, 154.7, 154.8, 155.04, 355.2, 356m, 356v, 356w, 356x,  
26 356y, 356z.1, 367i, 368a, 401, 401.1, 402, 403, 403A, 408,  
27 408.2, 409, 412, 444, and 444.1, paragraph (c) of subsection  
28 (2) of Section 367, and Articles IIA, VIII 1/2, XII, XII 1/2,  
29 XIII, XIII 1/2, XXV, and XXVI of the Illinois Insurance Code.

30 (b) For purposes of the Illinois Insurance Code, except

1 for Sections 444 and 444.1 and Articles XIII and XIII 1/2,  
2 Health Maintenance Organizations in the following categories  
3 are deemed to be "domestic companies":

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

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

9 (3) a corporation organized under the laws of  
10 another state, 30% or more of the enrollees of which are  
11 residents 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  
14 VIII 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  
19 to the continuation of benefits to enrollees and the  
20 financial conditions of the acquired Health Maintenance  
21 Organization after the merger, consolidation, or other  
22 acquisition of control takes effect;

23 (2)(i) the criteria specified in subsection (1)(b)  
24 of 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  
27 acquisition of control, need not take into account the  
28 effect on competition of the merger, consolidation, or  
29 other acquisition of control;

30 (3) the Director shall have the power to require  
31 the following information:

32 (A) certification by an independent actuary of  
33 the adequacy of the reserves of the Health  
34 Maintenance Organization sought to be acquired;

1           (B) pro forma financial statements reflecting  
2           the combined balance sheets of the acquiring company  
3           and the Health Maintenance Organization sought to be  
4           acquired as of the end of the preceding year and as  
5           of a date 90 days prior to the acquisition, as well  
6           as pro forma financial statements reflecting  
7           projected combined operation for a period of 2  
8           years;

9           (C) a pro forma business plan detailing an  
10          acquiring party's plans with respect to the  
11          operation of the Health Maintenance Organization  
12          sought to be acquired for a period of not less than  
13          3 years; and

14          (D) such other information as the Director  
15          shall require.

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

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

32          (f) Except for small employer groups as defined in the  
33          Small Employer Rating, Renewability and Portability Health  
34          Insurance Act and except for medicare supplement policies as

1 defined in Section 363 of the Illinois Insurance Code, a  
2 Health Maintenance Organization may by contract agree with a  
3 group or other enrollment unit to effect refunds or charge  
4 additional premiums under the following terms and conditions:

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

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

26 The Health Maintenance Organization shall include a  
27 statement in the evidence of coverage issued to each enrollee  
28 describing the possibility of a refund or additional premium,  
29 and upon request of any group or enrollment unit, provide to  
30 the group or enrollment unit a description of the method used  
31 to calculate (1) the Health Maintenance Organization's  
32 profitable experience with respect to the group or enrollment  
33 unit and the resulting refund to the group or enrollment unit  
34 or (2) the Health Maintenance Organization's unprofitable

1 experience with respect to the group or enrollment unit and  
2 the resulting additional premium to be paid by the group or  
3 enrollment unit.

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

8 (Source: P.A. 90-25, eff. 1-1-98; 90-177, eff. 7-23-97;  
9 90-372, eff. 7-1-98; 90-583, eff. 5-29-98; 90-655, eff.  
10 7-30-98; 90-741, eff. 1-1-99; 91-357, eff. 7-29-99; 91-406,  
11 eff. 1-1-00; 91-549, eff. 8-14-99; 91-605, eff. 12-14-99;  
12 91-788, eff. 6-9-00.)

13 Section 35. The Voluntary Health Services Plans Act is  
14 amended by changing Section 10 as follows:

15 (215 ILCS 165/10) (from Ch. 32, par. 604)

16 Sec. 10. Application of Insurance Code provisions.  
17 Health services plan corporations and all persons interested  
18 therein or dealing therewith shall be subject to the  
19 provisions of Articles IIA and XII 1/2 and Sections 3.1, 133,  
20 140, 143, 143c, 149, 354, 355.2, 356r, 356t, 356u, 356v,  
21 356w, 356x, 356y, 356z.1, 367.2, 368a, 401, 401.1, 402, 403,  
22 403A, 408, 408.2, and 412, and paragraphs (7) and (15) of  
23 Section 367 of the Illinois Insurance Code.

24 (Source: P.A. 90-7, eff. 6-10-97; 90-25, eff. 1-1-98; 90-655,  
25 eff. 7-30-98; 90-741, eff. 1-1-99; 91-406, eff. 1-1-00;  
26 91-549, eff. 8-14-99; 91-605, eff. 12-14-99; 91-788, eff.  
27 6-9-00.)