

1 AN ACT concerning health coverage under State employee  
2 programs.

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 Sections 2, 3, 10, 13.2, and 15  
7 as follows:

8 (5 ILCS 375/2) (from Ch. 127, par. 522)

9 Sec. 2. Purpose. The purpose of this Act is to provide a  
10 program of group life insurance, a program of health benefits  
11 and other employee benefits for persons in the service of the  
12 State of Illinois, employees of local governments, employees  
13 of rehabilitation facilities and employees of domestic  
14 violence shelters and services, and certain of their  
15 dependents. It is also the purpose of this Act to provide a  
16 program of health benefits (i) for certain benefit recipients  
17 of the Teachers' Retirement System of the State of Illinois  
18 and their dependent beneficiaries and (ii) for certain  
19 eligible retired community college employees and their  
20 dependent beneficiaries. It is also the purpose of this Act  
21 to provide a program of health benefits for (i) owners and  
22 employees of qualified small businesses and their dependents  
23 and (ii) self-employed persons and their dependents.

24 (Source: P.A. 89-25, eff. 6-21-95; 90-497, eff. 8-18-97.)

25 (5 ILCS 375/3) (from Ch. 127, par. 523)

26 Sec. 3. Definitions. Unless the context otherwise  
27 requires, the following words and phrases as used in this Act  
28 shall have the following meanings. The Department may define  
29 these and other words and phrases separately for the purpose  
30 of implementing specific programs providing benefits under

1 this Act.

2 (a) "Administrative service organization" means any  
3 person, firm or corporation experienced in the handling of  
4 claims which is fully qualified, financially sound and  
5 capable of meeting the service requirements of a contract of  
6 administration executed with the Department.

7 (b) "Annuitant" means (1) an employee who retires, or  
8 has retired, on or after January 1, 1966 on an immediate  
9 annuity under the provisions of Articles 2, 14, 15 (including  
10 an employee who has retired under the optional retirement  
11 program established under Section 15-158.2), paragraphs (2),  
12 (3), or (5) of Section 16-106, or Article 18 of the Illinois  
13 Pension Code; (2) any person who was receiving group  
14 insurance coverage under this Act as of March 31, 1978 by  
15 reason of his status as an annuitant, even though the annuity  
16 in relation to which such coverage was provided is a  
17 proportional annuity based on less than the minimum period of  
18 service required for a retirement annuity in the system  
19 involved; (3) any person not otherwise covered by this Act  
20 who has retired as a participating member under Article 2 of  
21 the Illinois Pension Code but is ineligible for the  
22 retirement annuity under Section 2-119 of the Illinois  
23 Pension Code; (4) the spouse of any person who is receiving a  
24 retirement annuity under Article 18 of the Illinois Pension  
25 Code and who is covered under a group health insurance  
26 program sponsored by a governmental employer other than the  
27 State of Illinois and who has irrevocably elected to waive  
28 his or her coverage under this Act and to have his or her  
29 spouse considered as the "annuitant" under this Act and not  
30 as a "dependent"; ~~or~~ (5) an employee who retires, or has  
31 retired, from a qualified position, as determined according  
32 to rules promulgated by the Director, under a qualified local  
33 government or a qualified rehabilitation facility or a  
34 qualified domestic violence shelter or service; or (6) an

1 owner or employee who retires, or has retired, from a  
2 qualified position, as determined according to rules  
3 promulgated by the Director, with a qualified small business  
4 or as self-employed person. (For definition of "retired  
5 employee", see (p) post).

6 (b-5) "New SERS annuitant" means a person who, on or  
7 after January 1, 1998, becomes an annuitant, as defined in  
8 subsection (b), by virtue of beginning to receive a  
9 retirement annuity under Article 14 of the Illinois Pension  
10 Code, and is eligible to participate in the basic program of  
11 group health benefits provided for annuitants under this Act.

12 (b-6) "New SURS annuitant" means a person who (1) on or  
13 after January 1, 1998, becomes an annuitant, as defined in  
14 subsection (b), by virtue of beginning to receive a  
15 retirement annuity under Article 15 of the Illinois Pension  
16 Code, (2) has not made the election authorized under Section  
17 15-135.1 of the Illinois Pension Code, and (3) is eligible to  
18 participate in the basic program of group health benefits  
19 provided for annuitants under this Act.

20 (b-7) "New TRS State annuitant" means a person who, on  
21 or after July 1, 1998, becomes an annuitant, as defined in  
22 subsection (b), by virtue of beginning to receive a  
23 retirement annuity under Article 16 of the Illinois Pension  
24 Code based on service as a teacher as defined in paragraph  
25 (2), (3), or (5) of Section 16-106 of that Code, and is  
26 eligible to participate in the basic program of group health  
27 benefits provided for annuitants under this Act.

28 (c) "Carrier" means (1) an insurance company, a  
29 corporation organized under the Limited Health Service  
30 Organization Act or the Voluntary Health Services Plan Act, a  
31 partnership, or other nongovernmental organization, which is  
32 authorized to do group life or group health insurance  
33 business in Illinois, or (2) the State of Illinois as a  
34 self-insurer.

1           (d) "Compensation" means salary or wages payable on a  
2 regular payroll by the State Treasurer on a warrant of the  
3 State Comptroller out of any State, trust or federal fund, or  
4 by the Governor of the State through a disbursing officer of  
5 the State out of a trust or out of federal funds, or by any  
6 Department out of State, trust, federal or other funds held  
7 by the State Treasurer or the Department, to any person for  
8 personal services currently performed, and ordinary or  
9 accidental disability benefits under Articles 2, 14, 15  
10 (including ordinary or accidental disability benefits under  
11 the optional retirement program established under Section  
12 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or  
13 Article 18 of the Illinois Pension Code, for disability  
14 incurred after January 1, 1966, or benefits payable under the  
15 Workers' Compensation or Occupational Diseases Act or  
16 benefits payable under a sick pay plan established in  
17 accordance with Section 36 of the State Finance Act.  
18 "Compensation" also means salary or wages paid to an employee  
19 of any qualified local government or qualified rehabilitation  
20 facility or a qualified domestic violence shelter or service.  
21 "Compensation" also means salary or wages paid to an employee  
22 or owner of a qualified small business and earned income  
23 earned by a self-employed person.

24           (e) "Commission" means the State Employees Group  
25 Insurance Advisory Commission authorized by this Act.  
26 Commencing July 1, 1984, "Commission" as used in this Act  
27 means the Illinois Economic and Fiscal Commission as  
28 established by the Legislative Commission Reorganization Act  
29 of 1984.

30           (f) "Contributory", when referred to as contributory  
31 coverage, shall mean optional coverages or benefits elected  
32 by the member toward the cost of which such member makes  
33 contribution, or which are funded in whole or in part through  
34 the acceptance of a reduction in earnings or the foregoing of

1 an increase in earnings by an employee, as distinguished from  
2 noncontributory coverage or benefits which are paid entirely  
3 by the State of Illinois without reduction of the member's  
4 salary.

5 (g) "Department" means any department, institution,  
6 board, commission, officer, court or any agency of the State  
7 government receiving appropriations and having power to  
8 certify payrolls to the Comptroller authorizing payments of  
9 salary and wages against such appropriations as are made by  
10 the General Assembly from any State fund, or against trust  
11 funds held by the State Treasurer and includes boards of  
12 trustees of the retirement systems created by Articles 2, 14,  
13 15, 16 and 18 of the Illinois Pension Code. "Department"  
14 also includes the Illinois Comprehensive Health Insurance  
15 Board, the Board of Examiners established under the Illinois  
16 Public Accounting Act, and the Illinois Rural Bond Bank.

17 (h) "Dependent", when the term is used in the context of  
18 the health and life plan, means a member's spouse and any  
19 unmarried child (1) from birth to age 19 including an adopted  
20 child, a child who lives with the member from the time of the  
21 filing of a petition for adoption until entry of an order of  
22 adoption, a stepchild or recognized child who lives with the  
23 member in a parent-child relationship, or a child who lives  
24 with the member if such member is a court appointed guardian  
25 of the child, or (2) age 19 to 23 enrolled as a full-time  
26 student in any accredited school, financially dependent upon  
27 the member, and eligible to be claimed as a dependent for  
28 income tax purposes, or (3) age 19 or over who is mentally or  
29 physically handicapped. For the health plan only, the term  
30 "dependent" also includes any person enrolled prior to the  
31 effective date of this Section who is dependent upon the  
32 member to the extent that the member may claim such person as  
33 a dependent for income tax deduction purposes; no other such  
34 person may be enrolled.

1 (i) "Director" means the Director of the Illinois  
2 Department of Central Management Services.

3 (j) "Eligibility period" means the period of time a  
4 member has to elect enrollment in programs or to select  
5 benefits without regard to age, sex or health.

6 (k) "Employee" means and includes each officer or  
7 employee in the service of a department who (1) receives his  
8 compensation for service rendered to the department on a  
9 warrant issued pursuant to a payroll certified by a  
10 department or on a warrant or check issued and drawn by a  
11 department upon a trust, federal or other fund or on a  
12 warrant issued pursuant to a payroll certified by an elected  
13 or duly appointed officer of the State or who receives  
14 payment of the performance of personal services on a warrant  
15 issued pursuant to a payroll certified by a Department and  
16 drawn by the Comptroller upon the State Treasurer against  
17 appropriations made by the General Assembly from any fund or  
18 against trust funds held by the State Treasurer, and (2) is  
19 employed full-time or part-time in a position normally  
20 requiring actual performance of duty during not less than 1/2  
21 of a normal work period, as established by the Director in  
22 cooperation with each department, except that persons elected  
23 by popular vote will be considered employees during the  
24 entire term for which they are elected regardless of hours  
25 devoted to the service of the State, and (3) except that  
26 "employee" does not include any person who is not eligible by  
27 reason of such person's employment to participate in one of  
28 the State retirement systems under Articles 2, 14, 15 (either  
29 the regular Article 15 system or the optional retirement  
30 program established under Section 15-158.2) or 18, or under  
31 paragraph (2), (3), or (5) of Section 16-106, of the Illinois  
32 Pension Code, but such term does include persons who are  
33 employed during the 6 month qualifying period under Article  
34 14 of the Illinois Pension Code. Such term also includes any

1 person who (1) after January 1, 1966, is receiving ordinary  
2 or accidental disability benefits under Articles 2, 14, 15  
3 (including ordinary or accidental disability benefits under  
4 the optional retirement program established under Section  
5 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or  
6 Article 18 of the Illinois Pension Code, for disability  
7 incurred after January 1, 1966, (2) receives total permanent  
8 or total temporary disability under the Workers' Compensation  
9 Act or Occupational Disease Act as a result of injuries  
10 sustained or illness contracted in the course of employment  
11 with the State of Illinois, or (3) is not otherwise covered  
12 under this Act and has retired as a participating member  
13 under Article 2 of the Illinois Pension Code but is  
14 ineligible for the retirement annuity under Section 2-119 of  
15 the Illinois Pension Code. However, a person who satisfies  
16 the criteria of the foregoing definition of "employee" except  
17 that such person is made ineligible to participate in the  
18 State Universities Retirement System by clause (4) of  
19 subsection (a) of Section 15-107 of the Illinois Pension Code  
20 is also an "employee" for the purposes of this Act.  
21 "Employee" also includes any person receiving or eligible for  
22 benefits under a sick pay plan established in accordance with  
23 Section 36 of the State Finance Act. "Employee" also includes  
24 each officer or employee in the service of a qualified local  
25 government, including persons appointed as trustees of  
26 sanitary districts regardless of hours devoted to the service  
27 of the sanitary district, and each employee in the service of  
28 a qualified rehabilitation facility and each full-time  
29 employee in the service of a qualified domestic violence  
30 shelter or service, as determined according to rules  
31 promulgated by the Director. "Employee" also includes an  
32 owner and a full-time employee in the service of a qualified  
33 small business and a self-employed person, as determined  
34 according to rules promulgated by the Director.

1           (1) "Member" means an employee, annuitant, retired  
2 employee or survivor.

3           (m) "Optional coverages or benefits" means those  
4 coverages or benefits available to the member on his or her  
5 voluntary election, and at his or her own expense.

6           (n) "Program" means the group life insurance, health  
7 benefits and other employee benefits designed and contracted  
8 for by the Director under this Act.

9           (o) "Health plan" means a health benefits program  
10 offered by the State of Illinois for persons eligible for the  
11 plan.

12           (p) "Retired employee" means any person who would be an  
13 annuitant as that term is defined herein but for the fact  
14 that such person retired prior to January 1, 1966. Such term  
15 also includes any person formerly employed by the University  
16 of Illinois in the Cooperative Extension Service who would be  
17 an annuitant but for the fact that such person was made  
18 ineligible to participate in the State Universities  
19 Retirement System by clause (4) of subsection (a) of Section  
20 15-107 of the Illinois Pension Code.

21           (q) "Survivor" means a person receiving an annuity as a  
22 survivor of an employee or of an annuitant. "Survivor" also  
23 includes: (1) the surviving dependent of a person who  
24 satisfies the definition of "employee" except that such  
25 person is made ineligible to participate in the State  
26 Universities Retirement System by clause (4) of subsection  
27 (a) of Section 15-107 of the Illinois Pension Code; and (2)  
28 the surviving dependent of any person formerly employed by  
29 the University of Illinois in the Cooperative Extension  
30 Service who would be an annuitant except for the fact that  
31 such person was made ineligible to participate in the State  
32 Universities Retirement System by clause (4) of subsection  
33 (a) of Section 15-107 of the Illinois Pension Code.

34           (q-5) "New SERS survivor" means a survivor, as defined



1 in subsection (q), whose annuity is paid under Article 14 of  
2 the Illinois Pension Code and is based on the death of (i) an  
3 employee whose death occurs on or after January 1, 1998, or  
4 (ii) a new SERS annuitant as defined in subsection (b-5).

5 (q-6) "New SERS survivor" means a survivor, as defined  
6 in subsection (q), whose annuity is paid under Article 15 of  
7 the Illinois Pension Code and is based on the death of (i) an  
8 employee whose death occurs on or after January 1, 1998, or  
9 (ii) a new SERS annuitant as defined in subsection (b-6).

10 (q-7) "New TRS State survivor" means a survivor, as  
11 defined in subsection (q), whose annuity is paid under  
12 Article 16 of the Illinois Pension Code and is based on the  
13 death of (i) an employee who is a teacher as defined in  
14 paragraph (2), (3), or (5) of Section 16-106 of that Code and  
15 whose death occurs on or after July 1, 1998, or (ii) a new  
16 TRS State annuitant as defined in subsection (b-7).

17 (r) "Medical services" means the services provided  
18 within the scope of their licenses by practitioners in all  
19 categories licensed under the Medical Practice Act of 1987.

20 (s) "Unit of local government" means any county,  
21 municipality, township, school district, special district or  
22 other unit, designated as a unit of local government by law,  
23 which exercises limited governmental powers or powers in  
24 respect to limited governmental subjects, any not-for-profit  
25 association with a membership that primarily includes  
26 townships and township officials, that has duties that  
27 include provision of research service, dissemination of  
28 information, and other acts for the purpose of improving  
29 township government, and that is funded wholly or partly in  
30 accordance with Section 85-15 of the Township Code; any  
31 not-for-profit corporation or association, with a membership  
32 consisting primarily of municipalities, that operates its own  
33 utility system, and provides research, training,  
34 dissemination of information, or other acts to promote

1 cooperation between and among municipalities that provide  
2 utility services and for the advancement of the goals and  
3 purposes of its membership; the Southern Illinois Collegiate  
4 Common Market, which is a consortium of higher education  
5 institutions in Southern Illinois; and the Illinois  
6 Association of Park Districts. "Qualified local government"  
7 means a unit of local government approved by the Director and  
8 participating in a program created under subsection (i) of  
9 Section 10 of this Act.

10 (t) "Qualified rehabilitation facility" means any  
11 not-for-profit organization that is accredited by the  
12 Commission on Accreditation of Rehabilitation Facilities or  
13 certified by the Department of Human Services (as successor  
14 to the Department of Mental Health and Developmental  
15 Disabilities) to provide services to persons with  
16 disabilities and which receives funds from the State of  
17 Illinois for providing those services, approved by the  
18 Director and participating in a program created under  
19 subsection (j) of Section 10 of this Act.

20 (u) "Qualified domestic violence shelter or service"  
21 means any Illinois domestic violence shelter or service and  
22 its administrative offices funded by the Department of Human  
23 Services (as successor to the Illinois Department of Public  
24 Aid), approved by the Director and participating in a program  
25 created under subsection (k) of Section 10.

26 (v) "TRS benefit recipient" means a person who:

27 (1) is not a "member" as defined in this Section;  
28 and

29 (2) is receiving a monthly benefit or retirement  
30 annuity under Article 16 of the Illinois Pension Code;  
31 and

32 (3) either (i) has at least 8 years of creditable  
33 service under Article 16 of the Illinois Pension Code, or  
34 (ii) was enrolled in the health insurance program offered

1 under that Article on January 1, 1996, or (iii) is the  
 2 survivor of a benefit recipient who had at least 8 years  
 3 of creditable service under Article 16 of the Illinois  
 4 Pension Code or was enrolled in the health insurance  
 5 program offered under that Article on the effective date  
 6 of this amendatory Act of 1995, or (iv) is a recipient or  
 7 survivor of a recipient of a disability benefit under  
 8 Article 16 of the Illinois Pension Code.

9 (w) "TRS dependent beneficiary" means a person who:

10 (1) is not a "member" or "dependent" as defined in  
 11 this Section; and

12 (2) is a TRS benefit recipient's: (A) spouse, (B)  
 13 dependent parent who is receiving at least half of his or  
 14 her support from the TRS benefit recipient, or (C)  
 15 unmarried natural or adopted child who is (i) under age  
 16 19, or (ii) enrolled as a full-time student in an  
 17 accredited school, financially dependent upon the TRS  
 18 benefit recipient, eligible to be claimed as a dependent  
 19 for income tax purposes, and either is under age 24 or  
 20 was, on January 1, 1996, participating as a dependent  
 21 beneficiary in the health insurance program offered under  
 22 Article 16 of the Illinois Pension Code, or (iii) age 19  
 23 or over who is mentally or physically handicapped.

24 (x) "Military leave with pay and benefits" refers to  
 25 individuals in basic training for reserves, special/advanced  
 26 training, annual training, emergency call up, or activation  
 27 by the President of the United States with approved pay and  
 28 benefits.

29 (y) "Military leave without pay and benefits" refers to  
 30 individuals who enlist for active duty in a regular component  
 31 of the U.S. Armed Forces or other duty not specified or  
 32 authorized under military leave with pay and benefits.

33 (z) "Community college benefit recipient" means a person  
 34 who:

1 (1) is not a "member" as defined in this Section;  
2 and

3 (2) is receiving a monthly survivor's annuity or  
4 retirement annuity under Article 15 of the Illinois  
5 Pension Code; and

6 (3) either (i) was a full-time employee of a  
7 community college district or an association of community  
8 college boards created under the Public Community College  
9 Act (other than an employee whose last employer under  
10 Article 15 of the Illinois Pension Code was a community  
11 college district subject to Article VII of the Public  
12 Community College Act) and was eligible to participate in  
13 a group health benefit plan as an employee during the  
14 time of employment with a community college district  
15 (other than a community college district subject to  
16 Article VII of the Public Community College Act) or an  
17 association of community college boards, or (ii) is the  
18 survivor of a person described in item (i).

19 (aa) "Community college dependent beneficiary" means a  
20 person who:

21 (1) is not a "member" or "dependent" as defined in  
22 this Section; and

23 (2) is a community college benefit recipient's: (A)  
24 spouse, (B) dependent parent who is receiving at least  
25 half of his or her support from the community college  
26 benefit recipient, or (C) unmarried natural or adopted  
27 child who is (i) under age 19, or (ii) enrolled as a  
28 full-time student in an accredited school, financially  
29 dependent upon the community college benefit recipient,  
30 eligible to be claimed as a dependent for income tax  
31 purposes and under age 23, or (iii) age 19 or over and  
32 mentally or physically handicapped.

33 (bb) "Qualified small business" means a business  
34 situated in Illinois having 25 or fewer employees, approved

1 by the Director and participating in a program created under  
2 subsection (k-5) of Section 10.

3 (cc) "Self-employed person" means a person engaged in a  
4 business enterprise as a self-employed person or who is  
5 conducting another self-employed occupation or profession and  
6 is participating in a program created under subsection (k-5)  
7 of Section 10.

8 (Source: P.A. 90-14, eff. 7-1-97; 90-65, eff. 7-7-97; 90-448,  
9 eff. 8-16-97; 90-497, eff. 8-18-97; 90-511, eff. 8-22-97;  
10 90-582, eff. 5-27-98; 90-655, eff. 7-30-98; 91-390, eff.  
11 7-30-99; 91-395, eff. 7-30-99; 91-617, eff, 8-19-99; revised  
12 10-19-99.)

13 (5 ILCS 375/10) (from Ch. 127, par. 530)

14 Sec. 10. Payments by State; premiums.

15 (a) The State shall pay the cost of basic  
16 non-contributory group life insurance and, subject to member  
17 paid contributions set by the Department or required by this  
18 Section, the basic program of group health benefits on each  
19 eligible member, except a member, not otherwise covered by  
20 this Act, who has retired as a participating member under  
21 Article 2 of the Illinois Pension Code but is ineligible for  
22 the retirement annuity under Section 2-119 of the Illinois  
23 Pension Code, and part of each eligible member's and retired  
24 member's premiums for health insurance coverage for enrolled  
25 dependents as provided by Section 9. The State shall pay the  
26 cost of the basic program of group health benefits only after  
27 benefits are reduced by the amount of benefits covered by  
28 Medicare for all members and dependents who are eligible for  
29 benefits under Social Security or the Railroad Retirement  
30 system or who had sufficient Medicare-covered government  
31 employment, except that such reduction in benefits shall  
32 apply only to those members and dependents who (1) first  
33 become eligible for such Medicare coverage on or after July

1 1, 1992; or (2) are Medicare-eligible members or dependents  
2 of a local government unit which began participation in the  
3 program on or after July 1, 1992; or (3) remain eligible for,  
4 but no longer receive Medicare coverage which they had been  
5 receiving on or after July 1, 1992. The Department may  
6 determine the aggregate level of the State's contribution on  
7 the basis of actual cost of medical services adjusted for  
8 age, sex or geographic or other demographic characteristics  
9 which affect the costs of such programs.

10 The cost of participation in the basic program of group  
11 health benefits for the dependent or survivor of a living or  
12 deceased retired employee who was formerly employed by the  
13 University of Illinois in the Cooperative Extension Service  
14 and would be an annuitant but for the fact that he or she was  
15 made ineligible to participate in the State Universities  
16 Retirement System by clause (4) of subsection (a) of Section  
17 15-107 of the Illinois Pension Code shall not be greater than  
18 the cost of participation that would otherwise apply to that  
19 dependent or survivor if he or she were the dependent or  
20 survivor of an annuitant under the State Universities  
21 Retirement System.

22 (a-1) Beginning January 1, 1998, for each person who  
23 becomes a new SERS annuitant and participates in the basic  
24 program of group health benefits, the State shall contribute  
25 toward the cost of the annuitant's coverage under the basic  
26 program of group health benefits an amount equal to 5% of  
27 that cost for each full year of creditable service upon which  
28 the annuitant's retirement annuity is based, up to a maximum  
29 of 100% for an annuitant with 20 or more years of creditable  
30 service. The remainder of the cost of a new SERS annuitant's  
31 coverage under the basic program of group health benefits  
32 shall be the responsibility of the annuitant.

33 (a-2) Beginning January 1, 1998, for each person who  
34 becomes a new SERS survivor and participates in the basic

1 program of group health benefits, the State shall contribute  
2 toward the cost of the survivor's coverage under the basic  
3 program of group health benefits an amount equal to 5% of  
4 that cost for each full year of the deceased employee's or  
5 deceased annuitant's creditable service in the State  
6 Employees' Retirement System of Illinois on the date of  
7 death, up to a maximum of 100% for a survivor of an employee  
8 or annuitant with 20 or more years of creditable service.  
9 The remainder of the cost of the new SERS survivor's coverage  
10 under the basic program of group health benefits shall be the  
11 responsibility of the survivor.

12 (a-3) Beginning January 1, 1998, for each person who  
13 becomes a new SURS annuitant and participates in the basic  
14 program of group health benefits, the State shall contribute  
15 toward the cost of the annuitant's coverage under the basic  
16 program of group health benefits an amount equal to 5% of  
17 that cost for each full year of creditable service upon which  
18 the annuitant's retirement annuity is based, up to a maximum  
19 of 100% for an annuitant with 20 or more years of creditable  
20 service. The remainder of the cost of a new SURS annuitant's  
21 coverage under the basic program of group health benefits  
22 shall be the responsibility of the annuitant.

23 (a-4) (Blank).

24 (a-5) Beginning January 1, 1998, for each person who  
25 becomes a new SURS survivor and participates in the basic  
26 program of group health benefits, the State shall contribute  
27 toward the cost of the survivor's coverage under the basic  
28 program of group health benefits an amount equal to 5% of  
29 that cost for each full year of the deceased employee's or  
30 deceased annuitant's creditable service in the State  
31 Universities Retirement System on the date of death, up to a  
32 maximum of 100% for a survivor of an employee or annuitant  
33 with 20 or more years of creditable service. The remainder  
34 of the cost of the new SURS survivor's coverage under the

1 basic program of group health benefits shall be the  
2 responsibility of the survivor.

3 (a-6) Beginning July 1, 1998, for each person who  
4 becomes a new TRS State annuitant and participates in the  
5 basic program of group health benefits, the State shall  
6 contribute toward the cost of the annuitant's coverage under  
7 the basic program of group health benefits an amount equal to  
8 5% of that cost for each full year of creditable service as a  
9 teacher as defined in paragraph (2), (3), or (5) of Section  
10 16-106 of the Illinois Pension Code upon which the  
11 annuitant's retirement annuity is based, up to a maximum of  
12 100%; except that the State contribution shall be 12.5% per  
13 year (rather than 5%) for each full year of creditable  
14 service as a regional superintendent or assistant regional  
15 superintendent of schools. The remainder of the cost of a  
16 new TRS State annuitant's coverage under the basic program of  
17 group health benefits shall be the responsibility of the  
18 annuitant.

19 (a-7) Beginning July 1, 1998, for each person who  
20 becomes a new TRS State survivor and participates in the  
21 basic program of group health benefits, the State shall  
22 contribute toward the cost of the survivor's coverage under  
23 the basic program of group health benefits an amount equal to  
24 5% of that cost for each full year of the deceased employee's  
25 or deceased annuitant's creditable service as a teacher as  
26 defined in paragraph (2), (3), or (5) of Section 16-106 of  
27 the Illinois Pension Code on the date of death, up to a  
28 maximum of 100%; except that the State contribution shall be  
29 12.5% per year (rather than 5%) for each full year of the  
30 deceased employee's or deceased annuitant's creditable  
31 service as a regional superintendent or assistant regional  
32 superintendent of schools. The remainder of the cost of the  
33 new TRS State survivor's coverage under the basic program of  
34 group health benefits shall be the responsibility of the



1 survivor.

2 (a-8) A new SERS annuitant, new SERS survivor, new SURS  
3 annuitant, new SURS survivor, new TRS State annuitant, or new  
4 TRS State survivor may waive or terminate coverage in the  
5 program of group health benefits. Any such annuitant or  
6 survivor who has waived or terminated coverage may enroll or  
7 re-enroll in the program of group health benefits only during  
8 the annual benefit choice period, as determined by the  
9 Director; except that in the event of termination of coverage  
10 due to nonpayment of premiums, the annuitant or survivor may  
11 not re-enroll in the program.

12 (a-9) No later than May 1 of each calendar year, the  
13 Director of Central Management Services shall certify in  
14 writing to the Executive Secretary of the State Employees'  
15 Retirement System of Illinois the amounts of the Medicare  
16 supplement health care premiums and the amounts of the health  
17 care premiums for all other retirees who are not Medicare  
18 eligible.

19 A separate calculation of the premiums based upon the  
20 actual cost of each health care plan shall be so certified.

21 The Director of Central Management Services shall provide  
22 to the Executive Secretary of the State Employees' Retirement  
23 System of Illinois such information, statistics, and other  
24 data as he or she may require to review the premium amounts  
25 certified by the Director of Central Management Services.

26 (b) State employees who become eligible for this program  
27 on or after January 1, 1980 in positions normally requiring  
28 actual performance of duty not less than 1/2 of a normal work  
29 period but not equal to that of a normal work period, shall  
30 be given the option of participating in the available  
31 program. If the employee elects coverage, the State shall  
32 contribute on behalf of such employee to the cost of the  
33 employee's benefit and any applicable dependent supplement,  
34 that sum which bears the same percentage as that percentage

1 of time the employee regularly works when compared to normal  
2 work period.

3 (c) The basic non-contributory coverage from the basic  
4 program of group health benefits shall be continued for each  
5 employee not in pay status or on active service by reason of  
6 (1) leave of absence due to illness or injury, (2) authorized  
7 educational leave of absence or sabbatical leave, or (3)  
8 military leave with pay and benefits. This coverage shall  
9 continue until expiration of authorized leave and return to  
10 active service, but not to exceed 24 months for leaves under  
11 item (1) or (2). This 24-month limitation and the requirement  
12 of returning to active service shall not apply to persons  
13 receiving ordinary or accidental disability benefits or  
14 retirement benefits through the appropriate State retirement  
15 system or benefits under the Workers' Compensation or  
16 Occupational Disease Act.

17 (d) The basic group life insurance coverage shall  
18 continue, with full State contribution, where such person is  
19 (1) absent from active service by reason of disability  
20 arising from any cause other than self-inflicted, (2) on  
21 authorized educational leave of absence or sabbatical leave,  
22 or (3) on military leave with pay and benefits.

23 (e) Where the person is in non-pay status for a period  
24 in excess of 30 days or on leave of absence, other than by  
25 reason of disability, educational or sabbatical leave, or  
26 military leave with pay and benefits, such person may  
27 continue coverage only by making personal payment equal to  
28 the amount normally contributed by the State on such person's  
29 behalf. Such payments and coverage may be continued: (1)  
30 until such time as the person returns to a status eligible  
31 for coverage at State expense, but not to exceed 24 months,  
32 (2) until such person's employment or annuitant status with  
33 the State is terminated, or (3) for a maximum period of 4  
34 years for members on military leave with pay and benefits and

1 military leave without pay and benefits (exclusive of any  
2 additional service imposed pursuant to law).

3 (f) The Department shall establish by rule the extent  
4 to which other employee benefits will continue for persons in  
5 non-pay status or who are not in active service.

6 (g) The State shall not pay the cost of the basic  
7 non-contributory group life insurance, program of health  
8 benefits and other employee benefits for members who are  
9 survivors as defined by paragraphs (1) and (2) of subsection  
10 (q) of Section 3 of this Act. The costs of benefits for  
11 these survivors shall be paid by the survivors or by the  
12 University of Illinois Cooperative Extension Service, or any  
13 combination thereof. However, the State shall pay the amount  
14 of the reduction in the cost of participation, if any,  
15 resulting from the amendment to subsection (a) made by this  
16 amendatory Act of the 91st General Assembly.

17 (h) Those persons occupying positions with any  
18 department as a result of emergency appointments pursuant to  
19 Section 8b.8 of the Personnel Code who are not considered  
20 employees under this Act shall be given the option of  
21 participating in the programs of group life insurance, health  
22 benefits and other employee benefits. Such persons electing  
23 coverage may participate only by making payment equal to the  
24 amount normally contributed by the State for similarly  
25 situated employees. Such amounts shall be determined by the  
26 Director. Such payments and coverage may be continued until  
27 such time as the person becomes an employee pursuant to this  
28 Act or such person's appointment is terminated.

29 (i) Any unit of local government within the State of  
30 Illinois may apply to the Director to have its employees,  
31 annuitants, and their dependents provided group health  
32 coverage under this Act on a non-insured basis. To  
33 participate, a unit of local government must agree to enroll  
34 all of its employees, who may select coverage under either

1 the State group health benefits plan or a health maintenance  
2 organization that has contracted with the State to be  
3 available as a health care provider for employees as defined  
4 in this Act. A unit of local government must remit the  
5 entire cost of providing coverage under the State group  
6 health benefits plan or, for coverage under a health  
7 maintenance organization, an amount determined by the  
8 Director based on an analysis of the sex, age, geographic  
9 location, or other relevant demographic variables for its  
10 employees, except that the unit of local government shall not  
11 be required to enroll those of its employees who are covered  
12 spouses or dependents under this plan or another group policy  
13 or plan providing health benefits as long as (1) an  
14 appropriate official from the unit of local government  
15 attests that each employee not enrolled is a covered spouse  
16 or dependent under this plan or another group policy or plan,  
17 and (2) at least 85% of the employees are enrolled and the  
18 unit of local government remits the entire cost of providing  
19 coverage to those employees, except that a participating  
20 school district must have enrolled at least 85% of its  
21 full-time employees who have not waived coverage under the  
22 district's group health plan by participating in a component  
23 of the district's cafeteria plan. A participating school  
24 district is not required to enroll a full-time employee who  
25 has waived coverage under the district's health plan,  
26 provided that an appropriate official from the participating  
27 school district attests that the full-time employee has  
28 waived coverage by participating in a component of the  
29 district's cafeteria plan. For the purposes of this  
30 subsection, "participating school district" includes a unit  
31 of local government whose primary purpose is education as  
32 defined by the Department's rules.

33 Employees of a participating unit of local government who  
34 are not enrolled due to coverage under another group health

1 policy or plan may enroll in the event of a qualifying change  
2 in status, special enrollment, special circumstance as  
3 defined by the Director, or during the annual Benefit Choice  
4 Period. A participating unit of local government may also  
5 elect to cover its annuitants. Dependent coverage shall be  
6 offered on an optional basis, with the costs paid by the unit  
7 of local government, its employees, or some combination of  
8 the two as determined by the unit of local government. The  
9 unit of local government shall be responsible for timely  
10 collection and transmission of dependent premiums.

11 The Director shall annually determine monthly rates of  
12 payment, subject to the following constraints:

13 (1) In the first year of coverage, the rates shall  
14 be equal to the amount normally charged to State  
15 employees for elected optional coverages or for enrolled  
16 dependents coverages or other contributory coverages, or  
17 contributed by the State for basic insurance coverages on  
18 behalf of its employees, adjusted for differences between  
19 State employees and employees of the local government in  
20 age, sex, geographic location or other relevant  
21 demographic variables, plus an amount sufficient to pay  
22 for the additional administrative costs of providing  
23 coverage to employees of the unit of local government and  
24 their dependents.

25 (2) In subsequent years, a further adjustment shall  
26 be made to reflect the actual prior years' claims  
27 experience of the employees of the unit of local  
28 government.

29 In the case of coverage of local government employees  
30 under a health maintenance organization, the Director shall  
31 annually determine for each participating unit of local  
32 government the maximum monthly amount the unit may contribute  
33 toward that coverage, based on an analysis of (i) the age,  
34 sex, geographic location, and other relevant demographic

1 variables of the unit's employees and (ii) the cost to cover  
2 those employees under the State group health benefits plan.  
3 The Director may similarly determine the maximum monthly  
4 amount each unit of local government may contribute toward  
5 coverage of its employees' dependents under a health  
6 maintenance organization.

7 Monthly payments by the unit of local government or its  
8 employees for group health benefits plan or health  
9 maintenance organization coverage shall be deposited in the  
10 Local Government Health Insurance Reserve Fund. The Local  
11 Government Health Insurance Reserve Fund shall be a  
12 continuing fund not subject to fiscal year limitations. All  
13 expenditures from this fund shall be used for payments for  
14 health care benefits for local government, domestic violence  
15 shelter or service, and rehabilitation facility employees,  
16 annuitants, and dependents, and to reimburse the Department  
17 or its administrative service organization for all expenses  
18 incurred in the administration of benefits. No other State  
19 funds may be used for these purposes.

20 A local government employer's participation or desire to  
21 participate in a program created under this subsection shall  
22 not limit that employer's duty to bargain with the  
23 representative of any collective bargaining unit of its  
24 employees.

25 (j) Any rehabilitation facility within the State of  
26 Illinois may apply to the Director to have its employees,  
27 annuitants, and their eligible dependents provided group  
28 health coverage under this Act on a non-insured basis. To  
29 participate, a rehabilitation facility must agree to enroll  
30 all of its employees and remit the entire cost of providing  
31 such coverage for its employees, except that the  
32 rehabilitation facility shall not be required to enroll those  
33 of its employees who are covered spouses or dependents under  
34 this plan or another group policy or plan providing health

1 benefits as long as (1) an appropriate official from the  
2 rehabilitation facility attests that each employee not  
3 enrolled is a covered spouse or dependent under this plan or  
4 another group policy or plan, and (2) at least 85% of the  
5 employees are enrolled and the rehabilitation facility remits  
6 the entire cost of providing coverage to those employees.  
7 Employees of a participating rehabilitation facility who are  
8 not enrolled due to coverage under another group health  
9 policy or plan may enroll in the event of a qualifying change  
10 in status, special enrollment, special circumstance as  
11 defined by the Director, or during the annual Benefit Choice  
12 Period. A participating rehabilitation facility may also  
13 elect to cover its annuitants. Dependent coverage shall be  
14 offered on an optional basis, with the costs paid by the  
15 rehabilitation facility, its employees, or some combination  
16 of the 2 as determined by the rehabilitation facility. The  
17 rehabilitation facility shall be responsible for timely  
18 collection and transmission of dependent premiums.

19 The Director shall annually determine quarterly rates of  
20 payment, subject to the following constraints:

21 (1) In the first year of coverage, the rates shall  
22 be equal to the amount normally charged to State  
23 employees for elected optional coverages or for enrolled  
24 dependents coverages or other contributory coverages on  
25 behalf of its employees, adjusted for differences between  
26 State employees and employees of the rehabilitation  
27 facility in age, sex, geographic location or other  
28 relevant demographic variables, plus an amount sufficient  
29 to pay for the additional administrative costs of  
30 providing coverage to employees of the rehabilitation  
31 facility and their dependents.

32 (2) In subsequent years, a further adjustment shall  
33 be made to reflect the actual prior years' claims  
34 experience of the employees of the rehabilitation

1 facility.

2 Monthly payments by the rehabilitation facility or its  
3 employees for group health benefits shall be deposited in the  
4 Local Government Health Insurance Reserve Fund.

5 (k) Any domestic violence shelter or service within the  
6 State of Illinois may apply to the Director to have its  
7 employees, annuitants, and their dependents provided group  
8 health coverage under this Act on a non-insured basis. To  
9 participate, a domestic violence shelter or service must  
10 agree to enroll all of its employees and pay the entire cost  
11 of providing such coverage for its employees. A  
12 participating domestic violence shelter may also elect to  
13 cover its annuitants. Dependent coverage shall be offered on  
14 an optional basis, with employees, or some combination of the  
15 2 as determined by the domestic violence shelter or service.  
16 The domestic violence shelter or service shall be responsible  
17 for timely collection and transmission of dependent premiums.

18 The Director shall annually determine rates of payment,  
19 subject to the following constraints:

20 (1) In the first year of coverage, the rates shall  
21 be equal to the amount normally charged to State  
22 employees for elected optional coverages or for enrolled  
23 dependents coverages or other contributory coverages on  
24 behalf of its employees, adjusted for differences between  
25 State employees and employees of the domestic violence  
26 shelter or service in age, sex, geographic location or  
27 other relevant demographic variables, plus an amount  
28 sufficient to pay for the additional administrative costs  
29 of providing coverage to employees of the domestic  
30 violence shelter or service and their dependents.

31 (2) In subsequent years, a further adjustment shall  
32 be made to reflect the actual prior years' claims  
33 experience of the employees of the domestic violence  
34 shelter or service.



1 Monthly payments by the domestic violence shelter or  
2 service or its employees for group health insurance shall be  
3 deposited in the Local Government Health Insurance Reserve  
4 Fund.

5 (k-5) Any qualified small business or self-employed  
6 person within the State of Illinois may apply to the Director  
7 to have its employees, annuitants, and their dependents  
8 provided group health coverage under this Act on a  
9 non-insured basis. To participate, a qualified small  
10 business or self-employed person must agree to enroll all of  
11 its employees and pay the entire cost of providing such  
12 coverage for its employees. A participating qualified small  
13 business or self-employed person may also elect to cover its  
14 annuitants. Dependent coverage shall be offered on an  
15 optional basis, with employees, or some combination of the 2  
16 as determined by the qualified small business or  
17 self-employed person. The qualified small business or  
18 self-employed person shall be responsible for timely  
19 collection and transmission of dependent premiums.

20 The Director shall annually determine rates of payment,  
21 subject to the following constraints:

22 (1) In the first year of coverage, the rates shall  
23 be equal to the amount normally charged to State  
24 employees for elected optional coverages or for enrolled  
25 dependents coverages or other contributory coverages on  
26 behalf of its employees, adjusted for differences between  
27 State employees and employees of the qualified small  
28 business or self-employed person in age, sex, geographic  
29 location or other relevant demographic variables, plus an  
30 amount sufficient to pay for the additional  
31 administrative costs of providing coverage to employees  
32 of the qualified small business or self-employed person  
33 and their dependents.

34 (2) In subsequent years, a further adjustment shall

1 be made to reflect the actual prior years' claims  
2 experience of the employees of the qualified small  
3 business or self-employed person.

4 Monthly payments by the qualified small business or  
5 self-employed person for group health insurance shall be  
6 deposited into the Small Employers Health Insurance Reserve  
7 Fund. The Small Employers Health Insurance Reserve Fund  
8 shall be a continuing fund not subject to fiscal year  
9 limitations. All expenditures from this fund shall be used  
10 for payments for health care benefits for self-employed  
11 persons and employees of qualified small businesses and their  
12 annuitants and dependents and to reimburse the Department or  
13 its administrative service organization for all expenses  
14 incurred in the administration of benefits. No other State  
15 funds may be used for these purposes.

16 (1) A public community college or entity organized  
17 pursuant to the Public Community College Act may apply to the  
18 Director initially to have only annuitants not covered prior  
19 to July 1, 1992 by the district's health plan provided health  
20 coverage under this Act on a non-insured basis. The  
21 community college must execute a 2-year contract to  
22 participate in the Local Government Health Plan. Any  
23 annuitant may enroll in the event of a qualifying change in  
24 status, special enrollment, special circumstance as defined  
25 by the Director, or during the annual Benefit Choice Period.

26 The Director shall annually determine monthly rates of  
27 payment subject to the following constraints: for those  
28 community colleges with annuitants only enrolled, first year  
29 rates shall be equal to the average cost to cover claims for  
30 a State member adjusted for demographics, Medicare  
31 participation, and other factors; and in the second year, a  
32 further adjustment of rates shall be made to reflect the  
33 actual first year's claims experience of the covered  
34 annuitants.

1 (1-5) The provisions of subsection (1) become  
2 inoperative on July 1, 1999.

3 (m) The Director shall adopt any rules deemed necessary  
4 for implementation of this amendatory Act of 1989 (Public Act  
5 86-978).

6 (Source: P.A. 90-65, eff. 7-7-97; 90-582, eff. 5-27-98;  
7 90-655, eff. 7-30-98; 91-280, eff. 7-23-99; 91-311; eff.  
8 7-29-99; 91-357, eff. 7-29-99; 91-390, eff. 7-30-99; 91-395,  
9 eff. 7-30-99; 91-617, eff. 8-19-99; revised 8-31-99.)

10 (5 ILCS 375/13.2) (from Ch. 127, par. 533.2)

11 Sec. 13.2. Insurance reserve funds; investments. All  
12 amounts held in the Health Insurance Reserve Fund, the Group  
13 Insurance Premium Fund, the Small Employers Health Insurance  
14 Reserve Fund, and the Local Government Health Insurance  
15 Reserve Fund shall be invested, at interest, by the State  
16 Treasurer. The investments shall be subject to terms,  
17 conditions, and limitations imposed by the laws of Illinois  
18 on State funds. All income derived from the investments  
19 shall accrue and be deposited to the respective funds no less  
20 frequently than quarterly. The Health Insurance Reserve  
21 Fund, the Small Employers Health Insurance Reserve Fund, and  
22 the Local Government Health Insurance Reserve Fund shall be  
23 administered by the Director.

24 (Source: P.A. 91-390, eff. 7-30-99.)

25 (5 ILCS 375/15) (from Ch. 127, par. 535)

26 Sec. 15. Administration; rules; audit; review.

27 (a) The Director shall administer this Act and shall  
28 prescribe such rules and regulations as are necessary to give  
29 full effect to the purposes of this Act.

30 (b) These rules may fix reasonable standards for the  
31 group life and group health programs and other benefit  
32 programs offered under this Act, and for the contractors

1 providing them.

2 (c) These rules shall specify that covered and optional  
3 medical services of the program are services provided within  
4 the scope of their licenses by practitioners in all  
5 categories licensed under the Medical Practice Act of 1987  
6 and shall provide that all eligible persons be fully informed  
7 of this specification.

8 (d) These rules shall establish eligibility requirements  
9 for members and dependents as may be necessary to supplement  
10 or clarify requirements contained in this Act.

11 (e) Each affected department of the State, the State  
12 Universities Retirement System, the Teachers' Retirement  
13 System, and each qualified local government, rehabilitation  
14 facility, ~~or~~ domestic violence shelter or service, small  
15 business, or self-employed person shall keep such records,  
16 make such certifications, and furnish the Director such  
17 information as may be necessary for the administration of  
18 this Act, including information concerning number and total  
19 amounts of payroll of employees of the department who are  
20 paid from trust funds or federal funds.

21 (f) Each member, each community college benefit  
22 recipient to whom this Act applies, and each TRS benefit  
23 recipient to whom this Act applies shall furnish the  
24 Director, in such form as may be required, any information  
25 that may be necessary to enroll such member or benefit  
26 recipient and, if applicable, his or her dependents or  
27 dependent beneficiaries under the programs or plan, including  
28 such data as may be required to allow the Director to  
29 accumulate statistics on data normally considered in  
30 actuarial studies of employee groups. Information about  
31 community college benefit recipients and community college  
32 dependent beneficiaries shall be furnished through the State  
33 Universities Retirement System. Information about TRS  
34 benefit recipients and TRS dependent beneficiaries shall be

1 furnished through the Teachers' Retirement System.

2 (g) There shall be audits and reports on the programs  
3 authorized and established by this Act prepared by the  
4 Director with the assistance of a qualified, independent  
5 accounting firm. The reports shall provide information on  
6 the experience, and administrative effectiveness and adequacy  
7 of the program including, when applicable, recommendations on  
8 up-grading of benefits and improvement of the program.

9 (h) Any final order, decision or other determination  
10 made, issued or executed by the Director under the provisions  
11 of this Act whereby any contractor or person is aggrieved  
12 shall be subject to review in accordance with the provisions  
13 of the Administrative Review Law and all amendments and  
14 modifications thereof, and the rules adopted pursuant  
15 thereto, shall apply to and govern all proceedings for the  
16 judicial review of final administrative decisions of the  
17 Director.

18 (Source: P.A. 90-497, eff. 8-18-97; 91-390, eff. 7-30-99.)

19 Section 10. The State Finance Act is amended by changing  
20 Section 25 as follows:

21 (30 ILCS 105/25) (from Ch. 127, par. 161)

22 Sec. 25. Fiscal year limitations.

23 (a) All appropriations shall be available for  
24 expenditure for the fiscal year or for a lesser period if the  
25 Act making that appropriation so specifies. A deficiency or  
26 emergency appropriation shall be available for expenditure  
27 only through June 30 of the year when the Act making that  
28 appropriation is enacted unless that Act otherwise provides.

29 (b) Outstanding liabilities as of June 30, payable from  
30 appropriations which have otherwise expired, may be paid out  
31 of the expiring appropriations during the 2-month period  
32 ending at the close of business on August 31. Any service

1 involving professional or artistic skills or any personal  
2 services by an employee whose compensation is subject to  
3 income tax withholding must be performed as of June 30 of the  
4 fiscal year in order to be considered an "outstanding  
5 liability as of June 30" that is thereby eligible for payment  
6 out of the expiring appropriation.

7 However, payment of tuition reimbursement claims under  
8 Section 14-7.03 or 18-3 of the School Code may be made by the  
9 State Board of Education from its appropriations for those  
10 respective purposes for any fiscal year, even though the  
11 claims reimbursed by the payment may be claims attributable  
12 to a prior fiscal year, and payments may be made at the  
13 direction of the State Superintendent of Education from the  
14 fund from which the appropriation is made without regard to  
15 any fiscal year limitations.

16 Medical payments may be made by the Department of  
17 Veterans' Affairs from its appropriations for those purposes  
18 for any fiscal year, without regard to the fact that the  
19 medical services being compensated for by such payment may  
20 have been rendered in a prior fiscal year.

21 Medical payments may be made by the Department of Public  
22 Aid and child care payments may be made by the Department of  
23 Human Services (as successor to the Department of Public Aid)  
24 from appropriations for those purposes for any fiscal year,  
25 without regard to the fact that the medical or child care  
26 services being compensated for by such payment may have been  
27 rendered in a prior fiscal year; and payments may be made at  
28 the direction of the Department of Central Management  
29 Services from the Health Insurance Reserve Fund, the Small  
30 Employers Health Insurance Reserve Fund, and the Local  
31 Government Health Insurance Reserve Fund without regard to  
32 any fiscal year limitations.

33 Additionally, payments may be made by the Department of  
34 Human Services from its appropriations, or any other State

1 agency from its appropriations with the approval of the  
2 Department of Human Services, from the Immigration Reform and  
3 Control Fund for purposes authorized pursuant to the  
4 Immigration Reform and Control Act of 1986, without regard to  
5 any fiscal year limitations.

6 (c) Further, payments may be made by the Department of  
7 Public Health and the Department of Human Services (acting as  
8 successor to the Department of Public Health under the  
9 Department of Human Services Act) from their respective  
10 appropriations for grants for medical care to or on behalf of  
11 persons suffering from chronic renal disease, persons  
12 suffering from hemophilia, rape victims, and premature and  
13 high-mortality risk infants and their mothers and for grants  
14 for supplemental food supplies provided under the United  
15 States Department of Agriculture Women, Infants and Children  
16 Nutrition Program, for any fiscal year without regard to the  
17 fact that the services being compensated for by such payment  
18 may have been rendered in a prior fiscal year.

19 (d) The Department of Public Health and the Department  
20 of Human Services (acting as successor to the Department of  
21 Public Health under the Department of Human Services Act)  
22 shall each annually submit to the State Comptroller, Senate  
23 President, Senate Minority Leader, Speaker of the House,  
24 House Minority Leader, and the respective Chairmen and  
25 Minority Spokesmen of the Appropriations Committees of the  
26 Senate and the House, on or before December 31, a report of  
27 fiscal year funds used to pay for services provided in any  
28 prior fiscal year. This report shall document by program or  
29 service category those expenditures from the most recently  
30 completed fiscal year used to pay for services provided in  
31 prior fiscal years.

32 (e) The Department of Public Aid and the Department of  
33 Human Services (acting as successor to the Department of  
34 Public Aid) shall each annually submit to the State

1 Comptroller, Senate President, Senate Minority Leader,  
2 Speaker of the House, House Minority Leader, the respective  
3 Chairmen and Minority Spokesmen of the Appropriations  
4 Committees of the Senate and the House, on or before November  
5 30, a report that shall document by program or service  
6 category those expenditures from the most recently completed  
7 fiscal year used to pay for (i) services provided in prior  
8 fiscal years and (ii) services for which claims were received  
9 in prior fiscal years.

10 (f) The Department of Human Services (as successor to  
11 the Department of Public Aid) shall annually submit to the  
12 State Comptroller, Senate President, Senate Minority Leader,  
13 Speaker of the House, House Minority Leader, and the  
14 respective Chairmen and Minority Spokesmen of the  
15 Appropriations Committees of the Senate and the House, on or  
16 before December 31, a report of fiscal year funds used to pay  
17 for services (other than medical care) provided in any prior  
18 fiscal year. This report shall document by program or  
19 service category those expenditures from the most recently  
20 completed fiscal year used to pay for services provided in  
21 prior fiscal years.

22 (g) In addition, each annual report required to be  
23 submitted by the Department of Public Aid under subsection  
24 (e) shall include the following information with respect to  
25 the State's Medicaid program:

26 (1) Explanations of the exact causes of the  
27 variance between the previous year's estimated and actual  
28 liabilities.

29 (2) Factors affecting the Department of Public  
30 Aid's liabilities, including but not limited to numbers  
31 of aid recipients, levels of medical service utilization  
32 by aid recipients, and inflation in the cost of medical  
33 services.

34 (3) The results of the Department's efforts to



1           combat fraud and abuse.

2           (h) As provided in Section 4 of the General Assembly  
3 Compensation Act, any utility bill for service provided to a  
4 General Assembly member's district office for a period  
5 including portions of 2 consecutive fiscal years may be paid  
6 from funds appropriated for such expenditure in either fiscal  
7 year.

8           (i) An agency which administers a fund classified by the  
9 Comptroller as an internal service fund may issue rules for:

10           (1) billing user agencies in advance based on  
11 estimated charges for goods or services;

12           (2) issuing credits during the subsequent fiscal  
13 year for all user agency payments received during the  
14 prior fiscal year which were in excess of the final  
15 amounts owed by the user agency for that period; and

16           (3) issuing catch-up billings to user agencies  
17 during the subsequent fiscal year for amounts remaining  
18 due when payments received from the user agency during  
19 the prior fiscal year were less than the total amount  
20 owed for that period.

21 User agencies are authorized to reimburse internal service  
22 funds for catch-up billings by vouchers drawn against their  
23 respective appropriations for the fiscal year in which the  
24 catch-up billing was issued.

25 (Source: P.A. 89-235, eff. 8-4-95; 89-507, eff. 7-1-97;  
26 89-511, eff. 1-1-97; 90-14, eff. 7-1-97; 90-168, eff.  
27 7-23-97.)

28           Section 99. Effective date. This Act takes effect on  
29 January 1, 2003.