

1 AN ACT concerning health care workers.

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
5 1971 is amended by changing Sections 3 and 10 as follows:

6 (5 ILCS 375/3) (from Ch. 127, par. 523)

7 Sec. 3. Definitions. Unless the context otherwise
8 requires, the following words and phrases as used in this Act
9 shall have the following meanings. The Department may define
10 these and other words and phrases separately for the purpose
11 of implementing specific programs providing benefits under
12 this Act.

13 (a) "Administrative service organization" means any
14 person, firm or corporation experienced in the handling of
15 claims which is fully qualified, financially sound and
16 capable of meeting the service requirements of a contract of
17 administration executed with the Department.

18 (b) "Annuitant" means (1) an employee who retires, or
19 has retired, on or after January 1, 1966 on an immediate
20 annuity under the provisions of Articles 2, 14, 15 (including
21 an employee who has retired under the optional retirement
22 program established under Section 15-158.2), paragraphs (2),
23 (3), or (5) of Section 16-106, or Article 18 of the Illinois
24 Pension Code; (2) any person who was receiving group
25 insurance coverage under this Act as of March 31, 1978 by
26 reason of his status as an annuitant, even though the annuity
27 in relation to which such coverage was provided is a
28 proportional annuity based on less than the minimum period of
29 service required for a retirement annuity in the system
30 involved; (3) any person not otherwise covered by this Act
31 who has retired as a participating member under Article 2 of

1 the Illinois Pension Code but is ineligible for the
2 retirement annuity under Section 2-119 of the Illinois
3 Pension Code; (4) the spouse of any person who is receiving a
4 retirement annuity under Article 18 of the Illinois Pension
5 Code and who is covered under a group health insurance
6 program sponsored by a governmental employer other than the
7 State of Illinois and who has irrevocably elected to waive
8 his or her coverage under this Act and to have his or her
9 spouse considered as the "annuitant" under this Act and not
10 as a "dependent"; or (5) an employee who retires, or has
11 retired, from a qualified position, as determined according
12 to rules promulgated by the Director, under a qualified local
13 government or a qualified rehabilitation facility or a
14 qualified domestic violence shelter or service. (For
15 definition of "retired employee", see (p) post).

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

22 (b-6) "New SURS annuitant" means a person who (1) on or
23 after January 1, 1998, becomes an annuitant, as defined in
24 subsection (b), by virtue of beginning to receive a
25 retirement annuity under Article 15 of the Illinois Pension
26 Code, (2) has not made the election authorized under Section
27 15-135.1 of the Illinois Pension Code, and (3) is eligible to
28 participate in the basic program of group health benefits
29 provided for annuitants under this Act.

30 (b-7) "New TRS State annuitant" means a person who, on
31 or after July 1, 1998, becomes an annuitant, as defined in
32 subsection (b), by virtue of beginning to receive a
33 retirement annuity under Article 16 of the Illinois Pension
34 Code based on service as a teacher as defined in paragraph

1 (2), (3), or (5) of Section 16-106 of that Code, and is
2 eligible to participate in the basic program of group health
3 benefits provided for annuitants under this Act.

4 (c) "Carrier" means (1) an insurance company, a
5 corporation organized under the Limited Health Service
6 Organization Act or the Voluntary Health Services Plan Act, a
7 partnership, or other nongovernmental organization, which is
8 authorized to do group life or group health insurance
9 business in Illinois, or (2) the State of Illinois as a
10 self-insurer.

11 (d) "Compensation" means salary or wages payable on a
12 regular payroll by the State Treasurer on a warrant of the
13 State Comptroller out of any State, trust or federal fund, or
14 by the Governor of the State through a disbursing officer of
15 the State out of a trust or out of federal funds, or by any
16 Department out of State, trust, federal or other funds held
17 by the State Treasurer or the Department, to any person for
18 personal services currently performed, and ordinary or
19 accidental disability benefits under Articles 2, 14, 15
20 (including ordinary or accidental disability benefits under
21 the optional retirement program established under Section
22 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
23 Article 18 of the Illinois Pension Code, for disability
24 incurred after January 1, 1966, or benefits payable under the
25 Workers' Compensation or Occupational Diseases Act or
26 benefits payable under a sick pay plan established in
27 accordance with Section 36 of the State Finance Act.

28 "Compensation" also means salary or wages paid to an employee
29 of any qualified local government or qualified rehabilitation
30 facility or a qualified domestic violence shelter or service.

31 (e) "Commission" means the State Employees Group
32 Insurance Advisory Commission authorized by this Act.
33 Commencing July 1, 1984, "Commission" as used in this Act
34 means the Illinois Economic and Fiscal Commission as

1 established by the Legislative Commission Reorganization Act
2 of 1984.

3 (f) "Contributory", when referred to as contributory
4 coverage, shall mean optional coverages or benefits elected
5 by the member toward the cost of which such member makes
6 contribution, or which are funded in whole or in part through
7 the acceptance of a reduction in earnings or the foregoing of
8 an increase in earnings by an employee, as distinguished from
9 noncontributory coverage or benefits which are paid entirely
10 by the State of Illinois without reduction of the member's
11 salary.

12 (g) "Department" means any department, institution,
13 board, commission, officer, court or any agency of the State
14 government receiving appropriations and having power to
15 certify payrolls to the Comptroller authorizing payments of
16 salary and wages against such appropriations as are made by
17 the General Assembly from any State fund, or against trust
18 funds held by the State Treasurer and includes boards of
19 trustees of the retirement systems created by Articles 2, 14,
20 15, 16 and 18 of the Illinois Pension Code. "Department"
21 also includes the Illinois Comprehensive Health Insurance
22 Board, the Board of Examiners established under the Illinois
23 Public Accounting Act, and the Illinois Rural Bond Bank.

24 (h) "Dependent", when the term is used in the context of
25 the health and life plan, means a member's spouse and any
26 unmarried child (1) from birth to age 19 including an adopted
27 child, a child who lives with the member from the time of the
28 filing of a petition for adoption until entry of an order of
29 adoption, a stepchild or recognized child who lives with the
30 member in a parent-child relationship, or a child who lives
31 with the member if such member is a court appointed guardian
32 of the child, or (2) age 19 to 23 enrolled as a full-time
33 student in any accredited school, financially dependent upon
34 the member, and eligible to be claimed as a dependent for

1 income tax purposes, or (3) age 19 or over who is mentally or
2 physically handicapped. For the health plan only, the term
3 "dependent" also includes any person enrolled prior to the
4 effective date of this Section who is dependent upon the
5 member to the extent that the member may claim such person as
6 a dependent for income tax deduction purposes; no other such
7 person may be enrolled. For the health plan only, the term
8 "dependent" also includes any person who has received after
9 June 30, 2000 an organ transplant and who is financially
10 dependent upon the member and eligible to be claimed as a
11 dependent for income tax purposes.

12 (i) "Director" means the Director of the Illinois
13 Department of Central Management Services.

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

17 (k) "Employee" means and includes each officer or
18 employee in the service of a department who (1) receives his
19 compensation for service rendered to the department on a
20 warrant issued pursuant to a payroll certified by a
21 department or on a warrant or check issued and drawn by a
22 department upon a trust, federal or other fund or on a
23 warrant issued pursuant to a payroll certified by an elected
24 or duly appointed officer of the State or who receives
25 payment of the performance of personal services on a warrant
26 issued pursuant to a payroll certified by a Department and
27 drawn by the Comptroller upon the State Treasurer against
28 appropriations made by the General Assembly from any fund or
29 against trust funds held by the State Treasurer, and (2) is
30 employed full-time or part-time in a position normally
31 requiring actual performance of duty during not less than 1/2
32 of a normal work period, as established by the Director in
33 cooperation with each department, except that persons elected
34 by popular vote will be considered employees during the

1 entire term for which they are elected regardless of hours
2 devoted to the service of the State, and (3) except that
3 "employee" does not include any person who is not eligible by
4 reason of such person's employment to participate in one of
5 the State retirement systems under Articles 2, 14, 15 (either
6 the regular Article 15 system or the optional retirement
7 program established under Section 15-158.2) or 18, or under
8 paragraph (2), (3), or (5) of Section 16-106, of the Illinois
9 Pension Code, but such term does include persons who are
10 employed during the 6 month qualifying period under Article
11 14 of the Illinois Pension Code. Such term also includes any
12 person who (1) after January 1, 1966, is receiving ordinary
13 or accidental disability benefits under Articles 2, 14, 15
14 (including ordinary or accidental disability benefits under
15 the optional retirement program established under Section
16 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
17 Article 18 of the Illinois Pension Code, for disability
18 incurred after January 1, 1966, (2) receives total permanent
19 or total temporary disability under the Workers' Compensation
20 Act or Occupational Disease Act as a result of injuries
21 sustained or illness contracted in the course of employment
22 with the State of Illinois, or (3) is not otherwise covered
23 under this Act and has retired as a participating member
24 under Article 2 of the Illinois Pension Code but is
25 ineligible for the retirement annuity under Section 2-119 of
26 the Illinois Pension Code. However, a person who satisfies
27 the criteria of the foregoing definition of "employee" except
28 that such person is made ineligible to participate in the
29 State Universities Retirement System by clause (4) of
30 subsection (a) of Section 15-107 of the Illinois Pension Code
31 is also an "employee" for the purposes of this Act.
32 "Employee" also includes any person receiving or eligible for
33 benefits under a sick pay plan established in accordance with
34 Section 36 of the State Finance Act. "Employee" also includes

1 each officer or employee in the service of a qualified local
2 government, including persons appointed as trustees of
3 sanitary districts regardless of hours devoted to the service
4 of the sanitary district, and each employee in the service of
5 a qualified rehabilitation facility and each full-time
6 employee in the service of a qualified domestic violence
7 shelter or service, as determined according to rules
8 promulgated by the Director.

9 (l) "Member" means an employee, annuitant, retired
10 employee or survivor.

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

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

17 (o) "Health plan" means a health benefits program
18 offered by the State of Illinois for persons eligible for the
19 plan.

20 (p) "Retired employee" means any person who would be an
21 annuitant as that term is defined herein but for the fact
22 that such person retired prior to January 1, 1966. Such term
23 also includes any person formerly employed by the University
24 of Illinois in the Cooperative Extension Service who would be
25 an annuitant but for the fact that such person was made
26 ineligible to participate in the State Universities
27 Retirement System by clause (4) of subsection (a) of Section
28 15-107 of the Illinois Pension Code.

29 (q) "Survivor" means a person receiving an annuity as a
30 survivor of an employee or of an annuitant. "Survivor" also
31 includes: (1) the surviving dependent of a person who
32 satisfies the definition of "employee" except that such
33 person is made ineligible to participate in the State
34 Universities Retirement System by clause (4) of subsection

1 (a) of Section 15-107 of the Illinois Pension Code; and (2)
2 the surviving dependent of any person formerly employed by
3 the University of Illinois in the Cooperative Extension
4 Service who would be an annuitant except for the fact that
5 such person was made ineligible to participate in the State
6 Universities Retirement System by clause (4) of subsection
7 (a) of Section 15-107 of the Illinois Pension Code.

8 (q-5) "New SERS survivor" means a survivor, as defined
9 in subsection (q), whose annuity is paid under Article 14 of
10 the Illinois Pension Code and is based on the death of (i) an
11 employee whose death occurs on or after January 1, 1998, or
12 (ii) a new SERS annuitant as defined in subsection (b-5).

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

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

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

28 (s) "Unit of local government" means any county,
29 municipality, township, school district (including a
30 combination of school districts under the Intergovernmental
31 Cooperation Act), special district or other unit, designated
32 as a unit of local government by law, which exercises limited
33 governmental powers or powers in respect to limited
34 governmental subjects, any not-for-profit association with a

1 membership that primarily includes townships and township
2 officials, that has duties that include provision of research
3 service, dissemination of information, and other acts for the
4 purpose of improving township government, and that is funded
5 wholly or partly in accordance with Section 85-15 of the
6 Township Code; any not-for-profit corporation or association,
7 with a membership consisting primarily of municipalities,
8 that operates its own utility system, and provides research,
9 training, dissemination of information, or other acts to
10 promote cooperation between and among municipalities that
11 provide utility services and for the advancement of the goals
12 and purposes of its membership; the Southern Illinois
13 Collegiate Common Market, which is a consortium of higher
14 education institutions in Southern Illinois; and the Illinois
15 Association of Park Districts. "Qualified local government"
16 means a unit of local government approved by the Director and
17 participating in a program created under subsection (i) of
18 Section 10 of this Act.

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

29 (u) "Qualified domestic violence shelter or service"
30 means any Illinois domestic violence shelter or service and
31 its administrative offices funded by the Department of Human
32 Services (as successor to the Illinois Department of Public
33 Aid), approved by the Director and participating in a program
34 created under subsection (k) of Section 10.

- 1 (v) "TRS benefit recipient" means a person who:
- 2 (1) is not a "member" as defined in this Section;
- 3 and
- 4 (2) is receiving a monthly benefit or retirement
- 5 annuity under Article 16 of the Illinois Pension Code;
- 6 and
- 7 (3) either (i) has at least 8 years of creditable
- 8 service under Article 16 of the Illinois Pension Code, or
- 9 (ii) was enrolled in the health insurance program offered
- 10 under that Article on January 1, 1996, or (iii) is the
- 11 survivor of a benefit recipient who had at least 8 years
- 12 of creditable service under Article 16 of the Illinois
- 13 Pension Code or was enrolled in the health insurance
- 14 program offered under that Article on the effective date
- 15 of this amendatory Act of 1995, or (iv) is a recipient or
- 16 survivor of a recipient of a disability benefit under
- 17 Article 16 of the Illinois Pension Code.
- 18 (w) "TRS dependent beneficiary" means a person who:
- 19 (1) is not a "member" or "dependent" as defined in
- 20 this Section; and
- 21 (2) is a TRS benefit recipient's: (A) spouse, (B)
- 22 dependent parent who is receiving at least half of his or
- 23 her support from the TRS benefit recipient, or (C)
- 24 unmarried natural or adopted child who is (i) under age
- 25 19, or (ii) enrolled as a full-time student in an
- 26 accredited school, financially dependent upon the TRS
- 27 benefit recipient, eligible to be claimed as a dependent
- 28 for income tax purposes, and either is under age 24 or
- 29 was, on January 1, 1996, participating as a dependent
- 30 beneficiary in the health insurance program offered under
- 31 Article 16 of the Illinois Pension Code, or (iii) age 19
- 32 or over who is mentally or physically handicapped.
- 33 (x) "Military leave with pay and benefits" refers to
- 34 individuals in basic training for reserves, special/advanced

1 training, annual training, emergency call up, or activation
2 by the President of the United States with approved pay and
3 benefits.

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

8 (z) "Community college benefit recipient" means a person
9 who:

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

12 (2) is receiving a monthly survivor's annuity or
13 retirement annuity under Article 15 of the Illinois
14 Pension Code; and

15 (3) either (i) was a full-time employee of a
16 community college district or an association of community
17 college boards created under the Public Community College
18 Act (other than an employee whose last employer under
19 Article 15 of the Illinois Pension Code was a community
20 college district subject to Article VII of the Public
21 Community College Act) and was eligible to participate in
22 a group health benefit plan as an employee during the
23 time of employment with a community college district
24 (other than a community college district subject to
25 Article VII of the Public Community College Act) or an
26 association of community college boards, or (ii) is the
27 survivor of a person described in item (i).

28 (aa) "Community college dependent beneficiary" means a
29 person who:

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

32 (2) is a community college benefit recipient's: (A)
33 spouse, (B) dependent parent who is receiving at least
34 half of his or her support from the community college

1 benefit recipient, or (C) unmarried natural or adopted
 2 child who is (i) under age 19, or (ii) enrolled as a
 3 full-time student in an accredited school, financially
 4 dependent upon the community college benefit recipient,
 5 eligible to be claimed as a dependent for income tax
 6 purposes and under age 23, or (iii) age 19 or over and
 7 mentally or physically handicapped.

8 (bb) "Long-term care facility" means an entity licensed
 9 under the Nursing Home Care Act by the Department of Public
 10 Health to provide services to the elderly or developmentally
 11 disabled that participates in Title 18 or Title 19 of the
 12 Social Security Act.

13 (Source: P.A. 91-390, eff. 7-30-99; 91-395, eff. 7-30-99;
 14 91-617, eff. 8-19-99; 92-16, eff. 6-28-01; 92-186, eff.
 15 1-1-02; 92-204, eff. 8-1-01; revised 9-19-01.)

16 (5 ILCS 375/10) (from Ch. 127, par. 530)

17 Sec. 10. Payments by State; premiums.

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

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

13 The cost of participation in the basic program of group
14 health benefits for the dependent or survivor of a living or
15 deceased retired employee who was formerly employed by the
16 University of Illinois in the Cooperative Extension Service
17 and would be an annuitant but for the fact that he or she was
18 made 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 shall not be greater than
21 the cost of participation that would otherwise apply to that
22 dependent or survivor if he or she were the dependent or
23 survivor of an annuitant under the State Universities
24 Retirement System.

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

1 shall be the responsibility of the annuitant.

2 (a-2) Beginning January 1, 1998, for each person who
3 becomes a new SERS survivor and participates in the basic
4 program of group health benefits, the State shall contribute
5 toward the cost of the survivor's coverage under the basic
6 program of group health benefits an amount equal to 5% of
7 that cost for each full year of the deceased employee's or
8 deceased annuitant's creditable service in the State
9 Employees' Retirement System of Illinois on the date of
10 death, up to a maximum of 100% for a survivor of an employee
11 or annuitant with 20 or more years of creditable service.
12 The remainder of the cost of the new SERS survivor's coverage
13 under the basic program of group health benefits shall be the
14 responsibility of the survivor.

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

26 (a-4) (Blank).

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

1 maximum of 100% for a survivor of an employee or annuitant
2 with 20 or more years of creditable service. The remainder
3 of the cost of the new SURS survivor's coverage under the
4 basic program of group health benefits shall be the
5 responsibility of the survivor.

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

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

1 superintendent of schools. The remainder of the cost of the
2 new TRS State survivor's coverage under the basic program of
3 group health benefits shall be the responsibility of the
4 survivor.

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

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

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

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

29 (b) State employees who become eligible for this program
30 on or after January 1, 1980 in positions normally requiring
31 actual performance of duty not less than 1/2 of a normal work
32 period but not equal to that of a normal work period, shall
33 be given the option of participating in the available
34 program. If the employee elects coverage, the State shall

1 contribute on behalf of such employee to the cost of the
2 employee's benefit and any applicable dependent supplement,
3 that sum which bears the same percentage as that percentage
4 of time the employee regularly works when compared to normal
5 work period.

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

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

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

1 (2) until such person's employment or annuitant status with
2 the State is terminated, or (3) for a maximum period of 4
3 years for members on military leave with pay and benefits and
4 military leave without pay and benefits (exclusive of any
5 additional service imposed pursuant to law).

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

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

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

32 (i) Any unit of local government within the State of
33 Illinois may apply to the Director to have its employees,
34 annuitants, and their dependents provided group health

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

1 defined by the Department's rules.

2 Employees of a participating unit of local government who
3 are not enrolled due to coverage under another group health
4 policy or plan may enroll in the event of a qualifying change
5 in status, special enrollment, special circumstance as
6 defined by the Director, or during the annual Benefit Choice
7 Period. A participating unit of local government may also
8 elect to cover its annuitants. Dependent coverage shall be
9 offered on an optional basis, with the costs paid by the unit
10 of local government, its employees, or some combination of
11 the two as determined by the unit of local government. The
12 unit of local government shall be responsible for timely
13 collection and transmission of dependent premiums.

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

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

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

32 In the case of coverage of local government employees
33 under a health maintenance organization, the Director shall
34 annually determine for each participating unit of local

1 government the maximum monthly amount the unit may contribute
2 toward that coverage, based on an analysis of (i) the age,
3 sex, geographic location, and other relevant demographic
4 variables of the unit's employees and (ii) the cost to cover
5 those employees under the State group health benefits plan.
6 The Director may similarly determine the maximum monthly
7 amount each unit of local government may contribute toward
8 coverage of its employees' dependents under a health
9 maintenance organization.

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

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

28 (j) Any rehabilitation facility within the State of
29 Illinois may apply to the Director to have its employees,
30 annuitants, and their eligible dependents provided group
31 health coverage under this Act on a non-insured basis. To
32 participate, a rehabilitation facility must agree to enroll
33 all of its employees and remit the entire cost of providing
34 such coverage for its employees, except that the

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

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

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

1 (2) In subsequent years, a further adjustment shall
2 be made to reflect the actual prior years' claims
3 experience of the employees of the rehabilitation
4 facility.

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

8 (j-1) Any long-term care facility licensed under the
9 Nursing Home Care Act within the State of Illinois may apply
10 to the Director to have its employees, annuitants, and their
11 eligible dependents provided group health coverage under this
12 Act on a non-insured basis. To participate, a facility must
13 agree to enroll all of its employees and pay the entire cost
14 of providing such coverage for its employees. A participating
15 facility may also elect to cover its annuitants. Dependent
16 coverage shall be offered on an optional basis, with
17 employees, or some combination of the 2, as determined by the
18 facility. The facility shall be responsible for timely
19 collection and transmission of dependent premiums.

20 The Director shall annually determine quarterly rates of
21 payment, 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 facility in age,
28 sex, geographic location, or other relevant demographic
29 variables, plus an amount sufficient to pay for the
30 additional administrative costs of providing coverage to
31 employees of the rehabilitation facility and their
32 dependents.

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

1 experience of the employees of the facility.

2 Monthly payments by the facility or its employees for
3 group health benefits shall be deposited in the Local
4 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 (1) A public community college or entity organized
6 pursuant to the Public Community College Act may apply to the
7 Director initially to have only annuitants not covered prior
8 to July 1, 1992 by the district's health plan provided health
9 coverage under this Act on a non-insured basis. The
10 community college must execute a 2-year contract to
11 participate in the Local Government Health Plan. Any
12 annuitant may enroll in the event of a qualifying change in
13 status, special enrollment, special circumstance as defined
14 by the Director, or during the annual Benefit Choice Period.

15 The Director shall annually determine monthly rates of
16 payment subject to the following constraints: for those
17 community colleges with annuitants only enrolled, first year
18 rates shall be equal to the average cost to cover claims for
19 a State member adjusted for demographics, Medicare
20 participation, and other factors; and in the second year, a
21 further adjustment of rates shall be made to reflect the
22 actual first year's claims experience of the covered
23 annuitants.

24 (1-5) The provisions of subsection (1) become
25 inoperative on July 1, 1999.

26 (m) The Director shall adopt any rules deemed necessary
27 for implementation of this amendatory Act of 1989 (Public Act
28 86-978).

29 (Source: P.A. 91-280, eff. 7-23-99; 91-311; eff. 7-29-99;
30 91-357, eff. 7-29-99; 91-390, eff. 7-30-99; 91-395, eff.
31 7-30-99; 91-617, eff. 8-19-99; 92-16, eff. 6-28-01.)

32 Section 10. The Department of Public Health Act is
33 amended by adding Sections 5.6 and 5.7 as follows:

1 (20 ILCS 2305/5.6 new)

2 Sec. 5.6. Coordination of loan forgiveness, grant, and
3 tuition waiver programs and training programs.

4 (a) The General Assembly finds that the supply of health
5 care workers is declining at a time when the need for such
6 workers is growing. This Section provides additional benefits
7 to certain critical health care workers to encourage
8 recruitment and improve retention of such workers.

9 (b) The Director of Public Health shall coordinate all
10 loan forgiveness, grant, and tuition waiver programs and
11 training programs available for licensed and unlicensed
12 health care workers who work or pledge to work in long-term
13 health care settings.

14 Loan forgiveness, grant, tuition waiver programs and
15 training programs include, but are not limited to: (1) the
16 National Health Services Corps State Loan Repayment Program;
17 (2) the State Rural Health Network Reform Initiative; (3) the
18 Nursing Grant Program; (4) the Rural Physicians Loan
19 Forgiveness Loan Program; (5) the Rural Midlevel Practitioner
20 Loan Forgiveness Program; (6) the Nurses in Nursing Homes or
21 ICFs/MRs; (7) the Rural Clinic Sites for Nurse Practitioner
22 Education; (8) the Health Care and Human Services Worker
23 Training and Retention Program; (9) the Health Care and Human
24 Services Tuition Waiver Program (10) the Worker Development
25 Fund; and (11) the tuition payback program established under
26 Section 5.7.

27 (c) The Department of Public Health shall also serve as
28 a clearinghouse on available programs through the
29 dissemination of information to interested individuals and
30 through the development and performance of public education
31 activities, including outreach.

32 (20 ILCS 2305/5.7 new)

33 Sec. 5.7. Tuition payback program. The Director of

1 Public Health shall establish a health care worker tuition
2 payback program, with grants made available to health care
3 facilities for the purpose of (i) reimbursing employees costs
4 of tuition for education needed to perform their current job
5 functions, (ii) reimbursing employees costs of tuition to
6 further their career development in the long-term care field,
7 or (iii) payment for past tuition debts in exchange for
8 pledges to work within the facility for a period of time.

9 Section 99. Effective date. This Act takes effect upon
10 becoming law.