

1 AN ACT concerning the Comprehensive Health Insurance
2 Plan.

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

5 Section 5. The Comprehensive Health Insurance Plan Act
6 is amended by changing Section 5 as follows:

7 (215 ILCS 105/5) (from Ch. 73, par. 1305)

8 Sec. 5. Plan administrator.

9 a. The board shall select a plan administrator through a
10 competitive bidding process to administer the plan. The
11 board shall evaluate bids submitted under this Section based
12 on criteria established by the board which shall include:

13 (1) The plan administrator's proven ability to
14 administer ~~handle---~~ either large group or individual
15 accident and health benefit plans.

16 (2) The efficiency and timeliness of the plan
17 administrator's claim processing procedures.

18 (3) An estimate of total net cost for administering
19 the plan, including any discounts or income the Plan
20 could expect to receive or benefit from.

21 (4) The plan administrator's ability to apply
22 effective cost containment programs and procedures and to
23 administer the plan in a cost-efficient manner.

24 (5) The financial condition and stability of the
25 plan administrator.

26 b. The plan administrator shall serve for a period of 5
27 years subject to removal for cause and subject to the terms,
28 conditions and limitations of the contract between the board
29 and the plan administrator. At least one year prior to the
30 expiration of each 5 year period of service by the current
31 plan administrator, the board shall begin to advertise for

1 bids to serve as the plan administrator for the succeeding 5
2 year period. Selection of the plan administrator for the
3 succeeding period shall be made at least 6 months prior to
4 the end of the current 5 year period.

5 c. The plan administrator shall perform such functions
6 relating to the plan as may be assigned to it including:

7 (1) establishment of a premium billing procedure
8 for collection of premiums from plan participants.
9 Billings shall be made on a periodic basis as determined
10 by the board;

11 (2) payment and processing of claims and various
12 cost containment functions; and

13 (3) other functions to assure timely payment of
14 benefits to participants under the plan, including:

15 (a) making available information relating to
16 the proper manner of submitting a claim for benefits
17 under the plan and distributing forms upon which
18 submissions shall be made, and

19 (b) evaluating the eligibility of each claim
20 for payment under the plan.

21 The plan administrator shall be governed by the
22 requirements of Part 919 of Title 50 of the Illinois
23 Administrative Code, promulgated by the Department of
24 Insurance, regarding the handling of claims under this Act.

25 d. The plan administrator shall submit regular reports
26 to the board regarding the operation of the plan. The
27 frequency, content and form of the report shall be as
28 determined by the board.

29 e. The plan administrator shall pay or be reimbursed for
30 claims expenses from the premium payments received from or on
31 behalf of plan participants. If the plan administrator's
32 payments or reimbursements for claims expenses exceed the
33 portion of premiums allocated by the board for payment of
34 claims expenses, the board shall provide additional funds to

1 the plan administrator for payment or reimbursement of such
2 claims expenses.

3 f. The plan administrator shall be paid as provided in
4 the contract between the Board and the plan administrator.

5 (Source: P.A. 90-30, eff. 7-1-97; 90-567, eff. 1-23-98;
6 91-357, eff. 7-29-99.)

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.