

1 AN ACT concerning children's health care.

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

4 Section 5. The Children's Health Insurance Program Act  
5 is amended by changing Sections 25 and 40 as follows:

6 (215 ILCS 106/25)

7 (Section scheduled to be repealed on July 1, 2002)

8 Sec. 25. Health benefits for children.

9 (a) The Department shall, subject to appropriation,  
10 provide health benefits coverage to eligible children by:

11 (1) Subsidizing the cost of privately sponsored  
12 health insurance, including employer based health  
13 insurance, to assist families to take advantage of  
14 available privately sponsored health insurance for their  
15 eligible children; and

16 (2) Purchasing or providing health care benefits  
17 for eligible children. The health benefits provided  
18 under this subdivision (a)(2) shall, subject to  
19 appropriation and without regard to any applicable cost  
20 sharing under Section 30, be identical to the benefits  
21 provided for children under the State's approved plan  
22 under Title XIX of the Social Security Act. Providers  
23 under this subdivision (a)(2) shall be subject to  
24 approval by the Department to provide health care under  
25 the Illinois Public Aid Code and shall be reimbursed at  
26 the same rate as providers under the State's approved  
27 plan under Title XIX of the Social Security Act. In  
28 addition, providers may retain co-payments when  
29 determined appropriate by the Department.

30 (b) The subsidization provided pursuant to subdivision  
31 (a)(1) shall be credited to the family of the eligible child.

1 The Department shall make the subsidization pursuant to  
2 subdivision (a)(1) available to children whose annual  
3 household income is at or below 133% of the federal poverty  
4 level.

5 (c) The Department is prohibited from denying coverage  
6 to a child who is enrolled in a privately sponsored health  
7 insurance plan pursuant to subdivision (a)(1) because the  
8 plan does not meet federal benchmarking standards or cost  
9 sharing and contribution requirements. To be eligible for  
10 inclusion in the Program, the plan shall contain  
11 comprehensive major medical coverage which shall consist of  
12 physician and hospital inpatient services. The Department is  
13 prohibited from denying coverage to a child who is enrolled  
14 in a privately sponsored health insurance plan pursuant to  
15 subdivision (a)(1) because the plan offers benefits in  
16 addition to physician and hospital inpatient services.

17 (d) The total dollar amount of subsidizing coverage per  
18 child per month pursuant to subdivision (a)(1) shall be equal  
19 to the average dollar payments, less premiums incurred, per  
20 child per month pursuant to subdivision (a)(2). The  
21 Department shall set this amount prospectively based upon the  
22 prior fiscal year's experience adjusted for incurred but not  
23 reported claims and estimated increases or decreases in the  
24 cost of medical care. Payments obligated before July 1,  
25 1999, will be computed using State Fiscal Year 1996 payments  
26 for children eligible for Medical Assistance and income  
27 assistance under the Aid to Families with Dependent Children  
28 Program, with appropriate adjustments for cost and  
29 utilization changes through January 1, 1999. The Department  
30 is prohibited from providing a subsidy pursuant to  
31 subdivision (a)(1) that is more than the individual's monthly  
32 portion of the premium.

33 (e) An eligible child may obtain immediate coverage  
34 under this Program only once during a medical visit. If

1 coverage lapses, re-enrollment shall be completed in advance  
2 of the next covered medical visit and the first month's  
3 required premium shall be paid in advance of any covered  
4 medical visit.

5 (f) In order to accelerate and facilitate the  
6 development of networks to deliver services to children in  
7 areas outside counties with populations in excess of  
8 3,000,000, in the event less than 25% of the eligible  
9 children in a county or contiguous counties has enrolled with  
10 a Health Maintenance Organization pursuant to Section 5-11 of  
11 the Illinois Public Aid Code, the Department may develop and  
12 implement demonstration projects to create alternative  
13 networks designed to enhance enrollment and participation in  
14 the program. The Department shall prescribe by rule the  
15 criteria, standards, and procedures for effecting  
16 demonstration projects under this Section.

17 (Source: P.A. 90-736, eff. 8-12-98.)

18 (215 ILCS 106/40)

19 (Section scheduled to be repealed on July 1, 2002)

20 Sec. 40. Waivers.

21 (a) The Department shall request any necessary waivers  
22 of federal requirements in order to allow receipt of federal  
23 funding for:

24 (1) the coverage of families with eligible children  
25 under this Act; and

26 (2) ~~for~~ the coverage of children who would  
27 otherwise be eligible under this Act, but who have health  
28 insurance; and-

29 (3) the coverage of children that are eligible  
30 under subsection (b) of Section 25.

31 (b) The failure of the responsible federal agency to  
32 approve a waiver for children who would otherwise be eligible  
33 under this Act but who have health insurance shall not

1 prevent the implementation of any Section of this Act  
2 provided that there are sufficient appropriated funds.

3 (Source: P.A. 90-736, eff. 8-12-98.)

4 Section 99. Effective date. This Act takes effect upon  
5 becoming law.