

1 AMENDMENT TO SENATE BILL 885

2 AMENDMENT NO. _____. Amend Senate Bill 885 by replacing
3 the title with the following:

4 "AN ACT concerning children's health care."; and

5 by replacing everything after the enacting clause with the
6 following:

7 "Section 5. The Children's Health Insurance Program Act
8 is amended by changing Section 25 as follows:

9 (215 ILCS 106/25)

10 (Section scheduled to be repealed on July 1, 2002)

11 Sec. 25. Health benefits for children.

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

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

19 (2) Purchasing or providing health care benefits
20 for eligible children. The health benefits provided
21 under this subdivision (a)(2) shall, subject to

1 appropriation and without regard to any applicable cost
2 sharing under Section 30, be identical to the benefits
3 provided for children under the State's approved plan
4 under Title XIX of the Social Security Act. Providers
5 under this subdivision (a)(2) shall be subject to
6 approval by the Department to provide health care under
7 the Illinois Public Aid Code and shall be reimbursed at
8 the same rate as providers under the State's approved
9 plan under Title XIX of the Social Security Act. In
10 addition, providers may retain co-payments when
11 determined appropriate by the Department.

12 (b) The subsidization provided pursuant to subdivision
13 (a)(1) shall be credited to the family of the eligible child.
14 The Department shall request any necessary waivers of federal
15 requirements in order to allow federal funding for the
16 subsidization provided pursuant to subdivision (a)(1) to be
17 made available to the children whose annual household income
18 is below 133% of the federal poverty level.

19 (c) The Department is prohibited from denying coverage
20 to a child who is enrolled in a privately sponsored health
21 insurance plan pursuant to subdivision (a)(1) because the
22 plan does not meet federal benchmarking standards or cost
23 sharing and contribution requirements. To be eligible for
24 inclusion in the Program, the plan shall contain
25 comprehensive major medical coverage which shall consist of
26 physician and hospital inpatient services. The Department is
27 prohibited from denying coverage to a child who is enrolled
28 in a privately sponsored health insurance plan pursuant to
29 subdivision (a)(1) because the plan offers benefits in
30 addition to physician and hospital inpatient services.

31 (d) The total dollar amount of subsidizing coverage per
32 child per month pursuant to subdivision (a)(1) shall be equal
33 to the average dollar payments, less premiums incurred, per
34 child per month pursuant to subdivision (a)(2). The

1 Department shall set this amount prospectively based upon the
2 prior fiscal year's experience adjusted for incurred but not
3 reported claims and estimated increases or decreases in the
4 cost of medical care. Payments obligated before July 1,
5 1999, will be computed using State Fiscal Year 1996 payments
6 for children eligible for Medical Assistance and income
7 assistance under the Aid to Families with Dependent Children
8 Program, with appropriate adjustments for cost and
9 utilization changes through January 1, 1999. The Department
10 is prohibited from providing a subsidy pursuant to
11 subdivision (a)(1) that is more than the individual's monthly
12 portion of the premium.

13 (e) An eligible child may obtain immediate coverage
14 under this Program only once during a medical visit. If
15 coverage lapses, re-enrollment shall be completed in advance
16 of the next covered medical visit and the first month's
17 required premium shall be paid in advance of any covered
18 medical visit.

19 (f) In order to accelerate and facilitate the
20 development of networks to deliver services to children in
21 areas outside counties with populations in excess of
22 3,000,000, in the event less than 25% of the eligible
23 children in a county or contiguous counties has enrolled with
24 a Health Maintenance Organization pursuant to Section 5-11 of
25 the Illinois Public Aid Code, the Department may develop and
26 implement demonstration projects to create alternative
27 networks designed to enhance enrollment and participation in
28 the program. The Department shall prescribe by rule the
29 criteria, standards, and procedures for effecting
30 demonstration projects under this Section.

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

32 Section 99. Effective date. This Act takes effect upon
33 becoming law."