

AN ACT concerning insurance.

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

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

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

Sec. 5. Plan administrator.

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

(1) The plan administrator's proven ability to handle other large group accident and health benefit plans.

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

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

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

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

b. The plan administrator shall serve for a period of 5 years subject to removal for cause and subject to the terms, conditions and limitations of the contract between the board and the plan administrator. At least one year prior to the expiration of each 5 year period of service by the current plan administrator, the board shall begin to advertise for bids to serve as the plan administrator for the succeeding 5 year period. Selection of the plan administrator for the succeeding period shall be made at least 6 months prior to the end of the current 5 year period. Notwithstanding any other provision of this subsection, the Board at its option may extend the term of a plan administrator contract for a period not to exceed 3 years.

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

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

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

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

(a) making available information relating to the proper manner of submitting a claim for benefits under the plan and distributing forms upon which submissions

shall be made, and

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

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

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

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

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

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

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