



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB4577

by Rep. Jay Hoffman

SYNOPSIS AS INTRODUCED:

5 ILCS 375/6.11	
55 ILCS 5/5-1069.3	
65 ILCS 5/10-4-2.3	
105 ILCS 5/10-22.3f	
215 ILCS 5/356z.29 new	
215 ILCS 125/5-3	from Ch. 111 1/2, par. 1411.2
215 ILCS 130/4003	from Ch. 73, par. 1504-3
215 ILCS 165/10	from Ch. 32, par. 604
305 ILCS 5/5-16.8	

Amends the Illinois Insurance Code. Requires a group or individual policy of accident and health insurance that is amended, delivered, issued, or renewed after the effective date of the amendatory Act to provide coverage for the treatment of Neurofibromatosis Type 1, including surgical procedures. Makes conforming changes in the State Employees Group Insurance Act of 1971, the Counties Code, the Illinois Municipal Code, the School Code, the Health Maintenance Organization Act, the Limited Health Service Organization Act, the Voluntary Health Services Plans Act, and the Illinois Public Aid Code. Effective immediately.

LRB100 18153 SMS 33348 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning regulation.

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 1971
5 is amended by changing Section 6.11 as follows:

6 (5 ILCS 375/6.11)

7 Sec. 6.11. Required health benefits; Illinois Insurance
8 Code requirements. The program of health benefits shall provide
9 the post-mastectomy care benefits required to be covered by a
10 policy of accident and health insurance under Section 356t of
11 the Illinois Insurance Code. The program of health benefits
12 shall provide the coverage required under Sections 356g,
13 356g.5, 356g.5-1, 356m, 356u, 356w, 356x, 356z.2, 356z.4,
14 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
15 356z.14, 356z.15, 356z.17, 356z.22, ~~and~~ 356z.25, 356z.26, and
16 356z.29 of the Illinois Insurance Code. The program of health
17 benefits must comply with Sections 155.22a, 155.37, 355b,
18 356z.19, 370c, and 370c.1 of the Illinois Insurance Code.

19 Rulemaking authority to implement Public Act 95-1045, if
20 any, is conditioned on the rules being adopted in accordance
21 with all provisions of the Illinois Administrative Procedure
22 Act and all rules and procedures of the Joint Committee on
23 Administrative Rules; any purported rule not so adopted, for

1 whatever reason, is unauthorized.

2 (Source: P.A. 99-480, eff. 9-9-15; 100-24, eff. 7-18-17;
3 100-138, eff. 8-18-17; revised 10-3-17.)

4 Section 10. The Counties Code is amended by changing
5 Section 5-1069.3 as follows:

6 (55 ILCS 5/5-1069.3)

7 Sec. 5-1069.3. Required health benefits. If a county,
8 including a home rule county, is a self-insurer for purposes of
9 providing health insurance coverage for its employees, the
10 coverage shall include coverage for the post-mastectomy care
11 benefits required to be covered by a policy of accident and
12 health insurance under Section 356t and the coverage required
13 under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x,
14 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
15 356z.14, 356z.15, 356z.22, ~~and 356z.25,~~ 356z.26, and 356z.29 of
16 the Illinois Insurance Code. The coverage shall comply with
17 Sections 155.22a, 355b, 356z.19, and 370c of the Illinois
18 Insurance Code. The requirement that health benefits be covered
19 as provided in this Section is an exclusive power and function
20 of the State and is a denial and limitation under Article VII,
21 Section 6, subsection (h) of the Illinois Constitution. A home
22 rule county to which this Section applies must comply with
23 every provision of this Section.

24 Rulemaking authority to implement Public Act 95-1045, if

1 any, is conditioned on the rules being adopted in accordance
2 with all provisions of the Illinois Administrative Procedure
3 Act and all rules and procedures of the Joint Committee on
4 Administrative Rules; any purported rule not so adopted, for
5 whatever reason, is unauthorized.

6 (Source: P.A. 99-480, eff. 9-9-15; 100-24, eff. 7-18-17;
7 100-138, eff. 8-18-17; revised 10-5-17.)

8 Section 15. The Illinois Municipal Code is amended by
9 changing Section 10-4-2.3 as follows:

10 (65 ILCS 5/10-4-2.3)

11 Sec. 10-4-2.3. Required health benefits. If a
12 municipality, including a home rule municipality, is a
13 self-insurer for purposes of providing health insurance
14 coverage for its employees, the coverage shall include coverage
15 for the post-mastectomy care benefits required to be covered by
16 a policy of accident and health insurance under Section 356t
17 and the coverage required under Sections 356g, 356g.5,
18 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10,
19 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.22, ~~and~~
20 356z.25, 356z.26, and 356z.29 of the Illinois Insurance Code.
21 The coverage shall comply with Sections 155.22a, 355b, 356z.19,
22 and 370c of the Illinois Insurance Code. The requirement that
23 health benefits be covered as provided in this is an exclusive
24 power and function of the State and is a denial and limitation

1 under Article VII, Section 6, subsection (h) of the Illinois
2 Constitution. A home rule municipality to which this Section
3 applies must comply with every provision of this Section.

4 Rulemaking authority to implement Public Act 95-1045, if
5 any, is conditioned on the rules being adopted in accordance
6 with all provisions of the Illinois Administrative Procedure
7 Act and all rules and procedures of the Joint Committee on
8 Administrative Rules; any purported rule not so adopted, for
9 whatever reason, is unauthorized.

10 (Source: P.A. 99-480, eff. 9-9-15; 100-24, eff. 7-18-17;
11 100-138, eff. 8-18-17; revised 10-5-17.)

12 Section 20. The School Code is amended by changing Section
13 10-22.3f as follows:

14 (105 ILCS 5/10-22.3f)

15 Sec. 10-22.3f. Required health benefits. Insurance
16 protection and benefits for employees shall provide the
17 post-mastectomy care benefits required to be covered by a
18 policy of accident and health insurance under Section 356t and
19 the coverage required under Sections 356g, 356g.5, 356g.5-1,
20 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.11, 356z.12,
21 356z.13, 356z.14, 356z.15, 356z.22, ~~and~~ 356z.25, 356z.26, and
22 356z.29 of the Illinois Insurance Code. Insurance policies
23 shall comply with Section 356z.19 of the Illinois Insurance
24 Code. The coverage shall comply with Sections 155.22a and 355b

1 of the Illinois Insurance Code.

2 Rulemaking authority to implement Public Act 95-1045, if
3 any, is conditioned on the rules being adopted in accordance
4 with all provisions of the Illinois Administrative Procedure
5 Act and all rules and procedures of the Joint Committee on
6 Administrative Rules; any purported rule not so adopted, for
7 whatever reason, is unauthorized.

8 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;
9 revised 9-25-17.)

10 Section 25. The Illinois Insurance Code is amended by
11 adding Section 356z.29 as follows:

12 (215 ILCS 5/356z.29 new)

13 Sec. 356z.29. Coverage for treatment of Neurofibromatosis
14 Type 1. A group or individual policy of accident and health
15 insurance that is amended, delivered, issued, or renewed after
16 the effective date of this amendatory Act of the 100th General
17 Assembly shall cover treatment of Neurofibromatosis Type 1,
18 including surgical procedures.

19 Section 30. The Health Maintenance Organization Act is
20 amended by changing Section 5-3 as follows:

21 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

22 Sec. 5-3. Insurance Code provisions.

1 (a) Health Maintenance Organizations shall be subject to
2 the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,
3 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154,
4 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 355.3,
5 355b, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4,
6 356z.5, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12,
7 356z.13, 356z.14, 356z.15, 356z.17, 356z.18, 356z.19, 356z.21,
8 356z.22, 356z.25, 356z.26, 356z.29, 364, 364.01, 367.2,
9 367.2-5, 367i, 368a, 368b, 368c, 368d, 368e, 370c, 370c.1, 401,
10 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1,
11 paragraph (c) of subsection (2) of Section 367, and Articles
12 IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of
13 the Illinois Insurance Code.

14 (b) For purposes of the Illinois Insurance Code, except for
15 Sections 444 and 444.1 and Articles XIII and XIII 1/2, Health
16 Maintenance Organizations in the following categories are
17 deemed to be "domestic companies":

18 (1) a corporation authorized under the Dental Service
19 Plan Act or the Voluntary Health Services Plans Act;

20 (2) a corporation organized under the laws of this
21 State; or

22 (3) a corporation organized under the laws of another
23 state, 30% or more of the enrollees of which are residents
24 of this State, except a corporation subject to
25 substantially the same requirements in its state of
26 organization as is a "domestic company" under Article VIII

1 1/2 of the Illinois Insurance Code.

2 (c) In considering the merger, consolidation, or other
3 acquisition of control of a Health Maintenance Organization
4 pursuant to Article VIII 1/2 of the Illinois Insurance Code,

5 (1) the Director shall give primary consideration to
6 the continuation of benefits to enrollees and the financial
7 conditions of the acquired Health Maintenance Organization
8 after the merger, consolidation, or other acquisition of
9 control takes effect;

10 (2) (i) the criteria specified in subsection (1) (b) of
11 Section 131.8 of the Illinois Insurance Code shall not
12 apply and (ii) the Director, in making his determination
13 with respect to the merger, consolidation, or other
14 acquisition of control, need not take into account the
15 effect on competition of the merger, consolidation, or
16 other acquisition of control;

17 (3) the Director shall have the power to require the
18 following information:

19 (A) certification by an independent actuary of the
20 adequacy of the reserves of the Health Maintenance
21 Organization sought to be acquired;

22 (B) pro forma financial statements reflecting the
23 combined balance sheets of the acquiring company and
24 the Health Maintenance Organization sought to be
25 acquired as of the end of the preceding year and as of
26 a date 90 days prior to the acquisition, as well as pro

1 forma financial statements reflecting projected
2 combined operation for a period of 2 years;

3 (C) a pro forma business plan detailing an
4 acquiring party's plans with respect to the operation
5 of the Health Maintenance Organization sought to be
6 acquired for a period of not less than 3 years; and

7 (D) such other information as the Director shall
8 require.

9 (d) The provisions of Article VIII 1/2 of the Illinois
10 Insurance Code and this Section 5-3 shall apply to the sale by
11 any health maintenance organization of greater than 10% of its
12 enrollee population (including without limitation the health
13 maintenance organization's right, title, and interest in and to
14 its health care certificates).

15 (e) In considering any management contract or service
16 agreement subject to Section 141.1 of the Illinois Insurance
17 Code, the Director (i) shall, in addition to the criteria
18 specified in Section 141.2 of the Illinois Insurance Code, take
19 into account the effect of the management contract or service
20 agreement on the continuation of benefits to enrollees and the
21 financial condition of the health maintenance organization to
22 be managed or serviced, and (ii) need not take into account the
23 effect of the management contract or service agreement on
24 competition.

25 (f) Except for small employer groups as defined in the
26 Small Employer Rating, Renewability and Portability Health

1 Insurance Act and except for medicare supplement policies as
2 defined in Section 363 of the Illinois Insurance Code, a Health
3 Maintenance Organization may by contract agree with a group or
4 other enrollment unit to effect refunds or charge additional
5 premiums under the following terms and conditions:

6 (i) the amount of, and other terms and conditions with
7 respect to, the refund or additional premium are set forth
8 in the group or enrollment unit contract agreed in advance
9 of the period for which a refund is to be paid or
10 additional premium is to be charged (which period shall not
11 be less than one year); and

12 (ii) the amount of the refund or additional premium
13 shall not exceed 20% of the Health Maintenance
14 Organization's profitable or unprofitable experience with
15 respect to the group or other enrollment unit for the
16 period (and, for purposes of a refund or additional
17 premium, the profitable or unprofitable experience shall
18 be calculated taking into account a pro rata share of the
19 Health Maintenance Organization's administrative and
20 marketing expenses, but shall not include any refund to be
21 made or additional premium to be paid pursuant to this
22 subsection (f)). The Health Maintenance Organization and
23 the group or enrollment unit may agree that the profitable
24 or unprofitable experience may be calculated taking into
25 account the refund period and the immediately preceding 2
26 plan years.

1 The Health Maintenance Organization shall include a
2 statement in the evidence of coverage issued to each enrollee
3 describing the possibility of a refund or additional premium,
4 and upon request of any group or enrollment unit, provide to
5 the group or enrollment unit a description of the method used
6 to calculate (1) the Health Maintenance Organization's
7 profitable experience with respect to the group or enrollment
8 unit and the resulting refund to the group or enrollment unit
9 or (2) the Health Maintenance Organization's unprofitable
10 experience with respect to the group or enrollment unit and the
11 resulting additional premium to be paid by the group or
12 enrollment unit.

13 In no event shall the Illinois Health Maintenance
14 Organization Guaranty Association be liable to pay any
15 contractual obligation of an insolvent organization to pay any
16 refund authorized under this Section.

17 (g) Rulemaking authority to implement Public Act 95-1045,
18 if any, is conditioned on the rules being adopted in accordance
19 with all provisions of the Illinois Administrative Procedure
20 Act and all rules and procedures of the Joint Committee on
21 Administrative Rules; any purported rule not so adopted, for
22 whatever reason, is unauthorized.

23 (Source: P.A. 99-761, eff. 1-1-18; 100-24, eff. 7-18-17;
24 100-138, eff. 8-18-17; revised 10-5-17.)

25 Section 35. The Limited Health Service Organization Act is

1 amended by changing Section 4003 as follows:

2 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

3 Sec. 4003. Illinois Insurance Code provisions. Limited
4 health service organizations shall be subject to the provisions
5 of Sections 133, 134, 136, 137, 139, 140, 141.1, 141.2, 141.3,
6 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6,
7 154.7, 154.8, 155.04, 155.37, 355.2, 355.3, 355b, 356v,
8 356z.10, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 368a,
9 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444, and
10 444.1 and Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2,
11 XXV, and XXVI of the Illinois Insurance Code. For purposes of
12 the Illinois Insurance Code, except for Sections 444 and 444.1
13 and Articles XIII and XIII 1/2, limited health service
14 organizations in the following categories are deemed to be
15 domestic companies:

16 (1) a corporation under the laws of this State; or

17 (2) a corporation organized under the laws of another
18 state, 30% or more of the enrollees of which are residents
19 of this State, except a corporation subject to
20 substantially the same requirements in its state of
21 organization as is a domestic company under Article VIII
22 1/2 of the Illinois Insurance Code.

23 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;
24 100-201, eff. 8-18-17; revised 10-5-17.)

1 Section 40. The Voluntary Health Services Plans Act is
2 amended by changing Section 10 as follows:

3 (215 ILCS 165/10) (from Ch. 32, par. 604)

4 Sec. 10. Application of Insurance Code provisions. Health
5 services plan corporations and all persons interested therein
6 or dealing therewith shall be subject to the provisions of
7 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,
8 143, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3, 355b, 356g,
9 356g.5, 356g.5-1, 356r, 356t, 356u, 356v, 356w, 356x, 356y,
10 356z.1, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9,
11 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18,
12 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 364.01,
13 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412,
14 and paragraphs (7) and (15) of Section 367 of the Illinois
15 Insurance Code.

16 Rulemaking authority to implement Public Act 95-1045, if
17 any, is conditioned on the rules being adopted in accordance
18 with all provisions of the Illinois Administrative Procedure
19 Act and all rules and procedures of the Joint Committee on
20 Administrative Rules; any purported rule not so adopted, for
21 whatever reason, is unauthorized.

22 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;
23 revised 10-5-17.)

24 Section 45. The Illinois Public Aid Code is amended by

1 changing Section 5-16.8 as follows:

2 (305 ILCS 5/5-16.8)

3 Sec. 5-16.8. Required health benefits. The medical
4 assistance program shall (i) provide the post-mastectomy care
5 benefits required to be covered by a policy of accident and
6 health insurance under Section 356t and the coverage required
7 under Sections 356g.5, 356u, 356w, 356x, 356z.6, 356z.26, and
8 356z.29 ~~and 356z.25~~ of the Illinois Insurance Code and (ii) be
9 subject to the provisions of Sections 356z.19, 364.01, 370c,
10 and 370c.1 of the Illinois Insurance Code.

11 On and after July 1, 2012, the Department shall reduce any
12 rate of reimbursement for services or other payments or alter
13 any methodologies authorized by this Code to reduce any rate of
14 reimbursement for services or other payments in accordance with
15 Section 5-5e.

16 To ensure full access to the benefits set forth in this
17 Section, on and after January 1, 2016, the Department shall
18 ensure that provider and hospital reimbursement for
19 post-mastectomy care benefits required under this Section are
20 no lower than the Medicare reimbursement rate.

21 (Source: P.A. 99-433, eff. 8-21-15; 99-480, eff. 9-9-15;
22 99-642, eff. 7-28-16; 100-138, eff. 8-18-17; revised 1-29-18.)

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