Sen. Jacqueline Y. Collins

Filed: 5/29/2008

AMENDMENT TO SENATE BILL 874

AMENDMENT NO. _____. Amend Senate Bill 874 by replacing everything after the enacting clause with the following:

"Section 5. The State Employees Group Insurance Act of 1971 is amended by changing Section 6.11 as follows:

(5 ILCS 375/6.11)

Sec. 6.11. Required health benefits; Illinois Insurance Code requirements. The program of health benefits shall provide the post-mastectomy care benefits required to be covered by a policy of accident and health insurance under Section 356t of the Illinois Insurance Code. The program of health benefits shall provide the coverage required under Sections 356f.1, 356g.5, 356u, 356w, 356x, 356z.2, 356z.4, 356z.6, ~~and~~ 356z.9, and 356z.10 ~~356z.9~~ of the Illinois Insurance Code. The program of health benefits must comply with Section 155.37 of the Illinois Insurance Code.

(Source: P.A. 95-189, eff. 8-16-07; 95-422, eff. 8-24-07; 95-520, eff. 8-28-07; revised 12-4-07.)

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

(55 ILCS 5/5-1069.3)

Sec. 5-1069.3. Required health benefits. If a county, including a home rule county, is a self-insurer for purposes of providing health insurance coverage for its employees, the coverage shall include coverage for the post-mastectomy care benefits required to be covered by a policy of accident and health insurance under Section 356t and the coverage required under Sections 356f.1, 356g.5, 356u, 356w, 356x, 356z.6, ~~and~~ 356z.9, and 356z.10 ~~356z.9~~ of the Illinois Insurance Code. The requirement that health benefits be covered as provided in this Section is an exclusive power and function of the State and is a denial and limitation under Article VII, Section 6, subsection (h) of the Illinois Constitution. A home rule county to which this Section applies must comply with every provision of this Section.

(Source: P.A. 95-189, eff. 8-16-07; 95-422, eff. 8-24-07; 95-520, eff. 8-28-07; revised 12-4-07.)

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

(65 ILCS 5/10-4-2.3)

Sec. 10-4-2.3. Required health benefits. If a municipality, including a home rule municipality, is a self-insurer for purposes of providing health insurance coverage for its employees, the coverage shall include coverage for the post-mastectomy care benefits required to be covered by a policy of accident and health insurance under Section 356t and the coverage required under Sections 356f.1, 356g.5, 356u, 356w, 356x, 356z.6, ~~and~~ 356z.9, and 356z.10 ~~356z.9~~ of the Illinois Insurance Code. The requirement that health benefits be covered as provided in this is an exclusive power and function of the State and is a denial and limitation under Article VII, Section 6, subsection (h) of the Illinois Constitution. A home rule municipality to which this Section applies must comply with every provision of this Section.

(Source: P.A. 95-189, eff. 8-16-07; 95-422, eff. 8-24-07; 95-520, eff. 8-28-07; revised 12-4-07.)

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

(105 ILCS 5/10-22.3f)

Sec. 10-22.3f. Required health benefits. Insurance protection and benefits for employees shall provide the post-mastectomy care benefits required to be covered by a

policy of accident and health insurance under Section 356t and the coverage required under Sections 356f.1, 356g.5, 356u, 356w, 356x, 356z.6, and 356z.9 of the Illinois Insurance Code. (Source: P.A. 95-189, eff. 8-16-07; 95-422, eff. 8-24-07; revised 12-4-07.)

Section 25. The Illinois Insurance Code is amended by adding Section 356f.1 as follows:

(215 ILCS 5/356f.1 new)

Sec. 356f.1. External review appeals process.

(a) A policy of accident or health insurance or managed care plan shall maintain an external review appeals process for member or member representative requests to reverse or modify adverse determinations made by the insurer or managed care plan. For the purposes of this Section, "adverse determination" means a determination by a health insurer, managed care plan, or its designee utilization review organization that an admission, course of treatment, continued stay, or other heath care service that is not excluded explicitly by applicable benefit language, including determinations that a health service is experimental or investigational, does not meet the insurer's or managed care plan's requirements for medical necessity, appropriateness, health care setting, level of care, or effectiveness and the requested payment for the service is therefore denied, reduced, or terminated.

(b) An insurer or managed care plan shall comply with subsection (a) of this Section by providing an external review appeals program that meets or exceeds the Health Utilization Management independent review process standards established by URAC, whether or not the appeal relates to adverse determinations related to utilization management review.

(c) An insurer or managed care plan may comply with this Section by:

(1) registering its utilization review program, including appeals, with the Division of Insurance, as provided in Section 85 of the Managed Care and Patients Rights Act, and certifying compliance with the external review standards of the Health Utilization Management Standards of URAC sufficient to achieve accreditation from URAC, doing business as the American Accreditation Healthcare Commission, Inc.; or

(2) submitting evidence of accreditation by the American Accreditation Healthcare Commission (URAC) for its Health Utilization Management Standards.

Nothing in this Act shall be construed to require an insurer or managed care plan or its subcontractors to become American Accreditation Healthcare Commission (URAC) accredited.

(d) The Director of the Division of Insurance, in consultation with the Director of the Department of Public Health, may certify alternative external review standards of

national accreditation organizations or entities in order for insurers or managed care plans to comply with this Section. Any alternative external review standards shall meet or exceed those standards required under subsection (b) of this Section.

(e) This Section does not apply to:

(1) persons providing utilization review program services only to the federal government;

(2) self-insured health plans under the federal Employee Retirement Income Security Act of 1974; however, this Section does apply to persons conducting a utilization review program on behalf of these health plans;

(3) hospitals and medical groups performing utilization review activities for internal purposes unless the utilization review program is conducted for another person; or

(4) workers' compensation, short-term travel, accident-only, limited, or specific disease policies.

Nothing in this Act prohibits an insurer or managed care plan or other entity from contractually requiring an entity designated in item (3) of this subsection (e) to adhere to the utilization review program requirements of this Act.

(f) If the Division of Insurance finds that an external review program is not in compliance with this Section, the Director shall issue a corrective action plan and allow a reasonable amount of time for compliance with the insurer or managed care plan. Before issuing a cease and desist order

under this Section, the Director shall provide the insurer or managed care plan with a written notice of the reasons for the order and allow a reasonable amount of time to supply additional information demonstrating compliance with requirements of this Section and to request a hearing. The hearing notice shall be sent by certified mail, return receipt requested and the hearing shall be conducted in accordance with the Illinois Administrative Procedure Act.

If the insurer's or managed care plan's external review program does not come into compliance with this Section, the Director may issue a cease and desist order.

(g) A utilization review program subject to a corrective action may continue to conduct business until a final decision has been issued by the Director.

Section 30. The Limited Health Service Organization Act is amended by changing Section 4003 as follows:

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

Sec. 4003. Illinois Insurance Code provisions. Limited health service organizations shall be subject to the provisions of Sections 133, 134, 137, 140, 141.1, 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.37, 355.2, 356f.1, 356v, 356z.10 ~~356z.9~~, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1 and Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and

XXVI of the Illinois Insurance Code. For purposes of the Illinois Insurance Code, except for Sections 444 and 444.1 and Articles XIII and XIII 1/2, limited health service organizations in the following categories are deemed to be domestic companies:

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

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

(Source: P.A. 95-520, eff. 8-28-07; revised 12-5-07.)

Section 35. The Voluntary Health Services Plans Act is amended by changing Section 10 as follows:

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

Sec. 10. Application of Insurance Code provisions. Health services plan corporations and all persons interested therein or dealing therewith shall be subject to the provisions of Articles IIA and XII 1/2 and Sections 3.1, 133, 140, 143, 143c, 149, 155.37, 354, 355.2, 356f.1, 356g.5, 356r, 356t, 356u, 356v, 356w, 356x, 356y, 356z.1, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10 ~~356z.9~~, 364.01, 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412, and paragraphs (7)

and (15) of Section 367 of the Illinois Insurance Code.

(Source: P.A. 94-1076, eff. 12-29-06; 95-189, eff. 8-16-07; 95-331, eff. 8-21-07; 95-422, eff. 8-24-07; 95-520, eff. 8-28-07; revised 12-5-07.)".