

1 AN ACT concerning State government.

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

4 Section 1. Short title. This Act may be cited as the  
5 Executive Order 1 (2012) Implementation Act.

6 Section 5. Effect. This Act, including all of the  
7 amendatory provisions of this Act, implements and supersedes  
8 Executive Order 1 (2012).

9 Section 10. Revocation of Executive Order 3 (2005). On the  
10 date 6 months after the effective date of this Act, Executive  
11 Order 3 (2005) is revoked and rescinded with the exception of  
12 Section I (renaming the Department of Public Aid as the  
13 Department of Healthcare and Family Services), which remains in  
14 effect.

15 Section 15. Transfer back of State healthcare purchasing  
16 functions transferred by Executive Order 3 (2005).

17 (a) On the date 6 months after the effective date of this  
18 Act or as soon thereafter as practical, all of the powers,  
19 duties, rights, and responsibilities related to State  
20 healthcare purchasing that were transferred from the  
21 Department of Central Management Services, the Department of

1 Corrections, the Department of Human Services, and the  
2 Department of Veterans' Affairs to the Department of Healthcare  
3 and Family Services by Executive Order 3 (2005) are transferred  
4 back to the Departments from which those powers, duties,  
5 rights, and responsibilities were transferred; however,  
6 powers, duties, rights, and responsibilities related to State  
7 healthcare purchasing that were exercised by the Department of  
8 Corrections before the effective date of Executive Order 3  
9 (2005) but that pertain to individuals resident in facilities  
10 operated by the Department of Juvenile Justice are transferred  
11 to the Department of Juvenile Justice.

12 (b) The functions associated with State healthcare  
13 purchasing that are transferred from the Department of  
14 Healthcare and Family Services under this Section include,  
15 without limitation, the following:

16 (1) Rate development and negotiation with hospitals,  
17 physicians, and managed care providers.

18 (2) Health care procurement development.

19 (3) Contract implementation and fiscal monitoring.

20 (4) Contract amendments.

21 (5) Payment processing.

22 (6) Purchasing aspects of health care plans  
23 administered by the State on behalf of the following:

24 (A) State employees. These healthcare purchasing  
25 functions include the following health care plans:  
26 quality care health plan; managed care health plan;

1 vision plan; pharmacy benefits plan; dental plan;  
2 behavioral health plan; employee assistance plan;  
3 utilization management plan; and SHIPs and various  
4 subrogation agreements. These healthcare purchasing  
5 functions also include the purchasing and  
6 administration of flu shots, hepatitis B vaccinations,  
7 and tuberculosis tests.

8 (B) Persons other than State employees. These  
9 healthcare purchasing functions include the following  
10 health care plans: the retired teachers' health  
11 insurance plan under the State Employees Group  
12 Insurance Act of 1971; the local government health  
13 insurance plan under the State Employees Group  
14 Insurance Act of 1971; the community colleges health  
15 insurance plan under the State Employees Group  
16 Insurance Act of 1971; the active teacher prescription  
17 program; and the Illinois Prescription Drug Discount  
18 Program.

19 (C) Residents of State-operated facilities,  
20 including (i) correctional and youth facilities  
21 operated by the Department of Corrections or the  
22 Department of Juvenile Justice, (ii) mental health  
23 centers and developmental centers operated by the  
24 Department of Human Services, and (iii) veterans homes  
25 operated by the Department of Veterans' Affairs.

26 (c) The powers, duties, rights, and responsibilities

1 vested in or associated with State healthcare purchasing are  
2 not affected by this Act, except that all management and staff  
3 support or other resources necessary to the operation of a  
4 State healthcare purchasing function shall be provided by the  
5 Department to which that function is transferred under this  
6 Act.

7 Section 20. Representation on boards or other entities.  
8 When any provision of an Executive Order or Act provides for  
9 the membership of the Director of Healthcare and Family  
10 Services on any council, commission, board, or other entity  
11 that exercises any of the State healthcare purchasing functions  
12 transferred by this Act, the Director or Secretary of the  
13 Department to which the State healthcare purchasing function is  
14 transferred under this Act, or his or her designee, shall serve  
15 in the place of the Director of Healthcare and Family Services,  
16 but only with regard to the exercise of the function  
17 transferred under this Act. If more than one such person is  
18 required by law to serve on any council, commission, board, or  
19 other entity, then an equivalent number of the representatives  
20 of the Department to which the applicable function is  
21 transferred under this Act shall so serve. In addition, any  
22 statutory mandate that provides for action on the part of the  
23 Director of Healthcare and Family Services relating to a State  
24 healthcare purchasing function transferred under this Act  
25 shall become the responsibility of the Director or Secretary of

1 the Department to which that function is transferred under this  
2 Act.

3 Section 25. Personnel transferred.

4 (a) Personnel and positions within the Department of  
5 Healthcare and Family Services that are engaged in the  
6 performance of State healthcare purchasing functions  
7 transferred back to the Department of Central Management  
8 Services are transferred to and shall continue their service  
9 within the Department of Central Management Services. The  
10 status and rights of those employees under the Personnel Code  
11 are not affected by this Act.

12 (b) Personnel and positions of the Department of  
13 Corrections, the Department of Juvenile Justice, the  
14 Department of Human Services, and the Department of Veterans'  
15 Affairs were not in fact transferred under Executive Order 3  
16 (2005) and are not affected by this Act.

17 Section 30. Books and records transferred. All books,  
18 records, papers, documents, property (real and personal),  
19 contracts, and pending business pertaining to the powers,  
20 duties, rights, and responsibilities related to any of the  
21 State healthcare purchasing functions transferred under this  
22 Act from the Department of Healthcare and Family Services to  
23 the Department of Central Management Services, the Department  
24 of Corrections, the Department of Juvenile Justice, the

1 Department of Human Services, and the Department of Veterans'  
2 Affairs, including, but not limited to, material in electronic  
3 or magnetic format and necessary computer hardware and  
4 software, shall be delivered to the Department to which that  
5 State healthcare purchasing function is transferred under this  
6 Act, provided that the delivery of that information may not  
7 violate any applicable confidentiality constraints. The access  
8 by personnel of the Department of Central Management Services,  
9 the Department of Corrections, the Department of Juvenile  
10 Justice, the Department of Human Services, and the Department  
11 of Veterans' Affairs to databases and electronic health  
12 information that are currently maintained by the Department of  
13 Healthcare and Family Services and that contain data and  
14 information necessary to the performance of the State  
15 healthcare purchasing functions shall continue in the same  
16 manner and level of access as before the effective date of  
17 Executive Order 1 (2012). Staff of the Department of Central  
18 Management Services, the Department of Corrections, the  
19 Department of Juvenile Justice, the Department of Human  
20 Services, and the Department of Veterans' Affairs may work with  
21 staff of the Department of Healthcare and Family Services to  
22 add new information relevant to State healthcare purchasing  
23 functions.

24 Section 35. Unexpended moneys transferred.

25 (a) With respect to the State healthcare purchasing

1 functions transferred under this Act, the Department of Central  
2 Management Services is the successor agency to the Department  
3 of Healthcare and Family Services under the Successor Agency  
4 Act and Section 9b of the State Finance Act. All unexpended  
5 appropriations and balances and other moneys available for use  
6 in connection with any of the State healthcare purchasing  
7 functions transferred from the Department of Healthcare and  
8 Family Services to the Department of Central Management  
9 Services are transferred for use by the Department of Central  
10 Management Services for the exercise of those functions  
11 pursuant to the direction of the Governor. Unexpended balances  
12 so transferred shall be expended only for the purpose for which  
13 the appropriations were originally made.

14 (b) Appropriations of the Department of Corrections, the  
15 Department of Juvenile Justice, the Department of Human  
16 Services, and the Department of Veterans' Affairs were not in  
17 fact transferred under Executive Order 3 (2005) and are not  
18 affected by this Act.

19 Section 40. Exercise of transferred powers; savings  
20 provisions. The powers, duties, rights, and responsibilities  
21 related to the State healthcare purchasing functions  
22 transferred under this Act are vested in and shall be exercised  
23 by the Department to which the applicable function is  
24 transferred. Each act done in the exercise of those powers,  
25 duties, rights, and responsibilities shall have the same legal

1 effect as if done by the Department of Healthcare and Family  
2 Services or its divisions, officers, or employees.

3 Section 45. Rules.

4 (a) Any rules that (i) relate to the Illinois Prescription  
5 Drug Discount Program or to any other State healthcare  
6 purchasing function or program transferred to the Department of  
7 Central Management Services by this Act, (ii) are in full force  
8 on the effective date of Executive Order 1 (2012), and (iii)  
9 have been duly adopted by the Department of Healthcare and  
10 Family Services shall become the rules of the Department of  
11 Central Management Services. This Act shall not affect the  
12 legality of any such rules in the Illinois Administrative Code.

13 (b) Any proposed rule filed with the Secretary of State by  
14 the Department of Healthcare and Family Services that pertains  
15 to the Illinois Prescription Drug Discount Program, or to any  
16 other State healthcare purchasing function or program  
17 transferred to the Department of Central Management Services by  
18 this Act, and that is pending in the rulemaking process on the  
19 effective date of Executive Order 1 (2012) shall be deemed to  
20 have been filed by the Department of Central Management  
21 Services.

22 (c) On and after the effective date of Executive Order 1  
23 (2012), the Department of Central Management Services may  
24 propose and adopt, under the Illinois Administrative Procedure  
25 Act, other rules that relate to the Illinois Prescription Drug



1 Discount Program, or to any other State healthcare purchasing  
2 function or program transferred to the Department of Central  
3 Management Services by this Act.

4 Section 50. Rights, obligations, and duties unaffected by  
5 transfer. The transfer of powers, duties, rights, and  
6 responsibilities from the Department of Healthcare and Family  
7 Services under this Act does not affect any person's rights,  
8 obligations, or duties, including any civil or criminal  
9 penalties applicable thereto, arising out of those transferred  
10 powers, duties, rights, and responsibilities.

11 Section 55. Agency officers; penalties. Every officer of  
12 the Department of Central Management Services, the Department  
13 of Corrections, the Department of Juvenile Justice, the  
14 Department of Human Services, and the Department of Veterans'  
15 Affairs is, for any offense, subject to the same penalty or  
16 penalties, civil or criminal, as are prescribed by existing law  
17 for the same offense by any officer whose powers or duties are  
18 transferred under this Act.

19 Section 60. Reports, notices, or papers. Whenever reports  
20 or notices are required to be made or given or papers or  
21 documents furnished or served by any person to or upon the  
22 Department of Healthcare and Family Services in connection with  
23 any State healthcare purchasing function transferred under

1 this Act, the same shall be made, given, furnished, or served  
2 in the same manner to or upon the Department to which that  
3 State healthcare purchasing function is transferred.

4 Section 65. Interagency agreements. To the extent  
5 necessary or prudent to fully implement the intent of this Act,  
6 the Department of Central Management Services, the Department  
7 of Corrections, the Department of Human Services, the  
8 Department of Juvenile Justice, the Department of Veterans'  
9 Affairs, and the Department of Healthcare and Family Services  
10 may enter into one or more interagency agreements to ensure the  
11 full and appropriate transfer of all State healthcare  
12 purchasing functions transferred from the Department of  
13 Healthcare and Family Services under this Act.

14 Section 70. Acts and actions unaffected by transfer. This  
15 Act does not affect any act done, ratified, or canceled, or any  
16 right occurring or established, before the effective date of  
17 Executive Order 1 (2012), in connection with any State  
18 healthcare purchasing function transferred under this Act.  
19 This Act does not affect any action or proceeding had or  
20 commenced before the effective date of Executive Order 1 (2012)  
21 in an administrative, civil, or criminal cause regarding a  
22 State healthcare purchasing function transferred from the  
23 Department of Healthcare and Family Services under this Act,  
24 but any such action or proceeding may be defended, prosecuted,

1 or continued by the Department to which the applicable State  
2 healthcare purchasing function is transferred.

3 Section 900. The State Employees Group Insurance Act of  
4 1971 is amended by adding Section 2.5 and changing Sections 3,  
5 6.5, 6.10, 10, and 13.1 as follows:

6 (5 ILCS 375/2.5 new)

7 Sec. 2.5. State healthcare purchasing. On and after the  
8 date 6 months after the effective date of this amendatory Act  
9 of the 98th General Assembly, as provided in the Executive  
10 Order 1 (2012) Implementation Act, all of the powers, duties,  
11 rights, and responsibilities related to State healthcare  
12 purchasing under this Act that were transferred from the  
13 Department of Central Management Services to the Department of  
14 Healthcare and Family Services by Executive Order 3 (2005) are  
15 transferred back to the Department.

16 (5 ILCS 375/3) (from Ch. 127, par. 523)

17 Sec. 3. Definitions. Unless the context otherwise  
18 requires, the following words and phrases as used in this Act  
19 shall have the following meanings. The Department may define  
20 these and other words and phrases separately for the purpose of  
21 implementing specific programs providing benefits under this  
22 Act.

23 (a) "Administrative service organization" means any

1 person, firm or corporation experienced in the handling of  
2 claims which is fully qualified, financially sound and capable  
3 of meeting the service requirements of a contract of  
4 administration executed with the Department.

5 (b) "Annuitant" means (1) an employee who retires, or has  
6 retired, on or after January 1, 1966 on an immediate annuity  
7 under the provisions of Articles 2, 14 (including an employee  
8 who has elected to receive an alternative retirement  
9 cancellation payment under Section 14-108.5 of the Illinois  
10 Pension Code in lieu of an annuity), 15 (including an employee  
11 who has retired under the optional retirement program  
12 established under Section 15-158.2), paragraphs (2), (3), or  
13 (5) of Section 16-106, or Article 18 of the Illinois Pension  
14 Code; (2) any person who was receiving group insurance coverage  
15 under this Act as of March 31, 1978 by reason of his status as  
16 an annuitant, even though the annuity in relation to which such  
17 coverage was provided is a proportional annuity based on less  
18 than the minimum period of service required for a retirement  
19 annuity in the system involved; (3) any person not otherwise  
20 covered by this Act who has retired as a participating member  
21 under Article 2 of the Illinois Pension Code but is ineligible  
22 for the retirement annuity under Section 2-119 of the Illinois  
23 Pension Code; (4) the spouse of any person who is receiving a  
24 retirement annuity under Article 18 of the Illinois Pension  
25 Code and who is covered under a group health insurance program  
26 sponsored by a governmental employer other than the State of

1 Illinois and who has irrevocably elected to waive his or her  
2 coverage under this Act and to have his or her spouse  
3 considered as the "annuitant" under this Act and not as a  
4 "dependent"; or (5) an employee who retires, or has retired,  
5 from a qualified position, as determined according to rules  
6 promulgated by the Director, under a qualified local  
7 government, a qualified rehabilitation facility, a qualified  
8 domestic violence shelter or service, or a qualified child  
9 advocacy center. (For definition of "retired employee", see (p)  
10 post).

11 (b-5) (Blank).

12 (b-6) (Blank).

13 (b-7) (Blank).

14 (c) "Carrier" means (1) an insurance company, a corporation  
15 organized under the Limited Health Service Organization Act or  
16 the Voluntary Health Services Plan Act, a partnership, or other  
17 nongovernmental organization, which is authorized to do group  
18 life or group health insurance business in Illinois, or (2) the  
19 State of Illinois as a self-insurer.

20 (d) "Compensation" means salary or wages payable on a  
21 regular payroll by the State Treasurer on a warrant of the  
22 State Comptroller out of any State, trust or federal fund, or  
23 by the Governor of the State through a disbursing officer of  
24 the State out of a trust or out of federal funds, or by any  
25 Department out of State, trust, federal or other funds held by  
26 the State Treasurer or the Department, to any person for

1 personal services currently performed, and ordinary or  
2 accidental disability benefits under Articles 2, 14, 15  
3 (including ordinary or accidental disability benefits under  
4 the optional retirement program established under Section  
5 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or  
6 Article 18 of the Illinois Pension Code, for disability  
7 incurred after January 1, 1966, or benefits payable under the  
8 Workers' Compensation or Occupational Diseases Act or benefits  
9 payable under a sick pay plan established in accordance with  
10 Section 36 of the State Finance Act. "Compensation" also means  
11 salary or wages paid to an employee of any qualified local  
12 government, qualified rehabilitation facility, qualified  
13 domestic violence shelter or service, or qualified child  
14 advocacy center.

15 (e) "Commission" means the State Employees Group Insurance  
16 Advisory Commission authorized by this Act. Commencing July 1,  
17 1984, "Commission" as used in this Act means the Commission on  
18 Government Forecasting and Accountability as established by  
19 the Legislative Commission Reorganization Act of 1984.

20 (f) "Contributory", when referred to as contributory  
21 coverage, shall mean optional coverages or benefits elected by  
22 the member toward the cost of which such member makes  
23 contribution, or which are funded in whole or in part through  
24 the acceptance of a reduction in earnings or the foregoing of  
25 an increase in earnings by an employee, as distinguished from  
26 noncontributory coverage or benefits which are paid entirely by

1 the State of Illinois without reduction of the member's salary.

2 (g) "Department" means any department, institution, board,  
3 commission, officer, court or any agency of the State  
4 government receiving appropriations and having power to  
5 certify payrolls to the Comptroller authorizing payments of  
6 salary and wages against such appropriations as are made by the  
7 General Assembly from any State fund, or against trust funds  
8 held by the State Treasurer and includes boards of trustees of  
9 the retirement systems created by Articles 2, 14, 15, 16 and 18  
10 of the Illinois Pension Code. "Department" also includes the  
11 Illinois Comprehensive Health Insurance Board, the Board of  
12 Examiners established under the Illinois Public Accounting  
13 Act, and the Illinois Finance Authority.

14 (h) "Dependent", when the term is used in the context of  
15 the health and life plan, means a member's spouse and any child  
16 (1) from birth to age 26 including an adopted child, a child  
17 who lives with the member from the time of the filing of a  
18 petition for adoption until entry of an order of adoption, a  
19 stepchild or adjudicated child, or a child who lives with the  
20 member if such member is a court appointed guardian of the  
21 child or (2) age 19 or over who is mentally or physically  
22 disabled from a cause originating prior to the age of 19 (age  
23 26 if enrolled as an adult child dependent). For the health  
24 plan only, the term "dependent" also includes (1) any person  
25 enrolled prior to the effective date of this Section who is  
26 dependent upon the member to the extent that the member may

1 claim such person as a dependent for income tax deduction  
2 purposes and (2) any person who has received after June 30,  
3 2000 an organ transplant and who is financially dependent upon  
4 the member and eligible to be claimed as a dependent for income  
5 tax purposes. A member requesting to cover any dependent must  
6 provide documentation as requested by the Department of Central  
7 Management Services and file with the Department any and all  
8 forms required by the Department.

9 (i) "Director" means the Director of the Illinois  
10 Department of Central Management Services ~~or of any successor~~  
11 ~~agency designated to administer this Act.~~

12 (j) "Eligibility period" means the period of time a member  
13 has to elect enrollment in programs or to select benefits  
14 without regard to age, sex or health.

15 (k) "Employee" means and includes each officer or employee  
16 in the service of a department who (1) receives his  
17 compensation for service rendered to the department on a  
18 warrant issued pursuant to a payroll certified by a department  
19 or on a warrant or check issued and drawn by a department upon  
20 a trust, federal or other fund or on a warrant issued pursuant  
21 to a payroll certified by an elected or duly appointed officer  
22 of the State or who receives payment of the performance of  
23 personal services on a warrant issued pursuant to a payroll  
24 certified by a Department and drawn by the Comptroller upon the  
25 State Treasurer against appropriations made by the General  
26 Assembly from any fund or against trust funds held by the State



1 Treasurer, and (2) is employed full-time or part-time in a  
2 position normally requiring actual performance of duty during  
3 not less than 1/2 of a normal work period, as established by  
4 the Director in cooperation with each department, except that  
5 persons elected by popular vote will be considered employees  
6 during the entire term for which they are elected regardless of  
7 hours devoted to the service of the State, and (3) except that  
8 "employee" does not include any person who is not eligible by  
9 reason of such person's employment to participate in one of the  
10 State retirement systems under Articles 2, 14, 15 (either the  
11 regular Article 15 system or the optional retirement program  
12 established under Section 15-158.2) or 18, or under paragraph  
13 (2), (3), or (5) of Section 16-106, of the Illinois Pension  
14 Code, but such term does include persons who are employed  
15 during the 6 month qualifying period under Article 14 of the  
16 Illinois Pension Code. Such term also includes any person who  
17 (1) after January 1, 1966, is receiving ordinary or accidental  
18 disability benefits under Articles 2, 14, 15 (including  
19 ordinary or accidental disability benefits under the optional  
20 retirement program established under Section 15-158.2),  
21 paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of  
22 the Illinois Pension Code, for disability incurred after  
23 January 1, 1966, (2) receives total permanent or total  
24 temporary disability under the Workers' Compensation Act or  
25 Occupational Disease Act as a result of injuries sustained or  
26 illness contracted in the course of employment with the State

1 of Illinois, or (3) is not otherwise covered under this Act and  
2 has retired as a participating member under Article 2 of the  
3 Illinois Pension Code but is ineligible for the retirement  
4 annuity under Section 2-119 of the Illinois Pension Code.  
5 However, a person who satisfies the criteria of the foregoing  
6 definition of "employee" except that such person is made  
7 ineligible to participate in the State Universities Retirement  
8 System by clause (4) of subsection (a) of Section 15-107 of the  
9 Illinois Pension Code is also an "employee" for the purposes of  
10 this Act. "Employee" also includes any person receiving or  
11 eligible for benefits under a sick pay plan established in  
12 accordance with Section 36 of the State Finance Act. "Employee"  
13 also includes (i) each officer or employee in the service of a  
14 qualified local government, including persons appointed as  
15 trustees of sanitary districts regardless of hours devoted to  
16 the service of the sanitary district, (ii) each employee in the  
17 service of a qualified rehabilitation facility, (iii) each  
18 full-time employee in the service of a qualified domestic  
19 violence shelter or service, and (iv) each full-time employee  
20 in the service of a qualified child advocacy center, as  
21 determined according to rules promulgated by the Director.

22 (1) "Member" means an employee, annuitant, retired  
23 employee or survivor. In the case of an annuitant or retired  
24 employee who first becomes an annuitant or retired employee on  
25 or after the effective date of this amendatory Act of the 97th  
26 General Assembly, the individual must meet the minimum vesting

1 requirements of the applicable retirement system in order to be  
2 eligible for group insurance benefits under that system. In the  
3 case of a survivor who first becomes a survivor on or after the  
4 effective date of this amendatory Act of the 97th General  
5 Assembly, the deceased employee, annuitant, or retired  
6 employee upon whom the annuity is based must have been eligible  
7 to participate in the group insurance system under the  
8 applicable retirement system in order for the survivor to be  
9 eligible for group insurance benefits under that system.

10 (m) "Optional coverages or benefits" means those coverages  
11 or benefits available to the member on his or her voluntary  
12 election, and at his or her own expense.

13 (n) "Program" means the group life insurance, health  
14 benefits and other employee benefits designed and contracted  
15 for by the Director under this Act.

16 (o) "Health plan" means a health benefits program offered  
17 by the State of Illinois for persons eligible for the plan.

18 (p) "Retired employee" means any person who would be an  
19 annuitant as that term is defined herein but for the fact that  
20 such person retired prior to January 1, 1966. Such term also  
21 includes any person formerly employed by the University of  
22 Illinois in the Cooperative Extension Service who would be an  
23 annuitant but for the fact that such person was made ineligible  
24 to participate in the State Universities Retirement System by  
25 clause (4) of subsection (a) of Section 15-107 of the Illinois  
26 Pension Code.

1 (q) "Survivor" means a person receiving an annuity as a  
2 survivor of an employee or of an annuitant. "Survivor" also  
3 includes: (1) the surviving dependent of a person who satisfies  
4 the definition of "employee" except that such person is made  
5 ineligible to participate in the State Universities Retirement  
6 System by clause (4) of subsection (a) of Section 15-107 of the  
7 Illinois Pension Code; (2) the surviving dependent of any  
8 person formerly employed by the University of Illinois in the  
9 Cooperative Extension Service who would be an annuitant except  
10 for the fact that such person was made ineligible to  
11 participate in the State Universities Retirement System by  
12 clause (4) of subsection (a) of Section 15-107 of the Illinois  
13 Pension Code; and (3) the surviving dependent of a person who  
14 was an annuitant under this Act by virtue of receiving an  
15 alternative retirement cancellation payment under Section  
16 14-108.5 of the Illinois Pension Code.

17 (q-2) "SERS" means the State Employees' Retirement System  
18 of Illinois, created under Article 14 of the Illinois Pension  
19 Code.

20 (q-3) "SURS" means the State Universities Retirement  
21 System, created under Article 15 of the Illinois Pension Code.

22 (q-4) "TRS" means the Teachers' Retirement System of the  
23 State of Illinois, created under Article 16 of the Illinois  
24 Pension Code.

25 (q-5) (Blank).

26 (q-6) (Blank).

1 (q-7) (Blank).

2 (r) "Medical services" means the services provided within  
3 the scope of their licenses by practitioners in all categories  
4 licensed under the Medical Practice Act of 1987.

5 (s) "Unit of local government" means any county,  
6 municipality, township, school district (including a  
7 combination of school districts under the Intergovernmental  
8 Cooperation Act), special district or other unit, designated as  
9 a unit of local government by law, which exercises limited  
10 governmental powers or powers in respect to limited  
11 governmental subjects, any not-for-profit association with a  
12 membership that primarily includes townships and township  
13 officials, that has duties that include provision of research  
14 service, dissemination of information, and other acts for the  
15 purpose of improving township government, and that is funded  
16 wholly or partly in accordance with Section 85-15 of the  
17 Township Code; any not-for-profit corporation or association,  
18 with a membership consisting primarily of municipalities, that  
19 operates its own utility system, and provides research,  
20 training, dissemination of information, or other acts to  
21 promote cooperation between and among municipalities that  
22 provide utility services and for the advancement of the goals  
23 and purposes of its membership; the Southern Illinois  
24 Collegiate Common Market, which is a consortium of higher  
25 education institutions in Southern Illinois; the Illinois  
26 Association of Park Districts; and any hospital provider that

1 is owned by a county that has 100 or fewer hospital beds and  
2 has not already joined the program. "Qualified local  
3 government" means a unit of local government approved by the  
4 Director and participating in a program created under  
5 subsection (i) of Section 10 of this Act.

6 (t) "Qualified rehabilitation facility" means any  
7 not-for-profit organization that is accredited by the  
8 Commission on Accreditation of Rehabilitation Facilities or  
9 certified by the Department of Human Services (as successor to  
10 the Department of Mental Health and Developmental  
11 Disabilities) to provide services to persons with disabilities  
12 and which receives funds from the State of Illinois for  
13 providing those services, approved by the Director and  
14 participating in a program created under subsection (j) of  
15 Section 10 of this Act.

16 (u) "Qualified domestic violence shelter or service" means  
17 any Illinois domestic violence shelter or service and its  
18 administrative offices funded by the Department of Human  
19 Services (as successor to the Illinois Department of Public  
20 Aid), approved by the Director and participating in a program  
21 created under subsection (k) of Section 10.

22 (v) "TRS benefit recipient" means a person who:

23 (1) is not a "member" as defined in this Section; and

24 (2) is receiving a monthly benefit or retirement  
25 annuity under Article 16 of the Illinois Pension Code; and

26 (3) either (i) has at least 8 years of creditable

1 service under Article 16 of the Illinois Pension Code, or  
2 (ii) was enrolled in the health insurance program offered  
3 under that Article on January 1, 1996, or (iii) is the  
4 survivor of a benefit recipient who had at least 8 years of  
5 creditable service under Article 16 of the Illinois Pension  
6 Code or was enrolled in the health insurance program  
7 offered under that Article on the effective date of this  
8 amendatory Act of 1995, or (iv) is a recipient or survivor  
9 of a recipient of a disability benefit under Article 16 of  
10 the Illinois Pension Code.

11 (w) "TRS dependent beneficiary" means a person who:

12 (1) is not a "member" or "dependent" as defined in this  
13 Section; and

14 (2) is a TRS benefit recipient's: (A) spouse, (B)  
15 dependent parent who is receiving at least half of his or  
16 her support from the TRS benefit recipient, or (C) natural,  
17 step, adjudicated, or adopted child who is (i) under age  
18 26, (ii) was, on January 1, 1996, participating as a  
19 dependent beneficiary in the health insurance program  
20 offered under Article 16 of the Illinois Pension Code, or  
21 (iii) age 19 or over who is mentally or physically disabled  
22 from a cause originating prior to the age of 19 (age 26 if  
23 enrolled as an adult child).

24 "TRS dependent beneficiary" does not include, as indicated  
25 under paragraph (2) of this subsection (w), a dependent of the  
26 survivor of a TRS benefit recipient who first becomes a

1 dependent of a survivor of a TRS benefit recipient on or after  
2 the effective date of this amendatory Act of the 97th General  
3 Assembly unless that dependent would have been eligible for  
4 coverage as a dependent of the deceased TRS benefit recipient  
5 upon whom the survivor benefit is based.

6 (x) "Military leave" refers to individuals in basic  
7 training for reserves, special/advanced training, annual  
8 training, emergency call up, activation by the President of the  
9 United States, or any other training or duty in service to the  
10 United States Armed Forces.

11 (y) (Blank).

12 (z) "Community college benefit recipient" means a person  
13 who:

14 (1) is not a "member" as defined in this Section; and

15 (2) is receiving a monthly survivor's annuity or  
16 retirement annuity under Article 15 of the Illinois Pension  
17 Code; and

18 (3) either (i) was a full-time employee of a community  
19 college district or an association of community college  
20 boards created under the Public Community College Act  
21 (other than an employee whose last employer under Article  
22 15 of the Illinois Pension Code was a community college  
23 district subject to Article VII of the Public Community  
24 College Act) and was eligible to participate in a group  
25 health benefit plan as an employee during the time of  
26 employment with a community college district (other than a



1 community college district subject to Article VII of the  
2 Public Community College Act) or an association of  
3 community college boards, or (ii) is the survivor of a  
4 person described in item (i).

5 (aa) "Community college dependent beneficiary" means a  
6 person who:

7 (1) is not a "member" or "dependent" as defined in this  
8 Section; and

9 (2) is a community college benefit recipient's: (A)  
10 spouse, (B) dependent parent who is receiving at least half  
11 of his or her support from the community college benefit  
12 recipient, or (C) natural, step, adjudicated, or adopted  
13 child who is (i) under age 26, or (ii) age 19 or over and  
14 mentally or physically disabled from a cause originating  
15 prior to the age of 19 (age 26 if enrolled as an adult  
16 child).

17 "Community college dependent beneficiary" does not  
18 include, as indicated under paragraph (2) of this subsection  
19 (aa), a dependent of the survivor of a community college  
20 benefit recipient who first becomes a dependent of a survivor  
21 of a community college benefit recipient on or after the  
22 effective date of this amendatory Act of the 97th General  
23 Assembly unless that dependent would have been eligible for  
24 coverage as a dependent of the deceased community college  
25 benefit recipient upon whom the survivor annuity is based.

26 (bb) "Qualified child advocacy center" means any Illinois

1 child advocacy center and its administrative offices funded by  
2 the Department of Children and Family Services, as defined by  
3 the Children's Advocacy Center Act (55 ILCS 80/), approved by  
4 the Director and participating in a program created under  
5 subsection (n) of Section 10.

6 (Source: P.A. 96-756, eff. 1-1-10; 96-1519, eff. 2-4-11;  
7 97-668, eff. 1-13-12; 97-695, eff. 7-1-12.)

8 (5 ILCS 375/6.5)

9 Sec. 6.5. Health benefits for TRS benefit recipients and  
10 TRS dependent beneficiaries.

11 (a) Purpose. It is the purpose of this amendatory Act of  
12 1995 to transfer the administration of the program of health  
13 benefits established for benefit recipients and their  
14 dependent beneficiaries under Article 16 of the Illinois  
15 Pension Code to the Department of Central Management Services.

16 (b) Transition provisions. The Board of Trustees of the  
17 Teachers' Retirement System shall continue to administer the  
18 health benefit program established under Article 16 of the  
19 Illinois Pension Code through December 31, 1995. Beginning  
20 January 1, 1996, the Department of Central Management Services  
21 shall be responsible for administering a program of health  
22 benefits for TRS benefit recipients and TRS dependent  
23 beneficiaries under this Section. The Department of Central  
24 Management Services and the Teachers' Retirement System shall  
25 cooperate in this endeavor and shall coordinate their

1 activities so as to ensure a smooth transition and  
2 uninterrupted health benefit coverage.

3 (c) Eligibility. All persons who were enrolled in the  
4 Article 16 program at the time of the transfer shall be  
5 eligible to participate in the program established under this  
6 Section without any interruption or delay in coverage or  
7 limitation as to pre-existing medical conditions. Eligibility  
8 to participate shall be determined by the Teachers' Retirement  
9 System. Eligibility information shall be communicated to the  
10 Department of Central Management Services in a format  
11 acceptable to the Department.

12 A TRS dependent beneficiary who is a child age 19 or over  
13 and mentally or physically disabled does not become ineligible  
14 to participate by reason of (i) becoming ineligible to be  
15 claimed as a dependent for Illinois or federal income tax  
16 purposes or (ii) receiving earned income, so long as those  
17 earnings are insufficient for the child to be fully  
18 self-sufficient.

19 (d) Coverage. The level of health benefits provided under  
20 this Section shall be similar to the level of benefits provided  
21 by the program previously established under Article 16 of the  
22 Illinois Pension Code.

23 Group life insurance benefits are not included in the  
24 benefits to be provided to TRS benefit recipients and TRS  
25 dependent beneficiaries under this Act.

26 The program of health benefits under this Section may

1 include any or all of the benefit limitations, including but  
2 not limited to a reduction in benefits based on eligibility for  
3 federal medicare benefits, that are provided under subsection  
4 (a) of Section 6 of this Act for other health benefit programs  
5 under this Act.

6 (e) Insurance rates and premiums. The Director shall  
7 determine the insurance rates and premiums for TRS benefit  
8 recipients and TRS dependent beneficiaries, and shall present  
9 to the Teachers' Retirement System of the State of Illinois, by  
10 April 15 of each calendar year, the rate-setting methodology  
11 (including but not limited to utilization levels and costs)  
12 used to determine the amount of the health care premiums.

13 For Fiscal Year 1996, the premium shall be equal to the  
14 premium actually charged in Fiscal Year 1995; in subsequent  
15 years, the premium shall never be lower than the premium  
16 charged in Fiscal Year 1995.

17 For Fiscal Year 2003, the premium shall not exceed 110%  
18 of the premium actually charged in Fiscal Year 2002.

19 For Fiscal Year 2004, the premium shall not exceed 112%  
20 of the premium actually charged in Fiscal Year 2003.

21 For Fiscal Year 2005, the premium shall not exceed a  
22 weighted average of 106.6% of the premium actually charged  
23 in Fiscal Year 2004.

24 For Fiscal Year 2006, the premium shall not exceed a  
25 weighted average of 109.1% of the premium actually charged  
26 in Fiscal Year 2005.

1           For Fiscal Year 2007, the premium shall not exceed a  
2           weighted average of 103.9% of the premium actually charged  
3           in Fiscal Year 2006.

4           For Fiscal Year 2008 and thereafter, the premium in  
5           each fiscal year shall not exceed 105% of the premium  
6           actually charged in the previous fiscal year.

7           Rates and premiums may be based in part on age and  
8           eligibility for federal medicare coverage. However, the cost of  
9           participation for a TRS dependent beneficiary who is an  
10          unmarried child age 19 or over and mentally or physically  
11          disabled shall not exceed the cost for a TRS dependent  
12          beneficiary who is an unmarried child under age 19 and  
13          participates in the same major medical or managed care program.

14          The cost of health benefits under the program shall be paid  
15          as follows:

16               (1) For a TRS benefit recipient selecting a managed  
17               care program, up to 75% of the total insurance rate shall  
18               be paid from the Teacher Health Insurance Security Fund.  
19               Effective with Fiscal Year 2007 and thereafter, for a TRS  
20               benefit recipient selecting a managed care program, 75% of  
21               the total insurance rate shall be paid from the Teacher  
22               Health Insurance Security Fund.

23               (2) For a TRS benefit recipient selecting the major  
24               medical coverage program, up to 50% of the total insurance  
25               rate shall be paid from the Teacher Health Insurance  
26               Security Fund if a managed care program is accessible, as

1 determined by the Teachers' Retirement System. Effective  
2 with Fiscal Year 2007 and thereafter, for a TRS benefit  
3 recipient selecting the major medical coverage program,  
4 50% of the total insurance rate shall be paid from the  
5 Teacher Health Insurance Security Fund if a managed care  
6 program is accessible, as determined by the Department of  
7 Central Management Services.

8 (3) For a TRS benefit recipient selecting the major  
9 medical coverage program, up to 75% of the total insurance  
10 rate shall be paid from the Teacher Health Insurance  
11 Security Fund if a managed care program is not accessible,  
12 as determined by the Teachers' Retirement System.  
13 Effective with Fiscal Year 2007 and thereafter, for a TRS  
14 benefit recipient selecting the major medical coverage  
15 program, 75% of the total insurance rate shall be paid from  
16 the Teacher Health Insurance Security Fund if a managed  
17 care program is not accessible, as determined by the  
18 Department of Central Management Services.

19 (3.1) For a TRS dependent beneficiary who is Medicare  
20 primary and enrolled in a managed care plan, or the major  
21 medical coverage program if a managed care plan is not  
22 available, 25% of the total insurance rate shall be paid  
23 from the Teacher Health Security Fund as determined by the  
24 Department of Central Management Services. For the purpose  
25 of this item (3.1), the term "TRS dependent beneficiary who  
26 is Medicare primary" means a TRS dependent beneficiary who

1 is participating in Medicare Parts A and B.

2 (4) Except as otherwise provided in item (3.1), the  
3 balance of the rate of insurance, including the entire  
4 premium of any coverage for TRS dependent beneficiaries  
5 that has been elected, shall be paid by deductions  
6 authorized by the TRS benefit recipient to be withheld from  
7 his or her monthly annuity or benefit payment from the  
8 Teachers' Retirement System; except that (i) if the balance  
9 of the cost of coverage exceeds the amount of the monthly  
10 annuity or benefit payment, the difference shall be paid  
11 directly to the Teachers' Retirement System by the TRS  
12 benefit recipient, and (ii) all or part of the balance of  
13 the cost of coverage may, at the school board's option, be  
14 paid to the Teachers' Retirement System by the school board  
15 of the school district from which the TRS benefit recipient  
16 retired, in accordance with Section 10-22.3b of the School  
17 Code. The Teachers' Retirement System shall promptly  
18 deposit all moneys withheld by or paid to it under this  
19 subdivision (e)(4) into the Teacher Health Insurance  
20 Security Fund. These moneys shall not be considered assets  
21 of the Retirement System.

22 (f) Financing. Beginning July 1, 1995, all revenues arising  
23 from the administration of the health benefit programs  
24 established under Article 16 of the Illinois Pension Code or  
25 this Section shall be deposited into the Teacher Health  
26 Insurance Security Fund, which is hereby created as a

1 nonappropriated trust fund to be held outside the State  
2 Treasury, with the State Treasurer as custodian. Any interest  
3 earned on moneys in the Teacher Health Insurance Security Fund  
4 shall be deposited into the Fund.

5 Moneys in the Teacher Health Insurance Security Fund shall  
6 be used only to pay the costs of the health benefit program  
7 established under this Section, including associated  
8 administrative costs, and the costs associated with the health  
9 benefit program established under Article 16 of the Illinois  
10 Pension Code, as authorized in this Section. Beginning July 1,  
11 1995, the Department of Central Management Services may make  
12 expenditures from the Teacher Health Insurance Security Fund  
13 for those costs.

14 After other funds authorized for the payment of the costs  
15 of the health benefit program established under Article 16 of  
16 the Illinois Pension Code are exhausted and until January 1,  
17 1996 (or such later date as may be agreed upon by the Director  
18 of Central Management Services and the Secretary of the  
19 Teachers' Retirement System), the Secretary of the Teachers'  
20 Retirement System may make expenditures from the Teacher Health  
21 Insurance Security Fund as necessary to pay up to 75% of the  
22 cost of providing health coverage to eligible benefit  
23 recipients (as defined in Sections 16-153.1 and 16-153.3 of the  
24 Illinois Pension Code) who are enrolled in the Article 16  
25 health benefit program and to facilitate the transfer of  
26 administration of the health benefit program to the Department



1 of Central Management Services.

2 The Department of Central Management ~~Healthcare and Family~~  
3 ~~Services~~, or any successor agency designated to procure  
4 healthcare contracts pursuant to this Act, is authorized to  
5 establish funds, separate accounts provided by any bank or  
6 banks as defined by the Illinois Banking Act, or separate  
7 accounts provided by any savings and loan association or  
8 associations as defined by the Illinois Savings and Loan Act of  
9 1985 to be held by the Director, outside the State treasury,  
10 for the purpose of receiving the transfer of moneys from the  
11 Teacher Health Insurance Security Fund. The Department may  
12 promulgate rules further defining the methodology for the  
13 transfers. Any interest earned by moneys in the funds or  
14 accounts shall inure to the Teacher Health Insurance Security  
15 Fund. The transferred moneys, and interest accrued thereon,  
16 shall be used exclusively for transfers to administrative  
17 service organizations or their financial institutions for  
18 payments of claims to claimants and providers under the  
19 self-insurance health plan. The transferred moneys, and  
20 interest accrued thereon, shall not be used for any other  
21 purpose including, but not limited to, reimbursement of  
22 administration fees due the administrative service  
23 organization pursuant to its contract or contracts with the  
24 Department.

25 (g) Contract for benefits. The Director shall by contract,  
26 self-insurance, or otherwise make available the program of

1 health benefits for TRS benefit recipients and their TRS  
2 dependent beneficiaries that is provided for in this Section.  
3 The contract or other arrangement for the provision of these  
4 health benefits shall be on terms deemed by the Director to be  
5 in the best interest of the State of Illinois and the TRS  
6 benefit recipients based on, but not limited to, such criteria  
7 as administrative cost, service capabilities of the carrier or  
8 other contractor, and the costs of the benefits.

9 (g-5) Committee. A Teacher Retirement Insurance Program  
10 Committee shall be established, to consist of 10 persons  
11 appointed by the Governor.

12 The Committee shall convene at least 4 times each year, and  
13 shall consider and make recommendations on issues affecting the  
14 program of health benefits provided under this Section.  
15 Recommendations of the Committee shall be based on a consensus  
16 of the members of the Committee.

17 If the Teacher Health Insurance Security Fund experiences a  
18 deficit balance based upon the contribution and subsidy rates  
19 established in this Section and Section 6.6 for Fiscal Year  
20 2008 or thereafter, the Committee shall make recommendations  
21 for adjustments to the funding sources established under these  
22 Sections.

23 In addition, the Committee shall identify proposed  
24 solutions to the funding shortfalls that are affecting the  
25 Teacher Health Insurance Security Fund, and it shall report  
26 those solutions to the Governor and the General Assembly within

1 6 months after August 15, 2011 (the effective date of Public  
2 Act 97-386).

3 (h) Continuation of program. It is the intention of the  
4 General Assembly that the program of health benefits provided  
5 under this Section be maintained on an ongoing, affordable  
6 basis.

7 The program of health benefits provided under this Section  
8 may be amended by the State and is not intended to be a pension  
9 or retirement benefit subject to protection under Article XIII,  
10 Section 5 of the Illinois Constitution.

11 (i) Repeal. (Blank).

12 (Source: P.A. 96-1519, eff. 2-4-11; 97-386, eff. 8-15-11;  
13 97-813, eff. 7-13-12.)

14 (5 ILCS 375/6.10)

15 Sec. 6.10. Contributions to the Community College Health  
16 Insurance Security Fund.

17 (a) Beginning January 1, 1999, every active contributor of  
18 the State Universities Retirement System (established under  
19 Article 15 of the Illinois Pension Code) who (1) is a full-time  
20 employee of a community college district (other than a  
21 community college district subject to Article VII of the Public  
22 Community College Act) or an association of community college  
23 boards and (2) is not an employee as defined in Section 3 of  
24 this Act shall make contributions toward the cost of community  
25 college annuitant and survivor health benefits at the rate of

1 0.50% of salary.

2 These contributions shall be deducted by the employer and  
3 paid to the State Universities Retirement System as service  
4 agent for the Department of Central Management Services. The  
5 System may use the same processes for collecting the  
6 contributions required by this subsection that it uses to  
7 collect the contributions received from those employees under  
8 Section 15-157 of the Illinois Pension Code. An employer may  
9 agree to pick up or pay the contributions required under this  
10 subsection on behalf of the employee; such contributions shall  
11 be deemed to have been paid by the employee.

12 The State Universities Retirement System shall promptly  
13 deposit all moneys collected under this subsection (a) into the  
14 Community College Health Insurance Security Fund created in  
15 Section 6.9 of this Act. The moneys collected under this  
16 Section shall be used only for the purposes authorized in  
17 Section 6.9 of this Act and shall not be considered to be  
18 assets of the State Universities Retirement System.  
19 Contributions made under this Section are not transferable to  
20 other pension funds or retirement systems and are not  
21 refundable upon termination of service.

22 (b) Beginning January 1, 1999, every community college  
23 district (other than a community college district subject to  
24 Article VII of the Public Community College Act) or association  
25 of community college boards that is an employer under the State  
26 Universities Retirement System shall contribute toward the

1 cost of the community college health benefits provided under  
2 Section 6.9 of this Act an amount equal to 0.50% of the salary  
3 paid to its full-time employees who participate in the State  
4 Universities Retirement System and are not members as defined  
5 in Section 3 of this Act.

6 These contributions shall be paid by the employer to the  
7 State Universities Retirement System as service agent for the  
8 Department of Central Management Services. The System may use  
9 the same processes for collecting the contributions required by  
10 this subsection that it uses to collect the contributions  
11 received from those employers under Section 15-155 of the  
12 Illinois Pension Code.

13 The State Universities Retirement System shall promptly  
14 deposit all moneys collected under this subsection (b) into the  
15 Community College Health Insurance Security Fund created in  
16 Section 6.9 of this Act. The moneys collected under this  
17 Section shall be used only for the purposes authorized in  
18 Section 6.9 of this Act and shall not be considered to be  
19 assets of the State Universities Retirement System.  
20 Contributions made under this Section are not transferable to  
21 other pension funds or retirement systems and are not  
22 refundable upon termination of service.

23 The Department of Central Management ~~Healthcare and Family~~  
24 Services, or any successor agency designated to procure  
25 healthcare contracts pursuant to this Act, is authorized to  
26 establish funds, separate accounts provided by any bank or

1 banks as defined by the Illinois Banking Act, or separate  
2 accounts provided by any savings and loan association or  
3 associations as defined by the Illinois Savings and Loan Act of  
4 1985 to be held by the Director, outside the State treasury,  
5 for the purpose of receiving the transfer of moneys from the  
6 Community College Health Insurance Security Fund. The  
7 Department may promulgate rules further defining the  
8 methodology for the transfers. Any interest earned by moneys in  
9 the funds or accounts shall inure to the Community College  
10 Health Insurance Security Fund. The transferred moneys, and  
11 interest accrued thereon, shall be used exclusively for  
12 transfers to administrative service organizations or their  
13 financial institutions for payments of claims to claimants and  
14 providers under the self-insurance health plan. The  
15 transferred moneys, and interest accrued thereon, shall not be  
16 used for any other purpose including, but not limited to,  
17 reimbursement of administration fees due the administrative  
18 service organization pursuant to its contract or contracts with  
19 the Department.

20 (c) On or before November 15 of each year, the Board of  
21 Trustees of the State Universities Retirement System shall  
22 certify to the Governor, the Director of Central Management  
23 Services, and the State Comptroller its estimate of the total  
24 amount of contributions to be paid under subsection (a) of this  
25 Section for the next fiscal year. Beginning in fiscal year  
26 2008, the amount certified shall be decreased or increased each

1 year by the amount that the actual active employee  
2 contributions either fell short of or exceeded the estimate  
3 used by the Board in making the certification for the previous  
4 fiscal year. The State Universities Retirement System shall  
5 calculate the amount of actual active employee contributions in  
6 fiscal years 1999 through 2005. Based upon this calculation,  
7 the fiscal year 2008 certification shall include an amount  
8 equal to the cumulative amount that the actual active employee  
9 contributions either fell short of or exceeded the estimate  
10 used by the Board in making the certification for those fiscal  
11 years. The certification shall include a detailed explanation  
12 of the methods and information that the Board relied upon in  
13 preparing its estimate. As soon as possible after the effective  
14 date of this Section, the Board shall submit its estimate for  
15 fiscal year 1999.

16 (d) Beginning in fiscal year 1999, on the first day of each  
17 month, or as soon thereafter as may be practical, the State  
18 Treasurer and the State Comptroller shall transfer from the  
19 General Revenue Fund to the Community College Health Insurance  
20 Security Fund 1/12 of the annual amount appropriated for that  
21 fiscal year to the State Comptroller for deposit into the  
22 Community College Health Insurance Security Fund under Section  
23 1.4 of the State Pension Funds Continuing Appropriation Act.

24 (e) Except where otherwise specified in this Section, the  
25 definitions that apply to Article 15 of the Illinois Pension  
26 Code apply to this Section.

1 (Source: P.A. 94-839, eff. 6-6-06; 95-632, eff. 9-25-07.)

2 (5 ILCS 375/10) (from Ch. 127, par. 530)

3 Sec. 10. Contributions by the State and members.

4 (a) The State shall pay the cost of basic non-contributory  
5 group life insurance and, subject to member paid contributions  
6 set by the Department or required by this Section and except as  
7 provided in this Section, the basic program of group health  
8 benefits on each eligible member, except a member, not  
9 otherwise covered by this Act, who has retired as a  
10 participating member under Article 2 of the Illinois Pension  
11 Code but is ineligible for the retirement annuity under Section  
12 2-119 of the Illinois Pension Code, and part of each eligible  
13 member's and retired member's premiums for health insurance  
14 coverage for enrolled dependents as provided by Section 9. The  
15 State shall pay the cost of the basic program of group health  
16 benefits only after benefits are reduced by the amount of  
17 benefits covered by Medicare for all members and dependents who  
18 are eligible for benefits under Social Security or the Railroad  
19 Retirement system or who had sufficient Medicare-covered  
20 government employment, except that such reduction in benefits  
21 shall apply only to those members and dependents who (1) first  
22 become eligible for such Medicare coverage on or after July 1,  
23 1992; or (2) are Medicare-eligible members or dependents of a  
24 local government unit which began participation in the program  
25 on or after July 1, 1992; or (3) remain eligible for, but no



1 longer receive Medicare coverage which they had been receiving  
2 on or after July 1, 1992. The Department may determine the  
3 aggregate level of the State's contribution on the basis of  
4 actual cost of medical services adjusted for age, sex or  
5 geographic or other demographic characteristics which affect  
6 the costs of such programs.

7 The cost of participation in the basic program of group  
8 health benefits for the dependent or survivor of a living or  
9 deceased retired employee who was formerly employed by the  
10 University of Illinois in the Cooperative Extension Service and  
11 would be an annuitant but for the fact that he or she was made  
12 ineligible to participate in the State Universities Retirement  
13 System by clause (4) of subsection (a) of Section 15-107 of the  
14 Illinois Pension Code shall not be greater than the cost of  
15 participation that would otherwise apply to that dependent or  
16 survivor if he or she were the dependent or survivor of an  
17 annuitant under the State Universities Retirement System.

18 (a-1) (Blank).

19 (a-2) (Blank).

20 (a-3) (Blank).

21 (a-4) (Blank).

22 (a-5) (Blank).

23 (a-6) (Blank).

24 (a-7) (Blank).

25 (a-8) Any annuitant, survivor, or retired employee may  
26 waive or terminate coverage in the program of group health

1 benefits. Any such annuitant, survivor, or retired employee who  
2 has waived or terminated coverage may enroll or re-enroll in  
3 the program of group health benefits only during the annual  
4 benefit choice period, as determined by the Director; except  
5 that in the event of termination of coverage due to nonpayment  
6 of premiums, the annuitant, survivor, or retired employee may  
7 not re-enroll in the program.

8 (a-8.5) Beginning on the effective date of this amendatory  
9 Act of the 97th General Assembly, the Director of Central  
10 Management Services shall, on an annual basis, determine the  
11 amount that the State shall contribute toward the basic program  
12 of group health benefits on behalf of annuitants (including  
13 individuals who (i) participated in the General Assembly  
14 Retirement System, the State Employees' Retirement System of  
15 Illinois, the State Universities Retirement System, the  
16 Teachers' Retirement System of the State of Illinois, or the  
17 Judges Retirement System of Illinois and (ii) qualify as  
18 annuitants under subsection (b) of Section 3 of this Act),  
19 survivors (including individuals who (i) receive an annuity as  
20 a survivor of an individual who participated in the General  
21 Assembly Retirement System, the State Employees' Retirement  
22 System of Illinois, the State Universities Retirement System,  
23 the Teachers' Retirement System of the State of Illinois, or  
24 the Judges Retirement System of Illinois and (ii) qualify as  
25 survivors under subsection (q) of Section 3 of this Act), and  
26 retired employees (as defined in subsection (p) of Section 3 of

1 this Act). The remainder of the cost of coverage for each  
2 annuitant, survivor, or retired employee, as determined by the  
3 Director of Central Management Services, shall be the  
4 responsibility of that annuitant, survivor, or retired  
5 employee.

6 Contributions required of annuitants, survivors, and  
7 retired employees shall be the same for all retirement systems  
8 and shall also be based on whether an individual has made an  
9 election under Section 15-135.1 of the Illinois Pension Code.  
10 Contributions may be based on annuitants', survivors', or  
11 retired employees' Medicare eligibility, but may not be based  
12 on Social Security eligibility.

13 (a-9) No later than May 1 of each calendar year, the  
14 Director of Central Management Services shall certify in  
15 writing to the Executive Secretary of the State Employees'  
16 Retirement System of Illinois the amounts of the Medicare  
17 supplement health care premiums and the amounts of the health  
18 care premiums for all other retirees who are not Medicare  
19 eligible.

20 A separate calculation of the premiums based upon the  
21 actual cost of each health care plan shall be so certified.

22 The Director of Central Management Services shall provide  
23 to the Executive Secretary of the State Employees' Retirement  
24 System of Illinois such information, statistics, and other data  
25 as he or she may require to review the premium amounts  
26 certified by the Director of Central Management Services.

1           The Department of Central Management ~~Healthcare and Family~~  
2           Services, or any successor agency designated to procure  
3           healthcare contracts pursuant to this Act, is authorized to  
4           establish funds, separate accounts provided by any bank or  
5           banks as defined by the Illinois Banking Act, or separate  
6           accounts provided by any savings and loan association or  
7           associations as defined by the Illinois Savings and Loan Act of  
8           1985 to be held by the Director, outside the State treasury,  
9           for the purpose of receiving the transfer of moneys from the  
10          Local Government Health Insurance Reserve Fund. The Department  
11          may promulgate rules further defining the methodology for the  
12          transfers. Any interest earned by moneys in the funds or  
13          accounts shall inure to the Local Government Health Insurance  
14          Reserve Fund. The transferred moneys, and interest accrued  
15          thereon, shall be used exclusively for transfers to  
16          administrative service organizations or their financial  
17          institutions for payments of claims to claimants and providers  
18          under the self-insurance health plan. The transferred moneys,  
19          and interest accrued thereon, shall not be used for any other  
20          purpose including, but not limited to, reimbursement of  
21          administration fees due the administrative service  
22          organization pursuant to its contract or contracts with the  
23          Department.

24           (b) State employees who become eligible for this program on  
25          or after January 1, 1980 in positions normally requiring actual  
26          performance of duty not less than 1/2 of a normal work period

1 but not equal to that of a normal work period, shall be given  
2 the option of participating in the available program. If the  
3 employee elects coverage, the State shall contribute on behalf  
4 of such employee to the cost of the employee's benefit and any  
5 applicable dependent supplement, that sum which bears the same  
6 percentage as that percentage of time the employee regularly  
7 works when compared to normal work period.

8 (c) The basic non-contributory coverage from the basic  
9 program of group health benefits shall be continued for each  
10 employee not in pay status or on active service by reason of  
11 (1) leave of absence due to illness or injury, (2) authorized  
12 educational leave of absence or sabbatical leave, or (3)  
13 military leave. This coverage shall continue until expiration  
14 of authorized leave and return to active service, but not to  
15 exceed 24 months for leaves under item (1) or (2). This  
16 24-month limitation and the requirement of returning to active  
17 service shall not apply to persons receiving ordinary or  
18 accidental disability benefits or retirement benefits through  
19 the appropriate State retirement system or benefits under the  
20 Workers' Compensation or Occupational Disease Act.

21 (d) The basic group life insurance coverage shall continue,  
22 with full State contribution, where such person is (1) absent  
23 from active service by reason of disability arising from any  
24 cause other than self-inflicted, (2) on authorized educational  
25 leave of absence or sabbatical leave, or (3) on military leave.

26 (e) Where the person is in non-pay status for a period in

1 excess of 30 days or on leave of absence, other than by reason  
2 of disability, educational or sabbatical leave, or military  
3 leave, such person may continue coverage only by making  
4 personal payment equal to the amount normally contributed by  
5 the State on such person's behalf. Such payments and coverage  
6 may be continued: (1) until such time as the person returns to  
7 a status eligible for coverage at State expense, but not to  
8 exceed 24 months or (2) until such person's employment or  
9 annuitant status with the State is terminated (exclusive of any  
10 additional service imposed pursuant to law).

11 (f) The Department shall establish by rule the extent to  
12 which other employee benefits will continue for persons in  
13 non-pay status or who are not in active service.

14 (g) The State shall not pay the cost of the basic  
15 non-contributory group life insurance, program of health  
16 benefits and other employee benefits for members who are  
17 survivors as defined by paragraphs (1) and (2) of subsection  
18 (q) of Section 3 of this Act. The costs of benefits for these  
19 survivors shall be paid by the survivors or by the University  
20 of Illinois Cooperative Extension Service, or any combination  
21 thereof. However, the State shall pay the amount of the  
22 reduction in the cost of participation, if any, resulting from  
23 the amendment to subsection (a) made by this amendatory Act of  
24 the 91st General Assembly.

25 (h) Those persons occupying positions with any department  
26 as a result of emergency appointments pursuant to Section 8b.8

1 of the Personnel Code who are not considered employees under  
2 this Act shall be given the option of participating in the  
3 programs of group life insurance, health benefits and other  
4 employee benefits. Such persons electing coverage may  
5 participate only by making payment equal to the amount normally  
6 contributed by the State for similarly situated employees. Such  
7 amounts shall be determined by the Director. Such payments and  
8 coverage may be continued until such time as the person becomes  
9 an employee pursuant to this Act or such person's appointment  
10 is terminated.

11 (i) Any unit of local government within the State of  
12 Illinois may apply to the Director to have its employees,  
13 annuitants, and their dependents provided group health  
14 coverage under this Act on a non-insured basis. To participate,  
15 a unit of local government must agree to enroll all of its  
16 employees, who may select coverage under either the State group  
17 health benefits plan or a health maintenance organization that  
18 has contracted with the State to be available as a health care  
19 provider for employees as defined in this Act. A unit of local  
20 government must remit the entire cost of providing coverage  
21 under the State group health benefits plan or, for coverage  
22 under a health maintenance organization, an amount determined  
23 by the Director based on an analysis of the sex, age,  
24 geographic location, or other relevant demographic variables  
25 for its employees, except that the unit of local government  
26 shall not be required to enroll those of its employees who are

1 covered spouses or dependents under this plan or another group  
2 policy or plan providing health benefits as long as (1) an  
3 appropriate official from the unit of local government attests  
4 that each employee not enrolled is a covered spouse or  
5 dependent under this plan or another group policy or plan, and  
6 (2) at least 50% of the employees are enrolled and the unit of  
7 local government remits the entire cost of providing coverage  
8 to those employees, except that a participating school district  
9 must have enrolled at least 50% of its full-time employees who  
10 have not waived coverage under the district's group health plan  
11 by participating in a component of the district's cafeteria  
12 plan. A participating school district is not required to enroll  
13 a full-time employee who has waived coverage under the  
14 district's health plan, provided that an appropriate official  
15 from the participating school district attests that the  
16 full-time employee has waived coverage by participating in a  
17 component of the district's cafeteria plan. For the purposes of  
18 this subsection, "participating school district" includes a  
19 unit of local government whose primary purpose is education as  
20 defined by the Department's rules.

21 Employees of a participating unit of local government who  
22 are not enrolled due to coverage under another group health  
23 policy or plan may enroll in the event of a qualifying change  
24 in status, special enrollment, special circumstance as defined  
25 by the Director, or during the annual Benefit Choice Period. A  
26 participating unit of local government may also elect to cover



1 its annuitants. Dependent coverage shall be offered on an  
2 optional basis, with the costs paid by the unit of local  
3 government, its employees, or some combination of the two as  
4 determined by the unit of local government. The unit of local  
5 government shall be responsible for timely collection and  
6 transmission of dependent premiums.

7 The Director shall annually determine monthly rates of  
8 payment, subject to the following constraints:

9 (1) In the first year of coverage, the rates shall be  
10 equal to the amount normally charged to State employees for  
11 elected optional coverages or for enrolled dependents  
12 coverages or other contributory coverages, or contributed  
13 by the State for basic insurance coverages on behalf of its  
14 employees, adjusted for differences between State  
15 employees and employees of the local government in age,  
16 sex, geographic location or other relevant demographic  
17 variables, plus an amount sufficient to pay for the  
18 additional administrative costs of providing coverage to  
19 employees of the unit of local government and their  
20 dependents.

21 (2) In subsequent years, a further adjustment shall be  
22 made to reflect the actual prior years' claims experience  
23 of the employees of the unit of local government.

24 In the case of coverage of local government employees under  
25 a health maintenance organization, the Director shall annually  
26 determine for each participating unit of local government the

1 maximum monthly amount the unit may contribute toward that  
2 coverage, based on an analysis of (i) the age, sex, geographic  
3 location, and other relevant demographic variables of the  
4 unit's employees and (ii) the cost to cover those employees  
5 under the State group health benefits plan. The Director may  
6 similarly determine the maximum monthly amount each unit of  
7 local government may contribute toward coverage of its  
8 employees' dependents under a health maintenance organization.

9 Monthly payments by the unit of local government or its  
10 employees for group health benefits plan or health maintenance  
11 organization coverage shall be deposited in the Local  
12 Government Health Insurance Reserve Fund.

13 The Local Government Health Insurance Reserve Fund is  
14 hereby created as a nonappropriated trust fund to be held  
15 outside the State Treasury, with the State Treasurer as  
16 custodian. The Local Government Health Insurance Reserve Fund  
17 shall be a continuing fund not subject to fiscal year  
18 limitations. The Local Government Health Insurance Reserve  
19 Fund is not subject to administrative charges or charge-backs,  
20 including but not limited to those authorized under Section 8h  
21 of the State Finance Act. All revenues arising from the  
22 administration of the health benefits program established  
23 under this Section shall be deposited into the Local Government  
24 Health Insurance Reserve Fund. Any interest earned on moneys in  
25 the Local Government Health Insurance Reserve Fund shall be  
26 deposited into the Fund. All expenditures from this Fund shall

1 be used for payments for health care benefits for local  
2 government and rehabilitation facility employees, annuitants,  
3 and dependents, and to reimburse the Department or its  
4 administrative service organization for all expenses incurred  
5 in the administration of benefits. No other State funds may be  
6 used for these purposes.

7 A local government employer's participation or desire to  
8 participate in a program created under this subsection shall  
9 not limit that employer's duty to bargain with the  
10 representative of any collective bargaining unit of its  
11 employees.

12 (j) Any rehabilitation facility within the State of  
13 Illinois may apply to the Director to have its employees,  
14 annuitants, and their eligible dependents provided group  
15 health coverage under this Act on a non-insured basis. To  
16 participate, a rehabilitation facility must agree to enroll all  
17 of its employees and remit the entire cost of providing such  
18 coverage for its employees, except that the rehabilitation  
19 facility shall not be required to enroll those of its employees  
20 who are covered spouses or dependents under this plan or  
21 another group policy or plan providing health benefits as long  
22 as (1) an appropriate official from the rehabilitation facility  
23 attests that each employee not enrolled is a covered spouse or  
24 dependent under this plan or another group policy or plan, and  
25 (2) at least 50% of the employees are enrolled and the  
26 rehabilitation facility remits the entire cost of providing

1 coverage to those employees. Employees of a participating  
2 rehabilitation facility who are not enrolled due to coverage  
3 under another group health policy or plan may enroll in the  
4 event of a qualifying change in status, special enrollment,  
5 special circumstance as defined by the Director, or during the  
6 annual Benefit Choice Period. A participating rehabilitation  
7 facility may also elect to cover its annuitants. Dependent  
8 coverage shall be offered on an optional basis, with the costs  
9 paid by the rehabilitation facility, its employees, or some  
10 combination of the 2 as determined by the rehabilitation  
11 facility. The rehabilitation facility shall be responsible for  
12 timely collection and transmission of dependent premiums.

13 The Director shall annually determine quarterly rates of  
14 payment, subject to the following constraints:

15 (1) In the first year of coverage, the rates shall be  
16 equal to the amount normally charged to State employees for  
17 elected optional coverages or for enrolled dependents  
18 coverages or other contributory coverages on behalf of its  
19 employees, adjusted for differences between State  
20 employees and employees of the rehabilitation facility in  
21 age, sex, geographic location or other relevant  
22 demographic variables, plus an amount sufficient to pay for  
23 the additional administrative costs of providing coverage  
24 to employees of the rehabilitation facility and their  
25 dependents.

26 (2) In subsequent years, a further adjustment shall be

1           made to reflect the actual prior years' claims experience  
2           of the employees of the rehabilitation facility.

3           Monthly payments by the rehabilitation facility or its  
4           employees for group health benefits shall be deposited in the  
5           Local Government Health Insurance Reserve Fund.

6           (k) Any domestic violence shelter or service within the  
7           State of Illinois may apply to the Director to have its  
8           employees, annuitants, and their dependents provided group  
9           health coverage under this Act on a non-insured basis. To  
10          participate, a domestic violence shelter or service must agree  
11          to enroll all of its employees and pay the entire cost of  
12          providing such coverage for its employees. The domestic  
13          violence shelter shall not be required to enroll those of its  
14          employees who are covered spouses or dependents under this plan  
15          or another group policy or plan providing health benefits as  
16          long as (1) an appropriate official from the domestic violence  
17          shelter attests that each employee not enrolled is a covered  
18          spouse or dependent under this plan or another group policy or  
19          plan and (2) at least 50% of the employees are enrolled and the  
20          domestic violence shelter remits the entire cost of providing  
21          coverage to those employees. Employees of a participating  
22          domestic violence shelter who are not enrolled due to coverage  
23          under another group health policy or plan may enroll in the  
24          event of a qualifying change in status, special enrollment, or  
25          special circumstance as defined by the Director or during the  
26          annual Benefit Choice Period. A participating domestic

1 violence shelter may also elect to cover its annuitants.  
2 Dependent coverage shall be offered on an optional basis, with  
3 employees, or some combination of the 2 as determined by the  
4 domestic violence shelter or service. The domestic violence  
5 shelter or service shall be responsible for timely collection  
6 and transmission of dependent premiums.

7 The Director shall annually determine rates of payment,  
8 subject to the following constraints:

9 (1) In the first year of coverage, the rates shall be  
10 equal to the amount normally charged to State employees for  
11 elected optional coverages or for enrolled dependents  
12 coverages or other contributory coverages on behalf of its  
13 employees, adjusted for differences between State  
14 employees and employees of the domestic violence shelter or  
15 service in age, sex, geographic location or other relevant  
16 demographic variables, plus an amount sufficient to pay for  
17 the additional administrative costs of providing coverage  
18 to employees of the domestic violence shelter or service  
19 and their dependents.

20 (2) In subsequent years, a further adjustment shall be  
21 made to reflect the actual prior years' claims experience  
22 of the employees of the domestic violence shelter or  
23 service.

24 Monthly payments by the domestic violence shelter or  
25 service or its employees for group health insurance shall be  
26 deposited in the Local Government Health Insurance Reserve

1 Fund.

2 (1) A public community college or entity organized pursuant  
3 to the Public Community College Act may apply to the Director  
4 initially to have only annuitants not covered prior to July 1,  
5 1992 by the district's health plan provided health coverage  
6 under this Act on a non-insured basis. The community college  
7 must execute a 2-year contract to participate in the Local  
8 Government Health Plan. Any annuitant may enroll in the event  
9 of a qualifying change in status, special enrollment, special  
10 circumstance as defined by the Director, or during the annual  
11 Benefit Choice Period.

12 The Director shall annually determine monthly rates of  
13 payment subject to the following constraints: for those  
14 community colleges with annuitants only enrolled, first year  
15 rates shall be equal to the average cost to cover claims for a  
16 State member adjusted for demographics, Medicare  
17 participation, and other factors; and in the second year, a  
18 further adjustment of rates shall be made to reflect the actual  
19 first year's claims experience of the covered annuitants.

20 (1-5) The provisions of subsection (1) become inoperative  
21 on July 1, 1999.

22 (m) The Director shall adopt any rules deemed necessary for  
23 implementation of this amendatory Act of 1989 (Public Act  
24 86-978).

25 (n) Any child advocacy center within the State of Illinois  
26 may apply to the Director to have its employees, annuitants,

1 and their dependents provided group health coverage under this  
2 Act on a non-insured basis. To participate, a child advocacy  
3 center must agree to enroll all of its employees and pay the  
4 entire cost of providing coverage for its employees. The child  
5 advocacy center shall not be required to enroll those of its  
6 employees who are covered spouses or dependents under this plan  
7 or another group policy or plan providing health benefits as  
8 long as (1) an appropriate official from the child advocacy  
9 center attests that each employee not enrolled is a covered  
10 spouse or dependent under this plan or another group policy or  
11 plan and (2) at least 50% of the employees are enrolled and the  
12 child advocacy center remits the entire cost of providing  
13 coverage to those employees. Employees of a participating child  
14 advocacy center who are not enrolled due to coverage under  
15 another group health policy or plan may enroll in the event of  
16 a qualifying change in status, special enrollment, or special  
17 circumstance as defined by the Director or during the annual  
18 Benefit Choice Period. A participating child advocacy center  
19 may also elect to cover its annuitants. Dependent coverage  
20 shall be offered on an optional basis, with the costs paid by  
21 the child advocacy center, its employees, or some combination  
22 of the 2 as determined by the child advocacy center. The child  
23 advocacy center shall be responsible for timely collection and  
24 transmission of dependent premiums.

25 The Director shall annually determine rates of payment,  
26 subject to the following constraints:



1           (1) In the first year of coverage, the rates shall be  
2           equal to the amount normally charged to State employees for  
3           elected optional coverages or for enrolled dependents  
4           coverages or other contributory coverages on behalf of its  
5           employees, adjusted for differences between State  
6           employees and employees of the child advocacy center in  
7           age, sex, geographic location, or other relevant  
8           demographic variables, plus an amount sufficient to pay for  
9           the additional administrative costs of providing coverage  
10          to employees of the child advocacy center and their  
11          dependents.

12          (2) In subsequent years, a further adjustment shall be  
13          made to reflect the actual prior years' claims experience  
14          of the employees of the child advocacy center.

15          Monthly payments by the child advocacy center or its  
16          employees for group health insurance shall be deposited into  
17          the Local Government Health Insurance Reserve Fund.

18          (Source: P.A. 96-756, eff. 1-1-10; 96-1232, eff. 7-23-10;  
19          96-1519, eff. 2-4-11; 97-695, eff. 7-1-12.)

20          (5 ILCS 375/13.1) (from Ch. 127, par. 533.1)

21          Sec. 13.1. (a) All contributions, appropriations,  
22          interest, and dividend payments to fund the program of health  
23          benefits and other employee benefits, and all other revenues  
24          arising from the administration of any employee health benefits  
25          program, shall be deposited in a trust fund outside the State

1 Treasury, with the State Treasurer as ex-officio custodian, to  
2 be known as the Health Insurance Reserve Fund.

3 (b) Upon the adoption of a self-insurance health plan, any  
4 monies attributable to the group health insurance program shall  
5 be deposited in or transferred to the Health Insurance Reserve  
6 Fund for use by the Department. As of the effective date of  
7 this amendatory Act of 1986, the Department shall certify to  
8 the Comptroller the amount of money in the Group Insurance  
9 Premium Fund attributable to the State group health insurance  
10 program and the Comptroller shall transfer such money from the  
11 Group Insurance Premium Fund to the Health Insurance Reserve  
12 Fund. Contributions by the State to the Health Insurance  
13 Reserve Fund to meet the requirements of this Act, as  
14 established by the Director, from the General Revenue Fund and  
15 the Road Fund to the Health Insurance Reserve Fund shall be by  
16 annual appropriations, and all other contributions to meet the  
17 requirements of the programs of health benefits or other  
18 employee benefits shall be deposited in the Health Insurance  
19 Reserve Fund. The Department shall draw the appropriation from  
20 the General Revenue Fund and the Road Fund from time to time as  
21 necessary to make expenditures authorized under this Act.

22 The Director may employ such assistance and services and  
23 may purchase such goods as may be necessary for the proper  
24 development and administration of any of the benefit programs  
25 authorized by this Act. The Director may promulgate rules and  
26 regulations in regard to the administration of these programs.

1 All monies received by the Department for deposit in or  
2 transfer to the Health Insurance Reserve Fund, through  
3 appropriation or otherwise, shall be used to provide for the  
4 making of payments to claimants and providers and to reimburse  
5 the Department for all expenses directly incurred relating to  
6 Department development and administration of the program of  
7 health benefits and other employee benefits.

8 Any administrative service organization administering any  
9 self-insurance health plan and paying claims and benefits under  
10 authority of this Act may receive, pursuant to written  
11 authorization and direction of the Director, an initial  
12 transfer and periodic transfers of funds from the Health  
13 Insurance Reserve Fund in amounts determined by the Director  
14 who may consider the amount recommended by the administrative  
15 service organization. Notwithstanding any other statute, such  
16 transferred funds shall be retained by the administrative  
17 service organization in a separate account provided by any bank  
18 as defined by the Illinois Banking Act. The Department may  
19 promulgate regulations further defining the banks authorized  
20 to accept such funds and all methodology for transfer of such  
21 funds. Any interest earned by monies in such account shall  
22 inure to the Health Insurance Reserve Fund, shall remain in  
23 such account and shall be used exclusively to pay claims and  
24 benefits under this Act. Such transferred funds shall be used  
25 exclusively for administrative service organization payment of  
26 claims to claimants and providers under the self-insurance

1 health plan by the drawing of checks against such account. The  
2 administrative service organization may not use such  
3 transferred funds, or interest accrued thereon, for any other  
4 purpose including, but not limited to, reimbursement of  
5 administrative expenses or payments of administration fees due  
6 the organization pursuant to its contract or contracts with the  
7 Department of Central Management Services.

8 The account of the administrative service organization  
9 established under this Section, any transfers from the Health  
10 Insurance Reserve Fund to such account and the use of such  
11 account and funds shall be subject to (1) audit by the  
12 Department or private contractor authorized by the Department  
13 to conduct audits, and (2) post audit pursuant to the Illinois  
14 State Auditing Act.

15 The Department of Central Management ~~Healthcare and Family~~  
16 Services, or any successor agency designated to procure  
17 healthcare contracts pursuant to this Act, is authorized to  
18 establish funds, separate accounts provided by any bank or  
19 banks as defined by the Illinois Banking Act, or separate  
20 accounts provided by any savings and loan association or  
21 associations as defined by the Illinois Savings and Loan Act of  
22 1985 to be held by the Director, outside the State treasury,  
23 for the purpose of receiving the transfer of moneys from the  
24 Health Insurance Reserve Fund. The Department may promulgate  
25 rules further defining the methodology for the transfers. Any  
26 interest earned by monies in the funds or accounts shall inure

1 to the Health Insurance Reserve Fund. The transferred moneys,  
2 and interest accrued thereon, shall be used exclusively for  
3 transfers to administrative service organizations or their  
4 financial institutions for payments of claims to claimants and  
5 providers under the self-insurance health plan. The  
6 transferred moneys, and interest accrued thereon, shall not be  
7 used for any other purpose including, but not limited to,  
8 reimbursement of administration fees due the administrative  
9 service organization pursuant to its contract or contracts with  
10 the Department.

11 (c) The Director, with the advice and consent of the  
12 Commission, shall establish premiums for optional coverage for  
13 dependents of eligible members for the health plans. The  
14 eligible members shall be responsible for their portion of such  
15 optional premium. The State shall contribute an amount per  
16 month for each eligible member who has enrolled one or more  
17 dependents under the health plans. Such contribution shall be  
18 made directly to the Health Insurance Reserve Fund. Those  
19 employees described in subsection (b) of Section 9 of this Act  
20 shall be allowed to continue in the health plan by making  
21 personal payments with the premiums to be deposited in the  
22 Health Insurance Reserve Fund.

23 (d) The Health Insurance Reserve Fund shall be a continuing  
24 fund not subject to fiscal year limitations. All expenditures  
25 from that fund shall be at the direction of the Director and  
26 shall be only for the purpose of:

1           (1) the payment of administrative expenses incurred by  
2           the Department for the program of health benefits or other  
3           employee benefit programs, including but not limited to the  
4           costs of audits or actuarial consultations, professional  
5           and contractual services, electronic data processing  
6           systems and services, and expenses in connection with the  
7           development and administration of such programs;

8           (2) the payment of administrative expenses incurred by  
9           the Administrative Service Organization;

10          (3) the payment of health benefits;

11          (3.5) the payment of medical expenses incurred by the  
12          Department for the treatment of employees who suffer  
13          accidental injury or death within the scope of their  
14          employment;

15          (4) refunds to employees for erroneous payments of  
16          their selected dependent coverage;

17          (5) payment of premium for stop-loss or re-insurance;

18          (6) payment of premium to health maintenance  
19          organizations pursuant to Section 6.1 of this Act;

20          (7) payment of adoption program benefits; and

21          (8) payment of other benefits offered to members and  
22          dependents under this Act.

23          (Source: P.A. 94-839, eff. 6-6-06; 95-632, eff. 9-25-07;  
24          95-744, eff. 7-18-08.)

25          Section 905. The Department of Central Management Services

1 Law of the Civil Administrative Code of Illinois is amended by  
2 adding Section 405-520 as follows:

3 (20 ILCS 405/405-520 new)

4 Sec. 405-520. State healthcare purchasing. On and after the  
5 date 6 months after the effective date of this amendatory Act  
6 of the 98th General Assembly, as provided in the Executive  
7 Order 1 (2012) Implementation Act, all of the powers, duties,  
8 rights, and responsibilities related to State healthcare  
9 purchasing under this Law that were transferred from the  
10 Department to the Department of Healthcare and Family Services  
11 by Executive Order 3 (2005) are transferred back to the  
12 Department.

13 Section 910. The Department of Human Services Act is  
14 amended by changing Section 1-20 as follows:

15 (20 ILCS 1305/1-20)

16 Sec. 1-20. General powers and duties.

17 (a) The Department shall exercise the rights, powers,  
18 duties, and functions provided by law, including (but not  
19 limited to) the rights, powers, duties, and functions  
20 transferred to the Department under Article 80 and Article 90  
21 of this Act.

22 (b) The Department may employ personnel (in accordance with  
23 the Personnel Code), provide facilities, contract for goods and

1 services, and adopt rules as necessary to carry out its  
2 functions and purposes, all in accordance with applicable State  
3 and federal law.

4 (c) On and after the date 6 months after the effective date  
5 of this amendatory Act of the 98th General Assembly, as  
6 provided in the Executive Order 1 (2012) Implementation Act,  
7 all of the powers, duties, rights, and responsibilities related  
8 to State healthcare purchasing under this Act that were  
9 transferred from the Department to the Department of Healthcare  
10 and Family Services by Executive Order 3 (2005) are transferred  
11 back to the Department.

12 (Source: P.A. 89-507, eff. 7-3-96.)

13 Section 915. The Department of Healthcare and Family  
14 Services Law of the Civil Administrative Code of Illinois is  
15 amended by adding Section 2205-20 as follows:

16 (20 ILCS 2205/2205-20 new)

17 Sec. 2205-20. State healthcare purchasing. On and after the  
18 date 6 months after the effective date of this amendatory Act  
19 of the 98th General Assembly, as provided in the Executive  
20 Order 1 (2012) Implementation Act, all of the powers, duties,  
21 rights, and responsibilities related to State healthcare  
22 purchasing under this Law that were transferred to the  
23 Department of Healthcare and Family Services by Executive Order  
24 3 (2005) are transferred back to the Departments from which



1 those powers, duties, rights, and responsibilities were  
2 transferred; however, powers, duties, rights, and  
3 responsibilities related to State healthcare purchasing under  
4 this Law that were exercised by the Department of Corrections  
5 before the effective date of Executive Order 3 (2005) but that  
6 pertain to individuals resident in facilities operated by the  
7 Department of Juvenile Justice shall be transferred to the  
8 Department of Juvenile Justice.

9 Section 920. The Department of Veterans Affairs Act is  
10 amended by adding Section 2.08 as follows:

11 (20 ILCS 2805/2.08 new)

12 Sec. 2.08. State healthcare purchasing. On and after the  
13 date 6 months after the effective date of this amendatory Act  
14 of the 98th General Assembly, as provided in the Executive  
15 Order 1 (2012) Implementation Act, all of the powers, duties,  
16 rights, and responsibilities related to State healthcare  
17 purchasing under this Act that were transferred from the  
18 Department to the Department of Healthcare and Family Services  
19 by Executive Order 3 (2005) are transferred back to the  
20 Department.

21 Section 925. The School Employee Benefit Act is amended by  
22 adding Section 7 as follows:

1 (105 ILCS 55/7 new)

2 Sec. 7. State healthcare purchasing. On and after the date  
3 6 months after the effective date of this amendatory Act of the  
4 98th General Assembly, as provided in the Executive Order 1  
5 (2012) Implementation Act, all of the powers, duties, rights,  
6 and responsibilities related to State healthcare purchasing  
7 under this Act that were transferred from the Department to the  
8 Department of Healthcare and Family Services by Executive Order  
9 3 (2005) are transferred back to the Department.

10 Section 930. The Illinois Prescription Drug Discount  
11 Program Act is amended by changing Sections 10 and 15 and by  
12 adding Section 2 as follows:

13 (320 ILCS 55/2 new)

14 Sec. 2. State healthcare purchasing. On and after the date  
15 6 months after the effective date of this amendatory Act of the  
16 98th General Assembly, as provided in the Executive Order 1  
17 (2012) Implementation Act, all of the powers, duties, rights,  
18 and responsibilities related to State healthcare purchasing  
19 under this Act that were transferred from the Department of  
20 Central Management Services to the Department of Healthcare and  
21 Family Services by Executive Order 3 (2005) are transferred  
22 back to the Department of Central Management Services.

23 (320 ILCS 55/10)

1           Sec. 10. Purpose. The purpose of this program is to require  
2 the Department of Central Management Healthcare and Family  
3 Services to establish and administer a program that will enable  
4 eligible Illinois residents to purchase prescription drugs at  
5 discounted prices.

6 (Source: P.A. 93-18, eff. 7-1-03; 94-86, eff. 1-1-06.)

7           (320 ILCS 55/15)

8           Sec. 15. Definitions. As used in this Act:

9           "Authorized pharmacy" means any pharmacy registered in  
10 this State under the Pharmacy Practice Act or approved by the  
11 Department of Financial and Professional Regulation and  
12 approved by the Department or its program administrator.

13           "AWP" or "average wholesale price" means the amount  
14 determined from the latest publication of the Red Book, a  
15 universally subscribed pharmacist reference guide annually  
16 published by the Hearst Corporation. "AWP" or "average  
17 wholesale price" may also be derived electronically from the  
18 drug pricing database synonymous with the latest publication of  
19 the Red Book and furnished in the National Drug Data File  
20 (NDDF) by First Data Bank (FDB), a service of the Hearst  
21 Corporation.

22           "Covered medication" means any medication included in the  
23 Illinois Prescription Drug Discount Program.

24           "Department" means the Department of Central Management  
25 ~~Healthcare and Family~~ Services.

1 "Director" means the Director of Central Management  
2 ~~Healthcare and Family~~ Services.

3 "Drug manufacturer" means any entity (1) that is located  
4 within or outside Illinois that is engaged in (i) the  
5 production, preparation, propagation, compounding, conversion,  
6 or processing of prescription drug products covered under the  
7 program, either directly or indirectly by extraction from  
8 substances of natural origin, independently by means of  
9 chemical synthesis, or by a combination of extraction and  
10 chemical synthesis or (ii) the packaging, repackaging,  
11 leveling, labeling, or distribution of prescription drug  
12 products covered under the program and (2) that elects to  
13 provide prescription drugs either directly or under contract  
14 with any entity providing prescription drug services on behalf  
15 of the State of Illinois. "Drug manufacturer", however, does  
16 not include a wholesale distributor of drugs or a retail  
17 pharmacy licensed under Illinois law.

18 "Federal Poverty Limit" or "FPL" means the Federal Poverty  
19 Income Guidelines published annually in the Federal Register.

20 "Prescription drug" means any prescribed drug that may be  
21 legally dispensed by an authorized pharmacy.

22 "Program" means the Illinois Prescription Drug Discount  
23 Program created under this Act.

24 "Program administrator" means the entity that is chosen by  
25 the Department to administer the program. The program  
26 administrator may, in this case, be the Director or a Pharmacy

1 Benefits Manager (PBM) chosen to subcontract with the Director.

2 "Rules" includes rules adopted and forms prescribed by the  
3 Department.

4 (Source: P.A. 94-86, eff. 1-1-06; 95-689, eff. 10-29-07.)

5 Section 935. The Unified Code of Corrections is amended by  
6 changing Sections 3-2-2 and 3-2.5-20 as follows:

7 (730 ILCS 5/3-2-2) (from Ch. 38, par. 1003-2-2)

8 Sec. 3-2-2. Powers and Duties of the Department.

9 (1) In addition to the powers, duties and responsibilities  
10 which are otherwise provided by law, the Department shall have  
11 the following powers:

12 (a) To accept persons committed to it by the courts of  
13 this State for care, custody, treatment and  
14 rehabilitation, and to accept federal prisoners and aliens  
15 over whom the Office of the Federal Detention Trustee is  
16 authorized to exercise the federal detention function for  
17 limited purposes and periods of time.

18 (b) To develop and maintain reception and evaluation  
19 units for purposes of analyzing the custody and  
20 rehabilitation needs of persons committed to it and to  
21 assign such persons to institutions and programs under its  
22 control or transfer them to other appropriate agencies. In  
23 consultation with the Department of Alcoholism and  
24 Substance Abuse (now the Department of Human Services), the

1 Department of Corrections shall develop a master plan for  
2 the screening and evaluation of persons committed to its  
3 custody who have alcohol or drug abuse problems, and for  
4 making appropriate treatment available to such persons;  
5 the Department shall report to the General Assembly on such  
6 plan not later than April 1, 1987. The maintenance and  
7 implementation of such plan shall be contingent upon the  
8 availability of funds.

9 (b-1) To create and implement, on January 1, 2002, a  
10 pilot program to establish the effectiveness of  
11 pupillometer technology (the measurement of the pupil's  
12 reaction to light) as an alternative to a urine test for  
13 purposes of screening and evaluating persons committed to  
14 its custody who have alcohol or drug problems. The pilot  
15 program shall require the pupillometer technology to be  
16 used in at least one Department of Corrections facility.  
17 The Director may expand the pilot program to include an  
18 additional facility or facilities as he or she deems  
19 appropriate. A minimum of 4,000 tests shall be included in  
20 the pilot program. The Department must report to the  
21 General Assembly on the effectiveness of the program by  
22 January 1, 2003.

23 (b-5) To develop, in consultation with the Department  
24 of State Police, a program for tracking and evaluating each  
25 inmate from commitment through release for recording his or  
26 her gang affiliations, activities, or ranks.

1           (c) To maintain and administer all State correctional  
2 institutions and facilities under its control and to  
3 establish new ones as needed. Pursuant to its power to  
4 establish new institutions and facilities, the Department  
5 may, with the written approval of the Governor, authorize  
6 the Department of Central Management Services to enter into  
7 an agreement of the type described in subsection (d) of  
8 Section 405-300 of the Department of Central Management  
9 Services Law (20 ILCS 405/405-300). The Department shall  
10 designate those institutions which shall constitute the  
11 State Penitentiary System.

12           Pursuant to its power to establish new institutions and  
13 facilities, the Department may authorize the Department of  
14 Central Management Services to accept bids from counties  
15 and municipalities for the construction, remodeling or  
16 conversion of a structure to be leased to the Department of  
17 Corrections for the purposes of its serving as a  
18 correctional institution or facility. Such construction,  
19 remodeling or conversion may be financed with revenue bonds  
20 issued pursuant to the Industrial Building Revenue Bond Act  
21 by the municipality or county. The lease specified in a bid  
22 shall be for a term of not less than the time needed to  
23 retire any revenue bonds used to finance the project, but  
24 not to exceed 40 years. The lease may grant to the State  
25 the option to purchase the structure outright.

26           Upon receipt of the bids, the Department may certify

1 one or more of the bids and shall submit any such bids to  
2 the General Assembly for approval. Upon approval of a bid  
3 by a constitutional majority of both houses of the General  
4 Assembly, pursuant to joint resolution, the Department of  
5 Central Management Services may enter into an agreement  
6 with the county or municipality pursuant to such bid.

7 (c-5) To build and maintain regional juvenile  
8 detention centers and to charge a per diem to the counties  
9 as established by the Department to defray the costs of  
10 housing each minor in a center. In this subsection (c-5),  
11 "juvenile detention center" means a facility to house  
12 minors during pendency of trial who have been transferred  
13 from proceedings under the Juvenile Court Act of 1987 to  
14 prosecutions under the criminal laws of this State in  
15 accordance with Section 5-805 of the Juvenile Court Act of  
16 1987, whether the transfer was by operation of law or  
17 permissive under that Section. The Department shall  
18 designate the counties to be served by each regional  
19 juvenile detention center.

20 (d) To develop and maintain programs of control,  
21 rehabilitation and employment of committed persons within  
22 its institutions.

23 (d-5) To provide a pre-release job preparation program  
24 for inmates at Illinois adult correctional centers.

25 (e) To establish a system of supervision and guidance  
26 of committed persons in the community.



1           (f) To establish in cooperation with the Department of  
2           Transportation to supply a sufficient number of prisoners  
3           for use by the Department of Transportation to clean up the  
4           trash and garbage along State, county, township, or  
5           municipal highways as designated by the Department of  
6           Transportation. The Department of Corrections, at the  
7           request of the Department of Transportation, shall furnish  
8           such prisoners at least annually for a period to be agreed  
9           upon between the Director of Corrections and the Director  
10          of Transportation. The prisoners used on this program shall  
11          be selected by the Director of Corrections on whatever  
12          basis he deems proper in consideration of their term,  
13          behavior and earned eligibility to participate in such  
14          program - where they will be outside of the prison facility  
15          but still in the custody of the Department of Corrections.  
16          Prisoners convicted of first degree murder, or a Class X  
17          felony, or armed violence, or aggravated kidnapping, or  
18          criminal sexual assault, aggravated criminal sexual abuse  
19          or a subsequent conviction for criminal sexual abuse, or  
20          forcible detention, or arson, or a prisoner adjudged a  
21          Habitual Criminal shall not be eligible for selection to  
22          participate in such program. The prisoners shall remain as  
23          prisoners in the custody of the Department of Corrections  
24          and such Department shall furnish whatever security is  
25          necessary. The Department of Transportation shall furnish  
26          trucks and equipment for the highway cleanup program and

1 personnel to supervise and direct the program. Neither the  
2 Department of Corrections nor the Department of  
3 Transportation shall replace any regular employee with a  
4 prisoner.

5 (g) To maintain records of persons committed to it and  
6 to establish programs of research, statistics and  
7 planning.

8 (h) To investigate the grievances of any person  
9 committed to the Department, to inquire into any alleged  
10 misconduct by employees or committed persons, and to  
11 investigate the assets of committed persons to implement  
12 Section 3-7-6 of this Code; and for these purposes it may  
13 issue subpoenas and compel the attendance of witnesses and  
14 the production of writings and papers, and may examine  
15 under oath any witnesses who may appear before it; to also  
16 investigate alleged violations of a parolee's or  
17 releasee's conditions of parole or release; and for this  
18 purpose it may issue subpoenas and compel the attendance of  
19 witnesses and the production of documents only if there is  
20 reason to believe that such procedures would provide  
21 evidence that such violations have occurred.

22 If any person fails to obey a subpoena issued under  
23 this subsection, the Director may apply to any circuit  
24 court to secure compliance with the subpoena. The failure  
25 to comply with the order of the court issued in response  
26 thereto shall be punishable as contempt of court.

1           (i) To appoint and remove the chief administrative  
2           officers, and administer programs of training and  
3           development of personnel of the Department. Personnel  
4           assigned by the Department to be responsible for the  
5           custody and control of committed persons or to investigate  
6           the alleged misconduct of committed persons or employees or  
7           alleged violations of a parolee's or releasee's conditions  
8           of parole shall be conservators of the peace for those  
9           purposes, and shall have the full power of peace officers  
10          outside of the facilities of the Department in the  
11          protection, arrest, retaking and reconfining of committed  
12          persons or where the exercise of such power is necessary to  
13          the investigation of such misconduct or violations.

14          (j) To cooperate with other departments and agencies  
15          and with local communities for the development of standards  
16          and programs for better correctional services in this  
17          State.

18          (k) To administer all moneys and properties of the  
19          Department.

20          (l) To report annually to the Governor on the committed  
21          persons, institutions and programs of the Department.

22          (1-5) (Blank).

23          (m) To make all rules and regulations and exercise all  
24          powers and duties vested by law in the Department.

25          (n) To establish rules and regulations for  
26          administering a system of sentence credits, established in

1           accordance with Section 3-6-3, subject to review by the  
2           Prisoner Review Board.

3           (o) To administer the distribution of funds from the  
4           State Treasury to reimburse counties where State penal  
5           institutions are located for the payment of assistant  
6           state's attorneys' salaries under Section 4-2001 of the  
7           Counties Code.

8           (p) To exchange information with the Department of  
9           Human Services and the Department of Healthcare and Family  
10          Services for the purpose of verifying living arrangements  
11          and for other purposes directly connected with the  
12          administration of this Code and the Illinois Public Aid  
13          Code.

14          (q) To establish a diversion program.

15          The program shall provide a structured environment for  
16          selected technical parole or mandatory supervised release  
17          violators and committed persons who have violated the rules  
18          governing their conduct while in work release. This program  
19          shall not apply to those persons who have committed a new  
20          offense while serving on parole or mandatory supervised  
21          release or while committed to work release.

22          Elements of the program shall include, but shall not be  
23          limited to, the following:

24                  (1) The staff of a diversion facility shall provide  
25                  supervision in accordance with required objectives set  
26                  by the facility.

1           (2) Participants shall be required to maintain  
2 employment.

3           (3) Each participant shall pay for room and board  
4 at the facility on a sliding-scale basis according to  
5 the participant's income.

6           (4) Each participant shall:

7                 (A) provide restitution to victims in  
8 accordance with any court order;

9                 (B) provide financial support to his  
10 dependents; and

11                 (C) make appropriate payments toward any other  
12 court-ordered obligations.

13           (5) Each participant shall complete community  
14 service in addition to employment.

15           (6) Participants shall take part in such  
16 counseling, educational and other programs as the  
17 Department may deem appropriate.

18           (7) Participants shall submit to drug and alcohol  
19 screening.

20           (8) The Department shall promulgate rules  
21 governing the administration of the program.

22           (r) To enter into intergovernmental cooperation  
23 agreements under which persons in the custody of the  
24 Department may participate in a county impact  
25 incarceration program established under Section 3-6038 or  
26 3-15003.5 of the Counties Code.

1 (r-5) (Blank).

2 (r-10) To systematically and routinely identify with  
3 respect to each streetgang active within the correctional  
4 system: (1) each active gang; (2) every existing inter-gang  
5 affiliation or alliance; and (3) the current leaders in  
6 each gang. The Department shall promptly segregate leaders  
7 from inmates who belong to their gangs and allied gangs.  
8 "Segregate" means no physical contact and, to the extent  
9 possible under the conditions and space available at the  
10 correctional facility, prohibition of visual and sound  
11 communication. For the purposes of this paragraph (r-10),  
12 "leaders" means persons who:

13 (i) are members of a criminal streetgang;

14 (ii) with respect to other individuals within the  
15 streetgang, occupy a position of organizer,  
16 supervisor, or other position of management or  
17 leadership; and

18 (iii) are actively and personally engaged in  
19 directing, ordering, authorizing, or requesting  
20 commission of criminal acts by others, which are  
21 punishable as a felony, in furtherance of streetgang  
22 related activity both within and outside of the  
23 Department of Corrections.

24 "Streetgang", "gang", and "streetgang related" have the  
25 meanings ascribed to them in Section 10 of the Illinois  
26 Streetgang Terrorism Omnibus Prevention Act.

1           (s) To operate a super-maximum security institution,  
2           in order to manage and supervise inmates who are disruptive  
3           or dangerous and provide for the safety and security of the  
4           staff and the other inmates.

5           (t) To monitor any unprivileged conversation or any  
6           unprivileged communication, whether in person or by mail,  
7           telephone, or other means, between an inmate who, before  
8           commitment to the Department, was a member of an organized  
9           gang and any other person without the need to show cause or  
10          satisfy any other requirement of law before beginning the  
11          monitoring, except as constitutionally required. The  
12          monitoring may be by video, voice, or other method of  
13          recording or by any other means. As used in this  
14          subdivision (1)(t), "organized gang" has the meaning  
15          ascribed to it in Section 10 of the Illinois Streetgang  
16          Terrorism Omnibus Prevention Act.

17          As used in this subdivision (1)(t), "unprivileged  
18          conversation" or "unprivileged communication" means a  
19          conversation or communication that is not protected by any  
20          privilege recognized by law or by decision, rule, or order  
21          of the Illinois Supreme Court.

22          (u) To establish a Women's and Children's Pre-release  
23          Community Supervision Program for the purpose of providing  
24          housing and services to eligible female inmates, as  
25          determined by the Department, and their newborn and young  
26          children.

1           (u-5) To issue an order, whenever a person committed to  
2           the Department absconds or absents himself or herself,  
3           without authority to do so, from any facility or program to  
4           which he or she is assigned. The order shall be certified  
5           by the Director, the Supervisor of the Apprehension Unit,  
6           or any person duly designated by the Director, with the  
7           seal of the Department affixed. The order shall be directed  
8           to all sheriffs, coroners, and police officers, or to any  
9           particular person named in the order. Any order issued  
10          pursuant to this subdivision (1) (u-5) shall be sufficient  
11          warrant for the officer or person named in the order to  
12          arrest and deliver the committed person to the proper  
13          correctional officials and shall be executed the same as  
14          criminal process.

15          (v) To do all other acts necessary to carry out the  
16          provisions of this Chapter.

17          (2) The Department of Corrections shall by January 1, 1998,  
18          consider building and operating a correctional facility within  
19          100 miles of a county of over 2,000,000 inhabitants, especially  
20          a facility designed to house juvenile participants in the  
21          impact incarceration program.

22          (3) When the Department lets bids for contracts for medical  
23          services to be provided to persons committed to Department  
24          facilities by a health maintenance organization, medical  
25          service corporation, or other health care provider, the bid may  
26          only be let to a health care provider that has obtained an



1     irrevocable letter of credit or performance bond issued by a  
2     company whose bonds have an investment grade or higher rating  
3     by a bond rating organization.

4           (4) When the Department lets bids for contracts for food or  
5     commissary services to be provided to Department facilities,  
6     the bid may only be let to a food or commissary services  
7     provider that has obtained an irrevocable letter of credit or  
8     performance bond issued by a company whose bonds have an  
9     investment grade or higher rating by a bond rating  
10    organization.

11           (5) On and after the date 6 months after the effective date  
12    of this amendatory Act of the 98th General Assembly, as  
13    provided in the Executive Order 1 (2012) Implementation Act,  
14    all of the powers, duties, rights, and responsibilities related  
15    to State healthcare purchasing under this Code that were  
16    transferred from the Department of Corrections to the  
17    Department of Healthcare and Family Services by Executive Order  
18    3 (2005) are transferred back to the Department of Corrections;  
19    however, powers, duties, rights, and responsibilities related  
20    to State healthcare purchasing under this Code that were  
21    exercised by the Department of Corrections before the effective  
22    date of Executive Order 3 (2005) but that pertain to  
23    individuals resident in facilities operated by the Department  
24    of Juvenile Justice are transferred to the Department of  
25    Juvenile Justice.

26    (Source: P.A. 96-1265, eff. 7-26-10; 97-697, eff. 6-22-12;

1 97-800, eff. 7-13-12; 97-802, eff. 7-13-12; revised 7-23-12.)

2 (730 ILCS 5/3-2.5-20)

3 Sec. 3-2.5-20. General powers and duties.

4 (a) In addition to the powers, duties, and responsibilities  
5 which are otherwise provided by law or transferred to the  
6 Department as a result of this Article, the Department, as  
7 determined by the Director, shall have, but are not limited to,  
8 the following rights, powers, functions and duties:

9 (1) To accept juveniles committed to it by the courts  
10 of this State for care, custody, treatment, and  
11 rehabilitation.

12 (2) To maintain and administer all State juvenile  
13 correctional institutions previously under the control of  
14 the Juvenile and Women's & Children Divisions of the  
15 Department of Corrections, and to establish and maintain  
16 institutions as needed to meet the needs of the youth  
17 committed to its care.

18 (3) To identify the need for and recommend the funding  
19 and implementation of an appropriate mix of programs and  
20 services within the juvenile justice continuum, including  
21 but not limited to prevention, nonresidential and  
22 residential commitment programs, day treatment, and  
23 conditional release programs and services, with the  
24 support of educational, vocational, alcohol, drug abuse,  
25 and mental health services where appropriate.

1           (4) To establish and provide transitional and  
2 post-release treatment programs for juveniles committed to  
3 the Department. Services shall include but are not limited  
4 to:

5           (i) family and individual counseling and treatment  
6 placement;

7           (ii) referral services to any other State or local  
8 agencies;

9           (iii) mental health services;

10           (iv) educational services;

11           (v) family counseling services; and

12           (vi) substance abuse services.

13           (5) To access vital records of juveniles for the  
14 purposes of providing necessary documentation for  
15 transitional services such as obtaining identification,  
16 educational enrollment, employment, and housing.

17           (6) To develop staffing and workload standards and  
18 coordinate staff development and training appropriate for  
19 juvenile populations.

20           (7) To develop, with the approval of the Office of the  
21 Governor and the Governor's Office of Management and  
22 Budget, annual budget requests.

23           (8) To administer the Interstate Compact for  
24 Juveniles, with respect to all juveniles under its  
25 jurisdiction, and to cooperate with the Department of Human  
26 Services with regard to all non-offender juveniles subject

1 to the Interstate Compact for Juveniles.

2 (b) The Department may employ personnel in accordance with  
3 the Personnel Code and Section 3-2.5-15 of this Code, provide  
4 facilities, contract for goods and services, and adopt rules as  
5 necessary to carry out its functions and purposes, all in  
6 accordance with applicable State and federal law.

7 (c) On and after the date 6 months after the effective date  
8 of this amendatory Act of the 98th General Assembly, as  
9 provided in the Executive Order 1 (2012) Implementation Act,  
10 all of the powers, duties, rights, and responsibilities related  
11 to State healthcare purchasing under this Code that were  
12 transferred from the Department of Corrections to the  
13 Department of Healthcare and Family Services by Executive Order  
14 3 (2005) are transferred back to the Department of Corrections;  
15 however, powers, duties, rights, and responsibilities related  
16 to State healthcare purchasing under this Code that were  
17 exercised by the Department of Corrections before the effective  
18 date of Executive Order 3 (2005) but that pertain to  
19 individuals resident in facilities operated by the Department  
20 of Juvenile Justice are transferred to the Department of  
21 Juvenile Justice.

22 (Source: P.A. 94-696, eff. 6-1-06; 95-937, eff. 8-26-08.)

23 Section 997. Severability. The provisions of this Act are  
24 severable under Section 1.31 of the Statute on Statutes.

25 Section 999. Effective date. This Act takes effect upon

1 becoming law.