



Rep. Margaret Croke

**Filed: 3/17/2025**

10400HB1076ham003

LRB104 05517 BAB 23768 a

1 AMENDMENT TO HOUSE BILL 1076

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 1076 on page 4,  
3 line 7, by replacing "2026" with "2027"; and

4 on page 5, immediately below line 6, by inserting the  
5 following:

6 "Section 11. The Health Maintenance Organization Act is  
7 amended by changing Section 5-3 as follows:

8 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

9 (Text of Section before amendment by P.A. 103-808)

10 Sec. 5-3. Insurance Code provisions.

11 (a) Health Maintenance Organizations shall be subject to  
12 the provisions of Sections 133, 134, 136, 137, 139, 140,  
13 141.1, 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151,  
14 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a,  
15 155.49, 352c, 355.2, 355.3, 355.6, 355b, 355c, 356f, 356g.5-1,

1 356m, 356q, 356u.10, 356v, 356w, 356x, 356z.2, 356z.3a,  
2 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10,  
3 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17, 356z.18,  
4 356z.19, 356z.20, 356z.21, 356z.22, 356z.23, 356z.24, 356z.25,  
5 356z.26, 356z.28, 356z.29, 356z.30, 356z.31, 356z.32, 356z.33,  
6 356z.34, 356z.35, 356z.36, 356z.37, 356z.38, 356z.39, 356z.40,  
7 356z.40a, 356z.41, 356z.44, 356z.45, 356z.46, 356z.47,  
8 356z.48, 356z.49, 356z.50, 356z.51, 356z.53, 356z.54, 356z.55,  
9 356z.56, 356z.57, 356z.58, 356z.59, 356z.60, 356z.61, 356z.62,  
10 356z.63, 356z.64, 356z.65, 356z.66, 356z.67, 356z.68, 356z.69,  
11 356z.70, 356z.71, 356z.72, 356z.73, 356z.74, 356z.75, 356z.77,  
12 356z.80, 364, 364.01, 364.3, 367.2, 367.2-5, 367i, 368a, 368b,  
13 368c, 368d, 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A,  
14 408, 408.2, 409, 412, 444, and 444.1, paragraph (c) of  
15 subsection (2) of Section 367, and Articles IIA, VIII 1/2,  
16 XII, XII 1/2, XIII, XIII 1/2, XXV, XXVI, and XXXIIB of the  
17 Illinois Insurance Code.

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

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

24 (2) a corporation organized under the laws of this  
25 State; or

26 (3) a corporation organized under the laws of another

1 state, 30% or more of the enrollees of which are residents  
2 of this State, except a corporation subject to  
3 substantially the same requirements in its state of  
4 organization as is a "domestic company" under Article VIII  
5 1/2 of the Illinois Insurance Code.

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

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

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

21 (3) the Director shall have the power to require the  
22 following information:

23 (A) certification by an independent actuary of the  
24 adequacy of the reserves of the Health Maintenance  
25 Organization sought to be acquired;

26 (B) pro forma financial statements reflecting the

1 combined balance sheets of the acquiring company and  
2 the Health Maintenance Organization sought to be  
3 acquired as of the end of the preceding year and as of  
4 a date 90 days prior to the acquisition, as well as pro  
5 forma financial statements reflecting projected  
6 combined operation for a period of 2 years;

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

11 (D) such other information as the Director shall  
12 require.

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

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

1 into account the effect of the management contract or service  
2 agreement on competition.

3 (f) Except for small employer groups as defined in the  
4 Small Employer Rating, Renewability and Portability Health  
5 Insurance Act and except for medicare supplement policies as  
6 defined in Section 363 of the Illinois Insurance Code, a  
7 Health Maintenance Organization may by contract agree with a  
8 group or other enrollment unit to effect refunds or charge  
9 additional premiums under the following terms and conditions:

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

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

1 the group or enrollment unit may agree that the profitable  
2 or unprofitable experience may be calculated taking into  
3 account the refund period and the immediately preceding 2  
4 plan years.

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

17 In no event shall the Illinois Health Maintenance  
18 Organization Guaranty Association be liable to pay any  
19 contractual obligation of an insolvent organization to pay any  
20 refund authorized under this Section.

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

(Source: P.A. 102-30, eff. 1-1-22; 102-34, eff. 6-25-21; 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff. 1-1-22; 102-589, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665, eff. 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22; 102-804, eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff. 1-1-23; 102-860, eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093, eff. 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91, eff. 1-1-24; 103-123, eff. 1-1-24; 103-154, eff. 6-30-23; 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445, eff. 1-1-24; 103-551, eff. 8-11-23; 103-605, eff. 7-1-24; 103-618, eff. 1-1-25; 103-649, eff. 1-1-25; 103-656, eff. 1-1-25; 103-700, eff. 1-1-25; 103-718, eff. 7-19-24; 103-751, eff. 8-2-24; 103-753, eff. 8-2-24; 103-758, eff. 1-1-25; 103-777, eff. 8-2-24; 103-914, eff. 1-1-25; 103-918, eff. 1-1-25; 103-1024, eff. 1-1-25; revised 9-26-24.)

(Text of Section after amendment by P.A. 103-808)

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1 356z.18, 356z.19, 356z.20, 356z.21, 356z.22, 356z.23, 356z.24,  
2 356z.25, 356z.26, 356z.28, 356z.29, 356z.30, 356z.31, 356z.32,  
3 356z.33, 356z.34, 356z.35, 356z.36, 356z.37, 356z.38, 356z.39,  
4 356z.40, 356z.40a, 356z.41, 356z.44, 356z.45, 356z.46,  
5 356z.47, 356z.48, 356z.49, 356z.50, 356z.51, 356z.53, 356z.54,  
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9 356z.77, 356z.80, 364, 364.01, 364.3, 367.2, 367.2-5, 367i,  
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24 state, 30% or more of the enrollees of which are residents  
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1 organization as is a "domestic company" under Article VIII  
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3 (c) In considering the merger, consolidation, or other  
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9 Organization after the merger, consolidation, or other  
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4 (C) a pro forma business plan detailing an  
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13 enrollee population (including, without limitation, the health  
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25 or unprofitable experience may be calculated taking into  
26 account the refund period and the immediately preceding 2

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

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

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

24 (Source: P.A. 102-30, eff. 1-1-22; 102-34, eff. 6-25-21;  
25 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.  
26 1-1-22; 102-589, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665,

1 eff. 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22;  
2 102-804, eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff.  
3 1-1-23; 102-860, eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093,  
4 eff. 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24;  
5 103-91, eff. 1-1-24; 103-123, eff. 1-1-24; 103-154, eff.  
6 6-30-23; 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445,  
7 eff. 1-1-24; 103-551, eff. 8-11-23; 103-605, eff. 7-1-24;  
8 103-618, eff. 1-1-25; 103-649, eff. 1-1-25; 103-656, eff.  
9 1-1-25; 103-700, eff. 1-1-25; 103-718, eff. 7-19-24; 103-751,  
10 eff. 8-2-24; 103-753, eff. 8-2-24; 103-758, eff. 1-1-25;  
11 103-777, eff. 8-2-24; 103-808, eff. 1-1-26; 103-914, eff.  
12 1-1-25; 103-918, eff. 1-1-25; 103-1024, eff. 1-1-25; revised  
13 11-26-24.)

14 Section 12. The Limited Health Service Organization Act is  
15 amended by changing Section 4003 as follows:

16 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

17 Sec. 4003. Illinois Insurance Code provisions. Limited  
18 health service organizations shall be subject to the  
19 provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,  
20 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151, 152, 153,  
21 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.37, 155.49, 352c,  
22 355.2, 355.3, 355b, 355d, 356m, 356q, 356v, 356z.4, 356z.4a,  
23 356z.10, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.32,  
24 356z.33, 356z.41, 356z.46, 356z.47, 356z.51, 356z.53, 356z.54,

1 356z.57, 356z.59, 356z.61, 356z.64, 356z.67, 356z.68, 356z.71,  
2 356z.73, 356z.74, 356z.75, 356z.80, 364.3, 368a, 401, 401.1,  
3 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1 and  
4 Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and  
5 XXVI of the Illinois Insurance Code. Nothing in this Section  
6 shall require a limited health care plan to cover any service  
7 that is not a limited health service. For purposes of the  
8 Illinois Insurance Code, except for Sections 444 and 444.1 and  
9 Articles XIII and XIII 1/2, limited health service  
10 organizations in the following categories are deemed to be  
11 domestic companies:

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

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

19 (Source: P.A. 102-30, eff. 1-1-22; 102-203, eff. 1-1-22;  
20 102-306, eff. 1-1-22; 102-642, eff. 1-1-22; 102-731, eff.  
21 1-1-23; 102-775, eff. 5-13-22; 102-813, eff. 5-13-22; 102-816,  
22 eff. 1-1-23; 102-860, eff. 1-1-23; 102-1093, eff. 1-1-23;  
23 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91, eff.  
24 1-1-24; 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445,  
25 eff. 1-1-24; 103-605, eff. 7-1-24; 103-649, eff. 1-1-25;  
26 103-656, eff. 1-1-25; 103-700, eff. 1-1-25; 103-718, eff.

1 7-19-24; 103-751, eff. 8-2-24; 103-758, eff. 1-1-25; 103-832,  
2 eff. 1-1-25; 103-1024, eff. 1-1-25; revised 11-26-24.)"; and

3 on page 6, immediately above line 20, by inserting the  
4 following:

5 "Section 95. No acceleration or delay. Where this Act  
6 makes changes in a statute that is represented in this Act by  
7 text that is not yet or no longer in effect (for example, a  
8 Section represented by multiple versions), the use of that  
9 text does not accelerate or delay the taking effect of (i) the  
10 changes made by this Act or (ii) provisions derived from any  
11 other Public Act.".