

1 AN ACT concerning regulation.

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

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

6 (5 ILCS 375/6.11)

7 Sec. 6.11. Required health benefits; Illinois Insurance
8 Code requirements. The program of health benefits shall
9 provide the post-mastectomy care benefits required to be
10 covered by a policy of accident and health insurance under
11 Section 356t of the Illinois Insurance Code. The program of
12 health benefits shall provide the coverage required under
13 Sections 356g, 356g.5, 356g.5-1, 356m, 356q, 356u, 356u.10,
14 356w, 356x, 356z.2, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8,
15 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15,
16 356z.17, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30, 356z.32,
17 356z.33, 356z.36, 356z.40, 356z.41, 356z.45, 356z.46, 356z.47,
18 356z.51, 356z.53, 356z.54, 356z.55, 356z.56, 356z.57, 356z.59,
19 356z.60, 356z.61, 356z.62, 356z.64, 356z.67, 356z.68, ~~and~~
20 356z.70, ~~and~~ 356z.71, 356z.74, 356z.76, 356z.77, and 356z.80
21 of the Illinois Insurance Code. The program of health benefits
22 must comply with Sections 155.22a, 155.37, 355b, 356z.19,
23 370c, and 370c.1 and Article XXXIIB of the Illinois Insurance

1 Code. The program of health benefits shall provide the
2 coverage required under Section 356m of the Illinois Insurance
3 Code and, for the employees of the State Employee Group
4 Insurance Program only, the coverage as also provided in
5 Section 6.11B of this Act. The Department of Insurance shall
6 enforce the requirements of this Section with respect to
7 Sections 370c and 370c.1 of the Illinois Insurance Code; all
8 other requirements of this Section shall be enforced by the
9 Department of Central Management Services.

10 Rulemaking authority to implement Public Act 95-1045, if
11 any, is conditioned on the rules being adopted in accordance
12 with all provisions of the Illinois Administrative Procedure
13 Act and all rules and procedures of the Joint Committee on
14 Administrative Rules; any purported rule not so adopted, for
15 whatever reason, is unauthorized.

16 (Source: P.A. 102-30, eff. 1-1-22; 102-103, eff. 1-1-22;
17 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-642, eff.
18 1-1-22; 102-665, eff. 10-8-21; 102-731, eff. 1-1-23; 102-768,
19 eff. 1-1-24; 102-804, eff. 1-1-23; 102-813, eff. 5-13-22;
20 102-816, eff. 1-1-23; 102-860, eff. 1-1-23; 102-1093, eff.
21 1-1-23; 102-1117, eff. 1-13-23; 103-8, eff. 1-1-24; 103-84,
22 eff. 1-1-24; 103-91, eff. 1-1-24; 103-420, eff. 1-1-24;
23 103-445, eff. 1-1-24; 103-535, eff. 8-11-23; 103-551, eff.
24 8-11-23; 103-605, eff. 7-1-24; 103-718, eff. 7-19-24; 103-751,
25 eff. 8-2-24; 103-870, eff. 1-1-25; 103-914, eff. 1-1-25;
26 103-918, eff. 1-1-25; 103-951, eff. 1-1-25; 103-1024, eff.

1 1-1-25; revised 11-26-24.)

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

4 (55 ILCS 5/5-1069.3)

5 Sec. 5-1069.3. Required health benefits. If a county,
6 including a home rule county, is a self-insurer for purposes
7 of providing health insurance coverage for its employees, the
8 coverage shall include coverage for the post-mastectomy care
9 benefits required to be covered by a policy of accident and
10 health insurance under Section 356t and the coverage required
11 under Sections 356g, 356g.5, 356g.5-1, 356m, 356q, 356u,
12 356u.10, 356w, 356x, 356z.4, 356z.4a, 356z.6, 356z.8, 356z.9,
13 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.22,
14 356z.25, 356z.26, 356z.29, 356z.30, 356z.32, 356z.33, 356z.36,
15 356z.40, 356z.41, 356z.45, 356z.46, 356z.47, 356z.48, 356z.51,
16 356z.53, 356z.54, 356z.56, 356z.57, 356z.59, 356z.60, 356z.61,
17 356z.62, 356z.64, 356z.67, 356z.68, ~~and 356z.70, and 356z.71,~~

18 356z.74, 356z.77, and 356z.80 of the Illinois Insurance Code.

19 The coverage shall comply with Sections 155.22a, 355b,
20 356z.19, and 370c of the Illinois Insurance Code. The
21 Department of Insurance shall enforce the requirements of this
22 Section. The requirement that health benefits be covered as
23 provided in this Section is an exclusive power and function of
24 the State and is a denial and limitation under Article VII,

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

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

10 (Source: P.A. 102-30, eff. 1-1-22; 102-103, eff. 1-1-22;
11 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.
12 1-1-22; 102-642, eff. 1-1-22; 102-665, eff. 10-8-21; 102-731,
13 eff. 1-1-23; 102-804, eff. 1-1-23; 102-813, eff. 5-13-22;
14 102-816, eff. 1-1-23; 102-860, eff. 1-1-23; 102-1093, eff.
15 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91,
16 eff. 1-1-24; 103-420, eff. 1-1-24; 103-445, eff. 1-1-24;
17 103-535, eff. 8-11-23; 103-551, eff. 8-11-23; 103-605, eff.
18 7-1-24; 103-718, eff. 7-19-24; 103-751, eff. 8-2-24; 103-914,
19 eff. 1-1-25; 103-918, eff. 1-1-25; 103-1024, eff. 1-1-25;
20 revised 11-26-24.)

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

23 (65 ILCS 5/10-4-2.3)

24 Sec. 10-4-2.3. Required health benefits. If a

1 municipality, including a home rule municipality, is a
2 self-insurer for purposes of providing health insurance
3 coverage for its employees, the coverage shall include
4 coverage for the post-mastectomy care benefits required to be
5 covered by a policy of accident and health insurance under
6 Section 356t and the coverage required under Sections 356g,
7 356g.5, 356g.5-1, 356m, 356q, 356u, 356u.10, 356w, 356x,
8 356z.4, 356z.4a, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11,
9 356z.12, 356z.13, 356z.14, 356z.15, 356z.22, 356z.25, 356z.26,
10 356z.29, 356z.30, 356z.32, 356z.33, 356z.36, 356z.40, 356z.41,
11 356z.45, 356z.46, 356z.47, 356z.48, 356z.51, 356z.53, 356z.54,
12 356z.56, 356z.57, 356z.59, 356z.60, 356z.61, 356z.62, 356z.64,
13 356z.67, 356z.68, ~~and~~ 356z.70, ~~and~~ 356z.71, 356z.74, 356z.77,
14 and 356z.80 of the Illinois Insurance Code. The coverage shall
15 comply with Sections 155.22a, 355b, 356z.19, and 370c of the
16 Illinois Insurance Code. The Department of Insurance shall
17 enforce the requirements of this Section. The requirement that
18 health benefits be covered as provided in this is an exclusive
19 power and function of the State and is a denial and limitation
20 under Article VII, Section 6, subsection (h) of the Illinois
21 Constitution. A home rule municipality to which this Section
22 applies must comply with every provision of this Section.

23 Rulemaking authority to implement Public Act 95-1045, if
24 any, is conditioned on the rules being adopted in accordance
25 with all provisions of the Illinois Administrative Procedure
26 Act and all rules and procedures of the Joint Committee on

1 Administrative Rules; any purported rule not so adopted, for
2 whatever reason, is unauthorized.

3 (Source: P.A. 102-30, eff. 1-1-22; 102-103, eff. 1-1-22;
4 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.
5 1-1-22; 102-642, eff. 1-1-22; 102-665, eff. 10-8-21; 102-731,
6 eff. 1-1-23; 102-804, eff. 1-1-23; 102-813, eff. 5-13-22;
7 102-816, eff. 1-1-23; 102-860, eff. 1-1-23; 102-1093, eff.
8 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91,
9 eff. 1-1-24; 103-420, eff. 1-1-24; 103-445, eff. 1-1-24;
10 103-535, eff. 8-11-23; 103-551, eff. 8-11-23; 103-605, eff.
11 7-1-24; 103-718, eff. 7-19-24; 103-751, eff. 8-2-24; 103-914,
12 eff. 1-1-25; 103-918, eff. 1-1-25; 103-1024, eff. 1-1-25;
13 revised 11-26-24.)

14 Section 20. The School Code is amended by changing Section
15 10-22.3f as follows:

16 (105 ILCS 5/10-22.3f)

17 Sec. 10-22.3f. Required health benefits. Insurance
18 protection and benefits for employees shall provide the
19 post-mastectomy care benefits required to be covered by a
20 policy of accident and health insurance under Section 356t and
21 the coverage required under Sections 356g, 356g.5, 356g.5-1,
22 356m, 356q, 356u, 356u.10, 356w, 356x, 356z.4, 356z.4a,
23 356z.6, 356z.8, 356z.9, 356z.11, 356z.12, 356z.13, 356z.14,
24 356z.15, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30, 356z.32,

1 356z.33, 356z.36, 356z.40, 356z.41, 356z.45, 356z.46, 356z.47,
2 356z.51, 356z.53, 356z.54, 356z.56, 356z.57, 356z.59, 356z.60,
3 356z.61, 356z.62, 356z.64, 356z.67, 356z.68, ~~and~~ 356z.70, ~~and~~
4 356z.71, 356z.74, 356z.77, and 356z.80 of the Illinois
5 Insurance Code. Insurance policies shall comply with Section
6 356z.19 of the Illinois Insurance Code. The coverage shall
7 comply with Sections 155.22a, 355b, and 370c of the Illinois
8 Insurance Code. The Department of Insurance shall enforce the
9 requirements of this Section.

10 Rulemaking authority to implement Public Act 95-1045, if
11 any, is conditioned on the rules being adopted in accordance
12 with all provisions of the Illinois Administrative Procedure
13 Act and all rules and procedures of the Joint Committee on
14 Administrative Rules; any purported rule not so adopted, for
15 whatever reason, is unauthorized.

16 (Source: P.A. 102-30, eff. 1-1-22; 102-103, eff. 1-1-22;
17 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-642, eff.
18 1-1-22; 102-665, eff. 10-8-21; 102-731, eff. 1-1-23; 102-804,
19 eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff. 1-1-23;
20 102-860, eff. 1-1-23; 102-1093, eff. 1-1-23; 102-1117, eff.
21 1-13-23; 103-84, eff. 1-1-24; 103-91, eff. 1-1-24; 103-420,
22 eff. 1-1-24; 103-445, eff. 1-1-24; 103-535, eff. 8-11-23;
23 103-551, eff. 8-11-23; 103-605, eff. 7-1-24; 103-718, eff.
24 7-19-24; 103-751, eff. 8-2-24; 103-914, eff. 1-1-25; 103-918,
25 eff. 1-1-25; 103-1024, eff. 1-1-25; revised 11-26-24.)

1 Section 22. The Illinois Insurance Code is amended by
2 adding Section 356z.80 as follows:

3 (215 ILCS 5/356z.80 new)

4 Sec. 356z.80. Coverage for anesthesia services.

5 (a) A group or individual policy of accident and health
6 insurance or a managed care plan that is amended, delivered,
7 issued, or renewed on or after January 1, 2026 shall provide
8 coverage for medically necessary anesthesia services,
9 regardless of the duration, for any procedure covered by the
10 policy.

11 (b) An individual or group policy of accident and health
12 insurance is prohibited from denying payment or reimbursement
13 for anesthesia services solely because the duration of care
14 exceeded a preset time limit.

15 Section 25. The Health Maintenance Organization Act is
16 amended by changing Section 5-3 as follows:

17 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

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

19 Sec. 5-3. Insurance Code provisions.

20 (a) Health Maintenance Organizations shall be subject to
21 the provisions of Sections 133, 134, 136, 137, 139, 140,
22 141.1, 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151,
23 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a,

1 155.49, 352c, 355.2, 355.3, 355.6, 355b, 355c, 356f, 356g.5-1,
2 356m, 356q, 356u.10, 356v, 356w, 356x, 356z.2, 356z.3a,
3 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10,
4 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17, 356z.18,
5 356z.19, 356z.20, 356z.21, 356z.22, 356z.23, 356z.24, 356z.25,
6 356z.26, 356z.28, 356z.29, 356z.30, 356z.31, 356z.32, 356z.33,
7 356z.34, 356z.35, 356z.36, 356z.37, 356z.38, 356z.39, 356z.40,
8 356z.40a, 356z.41, 356z.44, 356z.45, 356z.46, 356z.47,
9 356z.48, 356z.49, 356z.50, 356z.51, 356z.53, 356z.54, 356z.55,
10 356z.56, 356z.57, 356z.58, 356z.59, 356z.60, 356z.61, 356z.62,
11 356z.63, 356z.64, 356z.65, 356z.66, 356z.67, 356z.68, 356z.69,
12 356z.70, 356z.71, 356z.72, 356z.73, 356z.74, 356z.75, 356z.77,
13 356z.80, 364, 364.01, 364.3, 367.2, 367.2-5, 367i, 368a, 368b,
14 368c, 368d, 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A,
15 408, 408.2, 409, 412, 444, and 444.1, paragraph (c) of
16 subsection (2) of Section 367, and Articles IIA, VIII 1/2,
17 XII, XII 1/2, XIII, XIII 1/2, XXV, XXVI, and XXXIIB of the
18 Illinois Insurance Code. Section 365z.80 of the Illinois
19 Insurance Code is not applicable to health care plans under
20 contract with the Department of Healthcare and Family
21 Services.

22 (b) For purposes of the Illinois Insurance Code, except
23 for Sections 444 and 444.1 and Articles XIII and XIII 1/2,
24 Health Maintenance Organizations in the following categories
25 are deemed to be "domestic companies":
26

(1) a corporation authorized under the Dental Service

1 Plan Act or the Voluntary Health Services Plans Act;

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

4 (3) a corporation organized under the laws of another
5 state, 30% or more of the enrollees of which are residents
6 of this State, except a corporation subject to
7 substantially the same requirements in its state of
8 organization as is a "domestic company" under Article VIII
9 1/2 of the Illinois Insurance Code.

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

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

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

25 (3) the Director shall have the power to require the
26 following information:

1 (A) certification by an independent actuary of the
2 adequacy of the reserves of the Health Maintenance
3 Organization sought to be acquired;

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

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

15 (D) such other information as the Director shall
16 require.

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

23 (e) In considering any management contract or service
24 agreement subject to Section 141.1 of the Illinois Insurance
25 Code, the Director (i) shall, in addition to the criteria
26 specified in Section 141.2 of the Illinois Insurance Code,

1 take into account the effect of the management contract or
2 service agreement on the continuation of benefits to enrollees
3 and the financial condition of the health maintenance
4 organization to be managed or serviced, and (ii) need not take
5 into account the effect of the management contract or service
6 agreement on competition.

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

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

20 (ii) the amount of the refund or additional premium
21 shall not exceed 20% of the Health Maintenance
22 Organization's profitable or unprofitable experience with
23 respect to the group or other enrollment unit for the
24 period (and, for purposes of a refund or additional
25 premium, the profitable or unprofitable experience shall
26 be calculated taking into account a pro rata share of the

1 Health Maintenance Organization's administrative and
2 marketing expenses, but shall not include any refund to be
3 made or additional premium to be paid pursuant to this
4 subsection (f)). The Health Maintenance Organization and
5 the group or enrollment unit may agree that the profitable
6 or unprofitable experience may be calculated taking into
7 account the refund period and the immediately preceding 2
8 plan years.

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

21 In no event shall the Illinois Health Maintenance
22 Organization Guaranty Association be liable to pay any
23 contractual obligation of an insolvent organization to pay any
24 refund authorized under this Section.

25 (g) Rulemaking authority to implement Public Act 95-1045,
26 if any, is conditioned on the rules being adopted in

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

5 (Source: P.A. 102-30, eff. 1-1-22; 102-34, eff. 6-25-21;
6 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.
7 1-1-22; 102-589, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665,
8 eff. 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22;
9 102-804, eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff.
10 1-1-23; 102-860, eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093,
11 eff. 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24;
12 103-91, eff. 1-1-24; 103-123, eff. 1-1-24; 103-154, eff.
13 6-30-23; 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445,
14 eff. 1-1-24; 103-551, eff. 8-11-23; 103-605, eff. 7-1-24;
15 103-618, eff. 1-1-25; 103-649, eff. 1-1-25; 103-656, eff.
16 1-1-25; 103-700, eff. 1-1-25; 103-718, eff. 7-19-24; 103-751,
17 eff. 8-2-24; 103-753, eff. 8-2-24; 103-758, eff. 1-1-25;
18 103-777, eff. 8-2-24; 103-914, eff. 1-1-25; 103-918, eff.
19 1-1-25; 103-1024, eff. 1-1-25; revised 9-26-24.)

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

21 Sec. 5-3. Insurance Code provisions.

22 (a) Health Maintenance Organizations shall be subject to
23 the provisions of Sections 133, 134, 136, 137, 139, 140,
24 141.1, 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151,
25 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a,

1 155.49, 352c, 355.2, 355.3, 355.6, 355b, 355c, 356f, 356g,
2 356g.5-1, 356m, 356q, 356u.10, 356v, 356w, 356x, 356z.2,
3 356z.3a, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9,
4 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17,
5 356z.18, 356z.19, 356z.20, 356z.21, 356z.22, 356z.23, 356z.24,
6 356z.25, 356z.26, 356z.28, 356z.29, 356z.30, 356z.31, 356z.32,
7 356z.33, 356z.34, 356z.35, 356z.36, 356z.37, 356z.38, 356z.39,
8 356z.40, 356z.40a, 356z.41, 356z.44, 356z.45, 356z.46,
9 356z.47, 356z.48, 356z.49, 356z.50, 356z.51, 356z.53, 356z.54,
10 356z.55, 356z.56, 356z.57, 356z.58, 356z.59, 356z.60, 356z.61,
11 356z.62, 356z.63, 356z.64, 356z.65, 356z.66, 356z.67, 356z.68,
12 356z.69, 356z.70, 356z.71, 356z.72, 356z.73, 356z.74, 356z.75,
13 356z.77, 356z.80, 364, 364.01, 364.3, 367.2, 367.2-5, 367i,
14 368a, 368b, 368c, 368d, 368e, 370c, 370c.1, 401, 401.1, 402,
15 403, 403A, 408, 408.2, 409, 412, 444, and 444.1, paragraph (c)
16 of subsection (2) of Section 367, and Articles IIA, VIII 1/2,
17 XII, XII 1/2, XIII, XIII 1/2, XXV, XXVI, and XXXIIB of the
18 Illinois Insurance Code.

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

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

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

1 (3) a corporation organized under the laws of another
2 state, 30% or more of the enrollees of which are residents
3 of this State, except a corporation subject to
4 substantially the same requirements in its state of
5 organization as is a "domestic company" under Article VIII
6 1/2 of the Illinois Insurance Code.

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

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

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

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

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

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

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

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

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

20 (e) In considering any management contract or service
21 agreement subject to Section 141.1 of the Illinois Insurance
22 Code, the Director (i) shall, in addition to the criteria
23 specified in Section 141.2 of the Illinois Insurance Code,
24 take into account the effect of the management contract or
25 service agreement on the continuation of benefits to enrollees
26 and the financial condition of the health maintenance

1 organization to be managed or serviced, and (ii) need not take
2 into account the effect of the management contract or service
3 agreement on competition.

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

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

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

1 subsection (f)). The Health Maintenance Organization and
2 the group or enrollment unit may agree that the profitable
3 or unprofitable experience may be calculated taking into
4 account the refund period and the immediately preceding 2
5 plan years.

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

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

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

1 adopted, for whatever reason, is unauthorized.

2 (Source: P.A. 102-30, eff. 1-1-22; 102-34, eff. 6-25-21;
3 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.
4 1-1-22; 102-589, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665,
5 eff. 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22;
6 102-804, eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff.
7 1-1-23; 102-860, eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093,
8 eff. 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24;
9 103-91, eff. 1-1-24; 103-123, eff. 1-1-24; 103-154, eff.
10 6-30-23; 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445,
11 eff. 1-1-24; 103-551, eff. 8-11-23; 103-605, eff. 7-1-24;
12 103-618, eff. 1-1-25; 103-649, eff. 1-1-25; 103-656, eff.
13 1-1-25; 103-700, eff. 1-1-25; 103-718, eff. 7-19-24; 103-751,
14 eff. 8-2-24; 103-753, eff. 8-2-24; 103-758, eff. 1-1-25;
15 103-777, eff. 8-2-24; 103-808, eff. 1-1-26; 103-914, eff.
16 1-1-25; 103-918, eff. 1-1-25; 103-1024, eff. 1-1-25; revised
17 11-26-24.)

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

20 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

21 Sec. 4003. Illinois Insurance Code provisions. Limited
22 health service organizations shall be subject to the
23 provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,
24 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151, 152, 153,

1 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.37, 155.49, 352c,
2 355.2, 355.3, 355b, 355d, 356m, 356q, 356v, 356z.4, 356z.4a,
3 356z.10, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.32,
4 356z.33, 356z.41, 356z.46, 356z.47, 356z.51, 356z.53, 356z.54,
5 356z.57, 356z.59, 356z.61, 356z.64, 356z.67, 356z.68, 356z.71,
6 356z.73, 356z.74, 356z.75, 356z.80, 364.3, 368a, 401, 401.1,
7 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1 and
8 Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and
9 XXVI of the Illinois Insurance Code. Nothing in this Section
10 shall require a limited health care plan to cover any service
11 that is not a limited health service. For purposes of the
12 Illinois Insurance Code, except for Sections 444 and 444.1 and
13 Articles XIII and XIII 1/2, limited health service
14 organizations in the following categories are deemed to be
15 domestic companies:

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

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

23 (Source: P.A. 102-30, eff. 1-1-22; 102-203, eff. 1-1-22;
24 102-306, eff. 1-1-22; 102-642, eff. 1-1-22; 102-731, eff.
25 1-1-23; 102-775, eff. 5-13-22; 102-813, eff. 5-13-22; 102-816,
26 eff. 1-1-23; 102-860, eff. 1-1-23; 102-1093, eff. 1-1-23;

1 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91, eff.
2 1-1-24; 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445,
3 eff. 1-1-24; 103-605, eff. 7-1-24; 103-649, eff. 1-1-25;
4 103-656, eff. 1-1-25; 103-700, eff. 1-1-25; 103-718, eff.
5 7-19-24; 103-751, eff. 8-2-24; 103-758, eff. 1-1-25; 103-832,
6 eff. 1-1-25; 103-1024, eff. 1-1-25; revised 11-26-24.)

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

9 (215 ILCS 165/10) (from Ch. 32, par. 604)

10 Sec. 10. Application of Insurance Code provisions. Health
11 services plan corporations and all persons interested therein
12 or dealing therewith shall be subject to the provisions of
13 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,
14 143, 143.31, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3,
15 355b, 355d, 356g, 356g.5, 356g.5-1, 356m, 356q, 356r, 356t,
16 356u, 356u.10, 356v, 356w, 356x, 356y, 356z.1, 356z.2,
17 356z.3a, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9,
18 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18,
19 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30,
20 356z.32, 356z.32a, 356z.33, 356z.40, 356z.41, 356z.46,
21 356z.47, 356z.51, 356z.53, 356z.54, 356z.56, 356z.57, 356z.59,
22 356z.60, 356z.61, 356z.62, 356z.64, 356z.67, 356z.68, 356z.71,
23 356z.72, 356z.74, 356z.75, 356z.77, 356z.80, 364.01, 364.3,
24 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412,

1 and paragraphs (7) and (15) of Section 367 of the Illinois
2 Insurance Code.

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

9 (Source: P.A. 102-30, eff. 1-1-22; 102-203, eff. 1-1-22;
10 102-306, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665, eff.
11 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22; 102-804,
12 eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff. 1-1-23;
13 102-860, eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093, eff.
14 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91,
15 eff. 1-1-24; 103-420, eff. 1-1-24; 103-445, eff. 1-1-24;
16 103-551, eff. 8-11-23; 103-605, eff. 7-1-24; 103-656, eff.
17 1-1-25; 103-718, eff. 7-19-24; 103-751, eff. 8-2-24; 103-753,
18 eff. 8-2-24; 103-758, eff. 1-1-25; 103-832, eff. 1-1-25;
19 103-914, eff. 1-1-25; 103-918, eff. 1-1-25; 103-1024, eff.
20 1-1-25; revised 11-26-24.)

21 Section 95. No acceleration or delay. Where this Act makes
22 changes in a statute that is represented in this Act by text
23 that is not yet or no longer in effect (for example, a Section
24 represented by multiple versions), the use of that text does
25 not accelerate or delay the taking effect of (i) the changes

1 made by this Act or (ii) provisions derived from any other
2 Public Act.

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