



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB3456

Introduced 2/18/2025, by Rep. Joyce Mason

SYNOPSIS AS INTRODUCED:

5 ILCS 375/6.11	
55 ILCS 5/5-1069.3	
65 ILCS 5/10-4-2.3	
105 ILCS 5/10-22.3f	
215 ILCS 5/356z.80 new	
215 ILCS 125/5-3	from Ch. 111 1/2, par. 1411.2
215 ILCS 130/4003	from Ch. 73, par. 1504-3
215 ILCS 165/10	from Ch. 32, par. 604
305 ILCS 5/5-16.8	

Amends the Illinois Insurance Code. Provides that any health insurance issuer carrying on business in this State on or after January 1, 2027 shall develop a plan to provide adequate coverage of and access to a broad spectrum of pain management services, including, but not limited to, nonopioid, nonnarcotic medication for pain management and nonmedication pain management services that serve as alternatives to the prescribing of opioid or narcotic drugs in accordance with guidelines that will be developed by the Department of Insurance. Provides that the Department shall review the plans and consider the adequacy of access to a broad spectrum of pain management services under the issuers plans and whether any policies adopted by the issuer may create unduly preferential coverage of and access to prescription opioids for pain management, without consideration of other painmanagement services. Provides that Any health insurance issuer carrying on business in the State of Illinois shall distribute educational materials to participating providers about any pain management access plan and post information about the plan on the issuer's publicly accessible website. Amends the State Employees Group Insurance Act of 1971, the Counties Code, the Illinois Municipal Code, the School Code, the Health Maintenance Organization Act, the Limited Health Service Organization Act, the Voluntary Health Services Plans Act, and the Illinois Public Aid Code to require coverage under those provisions.

LRB104 10984 BAB 21066 b

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 25. 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. Nonopioid Parity in Coverage.

5 (a) Any health insurance issuer carrying on business in
6 this State on or after January 1, 2027 shall develop a plan to
7 provide adequate coverage of and access to a broad spectrum of
8 pain management services, including, but not limited to,
9 nonopioid, nonnarcotic medication for pain management and
10 nonmedication pain management services that serve as
11 alternatives to the prescribing of opioid or narcotic drugs in
12 accordance with guidelines that will be developed by the
13 Department. As used in this Section, "health insurance issuer"
14 has the meaning set forth in Section 5 of the Illinois Health
15 Insurance Portability and Accountability Act.

16 (b) Plans required by subsection (a) shall be filed with
17 the Department for review and approval. In its review, the
18 Department shall consider the adequacy of access to a broad
19 spectrum of pain management services under the issuers plans
20 and whether any policies adopted by the issuer may create
21 unduly preferential coverage of and access to prescription
22 opioids for pain management, without consideration of other
23 pain management services.

24 (c) Any health insurance issuer carrying on business in
25 this State shall distribute educational materials to

1 participating providers about any pain management access plan
2 developed pursuant to subsection (a) and post information
3 about the plan on the issuer's publicly accessible website.

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

6 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

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

8 Sec. 5-3. Insurance Code provisions.

9 (a) Health Maintenance Organizations shall be subject to
10 the provisions of Sections 133, 134, 136, 137, 139, 140,
11 141.1, 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151,
12 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a,
13 155.49, 352c, 355.2, 355.3, 355.6, 355b, 355c, 356f, 356g.5-1,
14 356m, 356q, 356u.10, 356v, 356w, 356x, 356z.2, 356z.3a,
15 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10,
16 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17, 356z.18,
17 356z.19, 356z.20, 356z.21, 356z.22, 356z.23, 356z.24, 356z.25,
18 356z.26, 356z.28, 356z.29, 356z.30, 356z.31, 356z.32, 356z.33,
19 356z.34, 356z.35, 356z.36, 356z.37, 356z.38, 356z.39, 356z.40,
20 356z.40a, 356z.41, 356z.44, 356z.45, 356z.46, 356z.47,
21 356z.48, 356z.49, 356z.50, 356z.51, 356z.53, 356z.54, 356z.55,
22 356z.56, 356z.57, 356z.58, 356z.59, 356z.60, 356z.61, 356z.62,
23 356z.63, 356z.64, 356z.65, 356z.66, 356z.67, 356z.68, 356z.69,
24 356z.70, 356z.71, 356z.72, 356z.73, 356z.74, 356z.75, 356z.77,

1 356z.80, 364, 364.01, 364.3, 367.2, 367.2-5, 367i, 368a, 368b,
2 368c, 368d, 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A,
3 408, 408.2, 409, 412, 444, and 444.1, paragraph (c) of
4 subsection (2) of Section 367, and Articles IIA, VIII 1/2,
5 XII, XII 1/2, XIII, XIII 1/2, XXV, XXVI, and XXXIIB of the
6 Illinois Insurance Code.

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

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

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

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

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

24 (1) the Director shall give primary consideration to
25 the continuation of benefits to enrollees and the
26 financial conditions of the acquired Health Maintenance

1 Organization after the merger, consolidation, or other
2 acquisition of control takes effect;

3 (2) (i) the criteria specified in subsection (1) (b) of
4 Section 131.8 of the Illinois Insurance Code shall not
5 apply and (ii) the Director, in making his determination
6 with respect to the merger, consolidation, or other
7 acquisition of control, need not take into account the
8 effect on competition of the merger, consolidation, or
9 other acquisition of control;

10 (3) the Director shall have the power to require the
11 following information:

12 (A) certification by an independent actuary of the
13 adequacy of the reserves of the Health Maintenance
14 Organization sought to be acquired;

15 (B) pro forma financial statements reflecting the
16 combined balance sheets of the acquiring company and
17 the Health Maintenance Organization sought to be
18 acquired as of the end of the preceding year and as of
19 a date 90 days prior to the acquisition, as well as pro
20 forma financial statements reflecting projected
21 combined operation for a period of 2 years;

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

26 (D) such other information as the Director shall

1 require.

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

8 (e) In considering any management contract or service
9 agreement subject to Section 141.1 of the Illinois Insurance
10 Code, the Director (i) shall, in addition to the criteria
11 specified in Section 141.2 of the Illinois Insurance Code,
12 take into account the effect of the management contract or
13 service agreement on the continuation of benefits to enrollees
14 and the financial condition of the health maintenance
15 organization to be managed or serviced, and (ii) need not take
16 into account the effect of the management contract or service
17 agreement on competition.

18 (f) Except for small employer groups as defined in the
19 Small Employer Rating, Renewability and Portability Health
20 Insurance Act and except for medicare supplement policies as
21 defined in Section 363 of the Illinois Insurance Code, a
22 Health Maintenance Organization may by contract agree with a
23 group or other enrollment unit to effect refunds or charge
24 additional premiums under the following terms and conditions:

25 (i) the amount of, and other terms and conditions with
26 respect to, the refund or additional premium are set forth

1 in the group or enrollment unit contract agreed in advance
2 of the period for which a refund is to be paid or
3 additional premium is to be charged (which period shall
4 not be less than one year); and

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

20 The Health Maintenance Organization shall include a
21 statement in the evidence of coverage issued to each enrollee
22 describing the possibility of a refund or additional premium,
23 and upon request of any group or enrollment unit, provide to
24 the group or enrollment unit a description of the method used
25 to calculate (1) the Health Maintenance Organization's
26 profitable experience with respect to the group or enrollment

1 unit and the resulting refund to the group or enrollment unit
2 or (2) the Health Maintenance Organization's unprofitable
3 experience with respect to the group or enrollment unit and
4 the resulting additional premium to be paid by the group or
5 enrollment unit.

6 In no event shall the Illinois Health Maintenance
7 Organization Guaranty Association be liable to pay any
8 contractual obligation of an insolvent organization to pay any
9 refund authorized under this Section.

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

16 (Source: P.A. 102-30, eff. 1-1-22; 102-34, eff. 6-25-21;
17 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.
18 1-1-22; 102-589, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665,
19 eff. 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22;
20 102-804, eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff.
21 1-1-23; 102-860, eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093,
22 eff. 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24;
23 103-91, eff. 1-1-24; 103-123, eff. 1-1-24; 103-154, eff.
24 6-30-23; 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445,
25 eff. 1-1-24; 103-551, eff. 8-11-23; 103-605, eff. 7-1-24;
26 103-618, eff. 1-1-25; 103-649, eff. 1-1-25; 103-656, eff.

1 1-1-25; 103-700, eff. 1-1-25; 103-718, eff. 7-19-24; 103-751,
2 eff. 8-2-24; 103-753, eff. 8-2-24; 103-758, eff. 1-1-25;
3 103-777, eff. 8-2-24; 103-914, eff. 1-1-25; 103-918, eff.
4 1-1-25; 103-1024, eff. 1-1-25; revised 9-26-24.)

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

6 Sec. 5-3. Insurance Code provisions.

7 (a) Health Maintenance Organizations shall be subject to
8 the provisions of Sections 133, 134, 136, 137, 139, 140,
9 141.1, 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151,
10 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a,
11 155.49, 352c, 355.2, 355.3, 355.6, 355b, 355c, 356f, 356g,
12 356g.5-1, 356m, 356q, 356u.10, 356v, 356w, 356x, 356z.2,
13 356z.3a, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9,
14 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17,
15 356z.18, 356z.19, 356z.20, 356z.21, 356z.22, 356z.23, 356z.24,
16 356z.25, 356z.26, 356z.28, 356z.29, 356z.30, 356z.31, 356z.32,
17 356z.33, 356z.34, 356z.35, 356z.36, 356z.37, 356z.38, 356z.39,
18 356z.40, 356z.40a, 356z.41, 356z.44, 356z.45, 356z.46,
19 356z.47, 356z.48, 356z.49, 356z.50, 356z.51, 356z.53, 356z.54,
20 356z.55, 356z.56, 356z.57, 356z.58, 356z.59, 356z.60, 356z.61,
21 356z.62, 356z.63, 356z.64, 356z.65, 356z.66, 356z.67, 356z.68,
22 356z.69, 356z.70, 356z.71, 356z.72, 356z.73, 356z.74, 356z.75,
23 356z.77, 356z.80, 364, 364.01, 364.3, 367.2, 367.2-5, 367i,
24 368a, 368b, 368c, 368d, 368e, 370c, 370c.1, 401, 401.1, 402,
25 403, 403A, 408, 408.2, 409, 412, 444, and 444.1, paragraph (c)

1 of subsection (2) of Section 367, and Articles IIA, VIII 1/2,
2 XII, XII 1/2, XIII, XIII 1/2, XXV, XXVI, and XXXIIB of the
3 Illinois Insurance Code.

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

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

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

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

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

21 (1) the Director shall give primary consideration to
22 the continuation of benefits to enrollees and the
23 financial conditions of the acquired Health Maintenance
24 Organization after the merger, consolidation, or other
25 acquisition of control takes effect;

26 (2) (i) the criteria specified in subsection (1) (b) of

1 Section 131.8 of the Illinois Insurance Code shall not
2 apply and (ii) the Director, in making his determination
3 with respect to the merger, consolidation, or other
4 acquisition of control, need not take into account the
5 effect on competition of the merger, consolidation, or
6 other acquisition of control;

7 (3) the Director shall have the power to require the
8 following information:

9 (A) certification by an independent actuary of the
10 adequacy of the reserves of the Health Maintenance
11 Organization sought to be acquired;

12 (B) pro forma financial statements reflecting the
13 combined balance sheets of the acquiring company and
14 the Health Maintenance Organization sought to be
15 acquired as of the end of the preceding year and as of
16 a date 90 days prior to the acquisition, as well as pro
17 forma financial statements reflecting projected
18 combined operation for a period of 2 years;

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

23 (D) such other information as the Director shall
24 require.

25 (d) The provisions of Article VIII 1/2 of the Illinois
26 Insurance Code and this Section 5-3 shall apply to the sale by

1 any health maintenance organization of greater than 10% of its
2 enrollee population (including, without limitation, the health
3 maintenance organization's right, title, and interest in and
4 to its health care certificates).

5 (e) In considering any management contract or service
6 agreement subject to Section 141.1 of the Illinois Insurance
7 Code, the Director (i) shall, in addition to the criteria
8 specified in Section 141.2 of the Illinois Insurance Code,
9 take into account the effect of the management contract or
10 service agreement on the continuation of benefits to enrollees
11 and the financial condition of the health maintenance
12 organization to be managed or serviced, and (ii) need not take
13 into account the effect of the management contract or service
14 agreement on competition.

15 (f) Except for small employer groups as defined in the
16 Small Employer Rating, Renewability and Portability Health
17 Insurance Act and except for medicare supplement policies as
18 defined in Section 363 of the Illinois Insurance Code, a
19 Health Maintenance Organization may by contract agree with a
20 group or other enrollment unit to effect refunds or charge
21 additional premiums under the following terms and conditions:

22 (i) the amount of, and other terms and conditions with
23 respect to, the refund or additional premium are set forth
24 in the group or enrollment unit contract agreed in advance
25 of the period for which a refund is to be paid or
26 additional premium is to be charged (which period shall

1 not be less than one year); and

2 (ii) the amount of the refund or additional premium
3 shall not exceed 20% of the Health Maintenance
4 Organization's profitable or unprofitable experience with
5 respect to the group or other enrollment unit for the
6 period (and, for purposes of a refund or additional
7 premium, the profitable or unprofitable experience shall
8 be calculated taking into account a pro rata share of the
9 Health Maintenance Organization's administrative and
10 marketing expenses, but shall not include any refund to be
11 made or additional premium to be paid pursuant to this
12 subsection (f)). The Health Maintenance Organization and
13 the group or enrollment unit may agree that the profitable
14 or unprofitable experience may be calculated taking into
15 account the refund period and the immediately preceding 2
16 plan years.

17 The Health Maintenance Organization shall include a
18 statement in the evidence of coverage issued to each enrollee
19 describing the possibility of a refund or additional premium,
20 and upon request of any group or enrollment unit, provide to
21 the group or enrollment unit a description of the method used
22 to calculate (1) the Health Maintenance Organization's
23 profitable experience with respect to the group or enrollment
24 unit and the resulting refund to the group or enrollment unit
25 or (2) the Health Maintenance Organization's unprofitable
26 experience with respect to the group or enrollment unit and

1 the resulting additional premium to be paid by the group or
2 enrollment unit.

3 In no event shall the Illinois Health Maintenance
4 Organization Guaranty Association be liable to pay any
5 contractual obligation of an insolvent organization to pay any
6 refund authorized under this Section.

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

13 (Source: P.A. 102-30, eff. 1-1-22; 102-34, eff. 6-25-21;
14 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.
15 1-1-22; 102-589, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665,
16 eff. 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22;
17 102-804, eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff.
18 1-1-23; 102-860, eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093,
19 eff. 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24;
20 103-91, eff. 1-1-24; 103-123, eff. 1-1-24; 103-154, eff.
21 6-30-23; 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445,
22 eff. 1-1-24; 103-551, eff. 8-11-23; 103-605, eff. 7-1-24;
23 103-618, eff. 1-1-25; 103-649, eff. 1-1-25; 103-656, eff.
24 1-1-25; 103-700, eff. 1-1-25; 103-718, eff. 7-19-24; 103-751,
25 eff. 8-2-24; 103-753, eff. 8-2-24; 103-758, eff. 1-1-25;
26 103-777, eff. 8-2-24; 103-808, eff. 1-1-26; 103-914, eff.

1 1-1-25; 103-918, eff. 1-1-25; 103-1024, eff. 1-1-25; revised
2 11-26-24.)

3 Section 35. The Limited Health Service Organization Act is
4 amended by changing Section 4003 as follows:

5 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

6 Sec. 4003. Illinois Insurance Code provisions. Limited
7 health service organizations shall be subject to the
8 provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,
9 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151, 152, 153,
10 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.37, 155.49, 352c,
11 355.2, 355.3, 355b, 355d, 356m, 356q, 356v, 356z.4, 356z.4a,
12 356z.10, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.32,
13 356z.33, 356z.41, 356z.46, 356z.47, 356z.51, 356z.53, 356z.54,
14 356z.57, 356z.59, 356z.61, 356z.64, 356z.67, 356z.68, 356z.71,
15 356z.73, 356z.74, 356z.75, 356z.80, 364.3, 368a, 401, 401.1,
16 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1 and
17 Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and
18 XXVI of the Illinois Insurance Code. Nothing in this Section
19 shall require a limited health care plan to cover any service
20 that is not a limited health service. For purposes of the
21 Illinois Insurance Code, except for Sections 444 and 444.1 and
22 Articles XIII and XIII 1/2, limited health service
23 organizations in the following categories are deemed to be
24 domestic companies:

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

8 (Source: P.A. 102-30, eff. 1-1-22; 102-203, eff. 1-1-22;
9 102-306, eff. 1-1-22; 102-642, eff. 1-1-22; 102-731, eff.
10 1-1-23; 102-775, eff. 5-13-22; 102-813, eff. 5-13-22; 102-816,
11 eff. 1-1-23; 102-860, eff. 1-1-23; 102-1093, eff. 1-1-23;
12 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91, eff.
13 1-1-24; 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445,
14 eff. 1-1-24; 103-605, eff. 7-1-24; 103-649, eff. 1-1-25;
15 103-656, eff. 1-1-25; 103-700, eff. 1-1-25; 103-718, eff.
16 7-19-24; 103-751, eff. 8-2-24; 103-758, eff. 1-1-25; 103-832,
17 eff. 1-1-25; 103-1024, eff. 1-1-25; revised 11-26-24.)

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

20 (215 ILCS 165/10) (from Ch. 32, par. 604)

21 Sec. 10. Application of Insurance Code provisions. Health
22 services plan corporations and all persons interested therein
23 or dealing therewith shall be subject to the provisions of
24 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,

1 143, 143.31, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3,
2 355b, 355d, 356g, 356g.5, 356g.5-1, 356m, 356q, 356r, 356t,
3 356u, 356u.10, 356v, 356w, 356x, 356y, 356z.1, 356z.2,
4 356z.3a, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9,
5 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18,
6 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30,
7 356z.32, 356z.32a, 356z.33, 356z.40, 356z.41, 356z.46,
8 356z.47, 356z.51, 356z.53, 356z.54, 356z.56, 356z.57, 356z.59,
9 356z.60, 356z.61, 356z.62, 356z.64, 356z.67, 356z.68, 356z.71,
10 356z.72, 356z.74, 356z.75, 356z.77, 356z.80, 364.01, 364.3,
11 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412,
12 and paragraphs (7) and (15) of Section 367 of the Illinois
13 Insurance Code.

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

20 (Source: P.A. 102-30, eff. 1-1-22; 102-203, eff. 1-1-22;
21 102-306, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665, eff.
22 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22; 102-804,
23 eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff. 1-1-23;
24 102-860, eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093, eff.
25 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91,
26 eff. 1-1-24; 103-420, eff. 1-1-24; 103-445, eff. 1-1-24;

1 103-551, eff. 8-11-23; 103-605, eff. 7-1-24; 103-656, eff.
2 1-1-25; 103-718, eff. 7-19-24; 103-751, eff. 8-2-24; 103-753,
3 eff. 8-2-24; 103-758, eff. 1-1-25; 103-832, eff. 1-1-25;
4 103-914, eff. 1-1-25; 103-918, eff. 1-1-25; 103-1024, eff.
5 1-1-25; revised 11-26-24.)

6 Section 45. The Illinois Public Aid Code is amended by
7 changing Section 5-16.8 as follows:

8 (305 ILCS 5/5-16.8)

9 Sec. 5-16.8. Required health benefits. The medical
10 assistance program shall (i) provide the post-mastectomy care
11 benefits required to be covered by a policy of accident and
12 health insurance under Section 356t and the coverage required
13 under Sections 356g.5, 356q, 356u, 356w, 356x, 356z.6,
14 356z.26, 356z.29, 356z.32, 356z.33, 356z.34, 356z.35, 356z.46,
15 356z.47, 356z.51, 356z.53, 356z.59, 356z.60, 356z.61, 356z.64,
16 ~~and 356z.67, and 356z.71,~~ 356z.75, and 356z.80 of the Illinois
17 Insurance Code, (ii) be subject to the provisions of Sections
18 356z.19, 356z.44, 356z.49, 364.01, 370c, and 370c.1 of the
19 Illinois Insurance Code, and (iii) be subject to the
20 provisions of subsection (d-5) of Section 10 of the Network
21 Adequacy and Transparency Act.

22 The Department, by rule, shall adopt a model similar to
23 the requirements of Section 356z.39 of the Illinois Insurance
24 Code.

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

6 To ensure full access to the benefits set forth in this
7 Section, on and after January 1, 2016, the Department shall
8 ensure that provider and hospital reimbursement for
9 post-mastectomy care benefits required under this Section are
10 no lower than the Medicare reimbursement rate.

11 (Source: P.A. 102-30, eff. 1-1-22; 102-144, eff. 1-1-22;
12 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-530, eff.
13 1-1-22; 102-642, eff. 1-1-22; 102-804, eff. 1-1-23; 102-813,
14 eff. 5-13-22; 102-816, eff. 1-1-23; 102-1093, eff. 1-1-23;
15 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91, eff.
16 1-1-24; 103-420, eff. 1-1-24; 103-605, eff. 7-1-24; 103-703,
17 eff. 1-1-25; 103-758, eff. 1-1-25; 103-1024, eff. 1-1-25;
18 revised 11-26-24.)

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