



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB3502

Introduced 2/18/2025, by Rep. Barbara Hernandez

#### 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 a group or individual policy of accident and health insurance or a managed care plan that is amended, delivered, issued, or renewed after January 1, 2026 shall provide coverage for one pair of custom-made retainers and one night guard every 2 years for each family covered by the policy. 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 09424 BAB 19484 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. Retainers and night guards.

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 after January 1, 2026 shall provide  
8 coverage for one pair of custom-made retainers and one night  
9 guard every 2 years for each family covered by the policy.

10 (b) As used in this Section:

11 "Night guard" means a removable dental device that  
12 prevents teeth from grinding and clenching while the wearer  
13 sleeps.

14 "Retainer" means a custom-made device worn in the mouth  
15 over a person's teeth, typically worn to keep teeth in a new,  
16 correct position or to assist in realignment of teeth.

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

19 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

20 (Text of Section before 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,

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

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

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

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

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

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

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

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

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

26           (A) certification by an independent actuary of the

1           adequacy of the reserves of the Health Maintenance  
2           Organization sought to be acquired;

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

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

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

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

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

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

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

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

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

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

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

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

24 (g) Rulemaking authority to implement Public Act 95-1045,  
25 if any, is conditioned on the rules being adopted in  
26 accordance with all provisions of the Illinois Administrative

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

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

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

20 Sec. 5-3. Insurance Code provisions.

21 (a) Health Maintenance Organizations shall be subject to  
22 the provisions of Sections 133, 134, 136, 137, 139, 140,  
23 141.1, 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151,  
24 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a,  
25 155.49, 352c, 355.2, 355.3, 355.6, 355b, 355c, 356f, 356g,

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

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

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

19 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

20 Sec. 4003. Illinois Insurance Code provisions. Limited  
21 health service organizations shall be subject to the  
22 provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,  
23 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151, 152, 153,  
24 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.37, 155.49, 352c,

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

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

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

22 (Source: P.A. 102-30, eff. 1-1-22; 102-203, eff. 1-1-22;  
23 102-306, eff. 1-1-22; 102-642, eff. 1-1-22; 102-731, eff.  
24 1-1-23; 102-775, eff. 5-13-22; 102-813, eff. 5-13-22; 102-816,  
25 eff. 1-1-23; 102-860, eff. 1-1-23; 102-1093, eff. 1-1-23;  
26 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91, eff.

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

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

8 (215 ILCS 165/10) (from Ch. 32, par. 604)

9 Sec. 10. Application of Insurance Code provisions. Health  
10 services plan corporations and all persons interested therein  
11 or dealing therewith shall be subject to the provisions of  
12 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,  
13 143, 143.31, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3,  
14 355b, 355d, 356g, 356g.5, 356g.5-1, 356m, 356q, 356r, 356t,  
15 356u, 356u.10, 356v, 356w, 356x, 356y, 356z.1, 356z.2,  
16 356z.3a, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9,  
17 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18,  
18 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30,  
19 356z.32, 356z.32a, 356z.33, 356z.40, 356z.41, 356z.46,  
20 356z.47, 356z.51, 356z.53, 356z.54, 356z.56, 356z.57, 356z.59,  
21 356z.60, 356z.61, 356z.62, 356z.64, 356z.67, 356z.68, 356z.71,  
22 356z.72, 356z.74, 356z.75, 356z.77, 356z.80, 364.01, 364.3,  
23 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412,  
24 and paragraphs (7) and (15) of Section 367 of the Illinois

1 Insurance Code.

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

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

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

22 (305 ILCS 5/5-16.8)

23 Sec. 5-16.8. Required health benefits. The medical  
24 assistance program shall (i) provide the post-mastectomy care

1 benefits required to be covered by a policy of accident and  
2 health insurance under Section 356t and the coverage required  
3 under Sections 356g.5, 356q, 356u, 356w, 356x, 356z.6,  
4 356z.26, 356z.29, 356z.32, 356z.33, 356z.34, 356z.35, 356z.46,  
5 356z.47, 356z.51, 356z.53, 356z.59, 356z.60, 356z.61, 356z.64,  
6 ~~and~~ 356z.67, ~~and~~ 356z.71, 356z.75, and 356z.80 of the Illinois  
7 Insurance Code, (ii) be subject to the provisions of Sections  
8 356z.19, 356z.44, 356z.49, 364.01, 370c, and 370c.1 of the  
9 Illinois Insurance Code, and (iii) be subject to the  
10 provisions of subsection (d-5) of Section 10 of the Network  
11 Adequacy and Transparency Act.

12 The Department, by rule, shall adopt a model similar to  
13 the requirements of Section 356z.39 of the Illinois Insurance  
14 Code.

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

20 To ensure full access to the benefits set forth in this  
21 Section, on and after January 1, 2016, the Department shall  
22 ensure that provider and hospital reimbursement for  
23 post-mastectomy care benefits required under this Section are  
24 no lower than the Medicare reimbursement rate.

25 (Source: P.A. 102-30, eff. 1-1-22; 102-144, eff. 1-1-22;  
26 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-530, eff.

1 1-1-22; 102-642, eff. 1-1-22; 102-804, eff. 1-1-23; 102-813,  
2 eff. 5-13-22; 102-816, eff. 1-1-23; 102-1093, eff. 1-1-23;  
3 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91, eff.  
4 1-1-24; 103-420, eff. 1-1-24; 103-605, eff. 7-1-24; 103-703,  
5 eff. 1-1-25; 103-758, eff. 1-1-25; 103-1024, eff. 1-1-25;  
6 revised 11-26-24.)

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