



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB3607

Introduced 2/18/2025, by Rep. Camille Y. Lilly

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 or health insurance that is issued, amended, delivered, or renewed on or after January 1, 2027 shall not charge insured persons a copayment as a method of cost-sharing or include a deductible greater than \$1,000. Provides that yearly out-of-pocket expenses for insured persons must be less than or equal to \$1,500. 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 11275 BAB 21360 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 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. Prohibition of copayment and other
5 out-of-pocket limitations. A group or individual policy of
6 accident or health insurance that is issued, amended,
7 delivered, or renewed on or after January 1, 2027 shall not
8 charge insured persons a copayment as a method of cost-sharing
9 or include a deductible greater than \$1,000. Yearly
10 out-of-pocket expenses for insured persons must be less than
11 or equal to \$1,500.

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

14 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

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

16 Sec. 5-3. Insurance Code provisions.

17 (a) Health Maintenance Organizations shall be subject to
18 the provisions of Sections 133, 134, 136, 137, 139, 140,
19 141.1, 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151,
20 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a,
21 155.49, 352c, 355.2, 355.3, 355.6, 355b, 355c, 356f, 356g.5-1,
22 356m, 356q, 356u.10, 356v, 356w, 356x, 356z.2, 356z.3a,
23 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10,

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

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

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

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

24 (3) a corporation organized under the laws of another
25 state, 30% or more of the enrollees of which are residents
26 of this State, except a corporation subject to

1 substantially the same requirements in its state of
2 organization as is a "domestic company" under Article VIII
3 1/2 of the Illinois Insurance Code.

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

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

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

19 (3) the Director shall have the power to require the
20 following information:

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

24 (B) pro forma financial statements reflecting the
25 combined balance sheets of the acquiring company and
26 the Health Maintenance Organization sought to be

1 acquired as of the end of the preceding year and as of
2 a date 90 days prior to the acquisition, as well as pro
3 forma financial statements reflecting projected
4 combined operation for a period of 2 years;

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

9 (D) such other information as the Director shall
10 require.

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

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

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

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

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

1 account the refund period and the immediately preceding 2
2 plan years.

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

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

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

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

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

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

15 Sec. 5-3. Insurance Code provisions.

16 (a) Health Maintenance Organizations shall be subject to
17 the provisions of Sections 133, 134, 136, 137, 139, 140,
18 141.1, 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151,
19 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a,
20 155.49, 352c, 355.2, 355.3, 355.6, 355b, 355c, 356f, 356g,
21 356g.5-1, 356m, 356q, 356u.10, 356v, 356w, 356x, 356z.2,
22 356z.3a, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9,
23 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17,
24 356z.18, 356z.19, 356z.20, 356z.21, 356z.22, 356z.23, 356z.24,
25 356z.25, 356z.26, 356z.28, 356z.29, 356z.30, 356z.31, 356z.32,

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

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

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

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

21 (3) a corporation organized under the laws of another
22 state, 30% or more of the enrollees of which are residents
23 of this State, except a corporation subject to
24 substantially the same requirements in its state of
25 organization as is a "domestic company" under Article VIII
26 1/2 of the Illinois Insurance Code.

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

4 (1) the Director shall give primary consideration to
5 the continuation of benefits to enrollees and the
6 financial conditions of the acquired Health Maintenance
7 Organization after the merger, consolidation, or other
8 acquisition of control takes effect;

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

16 (3) the Director shall have the power to require the
17 following information:

18 (A) certification by an independent actuary of the
19 adequacy of the reserves of the Health Maintenance
20 Organization sought to be acquired;

21 (B) pro forma financial statements reflecting the
22 combined balance sheets of the acquiring company and
23 the Health Maintenance Organization sought to be
24 acquired as of the end of the preceding year and as of
25 a date 90 days prior to the acquisition, as well as pro
26 forma financial statements reflecting projected

1 combined operation for a period of 2 years;

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

6 (D) such other information as the Director shall
7 require.

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

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

24 (f) Except for small employer groups as defined in the
25 Small Employer Rating, Renewability and Portability Health
26 Insurance Act and except for medicare supplement policies as

1 defined in Section 363 of the Illinois Insurance Code, a
2 Health Maintenance Organization may by contract agree with a
3 group or other enrollment unit to effect refunds or charge
4 additional premiums under the following terms and conditions:

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

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

26 The Health Maintenance Organization shall include a

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

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

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

22 (Source: P.A. 102-30, eff. 1-1-22; 102-34, eff. 6-25-21;
23 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.
24 1-1-22; 102-589, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665,
25 eff. 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22;
26 102-804, eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff.

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

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

14 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

15 Sec. 4003. Illinois Insurance Code provisions. Limited
16 health service organizations shall be subject to the
17 provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,
18 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151, 152, 153,
19 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.37, 155.49, 352c,
20 355.2, 355.3, 355b, 355d, 356m, 356q, 356v, 356z.4, 356z.4a,
21 356z.10, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.32,
22 356z.33, 356z.41, 356z.46, 356z.47, 356z.51, 356z.53, 356z.54,
23 356z.57, 356z.59, 356z.61, 356z.64, 356z.67, 356z.68, 356z.71,
24 356z.73, 356z.74, 356z.75, 356z.80, 364.3, 368a, 401, 401.1,

1 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1 and
2 Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and
3 XXVI of the Illinois Insurance Code. Nothing in this Section
4 shall require a limited health care plan to cover any service
5 that is not a limited health service. For purposes of the
6 Illinois Insurance Code, except for Sections 444 and 444.1 and
7 Articles XIII and XIII 1/2, limited health service
8 organizations in the following categories are deemed to be
9 domestic companies:

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

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

17 (Source: P.A. 102-30, eff. 1-1-22; 102-203, eff. 1-1-22;
18 102-306, eff. 1-1-22; 102-642, eff. 1-1-22; 102-731, eff.
19 1-1-23; 102-775, eff. 5-13-22; 102-813, eff. 5-13-22; 102-816,
20 eff. 1-1-23; 102-860, eff. 1-1-23; 102-1093, eff. 1-1-23;
21 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91, eff.
22 1-1-24; 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445,
23 eff. 1-1-24; 103-605, eff. 7-1-24; 103-649, eff. 1-1-25;
24 103-656, eff. 1-1-25; 103-700, eff. 1-1-25; 103-718, eff.
25 7-19-24; 103-751, eff. 8-2-24; 103-758, eff. 1-1-25; 103-832,
26 eff. 1-1-25; 103-1024, eff. 1-1-25; revised 11-26-24.)

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

3 (215 ILCS 165/10) (from Ch. 32, par. 604)

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

21 Rulemaking authority to implement Public Act 95-1045, if
22 any, is conditioned on the rules being adopted in accordance
23 with all provisions of the Illinois Administrative Procedure
24 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; 102-203, eff. 1-1-22;
4 102-306, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665, eff.
5 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22; 102-804,
6 eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff. 1-1-23;
7 102-860, eff. 1-1-23; 102-901, eff. 7-1-22; 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;
10 103-551, eff. 8-11-23; 103-605, eff. 7-1-24; 103-656, eff.
11 1-1-25; 103-718, eff. 7-19-24; 103-751, eff. 8-2-24; 103-753,
12 eff. 8-2-24; 103-758, eff. 1-1-25; 103-832, eff. 1-1-25;
13 103-914, eff. 1-1-25; 103-918, eff. 1-1-25; 103-1024, eff.
14 1-1-25; revised 11-26-24.)

15 Section 40. The Illinois Public Aid Code is amended by
16 changing Section 5-16.8 as follows:

17 (305 ILCS 5/5-16.8)

18 Sec. 5-16.8. Required health benefits. The medical
19 assistance program shall (i) provide the post-mastectomy care
20 benefits required to be covered by a policy of accident and
21 health insurance under Section 356t and the coverage required
22 under Sections 356g.5, 356q, 356u, 356w, 356x, 356z.6,
23 356z.26, 356z.29, 356z.32, 356z.33, 356z.34, 356z.35, 356z.46,
24 356z.47, 356z.51, 356z.53, 356z.59, 356z.60, 356z.61, 356z.64,

1 ~~and 356z.67, and 356z.71,~~ 356z.75, and 356z.80 of the Illinois
2 Insurance Code, (ii) be subject to the provisions of Sections
3 356z.19, 356z.44, 356z.49, 364.01, 370c, and 370c.1 of the
4 Illinois Insurance Code, and (iii) be subject to the
5 provisions of subsection (d-5) of Section 10 of the Network
6 Adequacy and Transparency Act.

7 The Department, by rule, shall adopt a model similar to
8 the requirements of Section 356z.39 of the Illinois Insurance
9 Code.

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

15 To ensure full access to the benefits set forth in this
16 Section, on and after January 1, 2016, the Department shall
17 ensure that provider and hospital reimbursement for
18 post-mastectomy care benefits required under this Section are
19 no lower than the Medicare reimbursement rate.

20 (Source: P.A. 102-30, eff. 1-1-22; 102-144, eff. 1-1-22;
21 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-530, eff.
22 1-1-22; 102-642, eff. 1-1-22; 102-804, eff. 1-1-23; 102-813,
23 eff. 5-13-22; 102-816, eff. 1-1-23; 102-1093, eff. 1-1-23;
24 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91, eff.
25 1-1-24; 103-420, eff. 1-1-24; 103-605, eff. 7-1-24; 103-703,
26 eff. 1-1-25; 103-758, eff. 1-1-25; 103-1024, eff. 1-1-25;

1 revised 11-26-24.)

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