

SB0200



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB0200

Introduced 1/22/2025, by Sen. Chapin Rose

SYNOPSIS AS INTRODUCED:

5 ILCS 375/6.9

Amends the State Employees Group Insurance Act of 1971. Provides that the Director of Central Management Services shall also provide community college benefit recipients the option to decline dental coverage under the Act for themselves and their dependent beneficiaries.

LRB104 06051 RLC 16084 b

A BILL FOR

1 AN ACT concerning government.

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 6.9 as follows:

6 (5 ILCS 375/6.9)

7 Sec. 6.9. Health benefits for community college benefit
8 recipients and community college dependent beneficiaries.

9 (a) Purpose. It is the purpose of this amendatory Act of
10 1997 to establish a uniform program of health benefits for
11 community college benefit recipients and their dependent
12 beneficiaries under the administration of the Department of
13 Central Management Services.

14 (b) Creation of program. Beginning July 1, 1999, the
15 Department of Central Management Services shall be responsible
16 for administering a program of health benefits for community
17 college benefit recipients and community college dependent
18 beneficiaries under this Section. The State Universities
19 Retirement System and the boards of trustees of the various
20 community college districts shall cooperate with the
21 Department in this endeavor.

22 (c) Eligibility. All community college benefit recipients
23 and community college dependent beneficiaries shall be

1 eligible to participate in the program established under this
2 Section, without any interruption or delay in coverage or
3 limitation as to pre-existing medical conditions. Eligibility
4 to participate shall be determined by the State Universities
5 Retirement System. Eligibility information shall be
6 communicated to the Department of Central Management Services
7 in a format acceptable to the Department.

8 Eligible community college benefit recipients may enroll
9 or re-enroll in the program of health benefits established
10 under this Section during any applicable annual open
11 enrollment period and as otherwise permitted by the Department
12 of Central Management Services. A community college benefit
13 recipient shall not be deemed ineligible to participate solely
14 by reason of the community college benefit recipient having
15 made a previous election to disenroll or otherwise not
16 participate in the program of health benefits.

17 (d) Coverage. The health benefit coverage provided under
18 this Section shall be a program of health, dental, and vision
19 benefits.

20 The program of health benefits under this Section may
21 include any or all of the benefit limitations, including but
22 not limited to a reduction in benefits based on eligibility
23 for federal Medicare benefits, that are provided under
24 subsection (a) of Section 6 of this Act for other health
25 benefit programs under this Act. The Director shall also
26 provide community college benefit recipients the option to

1 decline dental coverage under this Act for themselves and
2 their dependent beneficiaries.

3 (e) Insurance rates and premiums. The Director shall
4 determine the insurance rates and premiums for community
5 college benefit recipients and community college dependent
6 beneficiaries and shall present to the State Universities
7 Retirement System, by April 15 of each calendar year, the
8 rate-setting methodology (including, but not limited to,
9 utilization levels and costs) used to determine the insurance
10 rates and premiums. Rates and premiums may be based in part on
11 age and eligibility for federal Medicare coverage. The
12 Director shall also determine premiums that will allow for the
13 establishment of an actuarially sound reserve for this
14 program.

15 The cost of health benefits under the program shall be
16 paid as follows:

17 (1) For a community college benefit recipient, up to
18 75% of the total insurance rate shall be paid from the
19 Community College Health Insurance Security Fund.

20 (2) The balance of the rate of insurance, including
21 the entire premium for any coverage for community college
22 dependent beneficiaries that has been elected, shall be
23 paid by deductions authorized by the community college
24 benefit recipient to be withheld from his or her monthly
25 annuity or benefit payment from the State Universities
26 Retirement System; except that (i) if the balance of the

1 cost of coverage exceeds the amount of the monthly annuity
2 or benefit payment, the difference shall be paid directly
3 to the State Universities Retirement System by the
4 community college benefit recipient, and (ii) all or part
5 of the balance of the cost of coverage may, at the option
6 of the board of trustees of the community college
7 district, be paid to the State Universities Retirement
8 System by the board of the community college district from
9 which the community college benefit recipient retired. The
10 State Universities Retirement System shall promptly
11 deposit all moneys withheld by or paid to it under this
12 subdivision (e)(2) into the Community College Health
13 Insurance Security Fund. These moneys shall not be
14 considered assets of the State Universities Retirement
15 System.

16 (f) Financing. All revenues arising from the
17 administration of the health benefit program established under
18 this Section shall be deposited into the Community College
19 Health Insurance Security Fund, which is hereby created as a
20 nonappropriated trust fund to be held outside the State
21 Treasury, with the State Treasurer as custodian. Any interest
22 earned on moneys in the Community College Health Insurance
23 Security Fund shall be deposited into the Fund.

24 Moneys in the Community College Health Insurance Security
25 Fund shall be used only to pay the costs of the health benefit
26 program established under this Section, including associated

1 administrative costs and the establishment of a program
2 reserve. Beginning January 1, 1999, the Department of Central
3 Management Services may make expenditures from the Community
4 College Health Insurance Security Fund for those costs.

5 (g) Contract for benefits. The Director shall by contract,
6 self-insurance, or otherwise make available the program of
7 health benefits for community college benefit recipients and
8 their community college dependent beneficiaries that is
9 provided for in this Section. The contract or other
10 arrangement for the provision of these health benefits shall
11 be on terms deemed by the Director to be in the best interest
12 of the State of Illinois and the community college benefit
13 recipients based on, but not limited to, such criteria as
14 administrative cost, service capabilities of the carrier or
15 other contractor, and the costs of the benefits.

16 (h) Continuation of program. It is the intention of the
17 General Assembly that the program of health benefits provided
18 under this Section be maintained on an ongoing, affordable
19 basis. The program of health benefits provided under this
20 Section may be amended by the State and is not intended to be a
21 pension or retirement benefit subject to protection under
22 Article XIII, Section 5 of the Illinois Constitution.

23 (i) Other health benefit plans. A health benefit plan
24 provided by a community college district (other than a
25 community college district subject to Article VII of the
26 Public Community College Act) under the terms of a collective

1 bargaining agreement in effect on or prior to the effective
2 date of this amendatory Act of 1997 shall continue in force
3 according to the terms of that agreement, unless otherwise
4 mutually agreed by the parties to that agreement and the
5 affected retiree. A community college benefit recipient or
6 community college dependent beneficiary whose coverage under
7 such a plan expires shall be eligible to begin participating
8 in the program established under this Section without any
9 interruption or delay in coverage or limitation as to
10 pre-existing medical conditions.

11 This Act does not prohibit any community college district
12 from offering additional health benefits for its retirees or
13 their dependents or survivors.

14 (j) Committee. A Community College Insurance Program
15 Committee shall be established and shall consist of the
16 following 7 members who are appointed by the Governor: 2
17 members who represent organized labor and are each members of
18 different unions; one member who represents community college
19 retirees; one member who represents community college
20 trustees; one member who represents community college
21 presidents; one member who represents the Illinois Community
22 College Board; and one ex officio member who represents the
23 State Universities Retirement System. The Department of
24 Central Management Services shall provide administrative
25 support to the Committee. The Committee shall convene at least
26 4 times each year and shall review and make recommendations on

1 program contribution rates once the program is forecasted to
2 have satisfied the outstanding program debt existing on June
3 30, 2023 and is operating on a no-hold payment cycle.
4 (Source: P.A. 103-8, eff. 6-7-23.)