



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB1746

Introduced 2/5/2025, by Sen. Cristina Castro

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.26a new
215 ILCS 125/5-3 from Ch. 111 1/2, par. 1411.2
215 ILCS 165/10 from Ch. 32, par. 604

Amends the Illinois Insurance Code. Provides that a health benefit plan amended, delivered, issued, or renewed on or after January 1, 2026 that provides prescription drug coverage through a medical or pharmacy health benefit or its contracted pharmacy benefit manager shall not engage in or require an enrollee to engage in specified prohibited acts. Provides that a clinician-administered drug shall meet the supply chain security controls and chain of distribution set by the federal Drug Supply Chain Security Act. Provides that the Department of Insurance may adopt rules as necessary to implement the provisions. Defines terms. Amends the State Employees Group Insurance Act of 1971, the Counties Code, the Illinois Municipal Code, the School Code, the Health Maintenance Organization Act, and the Voluntary Health Services Plans Act to require policies under those Acts to comply with the provisions.

LRB104 10199 BAB 20272 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.26a, 356z.29,
17 356z.30, 356z.32, 356z.33, 356z.36, 356z.40, 356z.41, 356z.45,
18 356z.46, 356z.47, 356z.51, 356z.53, 356z.54, 356z.55, 356z.56,
19 356z.57, 356z.59, 356z.60, 356z.61, 356z.62, 356z.64, 356z.67,
20 356z.68, ~~and~~ 356z.70, ~~and~~ 356z.71, 356z.74, 356z.76, and
21 356z.77 of the Illinois Insurance Code. The program of health
22 benefits must comply with Sections 155.22a, 155.37, 355b,
23 356z.19, 370c, and 370c.1 and Article XXXIIB of the Illinois

1 Insurance Code. The program of health benefits shall provide
2 the coverage required under Section 356m of the Illinois
3 Insurance Code and, for the employees of the State Employee
4 Group 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.26a, 356z.29, 356z.30, 356z.32,
15 356z.33, 356z.36, 356z.40, 356z.41, 356z.45, 356z.46, 356z.47,
16 356z.48, 356z.51, 356z.53, 356z.54, 356z.56, 356z.57, 356z.59,
17 356z.60, 356z.61, 356z.62, 356z.64, 356z.67, 356z.68, ~~and~~
18 356z.70, ~~and~~ 356z.71, 356z.74, and 356z.77 of the Illinois
19 Insurance Code. The coverage shall comply with Sections
20 155.22a, 355b, 356z.19, and 370c of the Illinois Insurance
21 Code. The Department of Insurance shall enforce the
22 requirements of this Section. The requirement that health
23 benefits be covered as provided in this Section is an
24 exclusive power and function of the State and is a denial and

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

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

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

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

24 (65 ILCS 5/10-4-2.3)

1 Sec. 10-4-2.3. Required health benefits. If a
2 municipality, including a home rule municipality, is a
3 self-insurer for purposes of providing health insurance
4 coverage for its employees, the coverage shall include
5 coverage for the post-mastectomy care benefits required to be
6 covered by a policy of accident and health insurance under
7 Section 356t and the coverage required under Sections 356g,
8 356g.5, 356g.5-1, 356m, 356q, 356u, 356u.10, 356w, 356x,
9 356z.4, 356z.4a, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11,
10 356z.12, 356z.13, 356z.14, 356z.15, 356z.22, 356z.25, 356z.26,
11 356z.26a, 356z.29, 356z.30, 356z.32, 356z.33, 356z.36,
12 356z.40, 356z.41, 356z.45, 356z.46, 356z.47, 356z.48, 356z.51,
13 356z.53, 356z.54, 356z.56, 356z.57, 356z.59, 356z.60, 356z.61,
14 356z.62, 356z.64, 356z.67, 356z.68, ~~and~~ 356z.70, ~~and~~ 356z.71,
15 356z.74, and 356z.77 of the Illinois Insurance Code. The
16 coverage shall comply with Sections 155.22a, 355b, 356z.19,
17 and 370c of the Illinois Insurance Code. The Department of
18 Insurance shall enforce the requirements of this Section. The
19 requirement that health benefits be covered as provided in
20 this is an exclusive power and function of the State and is a
21 denial and limitation under Article VII, Section 6, subsection
22 (h) of the Illinois Constitution. A home rule municipality to
23 which this Section applies must comply with every provision of
24 this Section.

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

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

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

16 Section 20. The School Code is amended by changing Section
17 10-22.3f as follows:

18 (105 ILCS 5/10-22.3f)

19 Sec. 10-22.3f. Required health benefits. Insurance
20 protection and benefits for employees shall provide the
21 post-mastectomy care benefits required to be covered by a
22 policy of accident and health insurance under Section 356t and
23 the coverage required under Sections 356g, 356g.5, 356g.5-1,
24 356m, 356q, 356u, 356u.10, 356w, 356x, 356z.4, 356z.4a,

1 356z.6, 356z.8, 356z.9, 356z.11, 356z.12, 356z.13, 356z.14,
2 356z.15, 356z.22, 356z.25, 356z.26, 356z.26a, 356z.29,
3 356z.30, 356z.32, 356z.33, 356z.36, 356z.40, 356z.41, 356z.45,
4 356z.46, 356z.47, 356z.51, 356z.53, 356z.54, 356z.56, 356z.57,
5 356z.59, 356z.60, 356z.61, 356z.62, 356z.64, 356z.67, 356z.68,
6 ~~and~~ 356z.70, ~~and~~ 356z.71, 356z.74, and 356z.77 of the Illinois
7 Insurance Code. Insurance policies shall comply with Section
8 356z.19 of the Illinois Insurance Code. The coverage shall
9 comply with Sections 155.22a, 355b, and 370c of the Illinois
10 Insurance Code. The Department of Insurance shall enforce the
11 requirements of this Section.

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

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

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

2 Section 25. The Illinois Insurance Code is amended by
3 adding Section 356z.26a as follows:

4 (215 ILCS 5/356z.26a new)

5 Sec. 356z.26a. Clinician-administered drugs.

6 (a) As used in this Section:

7 "Clinician-administered drug" means an outpatient
8 prescription drug other than a vaccine that:

9 (1) cannot reasonably be self-administered by the
10 patient to whom the drug is prescribed or by an individual
11 assisting the patient with the self-administration; and

12 (2) is typically administered:

13 (A) by a health care provider authorized under the
14 laws of this State to administer the drug, including a
15 health care provider acting under a physician's
16 delegation and supervision; and

17 (B) in a physician's office, hospital outpatient
18 infusion center, or other clinical setting.

19 "Health benefit plan" means an individual or group policy
20 of accident or health insurance, health care plan, or other
21 hospital or medical policy, certificate, or contract.

22 "Health care plan" has the meaning given to that term in
23 Section 1-2 of the Health Maintenance Organization Act.

24 "Health care plan" does not include a managed care

1 organization that provides, arranges, or reimburses for the
2 delivery of health care services to individuals who are
3 enrolled in the program of medical assistance under the
4 Illinois Public Aid Code or under the Children's Health
5 Insurance Program Act.

6 "Pharmacy" has the meaning given to that term in Section 3
7 of the Pharmacy Practice Act.

8 "Provider" has the meaning given to that term in Section
9 370g.

10 "Site of service" means the physical location where a
11 clinician-administered drug is administered, including, but
12 not limited to, an outpatient hospital, physician's office,
13 ambulatory infusion site, home-based site, or other clinical
14 setting.

15 (b) To ensure access to safe and effective drug therapies,
16 a health benefit plan amended, delivered, issued, or renewed
17 on or after January 1, 2026 that provides prescription drug
18 coverage through a medical or pharmacy health benefit or its
19 contracted pharmacy benefit manager shall not:

20 (1) require an enrollee to obtain a covered
21 clinician-administered drug from a pharmacy selected by
22 the health benefit plan or pharmacy benefit manager with
23 the intent to transport the drug to another site of
24 service for administration;

25 (2) require an enrollee to obtain a covered
26 clinician-administered drug from a pharmacy selected by

1 the health benefit plan or pharmacy benefit manager;

2 (3) notwithstanding any other provision of law, steer
3 or offer financial or other incentives to induce an
4 enrollee to obtain a clinician-administered drug from a
5 pharmacy identified by the health benefit plan or pharmacy
6 benefit manager;

7 (4) condition, deny, restrict, refuse to authorize, or
8 otherwise limit benefits and coverage to an enrollee for
9 medically necessary clinician-administered drugs and
10 related services obtained from the provider that
11 administers the drug or from a pharmacy that is not
12 selected by the health benefit plan or pharmacy benefit
13 manager;

14 (5) condition, deny, restrict, refuse to authorize, or
15 otherwise limit reimbursement to a provider for covered
16 medically necessary clinician-administered drugs and
17 related services obtained from the provider that
18 administers the drug or from a pharmacy that is not
19 selected by the health benefit plan or pharmacy benefit
20 manager;

21 (6) assess higher deductibles, copayments,
22 coinsurance, or other cost-sharing amounts for
23 clinician-administered drugs obtained from the provider
24 that administers the drug or from a pharmacy that is not
25 selected by the health benefit plan or pharmacy benefit
26 manager;

1 (7) require an enrollee to use a home infusion
2 pharmacy to receive clinician-administered drugs in the
3 enrollee's home or to use a site of service identified by
4 the health benefit plan or pharmacy benefit manager;

5 (8) include the site of service in prior approval or
6 medical necessity criteria for clinician-administered
7 drugs;

8 (9) require an enrollee to use the pharmacy benefit
9 for specific clinician-administered drugs; or

10 (10) prohibit a provider from billing the health
11 benefit plan for reimbursement of clinician-administered
12 drugs.

13 (c) A clinician-administered drug shall meet the supply
14 chain security controls and chain of distribution set by the
15 federal Drug Supply Chain Security Act.

16 (d) The Department may adopt rules as necessary to
17 implement the provisions of this Section.

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

20 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

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

22 Sec. 5-3. Insurance Code provisions.

23 (a) Health Maintenance Organizations shall be subject to
24 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.26a, 356z.28, 356z.29, 356z.30, 356z.31,
9 356z.32, 356z.33, 356z.34, 356z.35, 356z.36, 356z.37, 356z.38,
10 356z.39, 356z.40, 356z.40a, 356z.41, 356z.44, 356z.45,
11 356z.46, 356z.47, 356z.48, 356z.49, 356z.50, 356z.51, 356z.53,
12 356z.54, 356z.55, 356z.56, 356z.57, 356z.58, 356z.59, 356z.60,
13 356z.61, 356z.62, 356z.63, 356z.64, 356z.65, 356z.66, 356z.67,
14 356z.68, 356z.69, 356z.70, 356z.71, 356z.72, 356z.73, 356z.74,
15 356z.75, 356z.77, 364, 364.01, 364.3, 367.2, 367.2-5, 367i,
16 368a, 368b, 368c, 368d, 368e, 370c, 370c.1, 401, 401.1, 402,
17 403, 403A, 408, 408.2, 409, 412, 444, and 444.1, paragraph (c)
18 of 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.26a, 356z.28, 356z.29, 356z.30,
6 356z.31, 356z.32, 356z.33, 356z.34, 356z.35, 356z.36, 356z.37,
7 356z.38, 356z.39, 356z.40, 356z.40a, 356z.41, 356z.44,
8 356z.45, 356z.46, 356z.47, 356z.48, 356z.49, 356z.50, 356z.51,
9 356z.53, 356z.54, 356z.55, 356z.56, 356z.57, 356z.58, 356z.59,
10 356z.60, 356z.61, 356z.62, 356z.63, 356z.64, 356z.65, 356z.66,
11 356z.67, 356z.68, 356z.69, 356z.70, 356z.71, 356z.72, 356z.73,
12 356z.74, 356z.75, 356z.77, 364, 364.01, 364.3, 367.2, 367.2-5,
13 367i, 368a, 368b, 368c, 368d, 368e, 370c, 370c.1, 401, 401.1,
14 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1,
15 paragraph (c) of subsection (2) of Section 367, and Articles
16 IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, XXVI, and
17 XXXIIB of the 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 Voluntary Health Services Plans Act is
18 amended by changing Section 10 as follows:

19 (215 ILCS 165/10) (from Ch. 32, par. 604)

20 Sec. 10. Application of Insurance Code provisions. Health
21 services plan corporations and all persons interested therein
22 or dealing therewith shall be subject to the provisions of
23 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,
24 143, 143.31, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3,

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

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

19 (Source: P.A. 102-30, eff. 1-1-22; 102-203, eff. 1-1-22;
20 102-306, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665, eff.
21 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22; 102-804,
22 eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff. 1-1-23;
23 102-860, eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093, eff.
24 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91,
25 eff. 1-1-24; 103-420, eff. 1-1-24; 103-445, eff. 1-1-24;
26 103-551, eff. 8-11-23; 103-605, eff. 7-1-24; 103-656, eff.

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

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