

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 Illinois Insurance Code is amended by
5 adding Sections 356z.88, 370u, and 511.119 as follows:

6 (215 ILCS 5/356z.88 new)

7 Sec. 356z.88. Hearing care plans and discounted hearing
8 care plans.

9 (a) Definitions. In this Section:

10 "Administrator" means any administrator as defined in
11 Section 370g or 511.101 of this Code.

12 "Cost sharing" has the meaning given to that term in
13 Section 356z.3a of this Code.

14 "Covered items" means items for which reimbursement or
15 capitation from an enrollee's hearing care plan is provided to
16 a hearing instrument professional or for which a reimbursement
17 or discount is provided to an enrollee under a hearing care
18 plan or discounted hearing care plan.

19 "Covered items" includes, but is not limited to,
20 prescription hearing aids, earmolds, domes or inserts,
21 assistive listening devices, and hearing aid supplies and
22 accessories. "Covered items" does not include over-the-counter
23 hearing aids as defined in 21 CFR 800.30(b).

1 "Covered services" means services for which reimbursement
2 or capitation from an enrollee's hearing care plan is provided
3 to a hearing instrument professional or for which a
4 reimbursement or discount is provided to an enrollee under a
5 hearing care plan or discounted hearing care plan.

6 "Discount hearing care benefit" means a hearing care
7 benefit that is offered in a discounted hearing care plan.

8 "Discounted hearing care plan" means a discounted health
9 care services plan, as defined in 50 Ill. Adm. Code 2051.220,
10 that provides discounts for covered items or services.

11 "Enrollee" means any individual enrolled in a hearing care
12 plan or a beneficiary of a discounted hearing care plan.

13 "Excepted benefits" has the meaning given to that term in
14 42 U.S.C. 300gg-91(c) and federal regulations thereunder.

15 "Funded hearing care benefit" means hearing care benefits
16 that are offered in the enrollee's hearing care plan contract.

17 "Health insurance coverage" has the meaning given to that
18 term in Section 5 of the Illinois Health Insurance Portability
19 and Accountability Act.

20 "Health insurance issuer" has the meaning given to that
21 term in Section 5 of the Illinois Health Insurance Portability
22 and Accountability Act.

23 "Hearing care benefits" means the covered items or covered
24 services listed or otherwise covered in the contract or plan
25 documents for an enrollee's hearing care plan or discounted
26 hearing care plan.

1 "Hearing care organization" means a health insurance
2 issuer or administrator formed under the laws of this State or
3 another state that issues or administers a hearing care plan
4 or discounted hearing care plan.

5 "Hearing care plan" means any policy, certificate,
6 contract, or other plan of health insurance coverage, whether
7 excepted benefits or any other coverage, that provides
8 coverage for covered items and covered services.

9 "Hearing instrument professional" means a person who is
10 licensed in this State as an audiologist, a hearing instrument
11 dispenser, or a physician.

12 "Manufacturer" means the legal person, including any
13 business entity or other form of organization, that
14 manufactures and distributes hearing aids, earmolds, domes or
15 inserts, assistive listening devices, and hearing aid supplies
16 and accessories.

17 "Noncovered items and services" means items and services
18 that are not funded or discounted by the enrollee's hearing
19 care plan or discounted hearing care plan and where the
20 enrollee is fully responsible for the cost of the item or
21 service.

22 "Prescription hearing aid" means any instrument or device,
23 including an instrument or device dispensed pursuant to a
24 prescription or order, that is designed, intended, or offered
25 for the purpose of improving a person's hearing and any parts,
26 attachments, or accessories, including earmolds.

1 "Prescription hearing aid" does not include batteries,
2 cords, and individual or group auditory training devices and
3 any instrument or device used by a public utility in providing
4 telephone or other communication services.

5 "Routine hearing care services" means services that lack
6 medical necessity, such as pass or fail hearing screenings,
7 that are used to determine the need for additional diagnostic
8 hearing testing.

9 "Subcontractor" means any company, group, or third-party
10 entity, including agents, servants, partially owned or wholly
11 owned subsidiaries, and controlled organizations, that the
12 hearing care organization contracts with to supply items or
13 service for a hearing instrument professional or enrollee to
14 fulfill the benefit plan of a hearing care plan or discounted
15 hearing care plan.

16 (b) No hearing care organization that is an issuer or
17 administrator of a hearing care plan or discounted hearing
18 care plan issued, delivered, amended, or renewed on or after
19 the effective date of this amendatory Act of the 104th General
20 Assembly shall issue or renew a contract that requires a
21 hearing instrument professional, as a condition of
22 participation in the hearing care plan or discounted hearing
23 care plan, to provide items or services to an enrollee at a fee
24 set by the hearing care plan or discounted hearing care plan
25 unless the items and services are covered items or covered
26 services under the hearing care plan or discounted hearing

1 care plan.

2 (c) A hearing instrument professional who chooses not to
3 accept as payment an amount set by a hearing care plan or
4 discounted hearing care plan for items and services that are
5 not covered by the hearing care plan or discounted hearing
6 care plan shall:

7 (1) post, in a conspicuous place, a notice stating the
8 following: "IMPORTANT: This hearing instrument
9 professional does not accept the fee schedule set by your
10 hearing care plan for hearing care items and services that
11 are not covered benefits under your plan, when the item or
12 service is provided prior to the hearing aid fitting,
13 after one year following the initial fitting of the
14 hearing aids, or after all of the allowed service visits
15 are exhausted. In these cases, the hearing instrument
16 professional may charge his or her usual and customary
17 fees for those items and services. This hearing instrument
18 professional will provide you with an estimated cost for
19 each noncovered item or service in accordance with the No
20 Surprises Act."; or

21 (2) provide the information required under paragraph
22 (1) in a document provided by the hearing instrument
23 professional to the patient.

24 (d) Hearing care benefits must be communicated in writing
25 by the hearing care organization to an enrollee, prospective
26 enrollee, and the hearing instrument professional. Covered

1 items and services subject to de minimis reimbursement are not
2 required to be listed in this communication. Noncovered items
3 and noncovered services must be identified in the hearing care
4 plan's marketing materials, contract, and plan documents.

5 (e) No hearing care organization or its officers,
6 directors, agents, and employees may represent a discount
7 hearing care benefit as a funded hearing care benefit. A
8 hearing care organization must clearly list and document, in
9 the schedule of benefits and in marketing materials and plan
10 documents, the specific cost sharing amounts to hearing care
11 benefits provided by both in-network and out-of-network
12 providers of a hearing care plan or, in the case of a
13 discounted hearing care plan, the specific discounted amounts
14 for the discount hearing care benefits provided by preferred
15 providers.

16 (f) A hearing care plan or discounted hearing care plan
17 may provide hearing care benefits that include routine hearing
18 care services and medically necessary diagnostic hearing
19 services in accordance with guidance promulgated by the
20 Centers for Medicare and Medicaid Services. If hearing care
21 benefits or discount hearing care benefits include routine
22 hearing testing for the purpose of fitting or modifying a
23 hearing aid, the hearing instrument professional shall be
24 reimbursed, by the hearing care organization, by the enrollee,
25 or by both, as applicable under the terms of the plan, for the
26 costs of performing the testing regardless of whether the

1 enrollee proceeds with the purchase of a prescription hearing
2 aid.

3 (g) If a hearing care organization is owned or operated,
4 in whole or in part, by a hearing aid manufacturer and that
5 manufacturer offers prescription hearing aids within the
6 hearing care benefits of a hearing care plan or discounted
7 hearing care plan, that hearing care organization must
8 disclose, on its websites for enrollees or potential
9 enrollees, in its marketing communications, and in its
10 benefits or plan documents, its ownership or operational
11 interest and specify which prescription hearing aids are
12 available within the hearing care plan or discounted hearing
13 care plan it issues or administers.

14 (h) The provisions of this Section apply to any
15 subcontractors used by a hearing care organization to supply
16 items or services to a hearing instrument professional.

17 (215 ILCS 5/370u new)

18 Sec. 370u. Hearing care plans and discounted hearing care
19 plans. All administrators of hearing care plans or discounted
20 hearing care plans must comply with Section 356z.88 of this
21 Code.

22 (215 ILCS 5/511.119 new)

23 Sec. 511.119. Hearing care plans. All administrators of
24 hearing care plans must comply with Section 356z.88 of this

1 Code.

2 Section 10. The Health Maintenance Organization Act is
3 amended by changing Section 5-3 as follows:

4 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

5 Sec. 5-3. Illinois Insurance Code provisions.

6 (a) Health Maintenance Organizations shall be subject to
7 the provisions of Sections 133, 134, 136, 137, 139, 140,
8 141.1, 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151,
9 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a,
10 155.49, 352c, 355.2, 355.3, 355.6, 355.7, 355b, 355c, 356f,
11 356g, 356g.5-1, 356m, 356q, 356u.10, 356v, 356w, 356x, 356z.2,
12 356z.3a, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9,
13 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17,
14 356z.18, 356z.19, 356z.20, 356z.21, 356z.22, 356z.23, 356z.24,
15 356z.25, 356z.26, 356z.28, 356z.29, 356z.30, 356z.31, 356z.32,
16 356z.33, 356z.34, 356z.35, 356z.36, 356z.37, 356z.38, 356z.39,
17 356z.40, 356z.40a, 356z.41, 356z.44, 356z.45, 356z.46,
18 356z.47, 356z.48, 356z.49, 356z.50, 356z.51, 356z.53, 356z.54,
19 356z.55, 356z.56, 356z.57, 356z.58, 356z.59, 356z.60, 356z.61,
20 356z.62, 356z.63, 356z.64, 356z.65, 356z.66, 356z.67, 356z.68,
21 356z.69, 356z.70, 356z.71, 356z.72, 356z.73, 356z.74, 356z.75,
22 356z.76, 356z.77, 356z.78, 356z.79, 356z.80, 356z.81, 356z.82,
23 356z.83, 356z.84, 356z.85, 356z.88, 364, 364.01, 364.3, 367.2,
24 367.2-5, 367i, 368a, 368b, 368c, 368d, 368e, 370a, 370c,

1 370c.1, 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444,
2 and 444.1, paragraph (c) of subsection (2) of Section 367, and
3 Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV,
4 XXVI, and XXXIIB of the Illinois Insurance Code.

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

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

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

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

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

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

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

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

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

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

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

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

26 (d) The provisions of Article VIII 1/2 of the Illinois

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

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

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

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

1 additional premium is to be charged (which period shall
2 not be less than one year); and

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

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

1 experience with respect to the group or enrollment unit and
2 the resulting additional premium to be paid by the group or
3 enrollment unit.

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

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

14 (Source: P.A. 103-84, eff. 1-1-24; 103-91, eff. 1-1-24;
15 103-123, eff. 1-1-24; 103-154, eff. 6-30-23; 103-420, eff.
16 1-1-24; 103-426, eff. 8-4-23; 103-445, eff. 1-1-24; 103-551,
17 eff. 8-11-23; 103-605, eff. 7-1-24; 103-618, eff. 1-1-25;
18 103-649, eff. 1-1-25; 103-656, eff. 1-1-25; 103-700, eff.
19 1-1-25; 103-718, eff. 7-19-24; 103-751, eff. 8-2-24; 103-753,
20 eff. 8-2-24; 103-758, eff. 1-1-25; 103-777, eff. 8-2-24;
21 103-808, eff. 1-1-26; 103-914, eff. 1-1-25; 103-918, eff.
22 1-1-25; 103-1024, eff. 1-1-25; 104-1, eff. 6-9-25; 104-28,
23 eff. 1-1-26; 104-42, eff. 8-1-25; 104-68, eff. 1-1-26; 104-73,
24 eff. 1-1-26; 104-98, eff. 1-1-26; 104-289, eff. 1-1-26;
25 104-324, eff. 1-1-26; 104-334, eff. 8-15-25; 104-379, eff.
26 1-1-26; 104-417, eff. 8-15-25; revised 11-21-25.)

1 Section 15. The Limited Health Service Organization Act is
2 amended by changing Section 4003 as follows:

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

4 Sec. 4003. Illinois Insurance Code provisions. Limited
5 health service organizations shall be subject to the
6 provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,
7 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151, 152, 153,
8 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.37, 155.49, 352c,
9 355.2, 355.3, 355b, 355d, 356m, 356q, 356v, 356z.4, 356z.4a,
10 356z.10, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.32,
11 356z.33, 356z.41, 356z.46, 356z.47, 356z.51, 356z.53, 356z.54,
12 356z.57, 356z.59, 356z.61, 356z.64, 356z.67, 356z.68, 356z.71,
13 356z.73, 356z.74, 356z.75, 356z.79, 356z.80, 356z.81, 356z.83,
14 356z.84, 356z.85, 356z.88, 364.3, 368a, 370a, 401, 401.1, 402,
15 403, 403A, 408, 408.2, 409, 412, 444, and 444.1 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. Nothing in this Section
18 shall require a limited health care plan to cover any service
19 that is not a limited health service. For purposes of the
20 Illinois Insurance Code, except for Sections 444 and 444.1 and
21 Articles XIII and XIII 1/2, limited health service
22 organizations in the following categories are deemed to be
23 domestic companies:

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

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

7 (Source: P.A. 103-84, eff. 1-1-24; 103-91, eff. 1-1-24;
8 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445, eff.
9 1-1-24; 103-605, eff. 7-1-24; 103-649, eff. 1-1-25; 103-656,
10 eff. 1-1-25; 103-700, eff. 1-1-25; 103-718, eff. 7-19-24;
11 103-751, eff. 8-2-24; 103-758, eff. 1-1-25; 103-832, eff.
12 1-1-25; 103-1024, eff. 1-1-25; 104-1, eff. 6-9-25; 104-42,
13 eff. 8-1-25; 104-73, eff. 1-1-26; 104-98, eff. 1-1-26;
14 104-289, eff. 1-1-26; 104-324, eff. 1-1-26; 104-334, eff.
15 8-15-25; 104-379, eff. 1-1-26; 104-417, eff. 8-15-25; revised
16 11-21-25.)

17 Section 99. Effective date. This Act takes effect January
18 1, 2027.