



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB3700

by Rep. Jonathan Carroll

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.33 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 policy of accident and health insurance or managed care plan that provides coverage for prescription drugs shall provide coverage for prescription inhalants for those 18 years old or younger suffering from asthma or other life-threatening bronchial ailments. Makes conforming changes in 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.

LRB101 05169 SMS 50181 b

FISCAL NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

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 (Text of Section before amendment by P.A. 100-1170)

8 Sec. 6.11. Required health benefits; Illinois Insurance
9 Code requirements. The program of health benefits shall provide
10 the post-mastectomy care benefits required to be covered by a
11 policy of accident and health insurance under Section 356t of
12 the Illinois Insurance Code. The program of health benefits
13 shall provide the coverage required under Sections 356g,
14 356g.5, 356g.5-1, 356m, 356u, 356w, 356x, 356z.2, 356z.4,
15 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
16 356z.14, 356z.15, 356z.17, 356z.22, 356z.25, ~~and~~ 356z.26, ~~and~~
17 356z.29, 356z.32, and 356z.33 of the Illinois Insurance Code.
18 The program of health benefits must comply with Sections
19 155.22a, 155.37, 355b, 356z.19, 370c, and 370c.1 of the
20 Illinois Insurance Code. The Department of Insurance shall
21 enforce the requirements of this Section.

22 Rulemaking authority to implement Public Act 95-1045, if
23 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. 99-480, eff. 9-9-15; 100-24, eff. 7-18-17;
6 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1024, eff.
7 1-1-19; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; revised
8 1-8-19.)

9 (Text of Section after amendment by P.A. 100-1170)

10 Sec. 6.11. Required health benefits; Illinois Insurance
11 Code requirements. The program of health benefits shall provide
12 the post-mastectomy care benefits required to be covered by a
13 policy of accident and health insurance under Section 356t of
14 the Illinois Insurance Code. The program of health benefits
15 shall provide the coverage required under Sections 356g,
16 356g.5, 356g.5-1, 356m, 356u, 356w, 356x, 356z.2, 356z.4,
17 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
18 356z.14, 356z.15, 356z.17, 356z.22, 356z.25, 356z.26, 356z.29,
19 ~~and~~ 356z.32, and 356z.33 of the Illinois Insurance Code. The
20 program of health benefits must comply with Sections 155.22a,
21 155.37, 355b, 356z.19, 370c, and 370c.1 of the Illinois
22 Insurance Code. The Department of Insurance shall enforce the
23 requirements of this Section with respect to Sections 370c and
24 370c.1 of the Illinois Insurance Code; all other requirements
25 of this Section shall be enforced by the Department of Central

1 Management Services.

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

8 (Source: P.A. 99-480, eff. 9-9-15; 100-24, eff. 7-18-17;
9 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1024, eff.
10 1-1-19; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19;
11 100-1170, eff. 6-1-19.)

12 Section 10. The Counties Code is amended by changing
13 Section 5-1069.3 as follows:

14 (55 ILCS 5/5-1069.3)

15 Sec. 5-1069.3. Required health benefits. If a county,
16 including a home rule county, is a self-insurer for purposes of
17 providing health insurance coverage for its employees, the
18 coverage shall include coverage for the post-mastectomy care
19 benefits required to be covered by a policy of accident and
20 health insurance under Section 356t and the coverage required
21 under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x,
22 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
23 356z.14, 356z.15, 356z.22, 356z.25, ~~and~~ 356z.26, ~~and~~ 356z.29,
24 356z.32, and 356z.33 of the Illinois Insurance Code. The

1 coverage shall comply with Sections 155.22a, 355b, 356z.19, and
2 370c of the Illinois Insurance Code. The Department of
3 Insurance shall enforce the requirements of this Section. The
4 requirement that health benefits be covered as provided in this
5 Section is an exclusive power and function of the State and is
6 a denial and limitation under Article VII, Section 6,
7 subsection (h) of the Illinois Constitution. A home rule county
8 to which this Section applies must comply with every provision
9 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. 99-480, eff. 9-9-15; 100-24, eff. 7-18-17;
17 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1024, eff.
18 1-1-19; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; revised
19 10-3-18.)

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

22 (65 ILCS 5/10-4-2.3)

23 Sec. 10-4-2.3. Required health benefits. If a
24 municipality, including a home rule municipality, is a

1 self-insurer for purposes of providing health insurance
2 coverage for its employees, the coverage shall include coverage
3 for the post-mastectomy care benefits required to be covered by
4 a policy of accident and health insurance under Section 356t
5 and the coverage required under Sections 356g, 356g.5,
6 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10,
7 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.22, 356z.25,
8 ~~and 356z.26, and 356z.29~~, 356z.32, and 356z.33 of the Illinois
9 Insurance Code. The coverage shall comply with Sections
10 155.22a, 355b, 356z.19, and 370c of the Illinois Insurance
11 Code. The Department of Insurance shall enforce the
12 requirements of this Section. The requirement that health
13 benefits be covered as provided in this is an exclusive power
14 and function of the State and is a denial and limitation under
15 Article VII, Section 6, subsection (h) of the Illinois
16 Constitution. A home rule municipality to which this Section
17 applies must comply with every provision of this Section.

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

24 (Source: P.A. 99-480, eff. 9-9-15; 100-24, eff. 7-18-17;
25 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1024, eff.
26 1-1-19; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; revised

1 10-4-18.)

2 Section 20. The School Code is amended by changing Section
3 10-22.3f as follows:

4 (105 ILCS 5/10-22.3f)

5 Sec. 10-22.3f. Required health benefits. Insurance
6 protection and benefits for employees shall provide the
7 post-mastectomy care benefits required to be covered by a
8 policy of accident and health insurance under Section 356t and
9 the coverage required under Sections 356g, 356g.5, 356g.5-1,
10 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.11, 356z.12,
11 356z.13, 356z.14, 356z.15, 356z.22, 356z.25, ~~and~~ 356z.26, ~~and~~
12 356z.29, 356z.32, and 356z.33 of the Illinois Insurance Code.
13 Insurance policies shall comply with Section 356z.19 of the
14 Illinois Insurance Code. The coverage shall comply with
15 Sections 155.22a, 355b, and 370c of the Illinois Insurance
16 Code. The Department of Insurance shall enforce the
17 requirements of this Section.

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

24 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;

1 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff.
2 1-1-19; 100-1102, eff. 1-1-19; revised 10-4-18.)

3 Section 25. The Illinois Insurance Code is amended by
4 adding Section 356z.33 as follows:

5 (215 ILCS 5/356z.33 new)

6 Sec. 356z.33. Coverage for prescription inhalants. A group
7 or individual policy of accident and health insurance or
8 managed care plan amended, delivered, issued, or renewed on or
9 after the effective date of this amendatory Act of the 101st
10 General Assembly that provides coverage for prescription drugs
11 shall provide coverage for persons 18 years old or younger for
12 prescription inhalants to enable persons to breathe when
13 suffering from asthma or other life-threatening bronchial
14 ailments.

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

17 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

18 Sec. 5-3. Insurance Code provisions.

19 (a) Health Maintenance Organizations shall be subject to
20 the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,
21 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154,
22 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 355.3,

1 355b, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4,
2 356z.5, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12,
3 356z.13, 356z.14, 356z.15, 356z.17, 356z.18, 356z.19, 356z.21,
4 356z.22, 356z.25, 356z.26, 356z.29, 356z.30, 356z.32, 356z.33,
5 364, 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c, 368d,
6 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A, 408, 408.2,
7 409, 412, 444, and 444.1, paragraph (c) of subsection (2) of
8 Section 367, and Articles IIA, VIII 1/2, XII, XII 1/2, XIII,
9 XIII 1/2, XXV, and XXVI of the Illinois Insurance Code.

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

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

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

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

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

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

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

13 (3) the Director shall have the power to require the
14 following information:

15 (A) certification by an independent actuary of the
16 adequacy of the reserves of the Health Maintenance
17 Organization sought to be acquired;

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

25 (C) a pro forma business plan detailing an
26 acquiring party's plans with respect to the operation

1 of the Health Maintenance Organization sought to be
2 acquired for a period of not less than 3 years; and

3 (D) such other information as the Director shall
4 require.

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

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

21 (f) Except for small employer groups as defined in the
22 Small Employer Rating, Renewability and Portability Health
23 Insurance Act and except for medicare supplement policies as
24 defined in Section 363 of the Illinois Insurance Code, a Health
25 Maintenance Organization may by contract agree with a group or
26 other enrollment unit to effect refunds or charge additional

1 premiums under the following terms and conditions:

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

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

23 The Health Maintenance Organization shall include a
24 statement in the evidence of coverage issued to each enrollee
25 describing the possibility of a refund or additional premium,
26 and upon request of any group or enrollment unit, provide to

1 the group or enrollment unit a description of the method used
2 to calculate (1) the Health Maintenance Organization's
3 profitable experience with respect to the group or enrollment
4 unit and the resulting refund to the group or enrollment unit
5 or (2) the Health Maintenance Organization's unprofitable
6 experience with respect to the group or enrollment unit and the
7 resulting additional premium to be paid by the group or
8 enrollment unit.

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

13 (g) Rulemaking authority to implement Public Act 95-1045,
14 if 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. 99-761, eff. 1-1-18; 100-24, eff. 7-18-17;
20 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1026, eff.
21 8-22-18; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; revised
22 10-4-18.)

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

1 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

2 Sec. 4003. Illinois Insurance Code provisions. Limited
3 health service organizations shall be subject to the provisions
4 of Sections 133, 134, 136, 137, 139, 140, 141.1, 141.2, 141.3,
5 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6,
6 154.7, 154.8, 155.04, 155.37, 355.2, 355.3, 355b, 356v,
7 356z.10, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.32,
8 356z.33, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, 409,
9 412, 444, and 444.1 and Articles IIA, VIII 1/2, XII, XII 1/2,
10 XIII, XIII 1/2, XXV, and XXVI of the Illinois Insurance Code.
11 For purposes of the Illinois Insurance Code, except for
12 Sections 444 and 444.1 and Articles XIII and XIII 1/2, limited
13 health service organizations in the following categories are
14 deemed to be domestic companies:

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

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

22 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;
23 100-201, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1057, eff.
24 1-1-19; 100-1102, eff. 1-1-19; revised 10-4-18.)

25 Section 40. The Voluntary Health Services Plans Act is

1 amended by changing Section 10 as follows:

2 (215 ILCS 165/10) (from Ch. 32, par. 604)

3 Sec. 10. Application of Insurance Code provisions. Health
4 services plan corporations and all persons interested therein
5 or dealing therewith shall be subject to the provisions of
6 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,
7 143, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3, 355b, 356g,
8 356g.5, 356g.5-1, 356r, 356t, 356u, 356v, 356w, 356x, 356y,
9 356z.1, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9,
10 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18,
11 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30,
12 356z.32, 356z.33, 364.01, 367.2, 368a, 401, 401.1, 402, 403,
13 403A, 408, 408.2, and 412, and paragraphs (7) and (15) of
14 Section 367 of the Illinois Insurance Code.

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

21 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;
22 100-863, eff. 8-14-18; 100-1026, eff. 8-22-18; 100-1057, eff.
23 1-1-19; 100-1102, eff. 1-1-19; revised 10-4-18.)

24 Section 45. The Illinois Public Aid Code is amended by

1 changing Section 5-16.8 as follows:

2 (305 ILCS 5/5-16.8)

3 Sec. 5-16.8. Required health benefits. The medical
4 assistance program shall (i) provide the post-mastectomy care
5 benefits required to be covered by a policy of accident and
6 health insurance under Section 356t and the coverage required
7 under Sections 356g.5, 356u, 356w, 356x, 356z.6, 356z.26, ~~and~~
8 356z.29, 356z.32, and 356z.33 of the Illinois Insurance Code
9 and (ii) be subject to the provisions of Sections 356z.19,
10 364.01, 370c, and 370c.1 of the Illinois Insurance Code.

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

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

21 (Source: P.A. 99-433, eff. 8-21-15; 99-480, eff. 9-9-15;
22 99-642, eff. 7-28-16; 100-138, eff. 8-18-17; 100-863, eff.
23 8-14-18; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; revised
24 10-4-18.)

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