

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 Section 356z.43 as follows:

6 (215 ILCS 5/356z.43 new)

7 Sec. 356z.43. COVID-19 vaccine administrative cost. An  
8 individual or group policy of accident and health insurance or  
9 managed care plan in effect on and after March 9, 2020 must  
10 provide coverage for the cost of administering a COVID-19  
11 vaccination without cost sharing.

12 Section 10. 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 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, 143c, 147, 148, 149, 151, 152, 153,  
19 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2,  
20 355.3, 355b, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2,  
21 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.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30,  
3 356z.30a, 356z.32, 356z.33, 356z.35, 356z.36, 356z.41,  
4 356z.43, 364, 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c,  
5 368d, 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A, 408,  
6 408.2, 409, 412, 444, and 444.1, paragraph (c) of subsection  
7 (2) of Section 367, and Articles IIA, VIII 1/2, XII, XII 1/2,  
8 XIII, XIII 1/2, XXV, XXVI, and XXXIIB of the Illinois  
9 Insurance Code.

10 (b) For purposes of the Illinois Insurance Code, except  
11 for Sections 444 and 444.1 and Articles XIII and XIII 1/2,  
12 Health Maintenance Organizations in the following categories  
13 are 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  
3           financial conditions of the acquired Health Maintenance  
4           Organization after the merger, consolidation, or other  
5           acquisition of 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  
10 to 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,  
15 take into account the effect of the management contract or  
16 service agreement on the continuation of benefits to enrollees  
17 and the financial condition of the health maintenance  
18 organization to be managed or serviced, and (ii) need not take  
19 into account the effect of the management contract or service  
20 agreement on 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  
25 Health Maintenance Organization may by contract agree with a  
26 group or other enrollment unit to effect refunds or charge

1 additional 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  
7 not 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  
7 the 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  
15 accordance with all provisions of the Illinois Administrative  
16 Procedure Act and all rules and procedures of the Joint  
17 Committee on Administrative Rules; any purported rule not so  
18 adopted, for whatever reason, is unauthorized.

19 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;  
20 100-863, eff. 8-14-18; 100-1026, eff. 8-22-18; 100-1057, eff.  
21 1-1-19; 100-1102, eff. 1-1-19; 101-13, eff. 6-12-19; 101-81,  
22 eff. 7-12-19; 101-281, eff. 1-1-20; 101-371, eff. 1-1-20;  
23 101-393, eff. 1-1-20; 101-452, eff. 1-1-20; 101-461, eff.  
24 1-1-20; 101-625, eff. 1-1-21.)

25 Section 15. 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,  
8 356g, 356g.5, 356g.5-1, 356r, 356t, 356u, 356v, 356w, 356x,  
9 356y, 356z.1, 356z.2, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8,  
10 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15,  
11 356z.18, 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29,  
12 356z.30, 356z.30a, 356z.32, 356z.33, 356z.41, 356z.43, 364.01,  
13 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412,  
14 and paragraphs (7) and (15) of Section 367 of the Illinois  
15 Insurance Code.

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

22 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;  
23 100-863, eff. 8-14-18; 100-1026, eff. 8-22-18; 100-1057, eff.  
24 1-1-19; 100-1102, eff. 1-1-19; 101-13, eff. 6-12-19; 101-81,  
25 eff. 7-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20;

1 101-625, eff. 1-1-21.)

2 Section 20. The Illinois Public Aid Code is amended by  
3 changing Section 5-16.8 as follows:

4 (305 ILCS 5/5-16.8)

5 Sec. 5-16.8. Required health benefits. The medical  
6 assistance program shall (i) provide the post-mastectomy care  
7 benefits required to be covered by a policy of accident and  
8 health insurance under Section 356t and the coverage required  
9 under Sections 356g.5, 356u, 356w, 356x, 356z.6, 356z.26,  
10 356z.29, 356z.32, 356z.33, 356z.34, ~~and~~ 356z.35, and 356z.43  
11 of the Illinois Insurance Code and (ii) be subject to the  
12 provisions of Sections 356z.19, 364.01, 370c, and 370c.1 of  
13 the Illinois Insurance Code.

14 The Department, by rule, shall adopt a model similar to  
15 the requirements of Section 356z.39 of the Illinois Insurance  
16 Code.

17 On and after July 1, 2012, the Department shall reduce any  
18 rate of reimbursement for services or other payments or alter  
19 any methodologies authorized by this Code to reduce any rate  
20 of reimbursement for services or other payments in accordance  
21 with Section 5-5e.

22 To ensure full access to the benefits set forth in this  
23 Section, on and after January 1, 2016, the Department shall  
24 ensure that provider and hospital reimbursement for

1 post-mastectomy care benefits required under this Section are  
2 no lower than the Medicare reimbursement rate.

3 (Source: P.A. 100-138, eff. 8-18-17; 100-863, eff. 8-14-18;  
4 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; 101-81, eff.  
5 7-12-19; 101-218, eff. 1-1-20; 101-281, eff. 1-1-20; 101-371,  
6 eff. 1-1-20; 101-574, eff. 1-1-20; 101-649, eff. 7-7-20.)