



Rep. Sue Scherer

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LRB102 13035 BMS 23859 a

1 AMENDMENT TO HOUSE BILL 2406

2 AMENDMENT NO. _____. Amend House Bill 2406 by replacing
3 everything after the enacting clause with the following:

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)

1 Sec. 5-3. Insurance Code provisions.

2 (a) Health Maintenance Organizations shall be subject to
3 the provisions of Sections 133, 134, 136, 137, 139, 140,
4 141.1, 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153,
5 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2,
6 355.3, 355b, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2,
7 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10,
8 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17, 356z.18,
9 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30,
10 356z.30a, 356z.32, 356z.33, 356z.35, 356z.36, 356z.41,
11 356z.43, 364, 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c,
12 368d, 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A, 408,
13 408.2, 409, 412, 444, and 444.1, paragraph (c) of subsection
14 (2) of Section 367, and Articles IIA, VIII 1/2, XII, XII 1/2,
15 XIII, XIII 1/2, XXV, XXVI, and XXXIIB of the Illinois
16 Insurance Code.

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

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

23 (2) a corporation organized under the laws of this
24 State; or

25 (3) a corporation organized under the laws of another
26 state, 30% or more of the enrollees of which are residents

1 of this State, except a corporation subject to
2 substantially the same requirements in its state of
3 organization as is a "domestic company" under Article VIII
4 1/2 of the Illinois Insurance Code.

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

8 (1) the Director shall give primary consideration to
9 the continuation of benefits to enrollees and the
10 financial conditions of the acquired Health Maintenance
11 Organization after the merger, consolidation, or other
12 acquisition of control takes effect;

13 (2) (i) the criteria specified in subsection (1) (b) of
14 Section 131.8 of the Illinois Insurance Code shall not
15 apply and (ii) the Director, in making his determination
16 with respect to the merger, consolidation, or other
17 acquisition of control, need not take into account the
18 effect on competition of the merger, consolidation, or
19 other acquisition of control;

20 (3) the Director shall have the power to require the
21 following information:

22 (A) certification by an independent actuary of the
23 adequacy of the reserves of the Health Maintenance
24 Organization sought to be acquired;

25 (B) pro forma financial statements reflecting the
26 combined balance sheets of the acquiring company and

1 the Health Maintenance Organization sought to be
2 acquired as of the end of the preceding year and as of
3 a date 90 days prior to the acquisition, as well as pro
4 forma financial statements reflecting projected
5 combined operation for a period of 2 years;

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

10 (D) such other information as the Director shall
11 require.

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

18 (e) In considering any management contract or service
19 agreement subject to Section 141.1 of the Illinois Insurance
20 Code, the Director (i) shall, in addition to the criteria
21 specified in Section 141.2 of the Illinois Insurance Code,
22 take into account the effect of the management contract or
23 service agreement on the continuation of benefits to enrollees
24 and the financial condition of the health maintenance
25 organization to be managed or serviced, and (ii) need not take
26 into account the effect of the management contract or service

1 agreement on competition.

2 (f) Except for small employer groups as defined in the
3 Small Employer Rating, Renewability and Portability Health
4 Insurance Act and except for medicare supplement policies as
5 defined in Section 363 of the Illinois Insurance Code, a
6 Health Maintenance Organization may by contract agree with a
7 group or other enrollment unit to effect refunds or charge
8 additional premiums under the following terms and conditions:

9 (i) the amount of, and other terms and conditions with
10 respect to, the refund or additional premium are set forth
11 in the group or enrollment unit contract agreed in advance
12 of the period for which a refund is to be paid or
13 additional premium is to be charged (which period shall
14 not be less than one year); and

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

1 or unprofitable experience may be calculated taking into
2 account the refund period and the immediately preceding 2
3 plan years.

4 The Health Maintenance Organization shall include a
5 statement in the evidence of coverage issued to each enrollee
6 describing the possibility of a refund or additional premium,
7 and upon request of any group or enrollment unit, provide to
8 the group or enrollment unit a description of the method used
9 to calculate (1) the Health Maintenance Organization's
10 profitable experience with respect to the group or enrollment
11 unit and the resulting refund to the group or enrollment unit
12 or (2) the Health Maintenance Organization's unprofitable
13 experience with respect to the group or enrollment unit and
14 the resulting additional premium to be paid by the group or
15 enrollment unit.

16 In no event shall the Illinois Health Maintenance
17 Organization Guaranty Association be liable to pay any
18 contractual obligation of an insolvent organization to pay any
19 refund authorized under this Section.

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

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

1 100-863, eff. 8-14-18; 100-1026, eff. 8-22-18; 100-1057, eff.
2 1-1-19; 100-1102, eff. 1-1-19; 101-13, eff. 6-12-19; 101-81,
3 eff. 7-12-19; 101-281, eff. 1-1-20; 101-371, eff. 1-1-20;
4 101-393, eff. 1-1-20; 101-452, eff. 1-1-20; 101-461, eff.
5 1-1-20; 101-625, eff. 1-1-21.)

6 Section 15. The Voluntary Health Services Plans Act is
7 amended by changing Section 10 as follows:

8 (215 ILCS 165/10) (from Ch. 32, par. 604)

9 Sec. 10. Application of Insurance Code provisions. Health
10 services plan corporations and all persons interested therein
11 or dealing therewith shall be subject to the provisions of
12 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,
13 143, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3, 355b,
14 356g, 356g.5, 356g.5-1, 356r, 356t, 356u, 356v, 356w, 356x,
15 356y, 356z.1, 356z.2, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8,
16 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15,
17 356z.18, 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29,
18 356z.30, 356z.30a, 356z.32, 356z.33, 356z.41, 356z.43, 364.01,
19 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412,
20 and paragraphs (7) and (15) of Section 367 of the Illinois
21 Insurance Code.

22 Rulemaking authority to implement Public Act 95-1045, if
23 any, is conditioned on the rules being adopted in accordance
24 with all provisions of the Illinois Administrative Procedure

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

4 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;
5 100-863, eff. 8-14-18; 100-1026, eff. 8-22-18; 100-1057, eff.
6 1-1-19; 100-1102, eff. 1-1-19; 101-13, eff. 6-12-19; 101-81,
7 eff. 7-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20;
8 101-625, eff. 1-1-21.)

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

11 (305 ILCS 5/5-16.8)

12 Sec. 5-16.8. Required health benefits. The medical
13 assistance program shall (i) provide the post-mastectomy care
14 benefits required to be covered by a policy of accident and
15 health insurance under Section 356t and the coverage required
16 under Sections 356g.5, 356u, 356w, 356x, 356z.6, 356z.26,
17 356z.29, 356z.32, 356z.33, 356z.34, ~~and~~ 356z.35, and 356z.43
18 of the Illinois Insurance Code and (ii) be subject to the
19 provisions of Sections 356z.19, 364.01, 370c, and 370c.1 of
20 the Illinois Insurance Code.

21 The Department, by rule, shall adopt a model similar to
22 the requirements of Section 356z.39 of the Illinois Insurance
23 Code.

24 On and after July 1, 2012, the Department shall reduce any

1 rate of reimbursement for services or other payments or alter
2 any methodologies authorized by this Code to reduce any rate
3 of reimbursement for services or other payments in accordance
4 with Section 5-5e.

5 To ensure full access to the benefits set forth in this
6 Section, on and after January 1, 2016, the Department shall
7 ensure that provider and hospital reimbursement for
8 post-mastectomy care benefits required under this Section are
9 no lower than the Medicare reimbursement rate.

10 (Source: P.A. 100-138, eff. 8-18-17; 100-863, eff. 8-14-18;
11 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; 101-81, eff.
12 7-12-19; 101-218, eff. 1-1-20; 101-281, eff. 1-1-20; 101-371,
13 eff. 1-1-20; 101-574, eff. 1-1-20; 101-649, eff. 7-7-20.)".