

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, 356w, 356x,  
14 356z.2, 356z.4, 356z.4a, 356z.6, 356z.8, 356z.9, 356z.10,  
15 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17, 356z.22,  
16 356z.25, 356z.26, 356z.29, 356z.30a, 356z.32, 356z.33,  
17 356z.36, 356z.40, 356z.41, 356z.45, 356z.46, 356z.47, 356z.51,  
18 and 356z.53 ~~356z.43~~ of the Illinois Insurance Code. The  
19 program of health benefits must comply with Sections 155.22a,  
20 155.37, 355b, 356z.19, 370c, and 370c.1 and Article XXXIIB of  
21 the Illinois Insurance Code. The Department of Insurance shall  
22 enforce the requirements of this Section with respect to  
23 Sections 370c and 370c.1 of the Illinois Insurance Code; all

1 other requirements of this Section shall be enforced by the  
2 Department of Central Management Services.

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

9 (Source: P.A. 101-13, eff. 6-12-19; 101-281, eff. 1-1-20;  
10 101-393, eff. 1-1-20; 101-452, eff. 1-1-20; 101-461, eff.  
11 1-1-20; 101-625, eff. 1-1-21; 102-30, eff. 1-1-22; 102-103,  
12 eff. 1-1-22; 102-203, eff. 1-1-22; 102-306, eff. 1-1-22;  
13 102-642, eff. 1-1-22; 102-665, eff. 10-8-21; revised  
14 10-26-21.)

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

17 (55 ILCS 5/5-1069.3)

18 Sec. 5-1069.3. Required health benefits. If a county,  
19 including a home rule county, is a self-insurer for purposes  
20 of providing health insurance coverage for its employees, the  
21 coverage shall include coverage for the post-mastectomy care  
22 benefits required to be covered by a policy of accident and  
23 health insurance under Section 356t and the coverage required  
24 under Sections 356g, 356g.5, 356g.5-1, 356q, 356u, 356w, 356x,

1 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,  
2 356z.14, 356z.15, 356z.22, 356z.25, 356z.26, 356z.29,  
3 356z.30a, 356z.32, 356z.33, 356z.36, 356z.40, 356z.41,  
4 356z.45, 356z.46, 356z.47, 356z.48, 356z.51, and 356z.53  
5 ~~356z.43~~ of the Illinois Insurance Code. The coverage shall  
6 comply with Sections 155.22a, 355b, 356z.19, and 370c of the  
7 Illinois Insurance Code. The Department of Insurance shall  
8 enforce the requirements of this Section. The requirement that  
9 health benefits be covered as provided in this Section is an  
10 exclusive power and function of the State and is a denial and  
11 limitation under Article VII, Section 6, subsection (h) of the  
12 Illinois Constitution. A home rule county to which this  
13 Section applies must comply with every provision of this  
14 Section.

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. 101-81, eff. 7-12-19; 101-281, eff. 1-1-20;  
22 101-393, eff. 1-1-20; 101-461, eff. 1-1-20; 101-625, eff.  
23 1-1-21; 102-30, eff. 1-1-22; 102-103, eff. 1-1-22; 102-203,  
24 eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff. 1-1-22;  
25 102-642, eff. 1-1-22; 102-665, eff. 10-8-21; revised  
26 10-26-21.)

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

3           (65 ILCS 5/10-4-2.3)

4           Sec. 10-4-2.3. Required health benefits. If a  
5 municipality, including a home rule municipality, is a  
6 self-insurer for purposes of providing health insurance  
7 coverage for its employees, the coverage shall include  
8 coverage for the post-mastectomy care benefits required to be  
9 covered by a policy of accident and health insurance under  
10 Section 356t and the coverage required under Sections 356g,  
11 356g.5, 356g.5-1, 356q, 356u, 356w, 356x, 356z.6, 356z.8,  
12 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15,  
13 356z.22, 356z.25, 356z.26, 356z.29, 356z.30a, 356z.32,  
14 356z.33, 356z.36, 356z.40, 356z.41, 356z.45, 356z.46, 356z.47,  
15 356z.48, 356z.51, and 356z.53 ~~356z.43~~ of the Illinois  
16 Insurance Code. The coverage shall comply with Sections  
17 155.22a, 355b, 356z.19, and 370c of the Illinois Insurance  
18 Code. The Department of Insurance shall enforce the  
19 requirements of this Section. The requirement that health  
20 benefits be covered as provided in this is an exclusive power  
21 and function of the State and is a denial and limitation under  
22 Article VII, Section 6, subsection (h) of the Illinois  
23 Constitution. A home rule municipality to which this Section  
24 applies must comply with every provision of this Section.

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

7 (Source: P.A. 101-81, eff. 7-12-19; 101-281, eff. 1-1-20;  
8 101-393, eff. 1-1-20; 101-461, eff. 1-1-20; 101-625, eff.  
9 1-1-21; 102-30, eff. 1-1-22; 102-103, eff. 1-1-22; 102-203,  
10 eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff. 1-1-22;  
11 102-642, eff. 1-1-22; 102-665, eff. 10-8-21; revised  
12 10-26-21.)

13 Section 20. The School Code is amended by changing Section  
14 10-22.3f as follows:

15 (105 ILCS 5/10-22.3f)

16 Sec. 10-22.3f. Required health benefits. Insurance  
17 protection and benefits for employees shall provide the  
18 post-mastectomy care benefits required to be covered by a  
19 policy of accident and health insurance under Section 356t and  
20 the coverage required under Sections 356g, 356g.5, 356g.5-1,  
21 356q, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.11,  
22 356z.12, 356z.13, 356z.14, 356z.15, 356z.22, 356z.25, 356z.26,  
23 356z.29, 356z.30a, 356z.32, 356z.33, 356z.36, 356z.40,  
24 356z.41, 356z.45, 356z.46, 356z.47, 356z.51, and 356z.53

1 ~~356z.43~~ of the Illinois Insurance Code. Insurance policies  
2 shall comply with Section 356z.19 of the Illinois Insurance  
3 Code. The coverage shall comply with Sections 155.22a, 355b,  
4 and 370c of the Illinois Insurance Code. The Department of  
5 Insurance shall enforce the requirements of this Section.

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

12 (Source: P.A. 101-81, eff. 7-12-19; 101-281, eff. 1-1-20;  
13 101-393, eff. 1-1-20; 101-461, eff. 1-1-20; 101-625, eff.  
14 1-1-21; 102-30, eff. 1-1-22; 102-103, eff. 1-1-22; 102-203,  
15 eff. 1-1-22; 102-306, eff. 1-1-22; 102-642, eff. 1-1-22;  
16 102-665, eff. 10-8-21; revised 10-27-21.)

17 Section 25. The Illinois Insurance Code is amended by  
18 adding Section 356z.53 as follows:

19 (215 ILCS 5/356z.53 new)

20 Sec. 356z.53. Coverage for breast reduction surgery. A  
21 group or individual policy of accident and health insurance or  
22 a managed care plan that is amended, delivered, issued, or  
23 renewed on or after January 1, 2024 shall provide coverage for  
24 medically necessary breast reduction surgery.

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

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

4 Sec. 5-3. Insurance Code provisions.

5 (a) Health Maintenance Organizations shall be subject to  
6 the provisions of Sections 133, 134, 136, 137, 139, 140,  
7 141.1, 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153,  
8 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2,  
9 355.3, 355b, 356g.5-1, 356m, 356q, 356v, 356w, 356x, 356y,  
10 356z.2, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9,  
11 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17,  
12 356z.18, 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29,  
13 356z.30, 356z.30a, 356z.32, 356z.33, 356z.35, 356z.36,  
14 356z.40, 356z.41, ~~356z.43~~, 356z.46, 356z.47, 356z.48, 356z.50,  
15 356z.51, 356z.53, 364, 364.01, 367.2, 367.2-5, 367i, 368a,  
16 368b, 368c, 368d, 368e, 370c, 370c.1, 401, 401.1, 402, 403,  
17 403A, 408, 408.2, 409, 412, 444, and 444.1, paragraph (c) of  
18 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":

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

3           (2) a corporation organized under the laws of this  
4 State; or

5           (3) a corporation organized under the laws of another  
6 state, 30% or more of the enrollees of which are residents  
7 of this State, except a corporation subject to  
8 substantially the same requirements in its state of  
9 organization as is a "domestic company" under Article VIII  
10 1/2 of the Illinois Insurance Code.

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

14           (1) the Director shall give primary consideration to  
15 the continuation of benefits to enrollees and the  
16 financial conditions of the acquired Health Maintenance  
17 Organization after the merger, consolidation, or other  
18 acquisition of control takes effect;

19           (2) (i) the criteria specified in subsection (1) (b) of  
20 Section 131.8 of the Illinois Insurance Code shall not  
21 apply and (ii) the Director, in making his determination  
22 with respect to the merger, consolidation, or other  
23 acquisition of control, need not take into account the  
24 effect on competition of the merger, consolidation, or  
25 other acquisition of control;

26           (3) the Director shall have the power to require the



1 following information:

2 (A) certification by an independent actuary of the  
3 adequacy of the reserves of the Health Maintenance  
4 Organization sought to be acquired;

5 (B) pro forma financial statements reflecting the  
6 combined balance sheets of the acquiring company and  
7 the Health Maintenance Organization sought to be  
8 acquired as of the end of the preceding year and as of  
9 a date 90 days prior to the acquisition, as well as pro  
10 forma financial statements reflecting projected  
11 combined operation for a period of 2 years;

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

16 (D) such other information as the Director shall  
17 require.

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

24 (e) In considering any management contract or service  
25 agreement subject to Section 141.1 of the Illinois Insurance  
26 Code, the Director (i) shall, in addition to the criteria

1 specified in Section 141.2 of the Illinois Insurance Code,  
2 take into account the effect of the management contract or  
3 service agreement on the continuation of benefits to enrollees  
4 and the financial condition of the health maintenance  
5 organization to be managed or serviced, and (ii) need not take  
6 into account the effect of the management contract or service  
7 agreement on competition.

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

15 (i) the amount of, and other terms and conditions with  
16 respect to, the refund or additional premium are set forth  
17 in the group or enrollment unit contract agreed in advance  
18 of the period for which a refund is to be paid or  
19 additional premium is to be charged (which period shall  
20 not be less than one year); and

21 (ii) the amount of the refund or additional premium  
22 shall not exceed 20% of the Health Maintenance  
23 Organization's profitable or unprofitable experience with  
24 respect to the group or other enrollment unit for the  
25 period (and, for purposes of a refund or additional  
26 premium, the profitable or unprofitable experience shall

1 be calculated taking into account a pro rata share of the  
2 Health Maintenance Organization's administrative and  
3 marketing expenses, but shall not include any refund to be  
4 made or additional premium to be paid pursuant to this  
5 subsection (f)). The Health Maintenance Organization and  
6 the group or enrollment unit may agree that the profitable  
7 or unprofitable experience may be calculated taking into  
8 account the refund period and the immediately preceding 2  
9 plan years.

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

22 In no event shall the Illinois Health Maintenance  
23 Organization Guaranty Association be liable to pay any  
24 contractual obligation of an insolvent organization to pay any  
25 refund authorized under this Section.

26 (g) Rulemaking authority to implement Public Act 95-1045,

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

6 (Source: P.A. 101-13, eff. 6-12-19; 101-81, eff. 7-12-19;  
7 101-281, eff. 1-1-20; 101-371, eff. 1-1-20; 101-393, eff.  
8 1-1-20; 101-452, eff. 1-1-20; 101-461, eff. 1-1-20; 101-625,  
9 eff. 1-1-21; 102-30, eff. 1-1-22; 102-34, eff. 6-25-21;  
10 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.  
11 1-1-22; 102-589, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665,  
12 eff. 10-8-21; revised 10-27-21.)

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

15 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

16 Sec. 4003. Illinois Insurance Code provisions. Limited  
17 health service organizations shall be subject to the  
18 provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,  
19 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154,  
20 154.5, 154.6, 154.7, 154.8, 155.04, 155.37, 355.2, 355.3,  
21 355b, 356q, 356v, 356z.10, 356z.21, 356z.22, 356z.25, 356z.26,  
22 356z.29, 356z.30a, 356z.32, 356z.33, 356z.41, 356z.46,  
23 356z.47, 356z.51, 356z.53, ~~356z.43,~~ 368a, 401, 401.1, 402,  
24 403, 403A, 408, 408.2, 409, 412, 444, and 444.1 and Articles

1 IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of  
2 the Illinois Insurance Code. For purposes of the Illinois  
3 Insurance Code, except for Sections 444 and 444.1 and Articles  
4 XIII and XIII 1/2, limited health service organizations in the  
5 following categories are deemed to be domestic companies:

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

7 (2) a corporation organized under the laws of another  
8 state, 30% or more of the enrollees of which are residents  
9 of this State, except a corporation subject to  
10 substantially the same requirements in its state of  
11 organization as is a domestic company under Article VIII  
12 1/2 of the Illinois Insurance Code.

13 (Source: P.A. 101-81, eff. 7-12-19; 101-281, eff. 1-1-20;  
14 101-393, eff. 1-1-20; 101-625, eff. 1-1-21; 102-30, eff.  
15 1-1-22; 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-642,  
16 eff. 1-1-22; revised 10-27-21.)

17 Section 40. 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, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3, 355b,

1 356g, 356g.5, 356g.5-1, 356q, 356r, 356t, 356u, 356v, 356w,  
2 356x, 356y, 356z.1, 356z.2, 356z.4, 356z.4a, 356z.5, 356z.6,  
3 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14,  
4 356z.15, 356z.18, 356z.19, 356z.21, 356z.22, 356z.25, 356z.26,  
5 356z.29, 356z.30, 356z.30a, 356z.32, 356z.33, 356z.40,  
6 356z.41, 356z.46, 356z.47, 356z.51, 356z.53, ~~356z.43,~~ 364.01,  
7 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412,  
8 and paragraphs (7) and (15) of Section 367 of the Illinois  
9 Insurance Code.

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. 101-13, eff. 6-12-19; 101-81, eff. 7-12-19;  
17 101-281, eff. 1-1-20; 101-393, eff. 1-1-20; 101-625, eff.  
18 1-1-21; 102-30, eff. 1-1-22; 102-203, eff. 1-1-22; 102-306,  
19 eff. 1-1-22; 102-642, eff. 1-1-22; 102-665, eff. 10-8-21;  
20 revised 10-27-21.)