



Sen. Antonio Muñoz

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10200SB1087sam001

LRB102 04910 BMS 25201 a

1 AMENDMENT TO SENATE BILL 1087

2 AMENDMENT NO. _____. Amend Senate Bill 1087 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Department of Insurance Law of the Civil
5 Administrative Code of Illinois is amended by adding Section
6 1405-40 as follows:

7 (20 ILCS 1405/1405-40 new)

8 Sec. 1405-40. Transfer of the Illinois Comprehensive
9 Health Insurance Plan. Upon entry of an Order of
10 Rehabilitation or Liquidation against the Comprehensive Health
11 Insurance Plan in accordance with Article XIII of the Illinois
12 Insurance Code, all powers, duties, rights, and
13 responsibilities of the Illinois Comprehensive Health
14 Insurance Plan and the Illinois Comprehensive Health Insurance
15 Board under the Comprehensive Health Insurance Plan Act shall
16 be transferred to and vested in the Director of Insurance as

1 rehabilitator or liquidator as provided in the provisions of
2 this amendatory Act of the 102nd General Assembly.

3 Section 10. The Comprehensive Health Insurance Plan Act is
4 amended by changing Sections 1.1, 3, and 15 and by adding
5 Sections 16 and 17 as follows:

6 (215 ILCS 105/1.1) (from Ch. 73, par. 1301.1)

7 Sec. 1.1. The General Assembly hereby makes the following
8 findings and declarations:

9 (a) The Comprehensive Health Insurance Plan is
10 established as a State program that is intended to provide
11 an alternate market for health insurance for certain
12 uninsurable Illinois residents, and further is intended to
13 provide an acceptable alternative mechanism as described
14 in the federal Health Insurance Portability and
15 Accountability Act of 1996 for providing portable and
16 accessible individual health insurance coverage for
17 federally eligible individuals as defined in this Act.

18 (b) The State of Illinois may subsidize the cost of
19 health insurance coverage offered by the Plan. However,
20 since the State has only a limited amount of resources,
21 the General Assembly declares that it intends for this
22 program to provide portable and accessible individual
23 health insurance coverage for every federally eligible
24 individual who qualifies for coverage in accordance with

1 Section 15 of this Act, but does not intend for every
2 eligible person who qualifies for Plan coverage in
3 accordance with Section 7 of this Act to be guaranteed a
4 right to be issued a policy under this Plan as a matter of
5 entitlement.

6 (c) The Comprehensive Health Insurance Plan Board
7 shall operate the Plan in a manner so that the estimated
8 cost of the program during any fiscal year will not exceed
9 the total income it expects to receive from policy
10 premiums, investment income, assessments, or fees
11 collected or received by the Board and other funds which
12 are made available from appropriations for the Plan by the
13 General Assembly for that fiscal year.

14 With the implementation of the federal Patient Protection
15 and Affordable Care Act, the Plan shall discontinue as the
16 alternative market for health insurance for certain Illinois
17 residents and discontinue as the alternative mechanism, as
18 described in the federal Health Insurance Portability and
19 Accountability Act of 1996, effective no later than January 1,
20 2022.

21 (Source: P.A. 90-30, eff. 7-1-97.)

22 (215 ILCS 105/3) (from Ch. 73, par. 1303)

23 Sec. 3. Operation of the Plan.

24 a. There is hereby created an Illinois Comprehensive
25 Health Insurance Plan.

1 b. The Plan shall operate subject to the supervision and
2 control of the Board. The Board is created as a political
3 subdivision and body politic and corporate and, as such, is
4 not a State agency. The Board shall consist of 10 public
5 members, appointed by the Governor with the advice and consent
6 of the Senate.

7 Initial members shall be appointed to the Board by the
8 Governor as follows: 2 members to serve until July 1, 1988, and
9 until their successors are appointed and qualified; 2 members
10 to serve until July 1, 1989, and until their successors are
11 appointed and qualified; 3 members to serve until July 1,
12 1990, and until their successors are appointed and qualified;
13 and 3 members to serve until July 1, 1991, and until their
14 successors are appointed and qualified. As terms of initial
15 members expire, their successors shall be appointed for terms
16 to expire the first day in July 3 years thereafter, and until
17 their successors are appointed and qualified.

18 Any vacancy in the Board occurring for any reason other
19 than the expiration of a term shall be filled for the unexpired
20 term in the same manner as the original appointment.

21 Any member of the Board may be removed by the Governor for
22 neglect of duty, misfeasance, malfeasance, or nonfeasance in
23 office.

24 In addition, a representative of the Governor's Office of
25 Management and Budget, a representative of the Office of the
26 Attorney General and the Director or the Director's designated

1 representative shall be members of the Board. Four members of
2 the General Assembly, one each appointed by the President and
3 Minority Leader of the Senate and by the Speaker and Minority
4 Leader of the House of Representatives, shall serve as
5 nonvoting members of the Board. At least 2 of the public
6 members shall be individuals reasonably expected to qualify
7 for coverage under the Plan, the parent or spouse of such an
8 individual, or a surviving family member of an individual who
9 could have qualified for the Plan during his lifetime. The
10 Director or Director's representative shall be the chairperson
11 of the Board. Members of the Board shall receive no
12 compensation, but shall be reimbursed for reasonable expenses
13 incurred in the necessary performance of their duties.

14 c. The Board shall make an annual report in September and
15 shall file the report with the Secretary of the Senate and the
16 Clerk of the House of Representatives. The report shall
17 summarize the activities of the Plan in the preceding calendar
18 year, including net written and earned premiums, the expense
19 of administration, the paid and incurred losses for the year
20 and other information as may be requested by the General
21 Assembly. The report shall also include analysis and
22 recommendations regarding utilization review, quality
23 assurance and access to cost effective quality health care.

24 d. In its plan of operation the Board shall:

25 (1) Establish procedures for selecting a Plan
26 administrator in accordance with Section 5 of this Act.

1 (2) Establish procedures for the operation of the
2 Board.

3 (3) Create a Plan fund, under management of the Board,
4 to fund administrative, claim, and other expenses of the
5 Plan.

6 (4) Establish procedures for the handling and
7 accounting of assets and monies of the Plan.

8 (5) Develop and implement a program to publicize the
9 existence of the Plan, the eligibility requirements and
10 procedures for enrollment and to maintain public awareness
11 of the Plan.

12 (6) Establish procedures under which applicants and
13 participants may have grievances reviewed by a grievance
14 committee appointed by the Board. The grievances shall be
15 reported to the Board immediately after completion of the
16 review. The Department and the Board shall retain all
17 written complaints regarding the Plan for at least 3
18 years. Oral complaints shall be reduced to written form
19 and maintained for at least 3 years.

20 (7) Provide for other matters as may be necessary and
21 proper for the execution of its powers, duties and
22 obligations under the Plan.

23 e. No later than 5 years after the Plan is operative the
24 Board and the Department shall conduct cooperatively a study
25 of the Plan and the persons insured by the Plan to determine:

26 (1) claims experience including a breakdown of medical

1 conditions for which claims were paid; (2) whether
2 availability of the Plan affected employment opportunities for
3 participants; (3) whether availability of the Plan affected
4 the receipt of medical assistance benefits by Plan
5 participants; (4) whether a change occurred in the number of
6 personal bankruptcies due to medical or other health related
7 costs; (5) data regarding all complaints received about the
8 Plan including its operation and services; (6) and any other
9 significant observations regarding utilization of the Plan.
10 The study shall culminate in a written report to be presented
11 to the Governor, the President of the Senate, the Speaker of
12 the House and the chairpersons of the House and Senate
13 Insurance Committees. The report shall be filed with the
14 Secretary of the Senate and the Clerk of the House of
15 Representatives. The report shall also be available to members
16 of the general public upon request.

17 (e-5) The Board shall conduct a feasibility study of
18 establishing a small employer health insurance pool in which
19 employers may provide affordable health insurance coverage to
20 their employees. The Board may contract with a private entity
21 or enter into intergovernmental agreements with State agencies
22 for the completion of all or part of the study. The study
23 shall:

24 (i) Analyze other states' experience in establishing
25 small employer health insurance pools;

26 (ii) Assess the need for a small employer health

1 insurance pool, including the number of individuals who
2 might benefit from it;

3 (iii) Recommend means of establishing a small employer
4 health insurance pool; and

5 (iv) Estimate the cost of providing a small employer
6 health insurance pool through the Illinois Comprehensive
7 Health Insurance Plan or another, public or private
8 entity.

9 The Board may accept donations, in trust, from any legal
10 source, public or private, for deposit into a trust account
11 specifically created for expenditure, without the necessity of
12 being appropriated, solely for the purpose of conducting all
13 or part of the study. The Board shall issue a report with
14 recommendations to the Governor and the General Assembly by
15 January 1, 2005. As used in this subsection e-5, "small
16 employer" means an employer having between one and 50
17 employees.

18 f. The Board may:

19 (1) Prepare and distribute certificate of eligibility
20 forms and enrollment instruction forms to insurance
21 producers and to the general public in this State.

22 (2) Provide for reinsurance of risks incurred by the
23 Plan and enter into reinsurance agreements with insurers
24 to establish a reinsurance plan for risks of coverage
25 described in the Plan, or obtain commercial reinsurance to
26 reduce the risk of loss through the Plan.

1 (3) Issue additional types of health insurance
2 policies to provide optional coverages as are otherwise
3 permitted by this Act including a Medicare supplement
4 policy designed to supplement Medicare.

5 (4) Provide for and employ cost containment measures
6 and requirements including, but not limited to,
7 preadmission certification, second surgical opinion,
8 concurrent utilization review programs, and individual
9 case management for the purpose of making the pool more
10 cost effective.

11 (5) Design, utilize, contract, or otherwise arrange
12 for the delivery of cost effective health care services,
13 including establishing or contracting with preferred
14 provider organizations, health maintenance organizations,
15 and other limited network provider arrangements.

16 (6) Adopt bylaws, rules, regulations, policies and
17 procedures as may be necessary or convenient for the
18 implementation of the Act and the operation of the Plan.

19 (7) Administer separate pools, separate accounts, or
20 other plans or arrangements as required by this Act to
21 separate federally eligible individuals or groups of
22 federally eligible individuals who qualify for Plan
23 coverage under Section 15 of this Act from eligible
24 persons or groups of eligible persons who qualify for Plan
25 coverage under Section 7 of this Act and apportion the
26 costs of the administration among such separate pools,

1 separate accounts, or other plans or arrangements.

2 g. The Director may, by rule, establish additional powers
3 and duties of the Board and may adopt rules for any other
4 purposes, including the operation of the Plan, as are
5 necessary or proper to implement this Act.

6 h. The Board is not liable for any obligation of the Plan.
7 There is no liability on the part of any member or employee of
8 the Board, ~~or~~ the Department, or the Director, both as
9 regulator and as rehabilitator or liquidator, and no cause of
10 action of any nature may arise against them, for any action
11 taken or omission made by them in the performance of their
12 powers and duties under this Act, unless the action or
13 omission constitutes willful or wanton misconduct. The Board
14 may provide in its bylaws or rules for indemnification of, and
15 legal representation for, its members and employees.

16 i. There is no liability on the part of any insurance
17 producer for the failure of any applicant to be accepted by the
18 Plan unless the failure of the applicant to be accepted by the
19 Plan is due to an act or omission by the insurance producer
20 which constitutes willful or wanton misconduct.

21 j. Not later than 60 days after the effective date of this
22 amendatory Act of the 102nd General Assembly, the Board shall
23 develop a plan of rehabilitation or liquidation and
24 dissolution, including the consent of a majority of the Board
25 to the entry of an order of rehabilitation or liquidation, to
26 wind down the affairs of the Plan, including details for the

1 transition to other health plans of any persons currently
2 enrolled in the Plan, for presentation to and approval by the
3 Director. Upon the Director's approval of the plan of
4 rehabilitation or liquidation and dissolution, the Director
5 shall thereafter report to the Attorney General of this State,
6 whose duty it shall be to file a complaint for rehabilitation
7 or liquidation of the Plan pursuant to the provisions of
8 Article XIII of the Illinois Insurance Code. Upon entry of a
9 final Order of Rehabilitation or Liquidation and the
10 Director's appointment as statutory rehabilitator or
11 liquidator, the Director shall begin to administer and oversee
12 the wind-down and dissolution of the Plan in accordance with
13 the provisions of Article XIII.

14 (Source: P.A. 92-597, eff. 6-28-02; 93-622, eff. 12-18-03;
15 93-824, eff. 7-28-04.)

16 (215 ILCS 105/15)

17 Sec. 15. Alternative portable coverage for federally
18 eligible individuals.

19 (a) Notwithstanding the requirements of subsection a of
20 Section 7 and except as otherwise provided in this Section,
21 any federally eligible individual for whom a Plan application,
22 and such enclosures and supporting documentation as the Board
23 may require, is received by the Board within 90 days after the
24 termination of prior creditable coverage shall qualify to
25 enroll in the Plan under the portability provisions of this

1 Section.

2 A federally eligible person who has been certified as
3 eligible pursuant to the federal Trade Act of 2002 and whose
4 Plan application and enclosures and supporting documentation
5 as the Board may require is received by the Board within 63
6 days after the termination of previous creditable coverage
7 shall qualify to enroll in the Plan under the portability
8 provisions of this Section.

9 (b) Any federally eligible individual seeking Plan
10 coverage under this Section must submit with his or her
11 application evidence, including acceptable written
12 certification of previous creditable coverage, that will
13 establish to the Board's satisfaction, that he or she meets
14 all of the requirements to be a federally eligible individual
15 and is currently and permanently residing in this State (as of
16 the date his or her application was received by the Board).

17 (c) Except as otherwise provided in this Section, a period
18 of creditable coverage shall not be counted, with respect to
19 qualifying an applicant for Plan coverage as a federally
20 eligible individual under this Section, if after such period
21 and before the application for Plan coverage was received by
22 the Board, there was at least a 90-day period during all of
23 which the individual was not covered under any creditable
24 coverage.

25 For a federally eligible person who has been certified as
26 eligible pursuant to the federal Trade Act of 2002, a period of

1 creditable coverage shall not be counted, with respect to
2 qualifying an applicant for Plan coverage as a federally
3 eligible individual under this Section, if after such period
4 and before the application for Plan coverage was received by
5 the Board, there was at least a 63-day period during all of
6 which the individual was not covered under any creditable
7 coverage.

8 (d) Any federally eligible individual who the Board
9 determines qualifies for Plan coverage under this Section
10 shall be offered his or her choice of enrolling in one of
11 alternative portability health benefit plans which the Board
12 is authorized under this Section to establish for these
13 federally eligible individuals and their dependents.

14 (e) The Board shall offer a choice of health care
15 coverages consistent with major medical coverage under the
16 alternative health benefit plans authorized by this Section to
17 every federally eligible individual. The coverages to be
18 offered under the plans, the schedule of benefits,
19 deductibles, co-payments, exclusions, and other limitations
20 shall be approved by the Board. One optional form of coverage
21 shall be comparable to comprehensive health insurance coverage
22 offered in the individual market in this State or a standard
23 option of coverage available under the group or individual
24 health insurance laws of the State. The standard benefit plan
25 that is authorized by Section 8 of this Act may be used for
26 this purpose. The Board may also offer a preferred provider

1 option and such other options as the Board determines may be
2 appropriate for these federally eligible individuals who
3 qualify for Plan coverage pursuant to this Section.

4 (f) Notwithstanding the requirements of subsection f of
5 Section 8, any Plan coverage that is issued to federally
6 eligible individuals who qualify for the Plan pursuant to the
7 portability provisions of this Section shall not be subject to
8 any preexisting conditions exclusion, waiting period, or other
9 similar limitation on coverage.

10 (g) Federally eligible individuals who qualify and enroll
11 in the Plan pursuant to this Section shall be required to pay
12 such premium rates as the Board shall establish and approve in
13 accordance with the requirements of Section 7.1 of this Act.

14 (h) A federally eligible individual who qualifies and
15 enrolls in the Plan pursuant to this Section must satisfy on an
16 ongoing basis all of the other eligibility requirements of
17 this Act to the extent not inconsistent with the federal
18 Health Insurance Portability and Accountability Act of 1996 in
19 order to maintain continued eligibility for coverage under the
20 Plan.

21 (i) New enrollment and policy renewals are discontinued on
22 December 31, 2021.

23 (Source: P.A. 100-201, eff. 8-18-17.)

24 (215 ILCS 105/16 new)

25 Sec. 16. Cessation of operations.

1 (a) Except as otherwise provided in this Section, the
2 insurance operations of the Plan authorized by this Act shall
3 cease on December 31, 2021.

4 (b) Coverage under the Plan does not apply to services
5 provided on or after January 1, 2022.

6 (c) The Plan shall cease providing coverage for
7 participants enrolled prior to January 1, 2022 at 11:59 p.m.
8 on December 31, 2021.

9 (d) A claim for payment under the Plan must be submitted
10 within 180 days after January 1, 2022 and paid in accordance
11 with the provisions of Article XIII of the Illinois Insurance
12 Code.

13 (e) Any claim or grievance shall be resolved by the court
14 supervising the Plan's Article XIII rehabilitation or
15 liquidation proceedings.

16 (f) Balance billing by a health care provider that is not a
17 member of the provider network used by the Plan is prohibited.

18 (g) The Board shall, not later than 60 days after the
19 effective date of this amendatory Act of the 102nd General
20 Assembly, submit to the Director a plan of rehabilitation or
21 liquidation and dissolution, which must provide for, but shall
22 not be limited to, the following:

23 (1) continuity of care for an individual who is
24 covered under the Plan and is an inpatient on January 1,
25 2022;

26 (2) a final accounting of assessments;

1 (3) resolution of any net asset deficiency;

2 (4) cessation of all liability of the Plan; and

3 (5) final dissolution of the Plan.

4 (h) The plan of rehabilitation or liquidation and
5 dissolution may provide that, with the approval of the
6 Director, a power or duty of the Plan may be delegated to a
7 person that is to perform functions similar to the functions
8 of the Plan.

9 (i) Upon entry of an Order of Rehabilitation or
10 Liquidation against the Plan, the court supervising the
11 rehabilitation or liquidation proceedings shall have the
12 jurisdiction to issue injunctions as set forth in Section 189
13 of the Illinois Insurance Code, including, but not limited to,
14 the restraining of all persons, companies, and entities from
15 bringing or further prosecuting all actions and proceedings at
16 law or in equity or otherwise, whether in this State or
17 elsewhere, against the Plan or its assets or property or the
18 Director except insofar as those actions or proceedings arise
19 in or are brought in the rehabilitation or liquidation
20 proceedings.

21 (j) Upon the entry of an order of rehabilitation or
22 liquidation, the rights and liabilities of the Plan and of its
23 policyholders and all other persons interested in its assets
24 shall be fixed as of the date of entry of the order directing
25 rehabilitation or liquidation, or such later date as may be
26 provided by order of the court supervising the rehabilitation

1 or liquidation proceedings.

2 (k) Upon the satisfaction of all claims allowed in the
3 rehabilitation or liquidation proceedings, including the costs
4 and expenses of administering the rehabilitation or
5 liquidation, any remaining funds shall be distributed as
6 follows:

7 (1) for the accounts described in paragraph (2) of
8 subsection (1) of Section 4, all funds shall be refunded
9 on a pro rata basis to the insurers that were assessed
10 based on the most recent deficit projections of the Plan's
11 operation pursuant to Section 12 and to covered persons
12 where appropriate; and

13 (2) for all other accounts, all remaining funds shall
14 be released and deposited into the Insurance Producer
15 Administration Fund for use by the Department for
16 initiatives to support the Illinois Health Benefits
17 Exchange.

18 (l) Upon the entry of an Order of Rehabilitation or
19 Liquidation against the Plan, if the Director determines the
20 Plan is holding any surplus funds in a segregated account
21 associated with persons who qualified for coverage under
22 Section 7 that are no longer required for the purposes for
23 which they were acquired and are restricted from any other
24 use, the Director may petition the court for such funds to be
25 released and placed as follows:

26 (1) the first \$10,000,000 shall be deposited into the

1 Insurance Producer Administration Fund for use by the
2 Department for initiatives to support the Illinois Health
3 Benefits Exchange; and

4 (2) the remainder shall be deposited into the Parity
5 Advancement Fund.

6 (215 ILCS 105/17 new)

7 Sec. 17. Transfer of the Illinois Comprehensive Health
8 Insurance Plan.

9 (a) Upon entry of an Order of Rehabilitation or
10 Liquidation against the Plan all powers, duties, rights, and
11 responsibilities of the Plan and the Board shall be
12 transferred to and vested in the Director, as rehabilitator or
13 liquidator, who is authorized to wind down the affairs of the
14 Plan in accordance with Article XIII of the Illinois Insurance
15 Code.

16 (b) The Director, as rehabilitator or liquidator, shall
17 act on behalf of the Plan and the Board and shall have the
18 power and duty to receive and answer correspondence, and shall
19 evaluate all claims that are timely filed in the
20 rehabilitation or liquidation proceedings and is authorized to
21 make distribution from any unencumbered funds of the Plan's
22 rehabilitation or liquidation estate upon all such claims as
23 are allowed in the proceedings consistent with subsection (1)
24 of Section 205 of the Illinois Insurance Code. Timely filed
25 claims of vendors allowed in the rehabilitation or liquidation

1 proceedings that are not capable of being discharged, in full,
2 from the assets of the rehabilitation or liquidation estate
3 may be presented to the Court of Claims.

4 (c) All books, records, papers, documents, property (real
5 and personal), contracts, causes of action, and pending
6 business pertaining to the powers, duties, rights, and
7 responsibilities transferred by this amendatory Act of the
8 102nd General Assembly from the Plan and the Board to the
9 Director, as rehabilitator or liquidator, including, but not
10 limited to, material in electronic or magnetic format and
11 necessary computer hardware and software, shall be transferred
12 to the Director, as rehabilitator or liquidator. Records shall
13 be maintained as required by the federal Health Insurance
14 Portability and Accountability Act of 1996, as now or
15 hereafter amended, unless otherwise ordered by the court
16 supervising the rehabilitation or liquidation proceedings.

17 (d) The rights of the employees in the State of Illinois
18 and its agencies under the Personnel Code and applicable
19 collective bargaining agreements or under any pension,
20 retirement, or annuity plan shall not be affected by this
21 amendatory Act of the 102nd General Assembly.

22 (e) Upon entry of an Order of Rehabilitation or
23 Liquidation against the Plan, all unexpended appropriations
24 and balances and other funds available for use by the Plan and
25 the Board shall be transferred to and vested in the Director,
26 as rehabilitator or liquidator. Except as provided in

1 subsection (l) of Section 16, unexpended balances so
2 transferred shall be distributed in accordance with Article
3 XIII of the Illinois Insurance Code for paying the Director's
4 administrative expenses incurred in connection with winding
5 down the affairs of the Plan.

6 (f) Whenever reports or notices are, on the effective date
7 of this amendatory Act of the 102nd General Assembly, required
8 to be made or given or papers or documents furnished or served
9 by any person to or upon the Plan or the Board in connection
10 with any of the powers, duties, rights, and responsibilities
11 transferred by this amendatory Act of the 102nd General
12 Assembly, the same shall be made, given, furnished, or served
13 in the same manner to or upon the Director, as rehabilitator or
14 liquidator.

15 (g) This amendatory Act of the 102nd General Assembly does
16 not affect any act done, ratified, or canceled or any right
17 occurring or established or any action or proceeding had or
18 commenced in the administrative, civil, or criminal cause by
19 the Plan or the Board prior to the entry of an Order of
20 Rehabilitation or Liquidation against the Plan; such actions
21 or proceedings may be prosecuted and continued by the
22 Director, as rehabilitator or liquidator.

23 Section 99. Effective date. This Act takes effect upon
24 becoming law."