

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.61 as follows:

6 (215 ILCS 5/356z.61 new)

7 Sec. 356z.61. Wigs and hair prostheses. A group or
8 individual plan of accident and health insurance or managed
9 care plan amended, delivered, issued, or renewed after January
10 1, 2026 must provide coverage, no less than once every 12
11 months, for one wig or other scalp prosthesis worn for hair
12 loss caused by alopecia, chemotherapy, or radiation treatment
13 for cancer or other conditions.

14 Section 10. The Health Maintenance Organization Act is
15 amended by changing Section 5-3 as follows:

16 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

17 Sec. 5-3. Insurance Code provisions.

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

1 355.3, 355b, 355c, 356g.5-1, 356m, 356q, 356v, 356w, 356x,
2 356y, 356z.2, 356z.3a, 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.17, 356z.18, 356z.19, 356z.21, 356z.22, 356z.25,
5 356z.26, 356z.29, 356z.30, 356z.30a, 356z.32, 356z.33,
6 356z.35, 356z.36, 356z.40, 356z.41, 356z.46, 356z.47, 356z.48,
7 356z.50, 356z.51, 356z.53 ~~256z.53~~, 356z.54, 356z.56, 356z.57,
8 356z.59, 356z.60, 356z.61, 364, 364.01, 364.3, 367.2, 367.2-5,
9 367i, 368a, 368b, 368c, 368d, 368e, 370c, 370c.1, 401, 401.1,
10 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1,
11 paragraph (c) of subsection (2) of Section 367, and Articles
12 IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, XXVI, and
13 XXXIIB of the Illinois Insurance Code.

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

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

20 (2) a corporation organized under the laws of this
21 State; or

22 (3) a corporation organized under the laws of another
23 state, 30% or more of the enrollees of which are residents
24 of this State, except a corporation subject to
25 substantially the same requirements in its state of
26 organization as is a "domestic company" under Article VIII

1 1/2 of the Illinois Insurance Code.

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

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

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

17 (3) the Director shall have the power to require the
18 following information:

19 (A) certification by an independent actuary of the
20 adequacy of the reserves of the Health Maintenance
21 Organization sought to be acquired;

22 (B) pro forma financial statements reflecting the
23 combined balance sheets of the acquiring company and
24 the Health Maintenance Organization sought to be
25 acquired as of the end of the preceding year and as of
26 a date 90 days prior to the acquisition, as well as pro

1 forma financial statements reflecting projected
2 combined operation for a period of 2 years;

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

7 (D) such other information as the Director shall
8 require.

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

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

25 (f) Except for small employer groups as defined in the
26 Small Employer Rating, Renewability and Portability Health

1 Insurance Act and except for medicare supplement policies as
2 defined in Section 363 of the Illinois Insurance Code, a
3 Health Maintenance Organization may by contract agree with a
4 group or other enrollment unit to effect refunds or charge
5 additional premiums under the following terms and conditions:

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

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

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

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

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

23 (Source: P.A. 101-13, eff. 6-12-19; 101-81, eff. 7-12-19;
24 101-281, eff. 1-1-20; 101-371, eff. 1-1-20; 101-393, eff.
25 1-1-20; 101-452, eff. 1-1-20; 101-461, eff. 1-1-20; 101-625,
26 eff. 1-1-21; 102-30, eff. 1-1-22; 102-34, eff. 6-25-21;

1 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.
2 1-1-22; 102-589, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665,
3 eff. 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22;
4 102-804, eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff.
5 1-1-23; 102-860, eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093,
6 eff. 1-1-23; 102-1117, eff. 1-13-23; revised 1-22-23.)

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

9 (215 ILCS 165/10) (from Ch. 32, par. 604)

10 Sec. 10. Application of Insurance Code provisions. Health
11 services plan corporations and all persons interested therein
12 or dealing therewith shall be subject to the provisions of
13 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,
14 143, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3, 355b,
15 356g, 356g.5, 356g.5-1, 356q, 356r, 356t, 356u, 356v, 356w,
16 356x, 356y, 356z.1, 356z.2, 356z.3a, 356z.4, 356z.4a, 356z.5,
17 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
18 356z.14, 356z.15, 356z.18, 356z.19, 356z.21, 356z.22, 356z.25,
19 356z.26, 356z.29, 356z.30, 356z.30a, 356z.32, 356z.33,
20 356z.40, 356z.41, 356z.46, 356z.47, 356z.51, 356z.53, 356z.54,
21 356z.56, 356z.57, 356z.59, 356z.60, 356z.61, 364.01, 364.3,
22 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412,
23 and paragraphs (7) and (15) of Section 367 of the Illinois
24 Insurance Code.

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. 101-13, eff. 6-12-19; 101-81, eff. 7-12-19;
8 101-281, eff. 1-1-20; 101-393, eff. 1-1-20; 101-625, eff.
9 1-1-21; 102-30, eff. 1-1-22; 102-203, eff. 1-1-22; 102-306,
10 eff. 1-1-22; 102-642, eff. 1-1-22; 102-665, eff. 10-8-21;
11 102-731, eff. 1-1-23; 102-775, eff. 5-13-22; 102-804, eff.
12 1-1-23; 102-813, eff. 5-13-22; 102-816, eff. 1-1-23; 102-860,
13 eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093, eff. 1-1-23;
14 102-1117, eff. 1-13-23.)

15 Section 99. Effective date. This Act takes effect upon
16 becoming law.