

1 AN ACT concerning insurance coverage.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 3. The State Employees Group Insurance Act of
5 1971 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 356u, 356w, 356x, and 356z.2, and 356z.4 of the
14 Illinois Insurance Code. The program of health benefits must
15 comply with Section 155.37 of the Illinois Insurance Code.
16 (Source: P.A. 92-440, eff. 8-17-01; 92-764, eff. 1-1-03.)

17 Section 5. The Illinois Insurance Code is amended by
18 adding Section 356z.4 as follows:

19 (215 ILCS 5/356z.4 new)

20 Sec. 356z.4. Coverage for contraceptives.

21 (a) An individual or group policy of accident and health
22 insurance amended, delivered, issued, or renewed in this
23 State after the effective date of this amendatory Act of the
24 93rd General Assembly that provides coverage for outpatient
25 services and outpatient prescription drugs or devices must
26 provide coverage for the insured and any dependent of the
27 insured covered by the policy for all outpatient
28 contraceptive services and all outpatient contraceptive drugs
29 and devices approved by the Food and Drug Administration.

1 Coverage required under this Section may not impose any
 2 deductible, coinsurance, waiting period, or other
 3 cost-sharing or limitation that is greater than that required
 4 for any outpatient service or outpatient prescription drug or
 5 device otherwise covered by the policy.

6 (b) As used in this Section, "outpatient contraceptive
 7 service" means consultations, examinations, procedures, and
 8 medical services, provided on an outpatient basis and related
 9 to the use of contraceptive methods (including natural family
 10 planning) to prevent an unintended pregnancy.

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

13 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)
 14 Sec. 5-3. Insurance Code provisions.

15 (a) Health Maintenance Organizations shall be subject to
 16 the provisions of Sections 133, 134, 137, 140, 141.1, 141.2,
 17 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5,
 18 154.6, 154.7, 154.8, 155.04, 355.2, 356m, 356v, 356w, 356x,
 19 356y, 356z.2, 356z.4, 367i, 368a, 401, 401.1, 402, 403, 403A,
 20 408, 408.2, 409, 412, 444, and 444.1, paragraph (c) of
 21 subsection (2) of Section 367, and Articles IIA, VIII 1/2,
 22 XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of the Illinois
 23 Insurance Code.

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

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

31 (2) a corporation organized under the laws of this
 32 State; or

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

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

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

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

22 (3) the Director shall have the power to require
23 the following information:

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

27 (B) pro forma financial statements reflecting
28 the combined balance sheets of the acquiring company
29 and the Health Maintenance Organization sought to be
30 acquired as of the end of the preceding year and as
31 of a date 90 days prior to the acquisition, as well
32 as pro forma financial statements reflecting
33 projected combined operation for a period of 2
34 years;

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

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

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

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

24 (f) Except for small employer groups as defined in the
25 Small Employer Rating, Renewability and Portability Health
26 Insurance Act and except for medicare supplement policies as
27 defined in Section 363 of the Illinois Insurance Code, a
28 Health Maintenance Organization may by contract agree with a
29 group or other enrollment unit to effect refunds or charge
30 additional premiums under the following terms and conditions:

31 (i) the amount of, and other terms and conditions
32 with respect to, the refund or additional premium are set
33 forth in the group or enrollment unit contract agreed in
34 advance of the period for which a refund is to be paid or

1 additional premium is to be charged (which period shall
2 not be less than one year); and

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

18 The Health Maintenance Organization shall include a
19 statement in the evidence of coverage issued to each enrollee
20 describing the possibility of a refund or additional premium,
21 and upon request of any group or enrollment unit, provide to
22 the group or enrollment unit a description of the method used
23 to calculate (1) the Health Maintenance Organization's
24 profitable experience with respect to the group or enrollment
25 unit and the resulting refund to the group or enrollment unit
26 or (2) the Health Maintenance Organization's unprofitable
27 experience with respect to the group or enrollment unit and
28 the resulting additional premium to be paid by the group or
29 enrollment unit.

30 In no event shall the Illinois Health Maintenance
31 Organization Guaranty Association be liable to pay any
32 contractual obligation of an insolvent organization to pay
33 any refund authorized under this Section.

34 (Source: P.A. 91-357, eff. 7-29-99; 91-406, eff. 1-1-00;

1 91-549, eff. 8-14-99; 91-605, eff. 12-14-99; 91-788, eff.
2 6-9-00; 92-764, eff. 1-1-03.)

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

5 (215 ILCS 165/10) (from Ch. 32, par. 604)

6 Sec. 10. Application of Insurance Code provisions.
7 Health services plan corporations and all persons interested
8 therein or dealing therewith shall be subject to the
9 provisions of Articles IIA and XII 1/2 and Sections 3.1, 133,
10 140, 143, 143c, 149, 155.37, 354, 355.2, 356r, 356t, 356u,
11 356v, 356w, 356x, 356y, 356z.1, 356z.2, 356z.4, 367.2, 368a,
12 401, 401.1, 402, 403, 403A, 408, 408.2, and 412, and
13 paragraphs (7) and (15) of Section 367 of the Illinois
14 Insurance Code.

15 (Source: P.A. 91-406, eff. 1-1-00; 91-549, eff. 8-14-99;
16 91-605, eff. 12-14-99; 91-788, eff. 6-9-00; 92-130, eff.
17 7-20-01; 92-440, eff. 8-17-01; 92-651, eff. 7-11-02; 92-764,
18 eff. 1-1-03.)