

1 AN ACT in relation to public employee benefits.

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
5 1971 is amended by changing Section 8 as follows:

6 (5 ILCS 375/8) (from Ch. 127, par. 528)

7 Sec. 8. Eligibility.

8 (a) Each member eligible under the provisions of this
9 Act and any rules and regulations promulgated and adopted
10 hereunder by the Director shall become immediately eligible
11 and covered for all benefits available under the programs.
12 Members electing coverage for eligible dependents shall have
13 the coverage effective immediately, provided that the
14 election is properly filed in accordance with required filing
15 dates and procedures specified by the Director.

16 (1) Every member originally eligible to elect
17 dependent coverage, but not electing it during the
18 original eligibility period, may subsequently obtain
19 dependent coverage only in the event of a qualifying
20 change in status, special enrollment, special
21 circumstance as defined by the Director, or during the
22 annual Benefit Choice Period.

23 (2) Members described above being transferred from
24 previous coverage towards which the State has been
25 contributing shall be transferred regardless of
26 preexisting conditions, waiting periods, or other
27 requirements that might jeopardize claim payments to
28 which they would otherwise have been entitled.

29 (3) Eligible and covered members that are eligible
30 for coverage as dependents except for the fact of being
31 members shall be transferred to, and covered under,

1 dependent status regardless of preexisting conditions,
2 waiting periods, or other requirements that might
3 jeopardize claim payments to which they would otherwise
4 have been entitled upon cessation of member status and
5 the election of dependent coverage by a member eligible
6 to elect that coverage.

7 (b) New employees shall be immediately insured for the
8 basic group life insurance and covered by the program of
9 health benefits on the first day of active State service.
10 Optional coverages or benefits, if elected during the
11 relevant eligibility period, will become effective on the
12 date of employment. Optional coverages or benefits applied
13 for after the eligibility period will be effective, subject
14 to satisfactory evidence of insurability when applicable, or
15 other necessary qualifications, pursuant to the requirements
16 of the applicable benefit program, unless there is a change
17 in status that would confer new eligibility for change of
18 enrollment under rules established supplementing this Act, in
19 which event application must be made within the new
20 eligibility period.

21 (c) As to the group health benefits program contracted
22 to begin or continue after June 30, 1973, each retired
23 employee shall become immediately eligible and covered for
24 all benefits available under that program. Retired employees
25 may elect coverage for eligible dependents and shall have the
26 coverage effective immediately, provided that the election is
27 properly filed in accordance with required filing dates and
28 procedures specified by the Director.

29 Except as otherwise provided in this Act, where husband
30 and wife are both eligible members, each shall be enrolled as
31 a member and coverage on their eligible dependent children,
32 if any, may be under the enrollment and election of either.

33 Regardless of other provisions herein regarding late
34 enrollment or other qualifications, as appropriate, the

1 Director may periodically authorize open enrollment periods
2 for each of the benefit programs at which time each member
3 may elect enrollment or change of enrollment without regard
4 to age, sex, health, or other qualification under the
5 conditions as may be prescribed in rules and regulations
6 supplementing this Act. Special open enrollment periods may
7 be declared by the Director for certain members only when
8 special circumstances occur that affect only those members.

9 (d) Beginning with fiscal year 2003 and for all
10 subsequent years, eligible members may elect not to
11 participate in the program of health benefits as defined in
12 this Act. The election must be made during the annual
13 benefit choice period, subject to the conditions in this
14 subsection.

15 (1) Members must furnish proof of health benefit
16 coverage, either comprehensive major medical coverage or
17 comprehensive managed care plan, from a source other than
18 the Department of Central Management Services in order to
19 elect not to participate in the program.

20 (2) Members may re-enroll in the Department of
21 Central Management Services program of health benefits
22 upon showing a qualifying change in status, as defined in
23 the U.S. Internal Revenue Code, without evidence of
24 insurability and with no limitations on coverage for
25 pre-existing conditions, provided that there was not a
26 break in coverage of more than 63 days.

27 (3) Members may also re-enroll in the program of
28 health benefits during any annual benefit choice period,
29 without evidence of insurability.

30 (4) Members who elect not to participate in the
31 program of health benefits shall be furnished a written
32 explanation of the requirements and limitations for the
33 election not to participate in the program and for
34 re-enrolling in the program. The explanation shall also

1 be included in the annual benefit choice options booklets
2 furnished to members.

3 (e) Notwithstanding any other provision of this Act or
4 the rules adopted under this Act, if a person participating
5 in the program of health benefits as the dependent spouse of
6 an eligible member becomes an annuitant, the person may
7 elect, at the time of becoming an annuitant or during any
8 subsequent annual benefit choice period, to continue
9 participation as a dependent rather than as an eligible
10 member for as long as the person continues to be an eligible
11 dependent.

12 An eligible member who has elected to participate as a
13 dependent may re-enroll in the program of health benefits as
14 an eligible member (i) during any subsequent annual benefit
15 choice period or (ii) upon showing a qualifying change in
16 status, as defined in the U.S. Internal Revenue Code, without
17 evidence of insurability and with no limitations on coverage
18 for pre-existing conditions.

19 A person who elects to participate in the program of
20 health benefits as a dependent rather than as an eligible
21 member shall be furnished a written explanation of the
22 consequences of electing to participate as a dependent and
23 the conditions and procedures for re-enrolling as an eligible
24 member. The explanation shall also be included in the annual
25 benefit choice options booklet furnished to members.

26 (Source: P.A. 91-390, eff. 7-30-99; 92-600, eff. 6-28-02.)

27 Section 99. Effective date. This Act takes effect upon
28 becoming law.