

1 AN ACT concerning health coverage under State employee
2 programs.

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

5 Section 5. The State Employees Group Insurance Act of
6 1971 is amended by changing Sections 2, 3, 10, 13.2, and 15
7 as follows:

8 (5 ILCS 375/2) (from Ch. 127, par. 522)

9 Sec. 2. Purpose. The purpose of this Act is to provide a
10 program of group life insurance, a program of health benefits
11 and other employee benefits for persons in the service of the
12 State of Illinois, employees of local governments, employees
13 of rehabilitation facilities and employees of domestic
14 violence shelters and services, and certain of their
15 dependents. It is also the purpose of this Act to provide a
16 program of health benefits (i) for certain benefit recipients
17 of the Teachers' Retirement System of the State of Illinois
18 and their dependent beneficiaries and (ii) for certain
19 eligible retired community college employees and their
20 dependent beneficiaries. It is also the purpose of this Act
21 to provide a program of health benefits for (i) owners and
22 employees of qualified small businesses and their dependents
23 and (ii) self-employed persons and their dependents.

24 (Source: P.A. 89-25, eff. 6-21-95; 90-497, eff. 8-18-97.)

25 (5 ILCS 375/3) (from Ch. 127, par. 523)

26 Sec. 3. Definitions. Unless the context otherwise
27 requires, the following words and phrases as used in this Act
28 shall have the following meanings. The Department may define
29 these and other words and phrases separately for the purpose
30 of implementing specific programs providing benefits under

1 this Act.

2 (a) "Administrative service organization" means any
3 person, firm or corporation experienced in the handling of
4 claims which is fully qualified, financially sound and
5 capable of meeting the service requirements of a contract of
6 administration executed with the Department.

7 (b) "Annuitant" means (1) an employee who retires, or
8 has retired, on or after January 1, 1966 on an immediate
9 annuity under the provisions of Articles 2, 14, 15 (including
10 an employee who has retired under the optional retirement
11 program established under Section 15-158.2), paragraphs (2),
12 (3), or (5) of Section 16-106, or Article 18 of the Illinois
13 Pension Code; (2) any person who was receiving group
14 insurance coverage under this Act as of March 31, 1978 by
15 reason of his status as an annuitant, even though the annuity
16 in relation to which such coverage was provided is a
17 proportional annuity based on less than the minimum period of
18 service required for a retirement annuity in the system
19 involved; (3) any person not otherwise covered by this Act
20 who has retired as a participating member under Article 2 of
21 the Illinois Pension Code but is ineligible for the
22 retirement annuity under Section 2-119 of the Illinois
23 Pension Code; (4) the spouse of any person who is receiving a
24 retirement annuity under Article 18 of the Illinois Pension
25 Code and who is covered under a group health insurance
26 program sponsored by a governmental employer other than the
27 State of Illinois and who has irrevocably elected to waive
28 his or her coverage under this Act and to have his or her
29 spouse considered as the "annuitant" under this Act and not
30 as a "dependent"; ~~or~~ (5) an employee who retires, or has
31 retired, from a qualified position, as determined according
32 to rules promulgated by the Director, under a qualified local
33 government or a qualified rehabilitation facility or a
34 qualified domestic violence shelter or service; or (6) an

1 owner or employee who retires, or has retired, from a
2 qualified position, as determined according to rules
3 promulgated by the Director, with a qualified small business
4 or as a self-employed person. (For definition of "retired
5 employee", see (p) post).

6 (b-5) "New SERS annuitant" means a person who, on or
7 after January 1, 1998, becomes an annuitant, as defined in
8 subsection (b), by virtue of beginning to receive a
9 retirement annuity under Article 14 of the Illinois Pension
10 Code, and is eligible to participate in the basic program of
11 group health benefits provided for annuitants under this Act.

12 (b-6) "New SURS annuitant" means a person who (1) on or
13 after January 1, 1998, becomes an annuitant, as defined in
14 subsection (b), by virtue of beginning to receive a
15 retirement annuity under Article 15 of the Illinois Pension
16 Code, (2) has not made the election authorized under Section
17 15-135.1 of the Illinois Pension Code, and (3) is eligible to
18 participate in the basic program of group health benefits
19 provided for annuitants under this Act.

20 (b-7) "New TRS State annuitant" means a person who, on
21 or after July 1, 1998, becomes an annuitant, as defined in
22 subsection (b), by virtue of beginning to receive a
23 retirement annuity under Article 16 of the Illinois Pension
24 Code based on service as a teacher as defined in paragraph
25 (2), (3), or (5) of Section 16-106 of that Code, and is
26 eligible to participate in the basic program of group health
27 benefits provided for annuitants under this Act.

28 (c) "Carrier" means (1) an insurance company, a
29 corporation organized under the Limited Health Service
30 Organization Act or the Voluntary Health Services Plan Act, a
31 partnership, or other nongovernmental organization, which is
32 authorized to do group life or group health insurance
33 business in Illinois, or (2) the State of Illinois as a
34 self-insurer.

1 (d) "Compensation" means salary or wages payable on a
2 regular payroll by the State Treasurer on a warrant of the
3 State Comptroller out of any State, trust or federal fund, or
4 by the Governor of the State through a disbursing officer of
5 the State out of a trust or out of federal funds, or by any
6 Department out of State, trust, federal or other funds held
7 by the State Treasurer or the Department, to any person for
8 personal services currently performed, and ordinary or
9 accidental disability benefits under Articles 2, 14, 15
10 (including ordinary or accidental disability benefits under
11 the optional retirement program established under Section
12 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
13 Article 18 of the Illinois Pension Code, for disability
14 incurred after January 1, 1966, or benefits payable under the
15 Workers' Compensation or Occupational Diseases Act or
16 benefits payable under a sick pay plan established in
17 accordance with Section 36 of the State Finance Act.
18 "Compensation" also means salary or wages paid to an employee
19 of any qualified local government or qualified rehabilitation
20 facility or a qualified domestic violence shelter or service.
21 "Compensation" also means salary or wages paid to an employee
22 or owner of a qualified small business and earned income
23 earned by a self-employed person.

24 (e) "Commission" means the State Employees Group
25 Insurance Advisory Commission authorized by this Act.
26 Commencing July 1, 1984, "Commission" as used in this Act
27 means the Illinois Economic and Fiscal Commission as
28 established by the Legislative Commission Reorganization Act
29 of 1984.

30 (f) "Contributory", when referred to as contributory
31 coverage, shall mean optional coverages or benefits elected
32 by the member toward the cost of which such member makes
33 contribution, or which are funded in whole or in part through
34 the acceptance of a reduction in earnings or the foregoing of

1 an increase in earnings by an employee, as distinguished from
2 noncontributory coverage or benefits which are paid entirely
3 by the State of Illinois without reduction of the member's
4 salary.

5 (g) "Department" means any department, institution,
6 board, commission, officer, court or any agency of the State
7 government receiving appropriations and having power to
8 certify payrolls to the Comptroller authorizing payments of
9 salary and wages against such appropriations as are made by
10 the General Assembly from any State fund, or against trust
11 funds held by the State Treasurer and includes boards of
12 trustees of the retirement systems created by Articles 2, 14,
13 15, 16 and 18 of the Illinois Pension Code. "Department"
14 also includes the Illinois Comprehensive Health Insurance
15 Board, the Board of Examiners established under the Illinois
16 Public Accounting Act, and the Illinois Rural Bond Bank.

17 (h) "Dependent", when the term is used in the context of
18 the health and life plan, means a member's spouse and any
19 unmarried child (1) from birth to age 19 including an adopted
20 child, a child who lives with the member from the time of the
21 filing of a petition for adoption until entry of an order of
22 adoption, a stepchild or recognized child who lives with the
23 member in a parent-child relationship, or a child who lives
24 with the member if such member is a court appointed guardian
25 of the child, or (2) age 19 to 23 enrolled as a full-time
26 student in any accredited school, financially dependent upon
27 the member, and eligible to be claimed as a dependent for
28 income tax purposes, or (3) age 19 or over who is mentally or
29 physically handicapped. For the health plan only, the term
30 "dependent" also includes any person enrolled prior to the
31 effective date of this Section who is dependent upon the
32 member to the extent that the member may claim such person as
33 a dependent for income tax deduction purposes; no other such
34 person may be enrolled. For the health plan only, the term

1 "dependent" also includes any person who has received after
2 June 30, 2000 an organ transplant and who is financially
3 dependent upon the member and eligible to be claimed as a
4 dependent for income tax purposes.

5 (i) "Director" means the Director of the Illinois
6 Department of Central Management Services.

7 (j) "Eligibility period" means the period of time a
8 member has to elect enrollment in programs or to select
9 benefits without regard to age, sex or health.

10 (k) "Employee" means and includes each officer or
11 employee in the service of a department who (1) receives his
12 compensation for service rendered to the department on a
13 warrant issued pursuant to a payroll certified by a
14 department or on a warrant or check issued and drawn by a
15 department upon a trust, federal or other fund or on a
16 warrant issued pursuant to a payroll certified by an elected
17 or duly appointed officer of the State or who receives
18 payment of the performance of personal services on a warrant
19 issued pursuant to a payroll certified by a Department and
20 drawn by the Comptroller upon the State Treasurer against
21 appropriations made by the General Assembly from any fund or
22 against trust funds held by the State Treasurer, and (2) is
23 employed full-time or part-time in a position normally
24 requiring actual performance of duty during not less than 1/2
25 of a normal work period, as established by the Director in
26 cooperation with each department, except that persons elected
27 by popular vote will be considered employees during the
28 entire term for which they are elected regardless of hours
29 devoted to the service of the State, and (3) except that
30 "employee" does not include any person who is not eligible by
31 reason of such person's employment to participate in one of
32 the State retirement systems under Articles 2, 14, 15 (either
33 the regular Article 15 system or the optional retirement
34 program established under Section 15-158.2) or 18, or under

1 paragraph (2), (3), or (5) of Section 16-106, of the Illinois
2 Pension Code, but such term does include persons who are
3 employed during the 6 month qualifying period under Article
4 14 of the Illinois Pension Code. Such term also includes any
5 person who (1) after January 1, 1966, is receiving ordinary
6 or accidental disability benefits under Articles 2, 14, 15
7 (including ordinary or accidental disability benefits under
8 the optional retirement program established under Section
9 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
10 Article 18 of the Illinois Pension Code, for disability
11 incurred after January 1, 1966, (2) receives total permanent
12 or total temporary disability under the Workers' Compensation
13 Act or Occupational Disease Act as a result of injuries
14 sustained or illness contracted in the course of employment
15 with the State of Illinois, or (3) is not otherwise covered
16 under this Act and has retired as a participating member
17 under Article 2 of the Illinois Pension Code but is
18 ineligible for the retirement annuity under Section 2-119 of
19 the Illinois Pension Code. However, a person who satisfies
20 the criteria of the foregoing definition of "employee" except
21 that such person is made ineligible to participate in the
22 State Universities Retirement System by clause (4) of
23 subsection (a) of Section 15-107 of the Illinois Pension Code
24 is also an "employee" for the purposes of this Act.
25 "Employee" also includes any person receiving or eligible for
26 benefits under a sick pay plan established in accordance with
27 Section 36 of the State Finance Act. "Employee" also includes
28 each officer or employee in the service of a qualified local
29 government, including persons appointed as trustees of
30 sanitary districts regardless of hours devoted to the service
31 of the sanitary district, and each employee in the service of
32 a qualified rehabilitation facility and each full-time
33 employee in the service of a qualified domestic violence
34 shelter or service, as determined according to rules

1 promulgated by the Director. "Employee" also includes an
2 owner and a full-time employee in the service of a qualified
3 small business and a self-employed person, as determined
4 according to rules promulgated by the Director.

5 (l) "Member" means an employee, annuitant, retired
6 employee or survivor.

7 (m) "Optional coverages or benefits" means those
8 coverages or benefits available to the member on his or her
9 voluntary election, and at his or her own expense.

10 (n) "Program" means the group life insurance, health
11 benefits and other employee benefits designed and contracted
12 for by the Director under this Act.

13 (o) "Health plan" means a health benefits program
14 offered by the State of Illinois for persons eligible for the
15 plan.

16 (p) "Retired employee" means any person who would be an
17 annuitant as that term is defined herein but for the fact
18 that such person retired prior to January 1, 1966. Such term
19 also includes any person formerly employed by the University
20 of Illinois in the Cooperative Extension Service who would be
21 an annuitant but for the fact that such person was made
22 ineligible to participate in the State Universities
23 Retirement System by clause (4) of subsection (a) of Section
24 15-107 of the Illinois Pension Code.

25 (q) "Survivor" means a person receiving an annuity as a
26 survivor of an employee or of an annuitant. "Survivor" also
27 includes: (1) the surviving dependent of a person who
28 satisfies the definition of "employee" except that such
29 person is made ineligible to participate in the State
30 Universities Retirement System by clause (4) of subsection
31 (a) of Section 15-107 of the Illinois Pension Code; and (2)
32 the surviving dependent of any person formerly employed by
33 the University of Illinois in the Cooperative Extension
34 Service who would be an annuitant except for the fact that

1 such person was made ineligible to participate in the State
2 Universities Retirement System by clause (4) of subsection
3 (a) of Section 15-107 of the Illinois Pension Code.

4 (q-5) "New SERS survivor" means a survivor, as defined
5 in subsection (q), whose annuity is paid under Article 14 of
6 the Illinois Pension Code and is based on the death of (i) an
7 employee whose death occurs on or after January 1, 1998, or
8 (ii) a new SERS annuitant as defined in subsection (b-5).

9 (q-6) "New SURS survivor" means a survivor, as defined
10 in subsection (q), whose annuity is paid under Article 15 of
11 the Illinois Pension Code and is based on the death of (i) an
12 employee whose death occurs on or after January 1, 1998, or
13 (ii) a new SURS annuitant as defined in subsection (b-6).

14 (q-7) "New TRS State survivor" means a survivor, as
15 defined in subsection (q), whose annuity is paid under
16 Article 16 of the Illinois Pension Code and is based on the
17 death of (i) an employee who is a teacher as defined in
18 paragraph (2), (3), or (5) of Section 16-106 of that Code and
19 whose death occurs on or after July 1, 1998, or (ii) a new
20 TRS State annuitant as defined in subsection (b-7).

21 (r) "Medical services" means the services provided
22 within the scope of their licenses by practitioners in all
23 categories licensed under the Medical Practice Act of 1987.

24 (s) "Unit of local government" means any county,
25 municipality, township, school district (including a
26 combination of school districts under the Intergovernmental
27 Cooperation Act), special district or other unit, designated
28 as a unit of local government by law, which exercises limited
29 governmental powers or powers in respect to limited
30 governmental subjects, any not-for-profit association with a
31 membership that primarily includes townships and township
32 officials, that has duties that include provision of research
33 service, dissemination of information, and other acts for the
34 purpose of improving township government, and that is funded

1 wholly or partly in accordance with Section 85-15 of the
2 Township Code; any not-for-profit corporation or association,
3 with a membership consisting primarily of municipalities,
4 that operates its own utility system, and provides research,
5 training, dissemination of information, or other acts to
6 promote cooperation between and among municipalities that
7 provide utility services and for the advancement of the goals
8 and purposes of its membership; the Southern Illinois
9 Collegiate Common Market, which is a consortium of higher
10 education institutions in Southern Illinois; and the Illinois
11 Association of Park Districts. "Qualified local government"
12 means a unit of local government approved by the Director and
13 participating in a program created under subsection (i) of
14 Section 10 of this Act.

15 (t) "Qualified rehabilitation facility" means any
16 not-for-profit organization that is accredited by the
17 Commission on Accreditation of Rehabilitation Facilities or
18 certified by the Department of Human Services (as successor
19 to the Department of Mental Health and Developmental
20 Disabilities) to provide services to persons with
21 disabilities and which receives funds from the State of
22 Illinois for providing those services, approved by the
23 Director and participating in a program created under
24 subsection (j) of Section 10 of this Act.

25 (u) "Qualified domestic violence shelter or service"
26 means any Illinois domestic violence shelter or service and
27 its administrative offices funded by the Department of Human
28 Services (as successor to the Illinois Department of Public
29 Aid), approved by the Director and participating in a program
30 created under subsection (k) of Section 10.

31 (v) "TRS benefit recipient" means a person who:
32 (1) is not a "member" as defined in this Section;
33 and
34 (2) is receiving a monthly benefit or retirement

1 annuity under Article 16 of the Illinois Pension Code;
2 and

3 (3) either (i) has at least 8 years of creditable
4 service under Article 16 of the Illinois Pension Code, or
5 (ii) was enrolled in the health insurance program offered
6 under that Article on January 1, 1996, or (iii) is the
7 survivor of a benefit recipient who had at least 8 years
8 of creditable service under Article 16 of the Illinois
9 Pension Code or was enrolled in the health insurance
10 program offered under that Article on the effective date
11 of this amendatory Act of 1995, or (iv) is a recipient or
12 survivor of a recipient of a disability benefit under
13 Article 16 of the Illinois Pension Code.

14 (w) "TRS dependent beneficiary" means a person who:

15 (1) is not a "member" or "dependent" as defined in
16 this Section; and

17 (2) is a TRS benefit recipient's: (A) spouse, (B)
18 dependent parent who is receiving at least half of his or
19 her support from the TRS benefit recipient, or (C)
20 unmarried natural or adopted child who is (i) under age
21 19, or (ii) enrolled as a full-time student in an
22 accredited school, financially dependent upon the TRS
23 benefit recipient, eligible to be claimed as a dependent
24 for income tax purposes, and either is under age 24 or
25 was, on January 1, 1996, participating as a dependent
26 beneficiary in the health insurance program offered under
27 Article 16 of the Illinois Pension Code, or (iii) age 19
28 or over who is mentally or physically handicapped.

29 (x) "Military leave with pay and benefits" refers to
30 individuals in basic training for reserves, special/advanced
31 training, annual training, emergency call up, or activation
32 by the President of the United States with approved pay and
33 benefits.

34 (y) "Military leave without pay and benefits" refers to

1 individuals who enlist for active duty in a regular component
2 of the U.S. Armed Forces or other duty not specified or
3 authorized under military leave with pay and benefits.

4 (z) "Community college benefit recipient" means a person
5 who:

6 (1) is not a "member" as defined in this Section;
7 and

8 (2) is receiving a monthly survivor's annuity or
9 retirement annuity under Article 15 of the Illinois
10 Pension Code; and

11 (3) either (i) was a full-time employee of a
12 community college district or an association of community
13 college boards created under the Public Community College
14 Act (other than an employee whose last employer under
15 Article 15 of the Illinois Pension Code was a community
16 college district subject to Article VII of the Public
17 Community College Act) and was eligible to participate in
18 a group health benefit plan as an employee during the
19 time of employment with a community college district
20 (other than a community college district subject to
21 Article VII of the Public Community College Act) or an
22 association of community college boards, or (ii) is the
23 survivor of a person described in item (i).

24 (aa) "Community college dependent beneficiary" means a
25 person who:

26 (1) is not a "member" or "dependent" as defined in
27 this Section; and

28 (2) is a community college benefit recipient's: (A)
29 spouse, (B) dependent parent who is receiving at least
30 half of his or her support from the community college
31 benefit recipient, or (C) unmarried natural or adopted
32 child who is (i) under age 19, or (ii) enrolled as a
33 full-time student in an accredited school, financially
34 dependent upon the community college benefit recipient,

1 eligible to be claimed as a dependent for income tax
2 purposes and under age 23, or (iii) age 19 or over and
3 mentally or physically handicapped.

4 (bb) "Qualified small business" means a business
5 situated in Illinois having 25 or fewer employees, approved
6 by the Director and participating in a program created under
7 subsection (k-5) of Section 10.

8 (cc) "Self-employed person" means a person engaged in a
9 business enterprise or profession as a self-employed person
10 or who is conducting another self-employed occupation and is
11 participating in a program created under subsection (k-5) of
12 Section 10.

13 (Source: P.A. 91-390, eff. 7-30-99; 91-395, eff. 7-30-99;
14 91-617, eff. 8-19-99; 92-16, eff. 6-28-01; 92-186, eff.
15 1-1-02; 92-204, eff. 8-1-01; 92-651, eff. 7-11-02.)

16 (5 ILCS 375/10) (from Ch. 127, par. 530)

17 Sec. 10. Payments by State; premiums.

18 (a) The State shall pay the cost of basic
19 non-contributory group life insurance and, subject to member
20 paid contributions set by the Department or required by this
21 Section, the basic program of group health benefits on each
22 eligible member, except a member, not otherwise covered by
23 this Act, who has retired as a participating member under
24 Article 2 of the Illinois Pension Code but is ineligible for
25 the retirement annuity under Section 2-119 of the Illinois
26 Pension Code, and part of each eligible member's and retired
27 member's premiums for health insurance coverage for enrolled
28 dependents as provided by Section 9. The State shall pay the
29 cost of the basic program of group health benefits only after
30 benefits are reduced by the amount of benefits covered by
31 Medicare for all members and dependents who are eligible for
32 benefits under Social Security or the Railroad Retirement
33 system or who had sufficient Medicare-covered government

1 employment, except that such reduction in benefits shall
2 apply only to those members and dependents who (1) first
3 become eligible for such Medicare coverage on or after July
4 1, 1992; or (2) are Medicare-eligible members or dependents
5 of a local government unit which began participation in the
6 program on or after July 1, 1992; or (3) remain eligible for,
7 but no longer receive Medicare coverage which they had been
8 receiving on or after July 1, 1992. The Department may
9 determine the aggregate level of the State's contribution on
10 the basis of actual cost of medical services adjusted for
11 age, sex or geographic or other demographic characteristics
12 which affect the costs of such programs.

13 The cost of participation in the basic program of group
14 health benefits for the dependent or survivor of a living or
15 deceased retired employee who was formerly employed by the
16 University of Illinois in the Cooperative Extension Service
17 and would be an annuitant but for the fact that he or she was
18 made ineligible to participate in the State Universities
19 Retirement System by clause (4) of subsection (a) of Section
20 15-107 of the Illinois Pension Code shall not be greater than
21 the cost of participation that would otherwise apply to that
22 dependent or survivor if he or she were the dependent or
23 survivor of an annuitant under the State Universities
24 Retirement System.

25 (a-1) Beginning January 1, 1998, for each person who
26 becomes a new SERS annuitant and participates in the basic
27 program of group health benefits, the State shall contribute
28 toward the cost of the annuitant's coverage under the basic
29 program of group health benefits an amount equal to 5% of
30 that cost for each full year of creditable service upon which
31 the annuitant's retirement annuity is based, up to a maximum
32 of 100% for an annuitant with 20 or more years of creditable
33 service. The remainder of the cost of a new SERS annuitant's
34 coverage under the basic program of group health benefits

1 shall be the responsibility of the annuitant.

2 (a-2) Beginning January 1, 1998, for each person who
3 becomes a new SERS survivor and participates in the basic
4 program of group health benefits, the State shall contribute
5 toward the cost of the survivor's coverage under the basic
6 program of group health benefits an amount equal to 5% of
7 that cost for each full year of the deceased employee's or
8 deceased annuitant's creditable service in the State
9 Employees' Retirement System of Illinois on the date of
10 death, up to a maximum of 100% for a survivor of an employee
11 or annuitant with 20 or more years of creditable service.
12 The remainder of the cost of the new SERS survivor's coverage
13 under the basic program of group health benefits shall be the
14 responsibility of the survivor.

15 (a-3) Beginning January 1, 1998, for each person who
16 becomes a new SURS annuitant and participates in the basic
17 program of group health benefits, the State shall contribute
18 toward the cost of the annuitant's coverage under the basic
19 program of group health benefits an amount equal to 5% of
20 that cost for each full year of creditable service upon which
21 the annuitant's retirement annuity is based, up to a maximum
22 of 100% for an annuitant with 20 or more years of creditable
23 service. The remainder of the cost of a new SURS annuitant's
24 coverage under the basic program of group health benefits
25 shall be the responsibility of the annuitant.

26 (a-4) (Blank).

27 (a-5) Beginning January 1, 1998, for each person who
28 becomes a new SURS survivor and participates in the basic
29 program of group health benefits, the State shall contribute
30 toward the cost of the survivor's coverage under the basic
31 program of group health benefits an amount equal to 5% of
32 that cost for each full year of the deceased employee's or
33 deceased annuitant's creditable service in the State
34 Universities Retirement System on the date of death, up to a

1 maximum of 100% for a survivor of an employee or annuitant
2 with 20 or more years of creditable service. The remainder
3 of the cost of the new SURS survivor's coverage under the
4 basic program of group health benefits shall be the
5 responsibility of the survivor.

6 (a-6) Beginning July 1, 1998, for each person who
7 becomes a new TRS State annuitant and participates in the
8 basic program of group health benefits, the State shall
9 contribute toward the cost of the annuitant's coverage under
10 the basic program of group health benefits an amount equal to
11 5% of that cost for each full year of creditable service as a
12 teacher as defined in paragraph (2), (3), or (5) of Section
13 16-106 of the Illinois Pension Code upon which the
14 annuitant's retirement annuity is based, up to a maximum of
15 100%; except that the State contribution shall be 12.5% per
16 year (rather than 5%) for each full year of creditable
17 service as a regional superintendent or assistant regional
18 superintendent of schools. The remainder of the cost of a
19 new TRS State annuitant's coverage under the basic program of
20 group health benefits shall be the responsibility of the
21 annuitant.

22 (a-7) Beginning July 1, 1998, for each person who
23 becomes a new TRS State survivor and participates in the
24 basic program of group health benefits, the State shall
25 contribute toward the cost of the survivor's coverage under
26 the basic program of group health benefits an amount equal to
27 5% of that cost for each full year of the deceased employee's
28 or deceased annuitant's creditable service as a teacher as
29 defined in paragraph (2), (3), or (5) of Section 16-106 of
30 the Illinois Pension Code on the date of death, up to a
31 maximum of 100%; except that the State contribution shall be
32 12.5% per year (rather than 5%) for each full year of the
33 deceased employee's or deceased annuitant's creditable
34 service as a regional superintendent or assistant regional

1 superintendent of schools. The remainder of the cost of the
2 new TRS State survivor's coverage under the basic program of
3 group health benefits shall be the responsibility of the
4 survivor.

5 (a-8) A new SERS annuitant, new SERS survivor, new SURS
6 annuitant, new SURS survivor, new TRS State annuitant, or new
7 TRS State survivor may waive or terminate coverage in the
8 program of group health benefits. Any such annuitant or
9 survivor who has waived or terminated coverage may enroll or
10 re-enroll in the program of group health benefits only during
11 the annual benefit choice period, as determined by the
12 Director; except that in the event of termination of coverage
13 due to nonpayment of premiums, the annuitant or survivor may
14 not re-enroll in the program.

15 (a-9) No later than May 1 of each calendar year, the
16 Director of Central Management Services shall certify in
17 writing to the Executive Secretary of the State Employees'
18 Retirement System of Illinois the amounts of the Medicare
19 supplement health care premiums and the amounts of the health
20 care premiums for all other retirees who are not Medicare
21 eligible.

22 A separate calculation of the premiums based upon the
23 actual cost of each health care plan shall be so certified.

24 The Director of Central Management Services shall provide
25 to the Executive Secretary of the State Employees' Retirement
26 System of Illinois such information, statistics, and other
27 data as he or she may require to review the premium amounts
28 certified by the Director of Central Management Services.

29 (b) State employees who become eligible for this program
30 on or after January 1, 1980 in positions normally requiring
31 actual performance of duty not less than 1/2 of a normal work
32 period but not equal to that of a normal work period, shall
33 be given the option of participating in the available
34 program. If the employee elects coverage, the State shall

1 contribute on behalf of such employee to the cost of the
2 employee's benefit and any applicable dependent supplement,
3 that sum which bears the same percentage as that percentage
4 of time the employee regularly works when compared to normal
5 work period.

6 (c) The basic non-contributory coverage from the basic
7 program of group health benefits shall be continued for each
8 employee not in pay status or on active service by reason of
9 (1) leave of absence due to illness or injury, (2) authorized
10 educational leave of absence or sabbatical leave, or (3)
11 military leave with pay and benefits. This coverage shall
12 continue until expiration of authorized leave and return to
13 active service, but not to exceed 24 months for leaves under
14 item (1) or (2). This 24-month limitation and the requirement
15 of returning to active service shall not apply to persons
16 receiving ordinary or accidental disability benefits or
17 retirement benefits through the appropriate State retirement
18 system or benefits under the Workers' Compensation or
19 Occupational Disease Act.

20 (d) The basic group life insurance coverage shall
21 continue, with full State contribution, where such person is
22 (1) absent from active service by reason of disability
23 arising from any cause other than self-inflicted, (2) on
24 authorized educational leave of absence or sabbatical leave,
25 or (3) on military leave with pay and benefits.

26 (e) Where the person is in non-pay status for a period
27 in excess of 30 days or on leave of absence, other than by
28 reason of disability, educational or sabbatical leave, or
29 military leave with pay and benefits, such person may
30 continue coverage only by making personal payment equal to
31 the amount normally contributed by the State on such person's
32 behalf. Such payments and coverage may be continued: (1)
33 until such time as the person returns to a status eligible
34 for coverage at State expense, but not to exceed 24 months,

1 (2) until such person's employment or annuitant status with
2 the State is terminated, or (3) for a maximum period of 4
3 years for members on military leave with pay and benefits and
4 military leave without pay and benefits (exclusive of any
5 additional service imposed pursuant to law).

6 (f) The Department shall establish by rule the extent
7 to which other employee benefits will continue for persons in
8 non-pay status or who are not in active service.

9 (g) The State shall not pay the cost of the basic
10 non-contributory group life insurance, program of health
11 benefits and other employee benefits for members who are
12 survivors as defined by paragraphs (1) and (2) of subsection
13 (q) of Section 3 of this Act. The costs of benefits for
14 these survivors shall be paid by the survivors or by the
15 University of Illinois Cooperative Extension Service, or any
16 combination thereof. However, the State shall pay the amount
17 of the reduction in the cost of participation, if any,
18 resulting from the amendment to subsection (a) made by this
19 amendatory Act of the 91st General Assembly.

20 (h) Those persons occupying positions with any
21 department as a result of emergency appointments pursuant to
22 Section 8b.8 of the Personnel Code who are not considered
23 employees under this Act shall be given the option of
24 participating in the programs of group life insurance, health
25 benefits and other employee benefits. Such persons electing
26 coverage may participate only by making payment equal to the
27 amount normally contributed by the State for similarly
28 situated employees. Such amounts shall be determined by the
29 Director. Such payments and coverage may be continued until
30 such time as the person becomes an employee pursuant to this
31 Act or such person's appointment is terminated.

32 (i) Any unit of local government within the State of
33 Illinois may apply to the Director to have its employees,
34 annuitants, and their dependents provided group health

1 coverage under this Act on a non-insured basis. To
2 participate, a unit of local government must agree to enroll
3 all of its employees, who may select coverage under either
4 the State group health benefits plan or a health maintenance
5 organization that has contracted with the State to be
6 available as a health care provider for employees as defined
7 in this Act. A unit of local government must remit the
8 entire cost of providing coverage under the State group
9 health benefits plan or, for coverage under a health
10 maintenance organization, an amount determined by the
11 Director based on an analysis of the sex, age, geographic
12 location, or other relevant demographic variables for its
13 employees, except that the unit of local government shall not
14 be required to enroll those of its employees who are covered
15 spouses or dependents under this plan or another group policy
16 or plan providing health benefits as long as (1) an
17 appropriate official from the unit of local government
18 attests that each employee not enrolled is a covered spouse
19 or dependent under this plan or another group policy or plan,
20 and (2) at least 85% of the employees are enrolled and the
21 unit of local government remits the entire cost of providing
22 coverage to those employees, except that a participating
23 school district must have enrolled at least 85% of its
24 full-time employees who have not waived coverage under the
25 district's group health plan by participating in a component
26 of the district's cafeteria plan. A participating school
27 district is not required to enroll a full-time employee who
28 has waived coverage under the district's health plan,
29 provided that an appropriate official from the participating
30 school district attests that the full-time employee has
31 waived coverage by participating in a component of the
32 district's cafeteria plan. For the purposes of this
33 subsection, "participating school district" includes a unit
34 of local government whose primary purpose is education as

1 defined by the Department's rules.

2 Employees of a participating unit of local government who
3 are not enrolled due to coverage under another group health
4 policy or plan may enroll in the event of a qualifying change
5 in status, special enrollment, special circumstance as
6 defined by the Director, or during the annual Benefit Choice
7 Period. A participating unit of local government may also
8 elect to cover its annuitants. Dependent coverage shall be
9 offered on an optional basis, with the costs paid by the unit
10 of local government, its employees, or some combination of
11 the two as determined by the unit of local government. The
12 unit of local government shall be responsible for timely
13 collection and transmission of dependent premiums.

14 The Director shall annually determine monthly rates of
15 payment, subject to the following constraints:

16 (1) In the first year of coverage, the rates shall
17 be equal to the amount normally charged to State
18 employees for elected optional coverages or for enrolled
19 dependents coverages or other contributory coverages, or
20 contributed by the State for basic insurance coverages on
21 behalf of its employees, adjusted for differences between
22 State employees and employees of the local government in
23 age, sex, geographic location or other relevant
24 demographic variables, plus an amount sufficient to pay
25 for the additional administrative costs of providing
26 coverage to employees of the unit of local government and
27 their dependents.

28 (2) In subsequent years, a further adjustment shall
29 be made to reflect the actual prior years' claims
30 experience of the employees of the unit of local
31 government.

32 In the case of coverage of local government employees
33 under a health maintenance organization, the Director shall
34 annually determine for each participating unit of local

1 government the maximum monthly amount the unit may contribute
2 toward that coverage, based on an analysis of (i) the age,
3 sex, geographic location, and other relevant demographic
4 variables of the unit's employees and (ii) the cost to cover
5 those employees under the State group health benefits plan.
6 The Director may similarly determine the maximum monthly
7 amount each unit of local government may contribute toward
8 coverage of its employees' dependents under a health
9 maintenance organization.

10 Monthly payments by the unit of local government or its
11 employees for group health benefits plan or health
12 maintenance organization coverage shall be deposited in the
13 Local Government Health Insurance Reserve Fund.

14 The Local Government Health Insurance Reserve Fund shall
15 be a continuing fund not subject to fiscal year limitations.
16 All expenditures from this Fund shall be used for payments
17 for health care benefits for local government, domestic
18 violence shelter or service, and rehabilitation facility
19 employees, annuitants, and dependents, and to reimburse the
20 Department or its administrative service organization for all
21 expenses incurred in the administration of benefits. No
22 other State funds may be used for these purposes.

23 A local government employer's participation or desire to
24 participate in a program created under this subsection shall
25 not limit that employer's duty to bargain with the
26 representative of any collective bargaining unit of its
27 employees.

28 (j) Any rehabilitation facility within the State of
29 Illinois may apply to the Director to have its employees,
30 annuitants, and their eligible dependents provided group
31 health coverage under this Act on a non-insured basis. To
32 participate, a rehabilitation facility must agree to enroll
33 all of its employees and remit the entire cost of providing
34 such coverage for its employees, except that the

1 rehabilitation facility shall not be required to enroll those
2 of its employees who are covered spouses or dependents under
3 this plan or another group policy or plan providing health
4 benefits as long as (1) an appropriate official from the
5 rehabilitation facility attests that each employee not
6 enrolled is a covered spouse or dependent under this plan or
7 another group policy or plan, and (2) at least 85% of the
8 employees are enrolled and the rehabilitation facility remits
9 the entire cost of providing coverage to those employees.
10 Employees of a participating rehabilitation facility who are
11 not enrolled due to coverage under another group health
12 policy or plan may enroll in the event of a qualifying change
13 in status, special enrollment, special circumstance as
14 defined by the Director, or during the annual Benefit Choice
15 Period. A participating rehabilitation facility may also
16 elect to cover its annuitants. Dependent coverage shall be
17 offered on an optional basis, with the costs paid by the
18 rehabilitation facility, its employees, or some combination
19 of the 2 as determined by the rehabilitation facility. The
20 rehabilitation facility shall be responsible for timely
21 collection and transmission of dependent premiums.

22 The Director shall annually determine quarterly rates of
23 payment, subject to the following constraints:

24 (1) In the first year of coverage, the rates shall
25 be equal to the amount normally charged to State
26 employees for elected optional coverages or for enrolled
27 dependents coverages or other contributory coverages on
28 behalf of its employees, adjusted for differences between
29 State employees and employees of the rehabilitation
30 facility in age, sex, geographic location or other
31 relevant demographic variables, plus an amount sufficient
32 to pay for the additional administrative costs of
33 providing coverage to employees of the rehabilitation
34 facility and their dependents.

1 (2) In subsequent years, a further adjustment shall
2 be made to reflect the actual prior years' claims
3 experience of the employees of the rehabilitation
4 facility.

5 Monthly payments by the rehabilitation facility or its
6 employees for group health benefits shall be deposited in the
7 Local Government Health Insurance Reserve Fund.

8 (k) Any domestic violence shelter or service within the
9 State of Illinois may apply to the Director to have its
10 employees, annuitants, and their dependents provided group
11 health coverage under this Act on a non-insured basis. To
12 participate, a domestic violence shelter or service must
13 agree to enroll all of its employees and pay the entire cost
14 of providing such coverage for its employees. A
15 participating domestic violence shelter may also elect to
16 cover its annuitants. Dependent coverage shall be offered on
17 an optional basis, with the costs paid by the domestic
18 violence shelter or service, its employees, or some
19 combination of the 2 as determined by the domestic violence
20 shelter or service. The domestic violence shelter or service
21 shall be responsible for timely collection and transmission
22 of dependent premiums.

23 The Director shall annually determine rates of payment,
24 subject to the following constraints:

25 (1) In the first year of coverage, the rates shall
26 be equal to the amount normally charged to State
27 employees for elected optional coverages or for enrolled
28 dependents coverages or other contributory coverages on
29 behalf of its employees, adjusted for differences between
30 State employees and employees of the domestic violence
31 shelter or service in age, sex, geographic location or
32 other relevant demographic variables, plus an amount
33 sufficient to pay for the additional administrative costs
34 of providing coverage to employees of the domestic

1 violence shelter or service and their dependents.

2 (2) In subsequent years, a further adjustment shall
3 be made to reflect the actual prior years' claims
4 experience of the employees of the domestic violence
5 shelter or service.

6 Monthly payments by the domestic violence shelter or
7 service or its employees for group health insurance shall be
8 deposited in the Local Government Health Insurance Reserve
9 Fund.

10 (k-5) Any qualified small business or self-employed
11 person within the State of Illinois may apply to the Director
12 to have its employees, annuitants, and their dependents
13 provided group health coverage under this Act on a
14 non-insured basis. The Department may set a limit on the
15 number of qualified small businesses and self-employed
16 persons that may receive group health coverage under this
17 subsection (k-5). In order to control its costs, the
18 Department may designate which plans it will offer to
19 qualified small businesses and self-employed persons under
20 this subsection (k-5). Those plans may include, but need not
21 be limited to, minimum, limited, or comprehensive coverage
22 plans; Health Maintenance Organization and Preferred Provider
23 Organization plans; and medical savings plans. In offering
24 plans under this subsection (k-5) the Department shall be
25 subject to ratings and minimum coverage in the same manner as
26 a private insurer. A qualified small business or
27 self-employed person may select one or more of the plans
28 offered by the Department to offer to its employees. To
29 participate, a qualified small business or self-employed
30 person must agree to offer to enroll all of its employees and
31 pay the entire cost of providing such coverage for its
32 employees. A participating qualified small business or
33 self-employed person may also elect to cover its annuitants.
34 Dependent coverage shall be offered on an optional basis,

1 with the costs paid by the self-employed person or small
2 business, its employees, or some combination of the 2 as
3 determined by the self-employed person or qualified small
4 business. The qualified small business or self-employed
5 person shall be responsible for timely collection and
6 transmission of dependent premiums.

7 The Director shall annually determine rates of payment,
8 subject to the following constraints:

9 (1) In the first year of coverage, the rates shall
10 be equal to the amount normally charged to State
11 employees for elected optional coverages or for enrolled
12 dependents coverages or other contributory coverages on
13 behalf of its employees, adjusted for differences between
14 State employees and employees of the qualified small
15 business or self-employed person in age, sex, geographic
16 location or other relevant demographic variables, plus an
17 amount sufficient to pay for the additional
18 administrative costs of providing coverage to employees
19 of the qualified small business or self-employed person
20 and their dependents.

21 (2) In subsequent years, a further adjustment shall
22 be made to reflect the actual prior years' claims
23 experience of the employees of the qualified small
24 business or self-employed person.

25 Monthly payments by the qualified small business or
26 self-employed person for group health insurance shall be
27 deposited into the Small Employers Health Insurance Reserve
28 Fund. The Small Employers Health Insurance Reserve Fund
29 shall be a continuing fund not subject to fiscal year
30 limitations. All expenditures from this fund shall be used
31 for payments for health care benefits for self-employed
32 persons and employees of qualified small businesses and their
33 annuitants and dependents and to reimburse the Department or
34 its administrative service organization for all expenses

1 incurred in the administration of benefits. No other State
2 funds may be used for these purposes.

3 (1) A public community college or entity organized
4 pursuant to the Public Community College Act may apply to the
5 Director initially to have only annuitants not covered prior
6 to July 1, 1992 by the district's health plan provided health
7 coverage under this Act on a non-insured basis. The
8 community college must execute a 2-year contract to
9 participate in the Local Government Health Plan. Any
10 annuitant may enroll in the event of a qualifying change in
11 status, special enrollment, special circumstance as defined
12 by the Director, or during the annual Benefit Choice Period.

13 The Director shall annually determine monthly rates of
14 payment subject to the following constraints: for those
15 community colleges with annuitants only enrolled, first year
16 rates shall be equal to the average cost to cover claims for
17 a State member adjusted for demographics, Medicare
18 participation, and other factors; and in the second year, a
19 further adjustment of rates shall be made to reflect the
20 actual first year's claims experience of the covered
21 annuitants.

22 (1-5) The provisions of subsection (1) become
23 inoperative on July 1, 1999.

24 (m) The Director shall adopt any rules deemed necessary
25 for implementation of this amendatory Act of 1989 (Public Act
26 86-978).

27 (Source: P.A. 91-280, eff. 7-23-99; 91-311; eff. 7-29-99;
28 91-357, eff. 7-29-99; 91-390, eff. 7-30-99; 91-395, eff.
29 7-30-99; 91-617, eff. 8-19-99; 92-16, eff. 6-28-01; revised
30 2-25-02.)

31 (5 ILCS 375/13.2) (from Ch. 127, par. 533.2)

32 Sec. 13.2. Insurance reserve funds; investments. All
33 amounts held in the Health Insurance Reserve Fund, the Group

1 Insurance Premium Fund, the Small Employers Health Insurance
2 Reserve Fund, and the Local Government Health Insurance
3 Reserve Fund shall be invested, at interest, by the State
4 Treasurer. The investments shall be subject to terms,
5 conditions, and limitations imposed by the laws of Illinois
6 on State funds. All income derived from the investments
7 shall accrue and be deposited to the respective funds no less
8 frequently than quarterly. The Health Insurance Reserve
9 Fund, the Small Employers Health Insurance Reserve Fund, and
10 the Local Government Health Insurance Reserve Fund shall be
11 administered by the Director.

12 (Source: P.A. 91-390, eff. 7-30-99.)

13 (5 ILCS 375/15) (from Ch. 127, par. 535)

14 Sec. 15. Administration; rules; audit; review.

15 (a) The Director shall administer this Act and shall
16 prescribe such rules and regulations as are necessary to give
17 full effect to the purposes of this Act.

18 (b) These rules may fix reasonable standards for the
19 group life and group health programs and other benefit
20 programs offered under this Act, and for the contractors
21 providing them.

22 (c) These rules shall specify that covered and optional
23 medical services of the program are services provided within
24 the scope of their licenses by practitioners in all
25 categories licensed under the Medical Practice Act of 1987
26 and shall provide that all eligible persons be fully informed
27 of this specification.

28 (d) These rules shall establish eligibility requirements
29 for members and dependents as may be necessary to supplement
30 or clarify requirements contained in this Act.

31 (e) Each affected department of the State, the State
32 Universities Retirement System, the Teachers' Retirement
33 System, and each qualified local government, rehabilitation

1 facility, ~~or~~ domestic violence shelter or service, small
2 business, or self-employed person shall keep such records,
3 make such certifications, and furnish the Director such
4 information as may be necessary for the administration of
5 this Act, including information concerning number and total
6 amounts of payroll of employees of the department who are
7 paid from trust funds or federal funds.

8 (f) Each member, each community college benefit
9 recipient to whom this Act applies, and each TRS benefit
10 recipient to whom this Act applies shall furnish the
11 Director, in such form as may be required, any information
12 that may be necessary to enroll such member or benefit
13 recipient and, if applicable, his or her dependents or
14 dependent beneficiaries under the programs or plan, including
15 such data as may be required to allow the Director to
16 accumulate statistics on data normally considered in
17 actuarial studies of employee groups. Information about
18 community college benefit recipients and community college
19 dependent beneficiaries shall be furnished through the State
20 Universities Retirement System. Information about TRS
21 benefit recipients and TRS dependent beneficiaries shall be
22 furnished through the Teachers' Retirement System.

23 (g) There shall be audits and reports on the programs
24 authorized and established by this Act prepared by the
25 Director with the assistance of a qualified, independent
26 accounting firm. The reports shall provide information on
27 the experience, and administrative effectiveness and adequacy
28 of the program including, when applicable, recommendations on
29 up-grading of benefits and improvement of the program.

30 (h) Any final order, decision or other determination
31 made, issued or executed by the Director under the provisions
32 of this Act whereby any contractor or person is aggrieved
33 shall be subject to review in accordance with the provisions
34 of the Administrative Review Law and all amendments and

1 modifications thereof, and the rules adopted pursuant
2 thereto, shall apply to and govern all proceedings for the
3 judicial review of final administrative decisions of the
4 Director.

5 (Source: P.A. 90-497, eff. 8-18-97; 91-390, eff. 7-30-99.)

6 Section 10. The State Finance Act is amended by changing
7 Section 25 as follows:

8 (30 ILCS 105/25) (from Ch. 127, par. 161)

9 Sec. 25. Fiscal year limitations.

10 (a) All appropriations shall be available for
11 expenditure for the fiscal year or for a lesser period if the
12 Act making that appropriation so specifies. A deficiency or
13 emergency appropriation shall be available for expenditure
14 only through June 30 of the year when the Act making that
15 appropriation is enacted unless that Act otherwise provides.

16 (b) Outstanding liabilities as of June 30, payable from
17 appropriations which have otherwise expired, may be paid out
18 of the expiring appropriations during the 2-month period
19 ending at the close of business on August 31. Any service
20 involving professional or artistic skills or any personal
21 services by an employee whose compensation is subject to
22 income tax withholding must be performed as of June 30 of the
23 fiscal year in order to be considered an "outstanding
24 liability as of June 30" that is thereby eligible for payment
25 out of the expiring appropriation.

26 However, payment of tuition reimbursement claims under
27 Section 14-7.03 or 18-3 of the School Code may be made by the
28 State Board of Education from its appropriations for those
29 respective purposes for any fiscal year, even though the
30 claims reimbursed by the payment may be claims attributable
31 to a prior fiscal year, and payments may be made at the
32 direction of the State Superintendent of Education from the

1 fund from which the appropriation is made without regard to
2 any fiscal year limitations.

3 Medical payments may be made by the Department of
4 Veterans' Affairs from its appropriations for those purposes
5 for any fiscal year, without regard to the fact that the
6 medical services being compensated for by such payment may
7 have been rendered in a prior fiscal year.

8 Medical payments may be made by the Department of Public
9 Aid and child care payments may be made by the Department of
10 Human Services (as successor to the Department of Public Aid)
11 from appropriations for those purposes for any fiscal year,
12 without regard to the fact that the medical or child care
13 services being compensated for by such payment may have been
14 rendered in a prior fiscal year; and payments may be made at
15 the direction of the Department of Central Management
16 Services from the Health Insurance Reserve Fund, the Small
17 Employers Health Insurance Reserve Fund, and the Local
18 Government Health Insurance Reserve Fund without regard to
19 any fiscal year limitations.

20 Additionally, payments may be made by the Department of
21 Human Services from its appropriations, or any other State
22 agency from its appropriations with the approval of the
23 Department of Human Services, from the Immigration Reform and
24 Control Fund for purposes authorized pursuant to the
25 Immigration Reform and Control Act of 1986, without regard to
26 any fiscal year limitations.

27 Further, with respect to costs incurred in fiscal years
28 2002 and 2003 only, payments may be made by the State
29 Treasurer from its appropriations from the Capital Litigation
30 Trust Fund without regard to any fiscal year limitations.

31 (c) Further, payments may be made by the Department of
32 Public Health and the Department of Human Services (acting as
33 successor to the Department of Public Health under the
34 Department of Human Services Act) from their respective

1 appropriations for grants for medical care to or on behalf of
2 persons suffering from chronic renal disease, persons
3 suffering from hemophilia, rape victims, and premature and
4 high-mortality risk infants and their mothers and for grants
5 for supplemental food supplies provided under the United
6 States Department of Agriculture Women, Infants and Children
7 Nutrition Program, for any fiscal year without regard to the
8 fact that the services being compensated for by such payment
9 may have been rendered in a prior fiscal year.

10 (d) The Department of Public Health and the Department
11 of Human Services (acting as successor to the Department of
12 Public Health under the Department of Human Services Act)
13 shall each annually submit to the State Comptroller, Senate
14 President, Senate Minority Leader, Speaker of the House,
15 House Minority Leader, and the respective Chairmen and
16 Minority Spokesmen of the Appropriations Committees of the
17 Senate and the House, on or before December 31, a report of
18 fiscal year funds used to pay for services provided in any
19 prior fiscal year. This report shall document by program or
20 service category those expenditures from the most recently
21 completed fiscal year used to pay for services provided in
22 prior fiscal years.

23 (e) The Department of Public Aid and the Department of
24 Human Services (acting as successor to the Department of
25 Public Aid) shall each annually submit to the State
26 Comptroller, Senate President, Senate Minority Leader,
27 Speaker of the House, House Minority Leader, the respective
28 Chairmen and Minority Spokesmen of the Appropriations
29 Committees of the Senate and the House, on or before November
30 30, a report that shall document by program or service
31 category those expenditures from the most recently completed
32 fiscal year used to pay for (i) services provided in prior
33 fiscal years and (ii) services for which claims were received
34 in prior fiscal years.

1 (f) The Department of Human Services (as successor to
2 the Department of Public Aid) shall annually submit to the
3 State Comptroller, Senate President, Senate Minority Leader,
4 Speaker of the House, House Minority Leader, and the
5 respective Chairmen and Minority Spokesmen of the
6 Appropriations Committees of the Senate and the House, on or
7 before December 31, a report of fiscal year funds used to pay
8 for services (other than medical care) provided in any prior
9 fiscal year. This report shall document by program or
10 service category those expenditures from the most recently
11 completed fiscal year used to pay for services provided in
12 prior fiscal years.

13 (g) In addition, each annual report required to be
14 submitted by the Department of Public Aid under subsection
15 (e) shall include the following information with respect to
16 the State's Medicaid program:

17 (1) Explanations of the exact causes of the
18 variance between the previous year's estimated and actual
19 liabilities.

20 (2) Factors affecting the Department of Public
21 Aid's liabilities, including but not limited to numbers
22 of aid recipients, levels of medical service utilization
23 by aid recipients, and inflation in the cost of medical
24 services.

25 (3) The results of the Department's efforts to
26 combat fraud and abuse.

27 (h) As provided in Section 4 of the General Assembly
28 Compensation Act, any utility bill for service provided to a
29 General Assembly member's district office for a period
30 including portions of 2 consecutive fiscal years may be paid
31 from funds appropriated for such expenditure in either fiscal
32 year.

33 (i) An agency which administers a fund classified by the
34 Comptroller as an internal service fund may issue rules for:

1 (1) billing user agencies in advance based on
2 estimated charges for goods or services;

3 (2) issuing credits during the subsequent fiscal
4 year for all user agency payments received during the
5 prior fiscal year which were in excess of the final
6 amounts owed by the user agency for that period; and

7 (3) issuing catch-up billings to user agencies
8 during the subsequent fiscal year for amounts remaining
9 due when payments received from the user agency during
10 the prior fiscal year were less than the total amount
11 owed for that period.

12 User agencies are authorized to reimburse internal service
13 funds for catch-up billings by vouchers drawn against their
14 respective appropriations for the fiscal year in which the
15 catch-up billing was issued.

16 (Source: P.A. 92-885, eff. 1-13-03.)

17 Section 99. Effective date. This Act takes effect on
18 January 1, 2004.