

1 AN ACT concerning insurance.

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

4 Section 1. Short title. This Act may be cited as the
5 Illinois Consumer Choice of Benefits Health Insurance Plan Act.

6 Section 5. Purpose. The legislature recognizes the need for
7 individuals, employers, and other purchasers of coverage in
8 this State to have the opportunity to choose health insurance
9 plans that are more affordable and flexible than existing
10 market policies offering accident and health insurance
11 coverage. The legislature, therefore, seeks to increase the
12 availability of health insurance coverage by allowing insurers
13 authorized to engage in the business of insurance in this state
14 to issue accident and health policies that, in whole or in
15 part, do not offer or provide state-mandated health benefits.

16 Section 10. Definitions. For purposes of this Act:

17 (a) "Consumer Choice of Benefits Health Insurance Plan"
18 means an accident or health insurance policy that, in whole or
19 in part, does not offer and provide state-mandated health
20 benefits, but that provides creditable coverage as defined by
21 Section 20 of the Illinois Health Insurance Portability and
22 Accountability Act.

23 (b) "Department" means the Department of Insurance.

24 (c) "Director" means the Director of Insurance.

25 (d) "Insurer" means an insurance company actively engaged
26 in issuing approved policies of accident and health insurance
27 in Illinois prior to the effective date of this Act.

28 Section 15. State-mandated health benefits.

29 (a) For purposes of this Act, "state-mandated health
30 benefits" means coverage required under this Act or other laws

1 of this State to be provided in an individual major medical,
2 blanket, or group major medical policy for accident and health
3 insurance or a contract for a health-related condition that:

4 (1) includes coverage for specific health care
5 services or benefits;

6 (2) places limitations of restrictions on deductibles,
7 coinsurance, copayments, or any annual or lifetime maximum
8 benefit amounts; or

9 (3) includes coverage for a specific category of
10 licensed health care practitioner from whom an insured is
11 entitled to receive care.

12 (b) For purposes of this Act, "state-mandated health
13 benefits" does not include benefits that are mandated by
14 federal law or standard provisions or rights required under
15 this Act or other laws of this State to be provided in a group
16 major medical policy for accident and health insurance that are
17 unrelated to specific health illnesses, injuries, or
18 conditions of an insured, including provisions related to:

19 (1) continuation of coverage under Sections 367e,
20 367f, 367g, 367h, 367j, 367.2, and 367.2-5 of the Illinois
21 Insurance Code;

22 (2) conversion coverage under Sections 356d and
23 367e(A) of the Illinois Insurance Code;

24 (3) preexisting conditions under:

25 (A) Section 20 of the Illinois Health Insurance
26 Portability and Accountability Act;

27 (B) Section 367i of the Illinois Insurance Code;
28 and

29 (C) Part 2005 of Chapter 1 of Title 50 of the
30 Illinois Administrative Code;

31 (4) coverage for children, including newborn or
32 adopted children, under Sections 356c, 356h, and 367b of
33 the Illinois Insurance Code;

34 (5) timely payment of claims under Section 368a of the
35 Illinois Insurance Code;

36 (6) a consumer's right to an adequate and accessible

1 network under Section 370i of the Illinois Insurance Code.
2 These rights shall not be waived under a Consumer Choice of
3 Benefits Health Insurance Plan product;

4 (7) coverage for mental health services and mental
5 illness rehabilitation services under Sections 367c and
6 367d of the Illinois Insurance Code.

7 (c) For purposes of this Act, "state-mandated health
8 benefits" does not include benefits that are mandated by
9 federal law or standard provisions or rights required under
10 this Act or other laws of this state to be provided in an
11 individual major medical or, blanket, policy for accident and
12 health insurance that are unrelated to specific health
13 illnesses, injuries, or conditions of an insured, including
14 provisions related to:

15 (1) preexisting conditions under Part 2005 of Chapter 1
16 of Title 50 of the Illinois Administrative Code;

17 (2) coverage for children, including newborn or
18 adopted children, under Sections 356b, 356c, and 356h of
19 the Illinois Insurance Code;

20 (3) timely payment of claims under Section 368a of the
21 Illinois Insurance Code;

22 (4) a consumer's right to an adequate and accessible
23 network under Section 370i of the Illinois Insurance Code;

24 (5) coverage requirements for individual policies
25 outlined in Section 2007.70 of Title 50 of the Illinois
26 Administrative Code. These rights shall not be waived under
27 a Consumer Choice of Benefits Health Insurance Plan
28 product.

29 Section 20. Consumer choice of benefits health insurance
30 plans authorized; minimum requirement. An insurer may offer one
31 or more Consumer Choice of Benefits Health Insurance plans.

32 Section 25. Notice to policyholder and enrollees.

33 (a) Each written application for enrollment, including any
34 application for enrollment under a group policy, in a Consumer

1 Choice of Benefits Health Insurance Plan must contain the
2 following language at the beginning of the application in bold
3 type:

4 "You have the option to choose this Consumer Choice of
5 Benefits Health Insurance Plan that, either in whole or in
6 part, does not provide state-mandated health insurance
7 benefits normally required in accident and health
8 insurance policies in Illinois. This Consumer Choice of
9 Benefits Health Insurance Plan may provide a more
10 affordable health insurance policy for you although, at the
11 same time, it may provide you with fewer health insurance
12 benefits than those normally included as state-mandated
13 health insurance benefits in policies in Illinois. If you
14 choose this Consumer Choice of Benefits Health Insurance
15 Plan, please consult the insurance company or your
16 employer's benefits department to determine which
17 state-mandated health benefits are not included in this
18 policy."

19 (b) Each Consumer Choice of Benefits Health Insurance Plan
20 must contain the following language at or near the beginning of
21 the policy in bold type:

22 "This Consumer Choice of Benefits Health Insurance Plan,
23 either in whole or in part, does not provide state-mandated
24 health benefits normally required in accident and health
25 insurance policies in Illinois. This Consumer Choice of
26 Benefits Health Insurance Plan may provide a more
27 affordable health insurance policy for you although, at the
28 same time, it may provide you with fewer health benefits
29 than those normally included as state-mandated health
30 benefits in policies in Illinois. Please consult with the
31 insurance company or your employer's benefits department
32 to discover which state-mandated health benefits are not
33 included in this policy."

34 Section 30. Disclosure statement.

35 (a) When a Consumer Choice of Benefits Health Insurance

1 Plan policy is issued, an insurer providing a Consumer Choice
2 of Benefits Health Insurance Plan must provide an applicant or
3 subscriber with a written disclosure statement that:

4 (1) acknowledges that the Consumer Choice of Benefits
5 Health Insurance Plan being purchased does not provide some
6 or all state-mandated health benefits;

7 (2) lists those state-mandated health benefits not
8 included under the Consumer Choice of Benefits Health
9 Insurance Plan;

10 (3) provides a notice, if the Consumer Choice of
11 Benefits Health Insurance Plan is issued to an individual
12 policyholder, that purchasing a plan may limit the
13 policyholder's future coverage options in the event the
14 policyholder's health changes and needed benefits are not
15 available under the Consumer Choice of Benefits Health
16 Insurance Plan; and

17 (4) includes a section that allows for a signature by
18 the applicant or subscriber attesting to the fact that the
19 applicant has read and understood the disclosure statement
20 and attesting to the fact that the applicant or subscriber
21 has in fact been given a choice between the Consumer Choice
22 of Benefits Health Insurance Plan that they have chosen and
23 a health insurance plan that includes all state-mandated
24 health benefits.

25 (b) Each applicant and subscriber for initial coverage must
26 sign the disclosure statement provided by the insurer under
27 subsection (a) of this Section and return the statement to the
28 insurer. Under a group policy or contract, the term "applicant"
29 means the employer and the term "subscriber" means employee.
30 Under an individual policy or contract "applicant" means the
31 individual purchasing the policy.

32 (c) An insurer must:

33 (1) retain the signed disclosure statement in the
34 insurer's records; and

35 (2) provide the signed disclosure statement to the
36 Department upon request from the Director.

1 Section 35. Rules. The Director shall adopt rules as
2 necessary to implement this Act.

3 Section 40. Additional policies. An insurer that offers
4 one or more Consumer Choice of Benefits Health Insurance Plans
5 under this Act to an employer group must also offer to all
6 eligible employees in the group at least one accident and
7 health insurance policy that has been filed and approved with
8 the Department and includes coverage for all state-mandated
9 health benefits. An employer that offers a Consumer Choice of
10 Benefits Health Insurance Plan to its eligible employees must
11 offer at least one accident and health insurance policy that
12 includes coverage for all state-mandated health benefits that
13 has been filed and approved by the Department.

14 Section 45. Rates; rating and underwriting records.

15 (a) An insurer offering a Consumer Choice of Benefits
16 Health Insurance Plan under this Act shall maintain at its
17 principal place of business a complete and detailed description
18 of its rating practices and renewal underwriting practices,
19 including information and documentation that demonstrates that
20 its rating methods and practices are based upon commonly
21 accepted actuarial assumptions and are in accordance with sound
22 actuarial principles and that the rates for the Consumer Choice
23 of Benefits Health Insurance Plan reflect the difference in its
24 benefit package from a non-Consumer Choice of Benefits Health
25 Insurance Plan.

26 (b) Upon request, an insurer shall provide to the
27 Department an actuarial certification certifying that the
28 insurer is in compliance with this Act, and that the rating
29 methods of the insurer are actuarially sound. Such
30 certification shall be in a form and manner, and shall contain
31 such information, as specified by the Director. A copy of the
32 certification shall be retained by the insurer at its principal
33 place of business for a period of 3 years from the date of

1 certification. This shall include any work papers prepared in
2 support of the actuarial certification.

3 (c) Nothing in this Section shall be construed as granting
4 the Director any power or authority to determine, fix,
5 prescribe, or promulgate the rates to be charged for any
6 individual or group accident and health insurance policy or
7 policies issued under this Act.

8 Section 50. Applicability of Illinois Insurance Code
9 provisions. All policies of accident and health insurance
10 issued under this Act shall be subject to the provisions of
11 Section 356c, subsection (a) of Sections 356g, 356n, 370, 370a,
12 370e, and 370o of the Illinois Insurance Code.

13 (215 ILCS 5/Art. XIXB rep.)

14 Section 55. The Illinois Insurance Code is amended by
15 repealing Article XIXB.

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