

1 AN ACT concerning health benefit plans.

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

4 Section 5. The Illinois Insurance Code is amended by  
5 adding Section 352b as follows:

6 (215 ILCS 5/352b new)

7 Sec. 352b. Flexible health plans.

8 (a) The Illinois General Assembly finds that a  
9 significant proportion of the residents of this State are  
10 unable to obtain affordable health insurance coverage. The  
11 General Assembly recognizes the need for individuals and  
12 employers in this State to have the opportunity to choose  
13 health insurance plans that are more affordable and flexible  
14 than standard market policies of accident and health  
15 insurance and the need to increase the availability of health  
16 insurance coverage by authorizing the transaction of this  
17 type of plan or policy by accident and health insurers  
18 licensed to transact business in this State. Therefore, it is  
19 the intent of the Illinois General Assembly to expand the  
20 availability of affordable and flexible health insurance  
21 options for consumers and employers by allowing individual  
22 and group carriers to develop alternative approaches to  
23 traditional accident and health insurance policies currently  
24 offered in this State. This Section shall in no way prevent  
25 insurers from offering any coverages that are offered or  
26 mandated under this Article; provided, however, that it is  
27 explicitly intended that individuals and employers may choose  
28 pursuant to this Section new health insurance plans offered  
29 by insurers that may exclude in whole or in part State  
30 mandated health benefits.

31 (b) As used in this Section:

1 "Health Flex Plan" means a health benefits plan offered  
2 by an insurer authorized to transact business in this State.

3 "State mandated health benefits" means coverage for  
4 specific health care services, benefits, or treatment  
5 required by State law or rule, limitations or restrictions on  
6 deductibles, coinsurance, copayments, or any annual or  
7 lifetime maximum benefit amounts, or inclusion of a specific  
8 health care provider to be provided to a person covered under  
9 an individual or group policy of accident and health  
10 insurance issued in the State of Illinois.

11 (c) On and after January 1, 2004, any insurer authorized  
12 to transact business in this State shall be authorized to  
13 offer, as an option, one or more health benefit plans that,  
14 either in whole or in part, do not provide State mandated  
15 health benefits.

16 (d) In each sale of accident and health insurance  
17 policies or contracts in which the proposed group or  
18 individual policyholder has chosen a health benefits plan  
19 that, either in whole or in part, does not provide State  
20 mandated health benefits, the insurer shall:

21 (1) provide to the proposed policyholder a written  
22 notice with the following language in bold type:

23 "You have the option to choose this Health Flex Plan  
24 which, either in whole or in part, does not provide State  
25 mandated health benefits normally required in accident  
26 and health insurance policies in Illinois. This health  
27 benefits plan may provide a more affordable health  
28 insurance policy for you, although, at the same time, it  
29 may provide you with fewer health benefits than those  
30 normally included as State mandated health benefits in  
31 policies in Illinois. If you choose this option, please  
32 consult with your insurance agent to discover which State  
33 mandated health benefits are excluded in this policy.";

34 (2) provide to the proposed policyholder a

1 statement to be signed acknowledging that the health  
2 benefits plan being purchased does not provide the State  
3 mandated health benefits listed on the form; and

4 (3) maintain the signed notice to provide  
5 information as may be needed by the Director of  
6 Insurance.

7 (e) The Director may promulgate rules as necessary to  
8 implement the provisions of this Section.

9 Section 99. Effective date. This Act takes effect upon  
10 becoming law.