

1 AN ACT concerning State employees group insurance.

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 1971
5 is amended by changing Section 6 as follows:

6 (5 ILCS 375/6) (from Ch. 127, par. 526)

7 Sec. 6. Program of health benefits.

8 (a) The program of health benefits shall provide for
9 protection against the financial costs of health care expenses
10 incurred in and out of hospital including basic
11 hospital-surgical-medical coverages. The program may include,
12 but shall not be limited to, such supplemental coverages as
13 out-patient diagnostic X-ray and laboratory expenses,
14 prescription drugs, dental services, hearing evaluations,
15 hearing aids, the dispensing and fitting of hearing aids, and
16 similar group benefits as are now or may become available.
17 However, nothing in this Act shall be construed to permit, on
18 or after July 1, 1980, the non-contributory portion of any such
19 program to include the expenses of obtaining an abortion,
20 induced miscarriage or induced premature birth unless, in the
21 opinion of a physician, such procedures are necessary for the
22 preservation of the life of the woman seeking such treatment,
23 or except an induced premature birth intended to produce a live
24 viable child and such procedure is necessary for the health of
25 the mother or the unborn child. The program may also include
26 coverage for those who rely on treatment by prayer or spiritual
27 means alone for healing in accordance with the tenets and
28 practice of a recognized religious denomination.

29 The program of health benefits shall be designed by the
30 Director (1) to provide a reasonable relationship between the
31 benefits to be included and the expected distribution of
32 expenses of each such type to be incurred by the covered

1 members and dependents, (2) to specify, as covered benefits and
2 as optional benefits, the medical services of practitioners in
3 all categories licensed under the Medical Practice Act of 1987,
4 (3) to include reasonable controls, which may include
5 deductible and co-insurance provisions, applicable to some or
6 all of the benefits, or a coordination of benefits provision,
7 to prevent or minimize unnecessary utilization of the various
8 hospital, surgical and medical expenses to be provided and to
9 provide reasonable assurance of stability of the program, ~~and~~
10 (4) to provide benefits to the extent possible to members
11 throughout the State, wherever located, on an equitable basis,
12 and (5) to provide, to members in each geographic region of the
13 State, a selection of at least 2 plans for the coverage of
14 vision services available in that region and a selection of at
15 least 2 plans for the coverage of dental services available in
16 that region. Notwithstanding any other provision of this
17 Section or Act, for all members or dependents who are eligible
18 for benefits under Social Security or the Railroad Retirement
19 system or who had sufficient Medicare-covered government
20 employment, the Department shall reduce benefits which would
21 otherwise be paid by Medicare, by the amount of benefits for
22 which the member or dependents are eligible under Medicare,
23 except that such reduction in benefits shall apply only to
24 those members or dependents who (1) first become eligible for
25 such medicare coverage on or after the effective date of this
26 amendatory Act of 1992; or (2) are Medicare-eligible members or
27 dependents of a local government unit which began participation
28 in the program on or after July 1, 1992; or (3) remain eligible
29 for but no longer receive Medicare coverage which they had been
30 receiving on or after the effective date of this amendatory Act
31 of 1992.

32 Notwithstanding any other provisions of this Act, where a
33 covered member or dependents are eligible for benefits under
34 the federal Medicare health insurance program (Title XVIII of
35 the Social Security Act as added by Public Law 89-97, 89th
36 Congress), benefits paid under the State of Illinois program or

1 plan will be reduced by the amount of benefits paid by
2 Medicare. For members or dependents who are eligible for
3 benefits under Social Security or the Railroad Retirement
4 system or who had sufficient Medicare-covered government
5 employment, benefits shall be reduced by the amount for which
6 the member or dependent is eligible under Medicare, except that
7 such reduction in benefits shall apply only to those members or
8 dependents who (1) first become eligible for such Medicare
9 coverage on or after the effective date of this amendatory Act
10 of 1992; or (2) are Medicare-eligible members or dependents of
11 a local government unit which began participation in the
12 program on or after July 1, 1992; or (3) remain eligible for,
13 but no longer receive Medicare coverage which they had been
14 receiving on or after the effective date of this amendatory Act
15 of 1992. Premiums may be adjusted, where applicable, to an
16 amount deemed by the Director to be reasonably consistent with
17 any reduction of benefits.

18 (b) A member, not otherwise covered by this Act, who has
19 retired as a participating member under Article 2 of the
20 Illinois Pension Code but is ineligible for the retirement
21 annuity under Section 2-119 of the Illinois Pension Code, shall
22 pay the premiums for coverage, not exceeding the amount paid by
23 the State for the non-contributory coverage for other members,
24 under the group health benefits program under this Act. The
25 Director shall determine the premiums to be paid by a member
26 under this subsection (b).

27 (Source: P.A. 93-47, eff. 7-1-03.)

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