



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
HB4293

Introduced 12/21/05, by Rep. Mark H. Beaubien, Jr.

SYNOPSIS AS INTRODUCED:

215 ILCS 125/2-3

from Ch. 111 1/2, par. 1405

Amends the Health Maintenance Organization Act. Provides that nothing in the powers granted to health maintenance organizations shall be construed to prohibit a health care plan that qualifies as a high deductible health plan under the Internal Revenue Code from requiring the application of deductibles to benefits provided under the plan. Effective immediately.

LRB094 16124 LJB 51364 b

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 5. The Health Maintenance Organization Act is
5 amended by changing Section 2-3 as follows:

6 (215 ILCS 125/2-3) (from Ch. 111 1/2, par. 1405)

7 Sec. 2-3. Powers of health maintenance organizations. The
8 powers of a health maintenance organization include, but are
9 not limited to the following:

10 (a) The purchase, lease, construction, renovation,
11 operation, or maintenance of hospitals, medical facilities
12 or both, and their ancillary equipment, and such property
13 as may reasonably be required for its principal office or
14 for such other purposes as may be necessary in the
15 transaction of the business of the organization.

16 (b) The making of loans to a medical group under
17 contract with it and in furtherance of its program or the
18 making of loans to a corporation or corporations under its
19 control for the purpose of acquiring or constructing
20 medical facilities at hospitals or in furtherance of a
21 program providing health care services for enrollees.

22 (c) The furnishing of health care services through
23 providers which are under contract with or employed by the
24 health maintenance organization.

25 (d) The contracting with any person for the performance
26 on its behalf of certain functions such as marketing,
27 enrollment and administration.

28 (e) The contracting with an insurance company licensed
29 in this State, or with a hospital, medical, dental, vision
30 or pharmaceutical service corporation authorized to do
31 business in this State, for the provision of insurance,
32 indemnity, or reimbursement against the cost of health care

1 service provided by the health maintenance organization.

2 (f) The offering, in addition to basic health care
3 services, of (1) health care services, (2) indemnity
4 benefits covering out of area or emergency services, (3)
5 indemnity benefits provided through insurers or hospital,
6 medical, dental, vision, or pharmaceutical service
7 corporations, and (4) health maintenance organization
8 point-of-service benefits as authorized under Article 4.5.

9 (g) Rendering services related to the functions
10 involved in the operating of its health maintenance
11 organization business including but not limited to
12 providing health services, data processing, accounting, or
13 claims.

14 (g-5) Indemnification for services provided to a child
15 as required under subdivision (e) (3) of Section 4-2.

16 (h) Any other business activity reasonably
17 complementary or supplementary to its health maintenance
18 organization business to the extent approved by the
19 Director.

20 Nothing in this Section shall be construed or interpreted
21 to prohibit or prevent a health care plan that qualifies as a
22 high deductible health plan, as defined by Section 223 of the
23 federal Internal Revenue Code, as now or hereafter amended,
24 from requiring the application of deductibles to benefits
25 provided under the plan.

26 (Source: P.A. 92-135, eff. 1-1-02.)

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