

1 AN ACT concerning insurance.

2 WHEREAS, Hundreds of children in this State are born every  
3 year with gastrointestinal disorders, such as Gastrointestinal  
4 Reflux Disease (GERD), Eosinophilic Esophagitis (EE), and  
5 others or inherited diseases of amino acid, organic acid, or  
6 dairy protein allergies, which prevent proper digestion or  
7 result in a negative reaction to certain natural milk or soy  
8 products, formulas, and multiple foods;

9 WHEREAS, These conditions and others create a situation  
10 where a natural sustained existence is virtually impossible and  
11 threaten a child's ability to thrive;

12 WHEREAS, As many of these children are unable to process  
13 any natural nutritional substance, parents, at the advice and  
14 direction of a licensed health care professional, must seek  
15 enteral or oral elemental formulas, such as amino acid modified  
16 formulas and other specialized formulas, to provide proper and  
17 medically necessary nutrition;

18 WHEREAS, Amino acid based elemental formulas and food  
19 products are widely available, but expensive in nature due to a  
20 complicated scientific manufacturing process;

21 WHEREAS, Health insurance policies currently only cover  
22 the cost of specialized amino acid based elemental formulas  
23 when administered by tube feeding even though tube feeding is  
24 not always the least medically invasive or most cost effective  
25 option available;

26 WHEREAS, Proper infant and child nutrition significantly

1 reduces digestion problems and other developmental and  
2 physical conditions, as well as the need for future, more  
3 expensive medical treatments; and

4 WHEREAS, The State of Illinois is committed to giving each  
5 and every child proper nutrition and a high quality of life,  
6 therefore

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

9 Section 5. The State Employees Group Insurance Act of 1971  
10 is amended by changing Section 6.11 as follows:

11 (5 ILCS 375/6.11)

12 Sec. 6.11. Required health benefits; Illinois Insurance  
13 Code requirements. The program of health benefits shall provide  
14 the post-mastectomy care benefits required to be covered by a  
15 policy of accident and health insurance under Section 356t of  
16 the Illinois Insurance Code. The program of health benefits  
17 shall provide the coverage required under Sections 356u, 356w,  
18 356x, 356z.2, 356z.4, ~~and~~ 356z.6, and 356z.9 of the Illinois  
19 Insurance Code. The program of health benefits must comply with  
20 Section 155.37 of the Illinois Insurance Code.

21 (Source: P.A. 92-440, eff. 8-17-01; 92-764, eff. 1-1-03;  
22 93-102, eff. 1-1-04; 93-853, eff. 1-1-05.)

1           Section 10. The Counties Code is amended by changing  
2           Section 5-1069.3 as follows:

3           (55 ILCS 5/5-1069.3)

4           Sec. 5-1069.3. Required health benefits. If a county,  
5           including a home rule county, is a self-insurer for purposes of  
6           providing health insurance coverage for its employees, the  
7           coverage shall include coverage for the post-mastectomy care  
8           benefits required to be covered by a policy of accident and  
9           health insurance under Section 356t and the coverage required  
10          under Sections 356u, 356w, 356x, ~~and~~ 356z.6, and 356z.9 of the  
11          Illinois Insurance Code. The requirement that health benefits  
12          be covered as provided in this Section is an exclusive power  
13          and function of the State and is a denial and limitation under  
14          Article VII, Section 6, subsection (h) of the Illinois  
15          Constitution. A home rule county to which this Section applies  
16          must comply with every provision of this Section.

17          (Source: P.A. 93-853, eff. 1-1-05.)

18          Section 15. The Illinois Municipal Code is amended by  
19          changing Section 10-4-2.3 as follows:

20          (65 ILCS 5/10-4-2.3)

21          Sec. 10-4-2.3. Required health benefits. If a  
22          municipality, including a home rule municipality, is a  
23          self-insurer for purposes of providing health insurance

1 coverage for its employees, the coverage shall include coverage  
2 for the post-mastectomy care benefits required to be covered by  
3 a policy of accident and health insurance under Section 356t  
4 and the coverage required under Sections 356u, 356w, 356x, ~~and~~  
5 356z.6, and 356z.9 of the Illinois Insurance Code. The  
6 requirement that health benefits be covered as provided in this  
7 is an exclusive power and function of the State and is a denial  
8 and limitation under Article VII, Section 6, subsection (h) of  
9 the Illinois Constitution. A home rule municipality to which  
10 this Section applies must comply with every provision of this  
11 Section.

12 (Source: P.A. 93-853, eff. 1-1-05.)

13 Section 20. The Illinois Insurance Code is amended by  
14 adding Section 365z.9 as follows:

15 (215 ILCS 5/365z.9 new)

16 Sec. 365z.9. Amino acid-based elemental formulas.

17 (a) A group or individual policy of accident and health  
18 insurance or managed care plan amended, delivered, issued, or  
19 renewed after the effective date of this amendatory Act of the  
20 95th General Assembly must provide coverage and reimbursement  
21 when documentation is presented demonstrating a medical  
22 necessity and treatment plan for amino acid-based elemental  
23 formulas, regardless of delivery method, for the diagnosis and  
24 treatment of (i) an individual with multiple food allergies or

1 intolerances making amino acid-based elemental formulas a  
2 medically necessary treatment, (ii) eosinophilic disorders,  
3 and (iii) short bowel syndrome, when the prescribing physician  
4 or dietician has issued a written order stating that the amino  
5 acid-based elemental formula is medically necessary for the  
6 treatment of a disease or disorder.

7 Section 25. The Health Maintenance Organization Act is  
8 amended by changing Section 5-3 as follows:

9 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

10 Sec. 5-3. Insurance Code provisions.

11 (a) Health Maintenance Organizations shall be subject to  
12 the provisions of Sections 133, 134, 137, 140, 141.1, 141.2,  
13 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5,  
14 154.6, 154.7, 154.8, 155.04, 355.2, 356m, 356v, 356w, 356x,  
15 356y, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9, 364.01,  
16 367.2, 367.2-5, 367i, 368a, 368b, 368c, 368d, 368e, 370c, 401,  
17 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1,  
18 paragraph (c) of subsection (2) of Section 367, and Articles  
19 IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of  
20 the Illinois Insurance Code.

21 (b) For purposes of the Illinois Insurance Code, except for  
22 Sections 444 and 444.1 and Articles XIII and XIII 1/2, Health  
23 Maintenance Organizations in the following categories are  
24 deemed to be "domestic companies":

1           (1) a corporation authorized under the Dental Service  
2 Plan Act or the Voluntary Health Services Plans Act;

3           (2) a corporation organized under the laws of this  
4 State; or

5           (3) a corporation organized under the laws of another  
6 state, 30% or more of the enrollees of which are residents  
7 of this State, except a corporation subject to  
8 substantially the same requirements in its state of  
9 organization as is a "domestic company" under Article VIII  
10 1/2 of the Illinois Insurance Code.

11           (c) In considering the merger, consolidation, or other  
12 acquisition of control of a Health Maintenance Organization  
13 pursuant to Article VIII 1/2 of the Illinois Insurance Code,

14           (1) the Director shall give primary consideration to  
15 the continuation of benefits to enrollees and the financial  
16 conditions of the acquired Health Maintenance Organization  
17 after the merger, consolidation, or other acquisition of  
18 control takes effect;

19           (2) (i) the criteria specified in subsection (1)(b) of  
20 Section 131.8 of the Illinois Insurance Code shall not  
21 apply and (ii) the Director, in making his determination  
22 with respect to the merger, consolidation, or other  
23 acquisition of control, need not take into account the  
24 effect on competition of the merger, consolidation, or  
25 other acquisition of control;

26           (3) the Director shall have the power to require the

1 following information:

2 (A) certification by an independent actuary of the  
3 adequacy of the reserves of the Health Maintenance  
4 Organization sought to be acquired;

5 (B) pro forma financial statements reflecting the  
6 combined balance sheets of the acquiring company and  
7 the Health Maintenance Organization sought to be  
8 acquired as of the end of the preceding year and as of  
9 a date 90 days prior to the acquisition, as well as pro  
10 forma financial statements reflecting projected  
11 combined operation for a period of 2 years;

12 (C) a pro forma business plan detailing an  
13 acquiring party's plans with respect to the operation  
14 of the Health Maintenance Organization sought to be  
15 acquired for a period of not less than 3 years; and

16 (D) such other information as the Director shall  
17 require.

18 (d) The provisions of Article VIII 1/2 of the Illinois  
19 Insurance Code and this Section 5-3 shall apply to the sale by  
20 any health maintenance organization of greater than 10% of its  
21 enrollee population (including without limitation the health  
22 maintenance organization's right, title, and interest in and to  
23 its health care certificates).

24 (e) In considering any management contract or service  
25 agreement subject to Section 141.1 of the Illinois Insurance  
26 Code, the Director (i) shall, in addition to the criteria

1 specified in Section 141.2 of the Illinois Insurance Code, take  
2 into account the effect of the management contract or service  
3 agreement on the continuation of benefits to enrollees and the  
4 financial condition of the health maintenance organization to  
5 be managed or serviced, and (ii) need not take into account the  
6 effect of the management contract or service agreement on  
7 competition.

8 (f) Except for small employer groups as defined in the  
9 Small Employer Rating, Renewability and Portability Health  
10 Insurance Act and except for medicare supplement policies as  
11 defined in Section 363 of the Illinois Insurance Code, a Health  
12 Maintenance Organization may by contract agree with a group or  
13 other enrollment unit to effect refunds or charge additional  
14 premiums under the following terms and conditions:

15 (i) the amount of, and other terms and conditions with  
16 respect to, the refund or additional premium are set forth  
17 in the group or enrollment unit contract agreed in advance  
18 of the period for which a refund is to be paid or  
19 additional premium is to be charged (which period shall not  
20 be less than one year); and

21 (ii) the amount of the refund or additional premium  
22 shall not exceed 20% of the Health Maintenance  
23 Organization's profitable or unprofitable experience with  
24 respect to the group or other enrollment unit for the  
25 period (and, for purposes of a refund or additional  
26 premium, the profitable or unprofitable experience shall



1 be calculated taking into account a pro rata share of the  
2 Health Maintenance Organization's administrative and  
3 marketing expenses, but shall not include any refund to be  
4 made or additional premium to be paid pursuant to this  
5 subsection (f)). The Health Maintenance Organization and  
6 the group or enrollment unit may agree that the profitable  
7 or unprofitable experience may be calculated taking into  
8 account the refund period and the immediately preceding 2  
9 plan years.

10 The Health Maintenance Organization shall include a  
11 statement in the evidence of coverage issued to each enrollee  
12 describing the possibility of a refund or additional premium,  
13 and upon request of any group or enrollment unit, provide to  
14 the group or enrollment unit a description of the method used  
15 to calculate (1) the Health Maintenance Organization's  
16 profitable experience with respect to the group or enrollment  
17 unit and the resulting refund to the group or enrollment unit  
18 or (2) the Health Maintenance Organization's unprofitable  
19 experience with respect to the group or enrollment unit and the  
20 resulting additional premium to be paid by the group or  
21 enrollment unit.

22 In no event shall the Illinois Health Maintenance  
23 Organization Guaranty Association be liable to pay any  
24 contractual obligation of an insolvent organization to pay any  
25 refund authorized under this Section.

26 (Source: P.A. 93-102, eff. 1-1-04; 93-261, eff. 1-1-04; 93-477,

1 eff. 8-8-03; 93-529, eff. 8-14-03; 93-853, eff. 1-1-05;  
2 93-1000, eff. 1-1-05; 94-906, eff. 1-1-07; 94-1076, eff.  
3 12-29-06; revised 1-5-07.)

4 Section 30. The Limited Health Service Organization Act is  
5 amended by changing Section 4003 as follows:

6 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

7 Sec. 4003. Illinois Insurance Code provisions. Limited  
8 health service organizations shall be subject to the provisions  
9 of Sections 133, 134, 137, 140, 141.1, 141.2, 141.3, 143, 143c,  
10 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6, 154.7, 154.8,  
11 155.04, 155.37, 355.2, 356v, 356z.9, 368a, 401, 401.1, 402,  
12 403, 403A, 408, 408.2, 409, 412, 444, and 444.1 and Articles  
13 IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of  
14 the Illinois Insurance Code. For purposes of the Illinois  
15 Insurance Code, except for Sections 444 and 444.1 and Articles  
16 XIII and XIII 1/2, limited health service organizations in the  
17 following categories are deemed to be domestic companies:

18 (1) a corporation under the laws of this State; or

19 (2) a corporation organized under the laws of another  
20 state, 30% of more of the enrollees of which are residents  
21 of this State, except a corporation subject to  
22 substantially the same requirements in its state of  
23 organization as is a domestic company under Article VIII  
24 1/2 of the Illinois Insurance Code.

1 (Source: P.A. 91-549, eff. 8-14-99; 91-605, eff. 12-14-99;  
2 91-788, eff. 6-9-00; 92-440, eff. 8-17-01.)

3 Section 35. The Voluntary Health Services Plans Act is  
4 amended by changing Section 10 as follows:

5 (215 ILCS 165/10) (from Ch. 32, par. 604)

6 Sec. 10. Application of Insurance Code provisions. Health  
7 services plan corporations and all persons interested therein  
8 or dealing therewith shall be subject to the provisions of  
9 Articles IIA and XII 1/2 and Sections 3.1, 133, 140, 143, 143c,  
10 149, 155.37, 354, 355.2, 356r, 356t, 356u, 356v, 356w, 356x,  
11 356y, 356z.1, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9,  
12 364.01, 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2,  
13 and 412, and paragraphs (7) and (15) of Section 367 of the  
14 Illinois Insurance Code.

15 (Source: P.A. 93-102, eff. 1-1-04; 93-529, eff. 8-14-03;  
16 93-853, eff. 1-1-05; 93-1000, eff. 1-1-05; 94-1076, eff.  
17 12-29-06.)

18 Section 40. The Illinois Public Aid Code is amended by  
19 changing Section 5-5 as follows:

20 (305 ILCS 5/5-5) (from Ch. 23, par. 5-5)

21 Sec. 5-5. Medical services. The Illinois Department, by  
22 rule, shall determine the quantity and quality of and the rate

1 of reimbursement for the medical assistance for which payment  
2 will be authorized, and the medical services to be provided,  
3 which may include all or part of the following: (1) inpatient  
4 hospital services; (2) outpatient hospital services; (3) other  
5 laboratory and X-ray services; (4) skilled nursing home  
6 services; (5) physicians' services whether furnished in the  
7 office, the patient's home, a hospital, a skilled nursing home,  
8 or elsewhere; (6) medical care, or any other type of remedial  
9 care furnished by licensed practitioners; (7) home health care  
10 services; (8) private duty nursing service; (9) clinic  
11 services; (10) dental services, including prevention and  
12 treatment of periodontal disease and dental caries disease for  
13 pregnant women; (11) physical therapy and related services;  
14 (12) prescribed drugs, dentures, and prosthetic devices; and  
15 eyeglasses prescribed by a physician skilled in the diseases of  
16 the eye, or by an optometrist, whichever the person may select;  
17 (13) other diagnostic, screening, preventive, and  
18 rehabilitative services; (14) transportation and such other  
19 expenses as may be necessary; (15) medical treatment of sexual  
20 assault survivors, as defined in Section 1a of the Sexual  
21 Assault Survivors Emergency Treatment Act, for injuries  
22 sustained as a result of the sexual assault, including  
23 examinations and laboratory tests to discover evidence which  
24 may be used in criminal proceedings arising from the sexual  
25 assault; (16) the diagnosis and treatment of sickle cell  
26 anemia; and (17) any other medical care, and any other type of

1 remedial care recognized under the laws of this State, but not  
2 including abortions, or induced miscarriages or premature  
3 births, unless, in the opinion of a physician, such procedures  
4 are necessary for the preservation of the life of the woman  
5 seeking such treatment, or except an induced premature birth  
6 intended to produce a live viable child and such procedure is  
7 necessary for the health of the mother or her unborn child. The  
8 Illinois Department, by rule, shall prohibit any physician from  
9 providing medical assistance to anyone eligible therefor under  
10 this Code where such physician has been found guilty of  
11 performing an abortion procedure in a wilful and wanton manner  
12 upon a woman who was not pregnant at the time such abortion  
13 procedure was performed. The term "any other type of remedial  
14 care" shall include nursing care and nursing home service for  
15 persons who rely on treatment by spiritual means alone through  
16 prayer for healing.

17 Notwithstanding any other provision of this Section, a  
18 comprehensive tobacco use cessation program that includes  
19 purchasing prescription drugs or prescription medical devices  
20 approved by the Food and Drug administration shall be covered  
21 under the medical assistance program under this Article for  
22 persons who are otherwise eligible for assistance under this  
23 Article.

24 Notwithstanding any other provision of this Code, the  
25 Illinois Department may not require, as a condition of payment  
26 for any laboratory test authorized under this Article, that a

1 physician's handwritten signature appear on the laboratory  
2 test order form. The Illinois Department may, however, impose  
3 other appropriate requirements regarding laboratory test order  
4 documentation.

5 The ~~Illinois~~ Department of Healthcare and Family Services  
6 ~~Public Aid~~ shall provide the following services to persons  
7 eligible for assistance under this Article who are  
8 participating in education, training or employment programs  
9 operated by the Department of Human Services as successor to  
10 the Department of Public Aid:

11 (1) dental services, which shall include but not be  
12 limited to prosthodontics; and

13 (2) eyeglasses prescribed by a physician skilled in the  
14 diseases of the eye, or by an optometrist, whichever the  
15 person may select.

16 The Illinois Department, by rule, may distinguish and  
17 classify the medical services to be provided only in accordance  
18 with the classes of persons designated in Section 5-2.

19 The Department of Healthcare and Family Services must  
20 provide coverage and reimbursement when documentation is  
21 presented demonstrating a medical necessity and treatment plan  
22 for amino acid-based elemental formulas, regardless of  
23 delivery method, for the diagnosis and treatment of (i) an  
24 individual with multiple food allergies or intolerances making  
25 amino acid-based elemental formulas a medically necessary  
26 treatment, (ii) eosinophilic disorders, and (iii) short bowel

1 syndrome, when the prescribing physician or dietician has  
2 issued a written order stating that the amino acid-based  
3 elemental formula is medically necessary for the treatment of a  
4 disease or disorder.

5       The Illinois Department shall authorize the provision of,  
6 and shall authorize payment for, screening by low-dose  
7 mammography for the presence of occult breast cancer for women  
8 35 years of age or older who are eligible for medical  
9 assistance under this Article, as follows: a baseline mammogram  
10 for women 35 to 39 years of age and an annual mammogram for  
11 women 40 years of age or older. All screenings shall include a  
12 physical breast exam, instruction on self-examination and  
13 information regarding the frequency of self-examination and  
14 its value as a preventative tool. As used in this Section,  
15 "low-dose mammography" means the x-ray examination of the  
16 breast using equipment dedicated specifically for mammography,  
17 including the x-ray tube, filter, compression device, image  
18 receptor, and cassettes, with an average radiation exposure  
19 delivery of less than one rad mid-breast, with 2 views for each  
20 breast.

21       Any medical or health care provider shall immediately  
22 recommend, to any pregnant woman who is being provided prenatal  
23 services and is suspected of drug abuse or is addicted as  
24 defined in the Alcoholism and Other Drug Abuse and Dependency  
25 Act, referral to a local substance abuse treatment provider  
26 licensed by the Department of Human Services or to a licensed

1 hospital which provides substance abuse treatment services.  
2 The Department of Healthcare and Family Services ~~Public Aid~~  
3 shall assure coverage for the cost of treatment of the drug  
4 abuse or addiction for pregnant recipients in accordance with  
5 the Illinois Medicaid Program in conjunction with the  
6 Department of Human Services.

7 All medical providers providing medical assistance to  
8 pregnant women under this Code shall receive information from  
9 the Department on the availability of services under the Drug  
10 Free Families with a Future or any comparable program providing  
11 case management services for addicted women, including  
12 information on appropriate referrals for other social services  
13 that may be needed by addicted women in addition to treatment  
14 for addiction.

15 The Illinois Department, in cooperation with the  
16 Departments of Human Services (as successor to the Department  
17 of Alcoholism and Substance Abuse) and Public Health, through a  
18 public awareness campaign, may provide information concerning  
19 treatment for alcoholism and drug abuse and addiction, prenatal  
20 health care, and other pertinent programs directed at reducing  
21 the number of drug-affected infants born to recipients of  
22 medical assistance.

23 Neither the ~~Illinois~~ Department of Healthcare and Family  
24 Services ~~Public Aid~~ nor the Department of Human Services shall  
25 sanction the recipient solely on the basis of her substance  
26 abuse.



1           The Illinois Department shall establish such regulations  
2 governing the dispensing of health services under this Article  
3 as it shall deem appropriate. The Department should seek the  
4 advice of formal professional advisory committees appointed by  
5 the Director of the Illinois Department for the purpose of  
6 providing regular advice on policy and administrative matters,  
7 information dissemination and educational activities for  
8 medical and health care providers, and consistency in  
9 procedures to the Illinois Department.

10          The Illinois Department may develop and contract with  
11 Partnerships of medical providers to arrange medical services  
12 for persons eligible under Section 5-2 of this Code.  
13 Implementation of this Section may be by demonstration projects  
14 in certain geographic areas. The Partnership shall be  
15 represented by a sponsor organization. The Department, by rule,  
16 shall develop qualifications for sponsors of Partnerships.  
17 Nothing in this Section shall be construed to require that the  
18 sponsor organization be a medical organization.

19          The sponsor must negotiate formal written contracts with  
20 medical providers for physician services, inpatient and  
21 outpatient hospital care, home health services, treatment for  
22 alcoholism and substance abuse, and other services determined  
23 necessary by the Illinois Department by rule for delivery by  
24 Partnerships. Physician services must include prenatal and  
25 obstetrical care. The Illinois Department shall reimburse  
26 medical services delivered by Partnership providers to clients

1 in target areas according to provisions of this Article and the  
2 Illinois Health Finance Reform Act, except that:

3 (1) Physicians participating in a Partnership and  
4 providing certain services, which shall be determined by  
5 the Illinois Department, to persons in areas covered by the  
6 Partnership may receive an additional surcharge for such  
7 services.

8 (2) The Department may elect to consider and negotiate  
9 financial incentives to encourage the development of  
10 Partnerships and the efficient delivery of medical care.

11 (3) Persons receiving medical services through  
12 Partnerships may receive medical and case management  
13 services above the level usually offered through the  
14 medical assistance program.

15 Medical providers shall be required to meet certain  
16 qualifications to participate in Partnerships to ensure the  
17 delivery of high quality medical services. These  
18 qualifications shall be determined by rule of the Illinois  
19 Department and may be higher than qualifications for  
20 participation in the medical assistance program. Partnership  
21 sponsors may prescribe reasonable additional qualifications  
22 for participation by medical providers, only with the prior  
23 written approval of the Illinois Department.

24 Nothing in this Section shall limit the free choice of  
25 practitioners, hospitals, and other providers of medical  
26 services by clients. In order to ensure patient freedom of

1 choice, the Illinois Department shall immediately promulgate  
2 all rules and take all other necessary actions so that provided  
3 services may be accessed from therapeutically certified  
4 optometrists to the full extent of the Illinois Optometric  
5 Practice Act of 1987 without discriminating between service  
6 providers.

7 The Department shall apply for a waiver from the United  
8 States Health Care Financing Administration to allow for the  
9 implementation of Partnerships under this Section.

10 The Illinois Department shall require health care  
11 providers to maintain records that document the medical care  
12 and services provided to recipients of Medical Assistance under  
13 this Article. The Illinois Department shall require health care  
14 providers to make available, when authorized by the patient, in  
15 writing, the medical records in a timely fashion to other  
16 health care providers who are treating or serving persons  
17 eligible for Medical Assistance under this Article. All  
18 dispensers of medical services shall be required to maintain  
19 and retain business and professional records sufficient to  
20 fully and accurately document the nature, scope, details and  
21 receipt of the health care provided to persons eligible for  
22 medical assistance under this Code, in accordance with  
23 regulations promulgated by the Illinois Department. The rules  
24 and regulations shall require that proof of the receipt of  
25 prescription drugs, dentures, prosthetic devices and  
26 eyeglasses by eligible persons under this Section accompany

1 each claim for reimbursement submitted by the dispenser of such  
2 medical services. No such claims for reimbursement shall be  
3 approved for payment by the Illinois Department without such  
4 proof of receipt, unless the Illinois Department shall have put  
5 into effect and shall be operating a system of post-payment  
6 audit and review which shall, on a sampling basis, be deemed  
7 adequate by the Illinois Department to assure that such drugs,  
8 dentures, prosthetic devices and eyeglasses for which payment  
9 is being made are actually being received by eligible  
10 recipients. Within 90 days after the effective date of this  
11 amendatory Act of 1984, the Illinois Department shall establish  
12 a current list of acquisition costs for all prosthetic devices  
13 and any other items recognized as medical equipment and  
14 supplies reimbursable under this Article and shall update such  
15 list on a quarterly basis, except that the acquisition costs of  
16 all prescription drugs shall be updated no less frequently than  
17 every 30 days as required by Section 5-5.12.

18 The rules and regulations of the Illinois Department shall  
19 require that a written statement including the required opinion  
20 of a physician shall accompany any claim for reimbursement for  
21 abortions, or induced miscarriages or premature births. This  
22 statement shall indicate what procedures were used in providing  
23 such medical services.

24 The Illinois Department shall require all dispensers of  
25 medical services, other than an individual practitioner or  
26 group of practitioners, desiring to participate in the Medical

1 Assistance program established under this Article to disclose  
2 all financial, beneficial, ownership, equity, surety or other  
3 interests in any and all firms, corporations, partnerships,  
4 associations, business enterprises, joint ventures, agencies,  
5 institutions or other legal entities providing any form of  
6 health care services in this State under this Article.

7 The Illinois Department may require that all dispensers of  
8 medical services desiring to participate in the medical  
9 assistance program established under this Article disclose,  
10 under such terms and conditions as the Illinois Department may  
11 by rule establish, all inquiries from clients and attorneys  
12 regarding medical bills paid by the Illinois Department, which  
13 inquiries could indicate potential existence of claims or liens  
14 for the Illinois Department.

15 Enrollment of a vendor that provides non-emergency medical  
16 transportation, defined by the Department by rule, shall be  
17 conditional for 180 days. During that time, the Department of  
18 Healthcare and Family Services ~~Public Aid~~ may terminate the  
19 vendor's eligibility to participate in the medical assistance  
20 program without cause. That termination of eligibility is not  
21 subject to the Department's hearing process.

22 The Illinois Department shall establish policies,  
23 procedures, standards and criteria by rule for the acquisition,  
24 repair and replacement of orthotic and prosthetic devices and  
25 durable medical equipment. Such rules shall provide, but not be  
26 limited to, the following services: (1) immediate repair or

1 replacement of such devices by recipients without medical  
2 authorization; and (2) rental, lease, purchase or  
3 lease-purchase of durable medical equipment in a  
4 cost-effective manner, taking into consideration the  
5 recipient's medical prognosis, the extent of the recipient's  
6 needs, and the requirements and costs for maintaining such  
7 equipment. Such rules shall enable a recipient to temporarily  
8 acquire and use alternative or substitute devices or equipment  
9 pending repairs or replacements of any device or equipment  
10 previously authorized for such recipient by the Department.

11 The Department shall execute, relative to the nursing home  
12 prescreening project, written inter-agency agreements with the  
13 Department of Human Services and the Department on Aging, to  
14 effect the following: (i) intake procedures and common  
15 eligibility criteria for those persons who are receiving  
16 non-institutional services; and (ii) the establishment and  
17 development of non-institutional services in areas of the State  
18 where they are not currently available or are undeveloped.

19 The Illinois Department shall develop and operate, in  
20 cooperation with other State Departments and agencies and in  
21 compliance with applicable federal laws and regulations,  
22 appropriate and effective systems of health care evaluation and  
23 programs for monitoring of utilization of health care services  
24 and facilities, as it affects persons eligible for medical  
25 assistance under this Code.

26 The Illinois Department shall report annually to the

1 General Assembly, no later than the second Friday in April of  
2 1979 and each year thereafter, in regard to:

3 (a) actual statistics and trends in utilization of  
4 medical services by public aid recipients;

5 (b) actual statistics and trends in the provision of  
6 the various medical services by medical vendors;

7 (c) current rate structures and proposed changes in  
8 those rate structures for the various medical vendors; and

9 (d) efforts at utilization review and control by the  
10 Illinois Department.

11 The period covered by each report shall be the 3 years  
12 ending on the June 30 prior to the report. The report shall  
13 include suggested legislation for consideration by the General  
14 Assembly. The filing of one copy of the report with the  
15 Speaker, one copy with the Minority Leader and one copy with  
16 the Clerk of the House of Representatives, one copy with the  
17 President, one copy with the Minority Leader and one copy with  
18 the Secretary of the Senate, one copy with the Legislative  
19 Research Unit, and such additional copies with the State  
20 Government Report Distribution Center for the General Assembly  
21 as is required under paragraph (t) of Section 7 of the State  
22 Library Act shall be deemed sufficient to comply with this  
23 Section.

24 (Source: P.A. 92-16, eff. 6-28-01; 92-651, eff. 7-11-02;  
25 92-789, eff. 8-6-02; 93-632, eff. 2-1-04; 93-841, eff. 7-30-04;  
26 93-981, eff. 8-23-04; revised 12-15-05.)

1           Section 99. Effective date. This Act takes effect upon  
2           becoming law.