

# SB0107



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

SB0107

Introduced 1/31/2007, by Sen. Bill Brady

#### SYNOPSIS AS INTRODUCED:

5 ILCS 375/5

from Ch. 127, par. 525

Amends the State Employees Group Insurance Act of 1971. Permits an employee to switch to a different health insurance program after the annual benefits choice period if a health care provider with whom the employee has a long-term relationship transfers from one program to another program after the Director of Central Management Services has submitted the final program contracts before the benefits choice period. Effective immediately.

LRB095 04693 JAM 24752 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning government.

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 5 as follows:

6 (5 ILCS 375/5) (from Ch. 127, par. 525)

7 Sec. 5. Employee benefits; declaration of State policy. The  
8 General Assembly declares that it is the policy of the State  
9 and in the best interest of the State to assure quality  
10 benefits to members and their dependents under this Act. The  
11 implementation of this policy depends upon, among other things,  
12 stability and continuity of coverage, care, and services under  
13 benefit programs for members and their dependents.  
14 Specifically, but without limitation, members should have  
15 continued access, on substantially similar terms and  
16 conditions, to trusted family health care providers with whom  
17 they have developed long-term relationships through a benefit  
18 program under this Act. Therefore, the Director must administer  
19 this Act consistent with that State policy, but may consider  
20 affordability, cost of coverage and care, and competition among  
21 health insurers and providers. All contracts for provision of  
22 employee benefits, including those portions of any proposed  
23 collective bargaining agreement that would require

1 implementation through contracts entered into under this Act,  
2 are subject to the following requirements:

3 (i) By April 1 of each year, the Director must report  
4 and provide information to the Commission concerning the  
5 status of the employee benefits program to be offered for  
6 the next fiscal year. Information includes, but is not  
7 limited to, documents, reports of negotiations, bid  
8 invitations, requests for proposals, specifications,  
9 copies of proposed and final contracts or agreements, and  
10 any other materials concerning contracts or agreements for  
11 the employee benefits program. By the first of each month  
12 thereafter, the Director must provide updated, and any new,  
13 information to the Commission until the employee benefits  
14 program for the next fiscal year is determined. In addition  
15 to these monthly reporting requirements, at any time the  
16 Commission makes a written request, the Director must  
17 promptly, but in no event later than 5 business days after  
18 receipt of the request, provide to the Commission any  
19 additional requested information in the possession of the  
20 Director concerning employee benefits programs. The  
21 Commission may waive any of the reporting requirements of  
22 this item (i) upon the written request by the Director. Any  
23 waiver granted under this item (i) must be in writing.  
24 Nothing in this item is intended to abrogate any  
25 attorney-client privilege.

26 (ii) Within 30 days after notice of the awarding or

1           letting of a contract has appeared in the Illinois  
2 Procurement Bulletin in accordance with subsection (b) of  
3 Section 15-25 of the Illinois Procurement Code, the  
4 Commission may request in writing from the Director and the  
5 Director shall promptly, but in no event later than 5  
6 business days after receipt of the request, provide to the  
7 Commission information in the possession of the Director  
8 concerning the proposed contract. Nothing in this item is  
9 intended to waive or abrogate any privilege or right of  
10 confidentiality authorized by law.

11           (iii) No contract subject to this Section may be  
12 entered into until the 30-day period described in item (ii)  
13 has expired, unless the Director requests in writing that  
14 the Commission waive the period and the Commission grants  
15 the waiver in writing.

16           (iv) If the Director seeks to make any substantive  
17 modification to any provision of a proposed contract after  
18 it is submitted to the Commission in accordance with item  
19 (ii), the modified contract shall be subject to the  
20 requirements of items (ii) and (iii) unless the Commission  
21 agrees, in writing, to a waiver of those requirements with  
22 respect to the modified contract.

23           (v) By the date of the beginning of the annual benefit  
24 choice period, the Director must transmit to the Commission  
25 a copy of each final contract or agreement for the employee  
26 benefits program to be offered for the next fiscal year.

1 The annual benefit choice period for an employee benefits  
2 program must begin on May 1 of the fiscal year preceding  
3 the year for which the program is to be offered. If,  
4 however, in any such preceding fiscal year collective  
5 bargaining over employee benefit programs for the next  
6 fiscal year remains pending on April 15, the beginning date  
7 of the annual benefit choice period shall be not later than  
8 15 days after ratification of the collective bargaining  
9 agreement. If, however, after the Director submits a final  
10 contract for the employee benefits program, an employee's  
11 trusted health care provider, with whom the employee has  
12 developed a long-term relationship, transfers from the  
13 program selected by that employee to another program, that  
14 employee may switch programs.

15 (vi) The Director must provide the reports,  
16 information, and contracts required under items (i), (ii),  
17 (iv), and (v) by electronic or other means satisfactory to  
18 the Commission. Reports, information, and contracts in the  
19 possession of the Commission pursuant to items (i), (ii),  
20 (iv), and (v) are exempt from disclosure by the Commission  
21 and its members and employees under the Freedom of  
22 Information Act. Reports, information, and contracts  
23 received by the Commission pursuant to items (i), (ii),  
24 (iv), and (v) must be kept confidential by and may not be  
25 disclosed or used by the Commission or its members or  
26 employees if such disclosure or use could compromise the

1 fairness or integrity of the procurement, bidding, or  
2 contract process. Commission meetings, or portions of  
3 Commission meetings, in which reports, information, and  
4 contracts received by the Commission pursuant to items (i),  
5 (ii), (iv), and (v) are discussed must be closed if  
6 disclosure or use of the report or information could  
7 compromise the fairness or integrity of the procurement,  
8 bidding, or contract process.

9 All contracts entered into under this Section are subject  
10 to appropriation and shall comply with Section 20-60(b) of the  
11 Illinois Procurement Code (30 ILCS 500/20-60(b)).

12 The Director shall contract or otherwise make available  
13 group life insurance, health benefits and other employee  
14 benefits to eligible members and, where elected, their eligible  
15 dependents. Any contract or, if applicable, contracts or other  
16 arrangement for provision of benefits shall be on terms  
17 consistent with State policy and based on, but not limited to,  
18 such criteria as administrative cost, service capabilities of  
19 the carrier or other contractor and premiums, fees or charges  
20 as related to benefits.

21 The Director may prepare and issue specifications for group  
22 life insurance, health benefits, other employee benefits and  
23 administrative services for the purpose of receiving proposals  
24 from interested parties.

25 The Director is authorized to execute a contract, or  
26 contracts, for the programs of group life insurance, health

1 benefits, other employee benefits and administrative services  
2 authorized by this Act (including, without limitation,  
3 prescription drug benefits). All of the benefits provided under  
4 this Act may be included in one or more contracts, or the  
5 benefits may be classified into different types with each type  
6 included under one or more similar contracts with the same or  
7 different companies.

8 The term of any contract may not extend beyond 5 fiscal  
9 years. Upon recommendation of the Commission, the Director may  
10 exercise renewal options of the same contract for up to a  
11 period of 5 years. Any increases in premiums, fees or charges  
12 requested by a contractor whose contract may be renewed  
13 pursuant to a renewal option contained therein, must be  
14 justified on the basis of (1) audited experience data, (2)  
15 increases in the costs of health care services provided under  
16 the contract, (3) contractor performance, (4) increases in  
17 contractor responsibilities, or (5) any combination thereof.

18 Any contractor shall agree to abide by all requirements of  
19 this Act and Rules and Regulations promulgated and adopted  
20 thereto; to submit such information and data as may from time  
21 to time be deemed necessary by the Director for effective  
22 administration of the provisions of this Act and the programs  
23 established hereunder, and to fully cooperate in any audit.

24 (Source: P.A. 93-839, eff. 7-30-04.)

25 Section 99. Effective date. This Act takes effect upon  
26 becoming law.