

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 Comprehensive Health Insurance Plan Act is
5 amended by changing Section 5 as follows:

6 (215 ILCS 105/5) (from Ch. 73, par. 1305)

7 Sec. 5. Plan administrator.

8 a. The board shall select a plan administrator through a
9 competitive bidding process to administer the plan. The board
10 shall evaluate bids submitted under this Section based on
11 criteria established by the board which shall include:

12 (1) The plan administrator's proven ability to handle
13 other large group accident and health benefit plans.

14 (2) The efficiency and timeliness of the plan
15 administrator's claim processing procedures.

16 (3) An estimate of total net cost for administering the
17 plan, including any discounts or income the Plan could
18 expect to receive or benefit from.

19 (4) The plan administrator's ability to apply
20 effective cost containment programs and procedures and to
21 administer the plan in a cost-efficient manner.

22 (5) The financial condition and stability of the plan
23 administrator.

1 b. The plan administrator shall serve for a period of 5
2 years subject to removal for cause and subject to the terms,
3 conditions and limitations of the contract between the board
4 and the plan administrator. At least one year prior to the
5 expiration of each 5 year period of service by the current plan
6 administrator, the board shall begin to advertise for bids to
7 serve as the plan administrator for the succeeding 5 year
8 period. Selection of the plan administrator for the succeeding
9 period shall be made at least 6 months prior to the end of the
10 current 5 year period. Notwithstanding any other provision of
11 this subsection, the Board at its option may extend the term of
12 a plan administrator contract for a period not to exceed 3
13 years.

14 c. The plan administrator shall perform such functions
15 relating to the plan as may be assigned to it including:

16 (1) establishment of a premium billing procedure for
17 collection of premiums from plan participants. Billings
18 shall be made on a periodic basis as determined by the
19 board;

20 (2) payment and processing of claims and various cost
21 containment functions; and

22 (3) other functions to assure timely payment of
23 benefits to participants under the plan, including:

24 (a) making available information relating to the
25 proper manner of submitting a claim for benefits under
26 the plan and distributing forms upon which submissions

1 shall be made, and

2 (b) evaluating the eligibility of each claim for
3 payment under the plan.

4 The plan administrator shall be governed by the
5 requirements of Part 919 of Title 50 of the Illinois
6 Administrative Code, promulgated by the Department of
7 Insurance, regarding the handling of claims under this Act.

8 d. The plan administrator shall submit regular reports to
9 the board regarding the operation of the plan. The frequency,
10 content and form of the report shall be as determined by the
11 board.

12 e. The plan administrator shall pay or be reimbursed for
13 claims expenses from the premium payments received from or on
14 behalf of plan participants. If the plan administrator's
15 payments or reimbursements for claims expenses exceed the
16 portion of premiums allocated by the board for payment of
17 claims expenses, the board shall provide additional funds to
18 the plan administrator for payment or reimbursement of such
19 claims expenses.

20 f. The plan administrator shall be paid as provided in the
21 contract between the Board and the plan administrator.

22 (Source: P.A. 90-30, eff. 7-1-97; 90-567, eff. 1-23-98; 91-357,
23 eff. 7-29-99.)

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