



Rep. Maria Antonia Berrios

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09700HB4305ham001

LRB097 15297 RPM 65989 a

1 AMENDMENT TO HOUSE BILL 4305

2 AMENDMENT NO. _____. Amend House Bill 4305 by replacing
3 everything after the enacting clause with the following:

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

6 (5 ILCS 375/6.11)

7 Sec. 6.11. Required health benefits; Illinois Insurance
8 Code requirements. The program of health benefits shall provide
9 the post-mastectomy care benefits required to be covered by a
10 policy of accident and health insurance under Section 356t of
11 the Illinois Insurance Code. The program of health benefits
12 shall provide the coverage required under Sections 356g,
13 356g.5, 356g.5-1, 356m, 356u, 356w, 356x, 356z.2, 356z.4,
14 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
15 356z.14, 356z.15, and 356z.17 ~~and~~ 356z.19, and 356z.22 of the
16 Illinois Insurance Code. The program of health benefits must

1 comply with Sections 155.22a, ~~and~~ 155.37, and 356z.19 of the
2 Illinois Insurance Code.

3 Rulemaking authority to implement Public Act 95-1045, if
4 any, is conditioned on the rules being adopted in accordance
5 with all provisions of the Illinois Administrative Procedure
6 Act and all rules and procedures of the Joint Committee on
7 Administrative Rules; any purported rule not so adopted, for
8 whatever reason, is unauthorized.

9 (Source: P.A. 96-139, eff. 1-1-10; 96-328, eff. 8-11-09;
10 96-639, eff. 1-1-10; 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11;
11 97-343, eff. 1-1-12; revised 10-14-11.)

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

14 (55 ILCS 5/5-1069.3)

15 Sec. 5-1069.3. Required health benefits. If a county,
16 including a home rule county, is a self-insurer for purposes of
17 providing health insurance coverage for its employees, the
18 coverage shall include coverage for the post-mastectomy care
19 benefits required to be covered by a policy of accident and
20 health insurance under Section 356t and the coverage required
21 under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x,
22 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
23 356z.14, ~~and~~ 356z.15, and 356z.22 of the Illinois Insurance
24 Code. The coverage shall comply with Sections ~~Section~~ 155.22a

1 and 356z.19 of the Illinois Insurance Code. The requirement
2 that health benefits be covered as provided in this Section is
3 an exclusive power and function of the State and is a denial
4 and limitation under Article VII, Section 6, subsection (h) of
5 the Illinois Constitution. A home rule county to which this
6 Section applies must comply with every provision of this
7 Section.

8 Rulemaking authority to implement Public Act 95-1045, if
9 any, is conditioned on the rules being adopted in accordance
10 with all provisions of the Illinois Administrative Procedure
11 Act and all rules and procedures of the Joint Committee on
12 Administrative Rules; any purported rule not so adopted, for
13 whatever reason, is unauthorized.

14 (Source: P.A. 96-139, eff. 1-1-10; 96-328, eff. 8-11-09;
15 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11; 97-343, eff. 1-1-12;
16 revised 10-14-11.)

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

19 (65 ILCS 5/10-4-2.3)

20 Sec. 10-4-2.3. Required health benefits. If a
21 municipality, including a home rule municipality, is a
22 self-insurer for purposes of providing health insurance
23 coverage for its employees, the coverage shall include coverage
24 for the post-mastectomy care benefits required to be covered by

1 a policy of accident and health insurance under Section 356t
2 and the coverage required under Sections 356g, 356g.5,
3 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10,
4 356z.11, 356z.12, 356z.13, 356z.14, and 356z.15, and 356z.22 of
5 the Illinois Insurance Code. The coverage shall comply with
6 Sections ~~Section~~ 155.22a and 356z.19 of the Illinois Insurance
7 Code. The requirement that health benefits be covered as
8 provided in this is an exclusive power and function of the
9 State and is a denial and limitation under Article VII, Section
10 6, subsection (h) of the Illinois Constitution. A home rule
11 municipality to which this Section applies must comply with
12 every provision of this Section.

13 Rulemaking authority to implement Public Act 95-1045, if
14 any, is conditioned on the rules being adopted in accordance
15 with all provisions of the Illinois Administrative Procedure
16 Act and all rules and procedures of the Joint Committee on
17 Administrative Rules; any purported rule not so adopted, for
18 whatever reason, is unauthorized.

19 (Source: P.A. 96-139, eff. 1-1-10; 96-328, eff. 8-11-09;
20 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11; 97-343, eff. 1-1-12;
21 revised 10-14-11.)

22 Section 20. The School Code is amended by changing Section
23 10-22.3f as follows:

24 (105 ILCS 5/10-22.3f)

1 Sec. 10-22.3f. Required health benefits. Insurance
2 protection and benefits for employees shall provide the
3 post-mastectomy care benefits required to be covered by a
4 policy of accident and health insurance under Section 356t and
5 the coverage required under Sections 356g, 356g.5, 356g.5-1,
6 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.11, 356z.12,
7 356z.13, 356z.14, ~~and~~ 356z.15, and 356z.22 of the Illinois
8 Insurance Code. Insurance policies shall comply with Section
9 356z.19 of the Illinois Insurance Code. The coverage shall
10 comply with Section 155.22a of the Illinois Insurance Code.

11 Rulemaking authority to implement Public Act 95-1045, if
12 any, is conditioned on the rules being adopted in accordance
13 with all provisions of the Illinois Administrative Procedure
14 Act and all rules and procedures of the Joint Committee on
15 Administrative Rules; any purported rule not so adopted, for
16 whatever reason, is unauthorized.

17 (Source: P.A. 96-139, eff. 1-1-10; 96-328, eff. 8-11-09;
18 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11; 97-343, eff. 1-1-12;
19 revised 9-28-11.)

20 Section 25. The Illinois Insurance Code is amended by
21 adding Section 356z.22 as follows:

22 (215 ILCS 5/356z.22 new)

23 Sec. 356z.22. Prescription drugs. A group or individual
24 policy of accident and health insurance or managed care plan

1 amended, delivered, issued, or renewed after the effective date
2 of this amendatory Act of the 97th General Assembly that
3 provides coverage for prescription drugs shall permit each
4 participant to fill any mail order covered prescription, at his
5 or her option, at any mail order pharmacy or network
6 participating non-mail order retail pharmacy if the network
7 participating non-mail order retail pharmacy offers to accept a
8 price that is comparable to that of the mail order pharmacy.
9 Any policy or plan that provides coverage for prescription
10 drugs shall not impose a co-payment fee or other condition on
11 any insured who elects to purchase drugs from a network
12 participating non-mail order retail pharmacy that is not also
13 imposed on insureds electing to purchase drugs from a
14 designated mail order pharmacy. The provisions of this Section
15 shall not supersede the terms of a collective bargaining
16 agreement or apply to a policy that is the result of a
17 collective bargaining agreement between an employer and a
18 recognized or certified employee organization.

19 Section 30. The Health Maintenance Organization Act is
20 amended by changing Section 5-3 as follows:

21 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

22 Sec. 5-3. Insurance Code provisions.

23 (a) Health Maintenance Organizations shall be subject to
24 the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,

1 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154,
2 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 356g.5-1,
3 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4, 356z.5, 356z.6,
4 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14,
5 356z.15, 356z.17, 356z.18, 356z.19, 356z.21 ~~356z.19~~, 356z.22,
6 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c, 368d, 368e,
7 370c, 370c.1, 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412,
8 444, and 444.1, paragraph (c) of subsection (2) of Section 367,
9 and Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV,
10 and XXVI of the Illinois Insurance Code.

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

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

17 (2) a corporation organized under the laws of this
18 State; or

19 (3) a corporation organized under the laws of another
20 state, 30% or 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.

25 (c) In considering the merger, consolidation, or other
26 acquisition of control of a Health Maintenance Organization

1 pursuant to Article VIII 1/2 of the Illinois Insurance Code,

2 (1) the Director shall give primary consideration to
3 the continuation of benefits to enrollees and the financial
4 conditions of the acquired Health Maintenance Organization
5 after the merger, consolidation, or other acquisition of
6 control takes effect;

7 (2) (i) the criteria specified in subsection (1) (b) of
8 Section 131.8 of the Illinois Insurance Code shall not
9 apply and (ii) the Director, in making his determination
10 with respect to the merger, consolidation, or other
11 acquisition of control, need not take into account the
12 effect on competition of the merger, consolidation, or
13 other acquisition of control;

14 (3) the Director shall have the power to require the
15 following information:

16 (A) certification by an independent actuary of the
17 adequacy of the reserves of the Health Maintenance
18 Organization sought to be acquired;

19 (B) pro forma financial statements reflecting the
20 combined balance sheets of the acquiring company and
21 the Health Maintenance Organization sought to be
22 acquired as of the end of the preceding year and as of
23 a date 90 days prior to the acquisition, as well as pro
24 forma financial statements reflecting projected
25 combined operation for a period of 2 years;

26 (C) a pro forma business plan detailing an

1 acquiring party's plans with respect to the operation
2 of the Health Maintenance Organization sought to be
3 acquired for a period of not less than 3 years; and

4 (D) such other information as the Director shall
5 require.

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

12 (e) In considering any management contract or service
13 agreement subject to Section 141.1 of the Illinois Insurance
14 Code, the Director (i) shall, in addition to the criteria
15 specified in Section 141.2 of the Illinois Insurance Code, take
16 into account the effect of the management contract or service
17 agreement on the continuation of benefits to enrollees and the
18 financial condition of the health maintenance organization to
19 be managed or serviced, and (ii) need not take into account the
20 effect of the management contract or service agreement on
21 competition.

22 (f) Except for small employer groups as defined in the
23 Small Employer Rating, Renewability and Portability Health
24 Insurance Act and except for medicare supplement policies as
25 defined in Section 363 of the Illinois Insurance Code, a Health
26 Maintenance Organization may by contract agree with a group or

1 other enrollment unit to effect refunds or charge additional
2 premiums under the following terms and conditions:

3 (i) the amount of, and other terms and conditions with
4 respect to, the refund or additional premium are set forth
5 in the group or enrollment unit contract agreed in advance
6 of the period for which a refund is to be paid or
7 additional premium is to be charged (which period shall not
8 be less than one year); and

9 (ii) the amount of the refund or additional premium
10 shall not exceed 20% of the Health Maintenance
11 Organization's profitable or unprofitable experience with
12 respect to the group or other enrollment unit for the
13 period (and, for purposes of a refund or additional
14 premium, the profitable or unprofitable experience shall
15 be calculated taking into account a pro rata share of the
16 Health Maintenance Organization's administrative and
17 marketing expenses, but shall not include any refund to be
18 made or additional premium to be paid pursuant to this
19 subsection (f)). The Health Maintenance Organization and
20 the group or enrollment unit may agree that the profitable
21 or unprofitable experience may be calculated taking into
22 account the refund period and the immediately preceding 2
23 plan years.

24 The Health Maintenance Organization shall include a
25 statement in the evidence of coverage issued to each enrollee
26 describing the possibility of a refund or additional premium,

1 and upon request of any group or enrollment unit, provide to
2 the group or enrollment unit a description of the method used
3 to calculate (1) the Health Maintenance Organization's
4 profitable experience with respect to the group or enrollment
5 unit and the resulting refund to the group or enrollment unit
6 or (2) the Health Maintenance Organization's unprofitable
7 experience with respect to the group or enrollment unit and the
8 resulting additional premium to be paid by the group or
9 enrollment unit.

10 In no event shall the Illinois Health Maintenance
11 Organization Guaranty Association be liable to pay any
12 contractual obligation of an insolvent organization to pay any
13 refund authorized under this Section.

14 (g) Rulemaking authority to implement Public Act 95-1045,
15 if any, is conditioned on the rules being adopted in accordance
16 with all provisions of the Illinois Administrative Procedure
17 Act and all rules and procedures of the Joint Committee on
18 Administrative Rules; any purported rule not so adopted, for
19 whatever reason, is unauthorized.

20 (Source: P.A. 96-328, eff. 8-11-09; 96-639, eff. 1-1-10;
21 96-833, eff. 6-1-10; 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11;
22 97-343, eff. 1-1-12; 97-437, eff. 8-18-11; 97-486, eff. 1-1-12;
23 97-592, eff. 1-1-12; revised 10-13-11.)

24 Section 35. The Limited Health Service Organization Act is
25 amended by changing Section 4003 as follows:

1 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)
2 Sec. 4003. Illinois Insurance Code provisions. Limited
3 health service organizations shall be subject to the provisions
4 of Sections 133, 134, 136, 137, 139, 140, 141.1, 141.2, 141.3,
5 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6,
6 154.7, 154.8, 155.04, 155.37, 355.2, 356v, 356z.10, 356z.21
7 ~~356z.19~~, 356z.22, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2,
8 409, 412, 444, and 444.1 and Articles IIA, VIII 1/2, XII, XII
9 1/2, XIII, XIII 1/2, XXV, and XXVI of the Illinois Insurance
10 Code. For purposes of the Illinois Insurance Code, except for
11 Sections 444 and 444.1 and Articles XIII and XIII 1/2, limited
12 health service organizations in the following categories are
13 deemed to be domestic companies:

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

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

21 (Source: P.A. 97-486, eff. 1-1-12; 97-592, 1-1-12; revised
22 10-13-11.)

23 Section 40. The Voluntary Health Services Plans Act is
24 amended by changing Section 10 as follows:

1 (215 ILCS 165/10) (from Ch. 32, par. 604)

2 Sec. 10. Application of Insurance Code provisions. Health
3 services plan corporations and all persons interested therein
4 or dealing therewith shall be subject to the provisions of
5 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,
6 143, 143c, 149, 155.22a, 155.37, 354, 355.2, 356g, 356g.5,
7 356g.5-1, 356r, 356t, 356u, 356v, 356w, 356x, 356y, 356z.1,
8 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10,
9 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18, 356z.19,
10 356z.21 ~~356z.19~~, 356z.22, 364.01, 367.2, 368a, 401, 401.1, 402,
11 403, 403A, 408, 408.2, and 412, and paragraphs (7) and (15) of
12 Section 367 of the Illinois Insurance Code.

13 Rulemaking authority to implement Public Act 95-1045, if
14 any, is conditioned on the rules being adopted in accordance
15 with all provisions of the Illinois Administrative Procedure
16 Act and all rules and procedures of the Joint Committee on
17 Administrative Rules; any purported rule not so adopted, for
18 whatever reason, is unauthorized.

19 (Source: P.A. 96-328, eff. 8-11-09; 96-833, eff. 6-1-10;
20 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11; 97-343, eff. 1-1-12;
21 97-486, eff. 1-1-12; 97-592, eff. 1-1-12; revised 10-13-11.)".