



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

HB2932

by Rep. JoAnn D. Osmond

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Comprehensive Health Insurance Plan Act. Provides that the insurance operations of the Comprehensive Health Insurance Plan authorized by the Act shall cease on January 1, 2014 and that Plan coverage does not apply to service provided on or after January 1, 2014. Provides for the repeal of the Comprehensive Health Insurance Plan Act on January 1, 2015. Amends the Illinois Health Benefits Exchange Law. Makes changes concerning the legislative intent of the Law. Sets forth definitions. Establishes the Illinois Health Benefits Exchange as a political subdivision, body politic and corporate. Provides that the Exchange shall be a public entity, but shall not be considered a department, institution, or agency of the State. Sets forth a provision concerning the certification of health benefit plans. Deletes references to the Illinois Health Benefits Exchange Legislative Study Committee and establishes instead the Illinois Health Benefits Exchange Legislative Oversight Committee within the Commission on Government Forecasting and Accountability. Provides that the governing and administrative powers of the Exchange shall be vested in a body known as the Illinois Health Benefits Exchange Board and sets forth provisions concerning appointments, terms, meetings, structure, recusal, budget, and purpose. Sets forth provisions concerning enrollment through brokers and agents and producer compensation. Effective immediately.

LRB098 09532 RPM 39675 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning regulation.

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 adding Sections 16 and 17 as follows:

6 (215 ILCS 105/16 new)

7 Sec. 16. Cessation of operations. Notwithstanding any  
8 other provision of this Act, the insurance operations of the  
9 Plan authorized by this Act shall cease on January 1, 2014.  
10 Plan coverage does not apply to service provided on or after  
11 January 1, 2014.

12 (215 ILCS 105/17 new)

13 Sec. 17. Repealer. This Act is repealed on January 1, 2015.

14 Section 10. The Illinois Health Benefits Exchange Law is  
15 amended by changing Sections 5-3, 5-5, and 5-15 and by adding  
16 Sections 5-4, 5-6, 5-16, 5-17, and 5-21 as follows:

17 (215 ILCS 122/5-3)

18 Sec. 5-3. Legislative intent. The General Assembly finds  
19 the health benefits exchanges authorized by the federal Patient  
20 Protection and Affordable Care Act represent one of a number of

1 ways in which the State can address coverage gaps and provide  
2 individual consumers and small employers access to greater  
3 coverage options. The General Assembly also finds that the  
4 State is best positioned to implement an exchange that is  
5 sensitive to the coverage gaps and market landscape unique to  
6 this State.

7 The purpose of this Law is to provide for the establishment  
8 of an Illinois Health Benefits Exchange (the Exchange) to  
9 facilitate the purchase and sale of qualified health plans and  
10 qualified dental plans in the individual market in this State  
11 and to provide for the establishment of a Small Business Health  
12 Options Program (SHOP Exchange) to assist qualified small  
13 employers in this State in facilitating the enrollment of their  
14 employees in qualified health plans and qualified dental plans  
15 offered in the small group market. The intent of the Exchange  
16 is to supplement the existing health insurance market to  
17 simplify shopping for individual and small employers by  
18 increasing access to benefit options, encouraging a robust and  
19 competitive market both inside and outside the Exchange,  
20 reducing the number of uninsured, and providing a transparent  
21 marketplace and effective consumer education and programmatic  
22 assistance tools. ~~The purpose of this Law is to ensure that the~~  
23 ~~State is making sufficient progress towards establishing an~~  
24 ~~exchange within the guidelines outlined by the federal law and~~  
25 ~~to protect Illinoisans from undue federal regulation. Although~~  
26 ~~the federal law imposes a number of core requirements on~~

~~state level exchanges, the State has significant flexibility in the design and operation of a State exchange that make it prudent for the State to carefully analyze, plan, and prepare for the exchange. The General Assembly finds that in order for the State to craft a tenable exchange that meets the fundamental goals outlined by the Patient Protection and Affordable Care Act of expanding access to affordable coverage and improving the quality of care, the implementation process should (1) provide for broad stakeholder representation; (2) foster a robust and competitive marketplace, both inside and outside of the exchange; and (3) provide for a broad-based approach to the fiscal solvency of the exchange.~~

(Source: P.A. 97-142, eff. 7-14-11.)

(215 ILCS 122/5-4 new)

Sec. 5-4. Definitions. In this Law:

"Board" means the Illinois Health Benefits Exchange Board established pursuant to this Law.

"Director" means the Director of Insurance.

"Educated health care consumer" means an individual who is knowledgeable about the health care system, and has background or experience in making informed decisions regarding health, medical, and scientific matters.

"Essential health benefits" has the meaning provided under Section 1302(b) of the Federal Act.

"Exchange" means the Illinois Health Benefits Exchange

1 established by this Law and includes the Individual Exchange  
2 and the SHOP Exchange, unless otherwise specified.

3 "Executive Director" means the Executive Director of the  
4 Illinois Health Benefits Exchange.

5 "Federal Act" means the federal Patient Protection and  
6 Affordable Care Act (Public Law 111-148), as amended by the  
7 federal Health Care and Education Reconciliation Act of 2010  
8 (Public Law 111-152), and any amendments thereto, or  
9 regulations or guidance issued under, those Acts.

10 "Health benefit plan" means a policy, contract,  
11 certificate, or agreement offered or issued by a health carrier  
12 to provide, deliver, arrange for, pay for, or reimburse any of  
13 the costs of health care services. "Health benefit plan" does  
14 not include:

15 (1) coverage for accident only or disability income  
16 insurance or any combination thereof;

17 (2) coverage issued as a supplement to liability  
18 insurance;

19 (3) liability insurance, including general liability  
20 insurance and automobile liability insurance;

21 (4) workers' compensation or similar insurance;

22 (5) automobile medical payment insurance;

23 (6) credit-only insurance;

24 (7) coverage for on-site medical clinics; or

25 (8) other similar insurance coverage, specified in  
26 federal regulations issued pursuant to Public Law 104-191,

1 under which benefits for health care services are secondary  
2 or incidental to other insurance benefits.

3 "Health benefit plan" does not include the following  
4 benefits if they are provided under a separate policy,  
5 certificate, or contract of insurance or are otherwise not an  
6 integral part of the plan:

7 (a) limited scope dental or vision benefits;

8 (b) benefits for long-term care, nursing home care,  
9 home health care, community-based care, or any combination  
10 thereof; or

11 (c) other similar, limited benefits specified in  
12 federal regulations issued pursuant to Public Law 104-191.

13 "Health benefit plan" does not include the following  
14 benefits if the benefits are provided under a separate policy,  
15 certificate, or contract of insurance, there is no coordination  
16 between the provision of the benefits and any exclusion of  
17 benefits under any group health plan maintained by the same  
18 plan sponsor, and the benefits are paid with respect to an  
19 event without regard to whether benefits are provided with  
20 respect to such an event under any group health plan maintained  
21 by the same plan sponsor:

22 (i) coverage only for a specified disease or illness;

23 or

24 (ii) hospital indemnity or other fixed indemnity  
25 insurance.

26 "Health benefit plan" does not include the following if

1 offered as a separate policy, certificate, or contract of  
2 insurance:

3 (A) Medicare supplemental health insurance as defined  
4 under Section 1882(g)(1) of the federal Social Security  
5 Act;

6 (B) coverage supplemental to the coverage provided  
7 under Chapter 55 of Title 10, United States Code (Civilian  
8 Health and Medical Program of the Uniformed Services  
9 (CHAMPUS)); or

10 (C) similar supplemental coverage provided to coverage  
11 under a group health plan.

12 "Health benefit plan" does not include a group health plan  
13 or multiple employer welfare arrangement to the extent the plan  
14 or arrangement is not subject to State insurance regulation  
15 under Section 514 of the federal Employee Retirement Income  
16 Security Act of 1974.

17 "Health carrier" or "carrier" means an entity subject to  
18 the insurance laws and regulations of this State, or subject to  
19 the jurisdiction of the Director, that contracts or offers to  
20 contract to provide, deliver, arrange for, pay for, or  
21 reimburse any of the costs of health care services, including a  
22 sickness and accident insurance company, a health maintenance  
23 organization, a nonprofit hospital and health service  
24 corporation, or any other entity providing a plan of health  
25 insurance, health benefits or health services.

26 "Individual Exchange" means the exchange marketplace

1 established by this Law through which qualified individuals may  
2 obtain coverage through an individual market qualified health  
3 plan.

4 "Insurance producer" means a person required to be licensed  
5 under the laws of this State to sell, solicit, or negotiate  
6 insurance.

7 "Principal place of business" means the location in a state  
8 where an employer has its headquarters or significant place of  
9 business and where the persons with direction and control  
10 authority over the business are employed.

11 "Qualified dental plan" means a limited scope dental plan  
12 that has been certified in accordance with this Law.

13 "Qualified employee" means an eligible individual employed  
14 by a qualified employer who has been offered health insurance  
15 coverage by that qualified employer through the SHOP on the  
16 Exchange.

17 "Qualified employer" means a small employer that elects to  
18 make its full-time employees eligible for one or more qualified  
19 health plans or qualified dental plans offered through the SHOP  
20 Exchange, and at the option of the employer, some or all of its  
21 part-time employees, provided that the employer has its  
22 principal place of business in this State and elects to provide  
23 coverage through the SHOP Exchange to all of its eligible  
24 employees, wherever employed.

25 "Qualified health plan" or "QHP" means a health benefit  
26 plan that has in effect a certification that the plan meets the



1 criteria for certification described in Section 1311(c) of the  
2 Federal Act.

3 "Qualified health plan issuer" or "QHP issuer" means a  
4 health insurance issuer that offers a health plan that the  
5 Exchange has certified as a qualified health plan.

6 "Qualified individual" means an individual, including a  
7 minor, who:

8 (1) is seeking to enroll in a qualified health plan or  
9 qualified dental plan offered to individuals through the  
10 Exchange;

11 (2) resides in this State;

12 (3) at the time of enrollment, is not incarcerated,  
13 other than incarceration pending the disposition of  
14 charges; and

15 (4) is, and is reasonably expected to be, for the  
16 entire period for which enrollment is sought, a citizen or  
17 national of the United States or an alien lawfully present  
18 in the United States.

19 "Secretary" means the Secretary of the federal Department  
20 of Health and Human Services.

21 "SHOP Exchange" means the Small Business Health Options  
22 Program established under this Law through which a qualified  
23 employer can provide small group qualified health plans to its  
24 qualified employees.

25 "Small employer" means, in connection with a group health  
26 plan with respect to a calendar year and a plan year, an

1 employer who employed an average of at least 2 but not more  
2 than 50 employees on business days during the preceding  
3 calendar year and who employs at least one employee on the  
4 first day of the plan year. Beginning January 1, 2016, the  
5 definition of a "small employer" shall mean, in connection with  
6 a group health plan with respect to a calendar year and a plan  
7 year, an employer who employed an average of at least 2 but not  
8 more than 100 employees on business days during the preceding  
9 calendar year and who employs at least one employee on the  
10 first day of the plan year. For purposes of this definition:

11 (a) all persons treated as a single employer under  
12 subsection (b), (c), (m) or (o) of Section 414 of the  
13 federal Internal Revenue Code of 1986 shall be treated as a  
14 single employer;

15 (b) an employer and any predecessor employer shall be  
16 treated as a single employer;

17 (c) employees shall be counted in accordance with  
18 federal law and regulations and State law and regulations;

19 (d) if an employer was not in existence throughout the  
20 preceding calendar year, then the determination of whether  
21 that employer is a small employer shall be based on the  
22 average number of employees that is reasonably expected  
23 that employer will employ on business days in the current  
24 calendar year; and

25 (e) an employer that makes enrollment in qualified  
26 health plans or qualified dental plans available to its

1 employees through the SHOP Exchange, and would cease to be  
2 a small employer by reason of an increase in the number of  
3 its employees, shall continue to be treated as a small  
4 employer for purposes of this Law as long as it  
5 continuously makes enrollment through the SHOP Exchange  
6 available to its employees.

7 (215 ILCS 122/5-5)

8 Sec. 5-5. Establishment of the Exchange ~~State health~~  
9 ~~benefits exchange.~~

10 (a) It is declared that this State, beginning October 1,  
11 2015 ~~2013~~, in accordance with Section 1311 of the federal  
12 Patient Protection and Affordable Care Act, shall establish a  
13 State health benefits exchange to be known as the Illinois  
14 Health Benefits Exchange in order to help individuals and small  
15 employers ~~with no more than 50 employees~~ shop for, select, and  
16 enroll in qualified, affordable private health plans that fit  
17 their needs at competitive prices. The Exchange shall separate  
18 coverage pools for individuals and small employers and shall  
19 supplement and not supplant any existing private health  
20 insurance market for individuals and small employers.

21 (b) There is hereby created a political subdivision, body  
22 politic and corporate, named the Illinois Health Benefits  
23 Exchange. The Exchange shall be a public entity, but shall not  
24 be considered a department, institution, or agency of the  
25 State.

1       (c) The Exchange shall be comprised of an individual and a  
2       small business health options (SHOP) exchange. Pursuant to  
3       Section 1311(b)(2) of the Federal Act, the Exchange shall  
4       provide individual exchange services to qualified individuals  
5       and SHOP exchange services to qualified employers under a  
6       single governance and administrative structure. The Board  
7       shall produce an assessment by July 1, 2016 to determine the  
8       viability of merging the SHOP Exchange and individual Exchange  
9       functions into a single exchange by January 1, 2017.

10       (d) The Exchange shall promote a competitive and robust  
11       marketplace that does not limit consumer access to affordable  
12       health coverage options. The Exchange shall certify health  
13       benefit plans on the individual and SHOP exchange, as  
14       applicable, provided that any such health benefit plan that  
15       meets the requirements set forth in Section 1311(c) of the  
16       Federal Act shall be offered on the individual and SHOP  
17       exchange.

18       (e) The Exchange shall not duplicate or replace the  
19       functions of the Department of Insurance, the Department of  
20       Healthcare and Family Services, or the Department of Public  
21       Health, including, but not limited to, the Department of  
22       Insurance's rate review authority.

23       (Source: P.A. 97-142, eff. 7-14-11.)

24       (215 ILCS 122/5-6 new)

25       Sec. 5-6. Health benefit plan certification.

1       (a) The Exchange, in consultation with the Department of  
2 Insurance, shall certify a health benefit plan as a qualified  
3 health plan if the following provisions are met:

4           (1) the plan provides the essential health benefits  
5 package described in Section 1302(a) of the Federal Act;  
6 except that the plan is not required to provide essential  
7 benefits that duplicate the minimum benefits of qualified  
8 dental plans, as provided in subsection (e) of this Section  
9 if:

10           (A) the Exchange has determined that at least one  
11 qualified dental plan is available to supplement the  
12 plan's coverage; and

13           (B) the health carrier makes prominent disclosure  
14 at the time it offers the plan, in a form approved by  
15 the Exchange, that the plan does not provide the full  
16 range of essential pediatric dental benefits and that  
17 qualified dental plans providing those benefits and  
18 other dental benefits not covered by the plan are  
19 offered through the Exchange;

20           (2) the premium rates and contract language have not  
21 been disapproved by the Director and the health carrier has  
22 fulfilled any statutorily required State rate filing  
23 requirements;

24           (3) the plan provides at least the minimum level of  
25 coverage prescribed by the Federal Act;

26           (4) the plan ensures that the cost-sharing

1 requirements of the plan do not exceed the limits  
2 established under Section 1302(c)(1) of the Federal Act,  
3 and if the plan is offered through the SHOP Exchange, the  
4 plan's deductible does not exceed the limits established  
5 under Section 1302(c)(2) of the Federal Act;

6 (5) the plan is offered by a health carrier that:

7 (A) is authorized and in good standing to offer  
8 health insurance coverage;

9 (B) offers at least one qualified health plan at  
10 the silver level and at least one plan at the gold  
11 level, as described in the Federal Act, through each  
12 component of the Board in which the health carrier  
13 participates; for the purposes of this subparagraph  
14 (B), "component" means the SHOP Exchange and the  
15 Exchange for individual coverage within the Illinois  
16 Health Benefit Exchange;

17 (C) charges the same premium rate for each  
18 qualified health plan without regard to whether the  
19 plan is offered through the Exchange and without regard  
20 to whether the plan is offered directly from the health  
21 carrier or through an insurance producer;

22 (D) does not charge any cancellation fees or  
23 penalties; and

24 (E) complies with the regulations established by  
25 the Secretary under Section 1311 (d) of the Federal Act  
26 and any other requirements as the Board may establish;

1           and

2           (6) the plan meets the requirements of certification  
3           pursuant to the Exchange provided in this Law and by the  
4           Secretary under Section 1311(c) of the Federal Act and  
5           rules adopted pursuant to this Law or the Federal Act.

6           (b) The Exchange shall not withhold certification from a  
7           health benefit plan:

8           (1) on the basis that the plan is a fee-for-service  
9           plan;

10           (2) through the imposition of premium price controls by  
11           the Exchange; or

12           (3) on the basis that the health benefit plan provides  
13           treatments necessary to prevent patients' deaths in  
14           circumstances the Board determines are inappropriate or  
15           too costly.

16           (c) The Exchange shall require each health carrier seeking  
17           certification of a plan as a qualified health plan to do both  
18           of the following:

19           (1) Make available to the public, in plain language as  
20           defined in Section 1311(e) (3) (B) of the Federal Act, and  
21           submit to the Exchange, the Secretary, and the Department  
22           accurate and timely disclosure of the following:

23                   (i) claims payment policies and practices;

24                   (ii) periodic financial disclosures;

25                   (iii) data on enrollment;

26                   (iv) data on disenrollment;

1 (v) data on the number of claims that are denied;

2 (vi) data on rating practices;

3 (vii) information on cost-sharing and payments  
4 with respect to any out-of-network coverage;

5 (viii) information on enrollee and participant  
6 rights under Title I of the Federal Act; and

7 (ix) other information as determined appropriate  
8 by the Secretary.

9 Where information is proprietary or confidential, it  
10 shall be exempted from being made available to the public.

11 (2) Permit individuals to learn, in a timely manner  
12 upon the request of the individual, the amount of  
13 cost-sharing, including deductibles, copayments, and  
14 coinsurance, under the individual's plan or coverage that  
15 the individual would be responsible for paying with respect  
16 to the furnishing of a specific item or service by a  
17 participating provider and make this information available  
18 to the individual through an Internet website that is  
19 publicly accessible and through other means for  
20 individuals without access to the Internet in accordance  
21 with federal regulations.

22 (d) The Board shall not exempt any health carrier seeking  
23 certification as a qualified health plan, regardless of the  
24 type or size of the health carrier, from licensure or solvency  
25 requirements and shall apply the criteria of this Section in a  
26 manner that ensures a level playing field between or among



1 health carriers participating in the Exchange.

2 (e) The provisions of this Law that are applicable to  
3 qualified health plans shall also apply, to the extent  
4 relevant, to qualified dental plans, except as modified in  
5 accordance with the provisions of paragraphs (1), (2), and (3)  
6 of this subsection (e) as follows:

7 (1) The health carrier shall be licensed to offer  
8 dental coverage, but need not be licensed to offer other  
9 health benefits.

10 (2) The plan shall be limited to dental and oral health  
11 benefits, without substantially duplicating the benefits  
12 typically offered by health benefit plans without dental  
13 coverage, and shall include, at a minimum, the essential  
14 pediatric dental benefits prescribed by the Secretary  
15 pursuant to Section 1302(b)(1)(J) of the Federal Act and  
16 such other dental benefits as the Board or the Secretary  
17 may specify by rule.

18 (3) Health carriers may jointly offer a comprehensive  
19 plan through the Exchange in which the dental benefits are  
20 provided by a health carrier through a qualified dental  
21 plan and the other benefits are provided by a health  
22 carrier through a qualified health plan, provided that the  
23 plans are priced separately and are also made available for  
24 purchase separately at the same price.

1           Sec. 5-15. Illinois Health Benefits Exchange Legislative  
2 Oversight Study Committee.

3           (a) There is created an Illinois Health Benefits Exchange  
4 Legislative Oversight Study Committee within the Commission on  
5 Government Forecasting and Accountability to provide  
6 accountability for ~~conduct a study regarding State~~  
7 ~~implementation and establishment of~~ the Illinois Health  
8 Benefits Exchange and to ensure Exchange operations and  
9 functions align with the goals and duties outlined by this Law.  
10 The Committee shall also be responsible for providing policy  
11 recommendations to ensure the Exchange aligns with the Federal  
12 Act, amendments to the Federal Act, and regulations promulgated  
13 pursuant to the Federal Act.

14           (b) Members of the Legislative Oversight Study Committee  
15 shall be appointed as follows: 3 members of the Senate shall be  
16 appointed by the President of the Senate; 3 members of the  
17 Senate shall be appointed by the Minority Leader of the Senate;  
18 3 members of the House of Representatives shall be appointed by  
19 the Speaker of the House of Representatives; and 3 members of  
20 the House of Representatives shall be appointed by the Minority  
21 Leader of the House of Representatives. Each legislative leader  
22 shall select one member to serve as co-chair of the committee.

23           ~~(c)~~ Members of the Legislative Oversight Study Committee  
24 shall be appointed no later than June 1, 2013 ~~within 30 days~~  
25 ~~after the effective date of this Law. The co-chairs shall~~  
26 ~~convene the first meeting of the committee no later than 45~~

1 ~~days after the effective date of this Law.~~

2 (Source: P.A. 97-142, eff. 7-14-11.)

3 (215 ILCS 122/5-16 new)

4 Sec. 5-16. Exchange governance. The governing and  
5 administrative powers of the Exchange shall be vested in a body  
6 known as the Illinois Health Benefits Exchange Board. The  
7 following provisions shall apply:

8 (1) The Board shall consist of 11 voting members  
9 appointed by the Governor with the advice and consent of a  
10 majority of the members elected to the Senate. In addition,  
11 the Director of Insurance, the Director of Healthcare and  
12 Family Services, and the Executive Director of the Exchange  
13 shall serve as non-voting, ex-officio members of the Board.  
14 The Governor shall also appoint as non-voting, ex-officio  
15 members one economist with experience in the health care  
16 markets and one educated health care consumer advocate. All  
17 Board members shall be appointed no later than January 1,  
18 2014.

19 (2) The Governor shall make the appointments so as to  
20 reflect no less than proportional representation of the  
21 geographic, gender, cultural, racial, and ethnic  
22 composition of this State and in accordance with  
23 subparagraphs (A), (B), and (C) of this paragraph, as  
24 follows:

25 (A) No more than 4 voting members may be

1 individuals who are employed by, a consultant to, or a  
2 member of a board of directors of an insurer, a  
3 third-party administrator, or an insurance producer.  
4 No more than one voting member may be an individual who  
5 is a member of a board of directors of a health care  
6 provider, health care facility, or health clinic.

7 (B) At least one board member must represent each  
8 of the following interest groups:

9 (1) a labor interest group;

10 (2) a women's interest group;

11 (3) a minorities' interest group;

12 (4) a disabled persons' interest group;

13 (5) a small business interest group; and

14 (6) a public health interest group.

15 (C) Each person appointed to the Board should have  
16 demonstrated expertise in no less than 2 of the  
17 following areas:

18 (1) individual health insurance coverage;

19 (2) small employer health insurance;

20 (3) health benefits administration;

21 (4) health care finance;

22 (5) administration of a public or private  
23 health care delivery system;

24 (6) the provision of health care services;

25 (7) the purchase of health insurance coverage;

26 (8) health care consumer navigation or

1           assistance;

2                   (9) health care economics or health care  
3           actuarial sciences;

4                   (10) information technology;

5                   (11) starting a small business with 50 or fewer  
6           employees; or

7                   (12) government-sponsored health care, such as  
8           Medicaid or CHIP.

9           (3) The Board shall elect one voting member of the  
10           Board to serve as chairperson and one voting member to  
11           serve as vice-chairperson, upon approval of a majority of  
12           the Board.

13           (4) The Exchange shall be administered by an Executive  
14           Director who shall be appointed, and may be removed, by a  
15           majority of the Board. The Board shall have the power to  
16           determine compensation for the Executive Director. The  
17           Executive Director may not be a State employee or have been  
18           employed by or have had a contract with the State in the 3  
19           years prior to his or her appointment. The Executive  
20           Director may not be nor have been an employee of an  
21           insurance company in the 3 years prior to his or her  
22           appointment.

23           (5) The terms of the non-voting, ex-officio members of  
24           the Board shall run concurrent with their terms of  
25           appointment to office, or in the case of the Executive  
26           Director, his or her term of appointment to that position,

1 subject to the determination of the Board. The terms of the  
2 members, including those non-voting, ex-officio members  
3 appointed by the Governor, shall be 4 years. Each member of  
4 the General Assembly identified in paragraph (1) of this  
5 Section shall initially appoint one member to a 3-year  
6 term, and one member to a 4-year term. Upon conclusion of  
7 the initial term, the next term and every term subsequent  
8 to it shall run for 3 years. Voting members shall serve no  
9 more than 3 consecutive terms.

10 A person appointed to fill a vacancy and complete the  
11 unexpired term of a member of the Board shall only be  
12 appointed to serve out the unexpired term by the individual  
13 who made the original appointment within 45 days after the  
14 initial vacancy. A person appointed to fill a vacancy and  
15 complete the unexpired term of a member of the Board may be  
16 re-appointed to the Board for another term, but shall not  
17 serve than more than 2 consecutive terms following their  
18 completion of the unexpired term of a member of the Board.

19 If a voting Board member's qualifications change due to  
20 a change in employment during the term of their  
21 appointment, then the Board member shall resign their  
22 position, subject to reappointment by the individual who  
23 made the original appointment.

24 (6) The Board shall, as necessary, create and appoint  
25 qualified persons with requisite expertise to Exchange  
26 technical advisory groups. These Exchange technical

1 advisory groups shall meet in a manner and frequency  
2 determined by the Board to discuss exchange-related issues  
3 and to provide exchange-related guidance, advice, and  
4 recommendations to the Board and the Exchange. There shall  
5 be, at a minimum, 4 technical advisory groups, including  
6 the following:

7 (1) an insurer advisory group;

8 (2) a business advisory group;

9 (3) a consumer advisory group; and

10 (4) a provider advisory group.

11 (7) The Board shall meet no less than quarterly on a  
12 schedule established by the chairperson. Meetings shall be  
13 public and public records shall be maintained, subject to  
14 the Open Meetings Act. A majority of the Board shall  
15 constitute a quorum and the affirmative vote of a majority  
16 is necessary for any action of the Board. No vacancy shall  
17 impair the ability of the Board to act provided a quorum is  
18 reached. Members shall serve without pay, but shall be  
19 reimbursed for their actual and reasonable expenses  
20 incurred in the performance of their duties. The  
21 chairperson of the Board shall file a written report  
22 regarding the activities of the Board and the Exchange to  
23 the Governor and General Assembly annually, and the  
24 Legislative Oversight Committee established in Section  
25 5-15 quarterly, beginning on July 1, 2014 through December  
26 31, 2016.

1           (8) The Board shall adopt conflict of interest rules  
2           and recusal procedures. Such rules and procedures shall (i)  
3           prohibit a member of the Board from performing an official  
4           act that may have a direct economic benefit on a business  
5           or other endeavor in which that member has a direct or  
6           substantial financial interest and (ii) require a member of  
7           the Board to recuse himself or herself from an official  
8           matter, whether direct or indirect. All recusals must be in  
9           advance, in writing, and specify the reason and date of the  
10           recusal. All recusals shall be maintained by the Executive  
11           Director and shall be disclosed to any person upon written  
12           request.

13           (9) The Board shall develop an initial budget for the  
14           implementation and operation of the Exchange for fiscal  
15           year 2015, fiscal year 2016, and fiscal year 2017 for  
16           review and approval by the Governor and the General  
17           Assembly. The initial budget shall include, but not be  
18           limited to, the following:

19           (A) proposed compensation levels for the Executive  
20           Director and shall identify personnel and staffing  
21           needs for the implementation and operation of the  
22           Exchange;

23           (B) disclosure of funds received or expected to be  
24           received from the federal government for the  
25           infrastructure and systems of the Exchange and those  
26           funds received or expected to be received for program



1 administration and operations; and

2 (C) delineation of those functions of the Exchange  
3 that are to be paid by State and federal programs that  
4 are allocable to the State's General Revenue Fund.

5 (10) The Board shall recommend no later than March 1,  
6 2014 a revenue-generating plan that shall be subject to the  
7 initial review and approval of the General Assembly

8 (11) The purpose of the Board shall be to implement the  
9 Exchange in accordance with this Section and shall be  
10 authorized to establish procedures for the operation of the  
11 Exchange, subject to legislative approval.

12 (215 ILCS 122/5-17 new)

13 Sec. 5-17. Illinois Health Benefits Exchange Fund. There is  
14 hereby created a fund outside of the State treasury to be known  
15 as the Illinois Health Benefits Exchange Fund to be used,  
16 subject to appropriation, exclusively by the Exchange to  
17 provide funding for the operation and administration of the  
18 Exchange in carrying out the purposes authorized in this Law.

19 (215 ILCS 122/5-21 new)

20 Sec. 5-21. Enrollment through brokers and agents; producer  
21 compensation.

22 (a) In accordance with Section 1312(e) of the Federal Act,  
23 the Exchange shall allow licensed insurance producers to (1)  
24 enroll qualified individuals in any qualified health plan, for

1 which the individual is eligible, in the individual exchange,  
2 (2) assist qualified individuals in applying for premium tax  
3 credits and cost-sharing reductions for qualified health plans  
4 purchased through the individual exchange, and (3) enroll  
5 qualified employers in any qualified health plan, for which the  
6 employer is eligible, offered through the SHOP exchange.  
7 Nothing in this subsection (a) shall be construed as to require  
8 a qualified individual or qualified employer to utilize a  
9 licensed insurance producer for any of the purposes outlined in  
10 this subsection (a).

11 (b) In order to enroll individuals and small employers in  
12 qualified health plans on the Exchange, licensed producers must  
13 complete a certification program. The Department of Insurance  
14 may develop and implement a certification program for licensed  
15 insurance producers who enroll individuals and employers in the  
16 exchange. The Department of Insurance may charge a reasonable  
17 fee, by regulation, to producers for the certification program.  
18 The Department of Insurance may approve certification programs  
19 developed and instructed by others, charging a reasonable fee,  
20 by regulation, for approval.

21 (c) The Exchange shall include on its Internet website a  
22 producer locator section, featured prominently, through which  
23 individuals and small employers can find exchange-certified  
24 producers.

25 (d) The Exchange shall have no role in developing or  
26 determining the manner or amount of compensation producers

1 receive from qualified health plans for individuals or  
2 employers enrolled in health plans through the Exchange.

3 Section 99. Effective date. This Act takes effect upon  
4 becoming law.

1 INDEX

2 Statutes amended in order of appearance

3 215 ILCS 105/16 new

4 215 ILCS 105/17 new

5 215 ILCS 122/5-3

6 215 ILCS 122/5-4 new

7 215 ILCS 122/5-5

8 215 ILCS 122/5-6 new

9 215 ILCS 122/5-15

10 215 ILCS 122/5-16 new

11 215 ILCS 122/5-17 new

12 215 ILCS 122/5-21 new