



Sen. David Koehler

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1 AMENDMENT TO SENATE BILL 34

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 34 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Personnel Code is amended by changing  
5 Section 4c as follows:

6 (20 ILCS 415/4c) (from Ch. 127, par. 63b104c)

7 Sec. 4c. General exemptions. The following positions in  
8 State service shall be exempt from jurisdictions A, B, and C,  
9 unless the jurisdictions shall be extended as provided in this  
10 Act:

11 (1) All officers elected by the people.

12 (2) All positions under the Lieutenant Governor,  
13 Secretary of State, State Treasurer, State Comptroller,  
14 State Board of Education, Clerk of the Supreme Court,  
15 Attorney General, and State Board of Elections.

16 (3) Judges, and officers and employees of the courts,

1 and notaries public.

2 (4) All officers and employees of the Illinois General  
3 Assembly, all employees of legislative commissions, all  
4 officers and employees of the Illinois Legislative  
5 Reference Bureau, the Legislative Research Unit, and the  
6 Legislative Printing Unit.

7 (5) All positions in the Illinois National Guard and  
8 Illinois State Guard, paid from federal funds or positions  
9 in the State Military Service filled by enlistment and paid  
10 from State funds.

11 (6) All employees of the Governor at the executive  
12 mansion and on his immediate personal staff.

13 (7) Directors of Departments, the Adjutant General,  
14 the Assistant Adjutant General, the Director of the  
15 Illinois Emergency Management Agency, members of boards  
16 and commissions, and all other positions appointed by the  
17 Governor by and with the consent of the Senate.

18 (8) The presidents, other principal administrative  
19 officers, and teaching, research and extension faculties  
20 of Chicago State University, Eastern Illinois University,  
21 Governors State University, Illinois State University,  
22 Northeastern Illinois University, Northern Illinois  
23 University, Western Illinois University, the Illinois  
24 Community College Board, Southern Illinois University,  
25 Illinois Board of Higher Education, University of  
26 Illinois, State Universities Civil Service System,

1 University Retirement System of Illinois, and the  
2 administrative officers and scientific and technical staff  
3 of the Illinois State Museum.

4 (9) All other employees except the presidents, other  
5 principal administrative officers, and teaching, research  
6 and extension faculties of the universities under the  
7 jurisdiction of the Board of Regents and the colleges and  
8 universities under the jurisdiction of the Board of  
9 Governors of State Colleges and Universities, Illinois  
10 Community College Board, Southern Illinois University,  
11 Illinois Board of Higher Education, Board of Governors of  
12 State Colleges and Universities, the Board of Regents,  
13 University of Illinois, State Universities Civil Service  
14 System, University Retirement System of Illinois, so long  
15 as these are subject to the provisions of the State  
16 Universities Civil Service Act.

17 (10) The State Police so long as they are subject to  
18 the merit provisions of the State Police Act.

19 (11) (Blank).

20 (12) The technical and engineering staffs of the  
21 Department of Transportation, the Department of Nuclear  
22 Safety, the Pollution Control Board, and the Illinois  
23 Commerce Commission, and the technical and engineering  
24 staff providing architectural and engineering services in  
25 the Department of Central Management Services.

26 (13) All employees of the Illinois State Toll Highway

1 Authority.

2 (14) The Secretary of the Illinois Workers'  
3 Compensation Commission.

4 (15) All persons who are appointed or employed by the  
5 Director of Insurance under authority of Section 202 of the  
6 Illinois Insurance Code to assist the Director of Insurance  
7 in discharging his responsibilities relating to the  
8 rehabilitation, liquidation, conservation, and dissolution  
9 of companies that are subject to the jurisdiction of the  
10 Illinois Insurance Code.

11 (16) All employees of the St. Louis Metropolitan Area  
12 Airport Authority.

13 (17) All investment officers employed by the Illinois  
14 State Board of Investment.

15 (18) Employees of the Illinois Young Adult  
16 Conservation Corps program, administered by the Illinois  
17 Department of Natural Resources, authorized grantee under  
18 Title VIII of the Comprehensive Employment and Training Act  
19 of 1973, 29 USC 993.

20 (19) Seasonal employees of the Department of  
21 Agriculture for the operation of the Illinois State Fair  
22 and the DuQuoin State Fair, no one person receiving more  
23 than 29 days of such employment in any calendar year.

24 (20) All "temporary" employees hired under the  
25 Department of Natural Resources' Illinois Conservation  
26 Service, a youth employment program that hires young people

1 to work in State parks for a period of one year or less.

2 (21) All hearing officers of the Human Rights  
3 Commission.

4 (22) All employees of the Illinois Mathematics and  
5 Science Academy.

6 (23) All employees of the Kankakee River Valley Area  
7 Airport Authority.

8 (24) The commissioners and employees of the Executive  
9 Ethics Commission.

10 (25) The Executive Inspectors General, including  
11 special Executive Inspectors General, and employees of  
12 each Office of an Executive Inspector General.

13 (26) The commissioners and employees of the  
14 Legislative Ethics Commission.

15 (27) The Legislative Inspector General, including  
16 special Legislative Inspectors General, and employees of  
17 the Office of the Legislative Inspector General.

18 (28) The Auditor General's Inspector General and  
19 employees of the Office of the Auditor General's Inspector  
20 General.

21 (29) All employees of the Illinois Power Agency.

22 (30) Employees having demonstrable, defined advanced  
23 skills in accounting, financial reporting, or technical  
24 expertise who are employed within executive branch  
25 agencies and whose duties are directly related to the  
26 submission to the Office of the Comptroller of financial

1 information for the publication of the Comprehensive  
2 Annual Financial Report (CAFR).

3 (31) The employees of the Illinois Health Benefits  
4 Exchange.

5 (Source: P.A. 97-618, eff. 10-26-11; 97-1055, eff. 8-23-12.)

6 Section 10. The Illinois Health Benefits Exchange Law is  
7 amended by changing Sections 5-3, 5-5, and 5-15 and by adding  
8 Sections 5-4, 5-6, 5-16, 5-17, 5-18, 5-21, and 5-23 as follows:

9 (215 ILCS 122/5-3)

10 Sec. 5-3. Legislative intent. The General Assembly finds  
11 the health benefits exchanges authorized by the federal Patient  
12 Protection and Affordable Care Act represent one of a number of  
13 ways in which the State can address coverage gaps and provide  
14 individual consumers and small employers access to greater  
15 coverage options. The General Assembly also finds that the  
16 State is best positioned to implement an exchange that is  
17 sensitive to the coverage gaps and market landscape unique to  
18 this State.

19 The purpose of this Law is to provide for the establishment  
20 of an Illinois Health Benefits Exchange (the Exchange) to  
21 facilitate the purchase and sale of qualified health plans and  
22 qualified dental plans in the individual market in this State  
23 and to provide for the establishment of a Small Business Health  
24 Options Program (SHOP Exchange) to assist qualified small

1 employers in this State in facilitating the enrollment of their  
2 employees in qualified health plans and qualified dental plans  
3 offered in the small group market. The intent of the Exchange  
4 is to supplement the existing health insurance market to  
5 simplify shopping for individual and small employers by  
6 increasing access to benefit options, encouraging a  
7 competitive market both inside and outside the Exchange,  
8 reducing the number of uninsured, and providing a transparent  
9 marketplace and effective consumer education and programmatic  
10 assistance tools. The purpose of this Law is to ensure that the  
11 State is making sufficient progress towards establishing an  
12 exchange within the guidelines outlined by the federal law and  
13 to protect Illinoisans from undue federal regulation. Although  
14 the federal law imposes a number of core requirements on  
15 state level exchanges, the State has significant flexibility  
16 in the design and operation of a State exchange that make it  
17 prudent for the State to carefully analyze, plan, and prepare  
18 for the exchange. The General Assembly finds that in order for  
19 the State to craft a tenable exchange that meets the  
20 fundamental goals outlined by the Patient Protection and  
21 Affordable Care Act of expanding access to affordable coverage  
22 and improving the quality of care, the implementation process  
23 should (1) provide for broad stakeholder representation; (2)  
24 foster a robust and competitive marketplace, both inside and  
25 outside of the exchange; and (3) provide for a broad based  
26 approach to the fiscal solvency of the exchange.

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

2 (215 ILCS 122/5-4 new)

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

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

6 "Department" means the Department of Insurance.

7 "Director" means the Director of Insurance.

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

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

14 "Exchange" means the Illinois Health Benefits Exchange  
15 established by this Law and includes the Individual Exchange  
16 and the SHOP Exchange, unless otherwise specified.

17 "Executive Director" means the Executive Director of the  
18 Illinois Health Benefits Exchange.

19 "Federal Act" means the federal Patient Protection and  
20 Affordable Care Act (Public Law 111-148), as amended by the  
21 federal Health Care and Education Reconciliation Act of 2010  
22 (Public Law 111-152), and any amendments thereto, or  
23 regulations or guidance issued under, those Acts.

24 "Health benefit plan" means a policy, contract,  
25 certificate, or agreement offered or issued by a health carrier



1 to provide, deliver, arrange for, pay for, or reimburse any of  
2 the costs of health care services. "Health benefit plan" does  
3 not include:

4 (1) coverage for accident only or disability income  
5 insurance or any combination thereof;

6 (2) coverage issued as a supplement to liability  
7 insurance;

8 (3) liability insurance, including general liability  
9 insurance and automobile liability insurance;

10 (4) workers' compensation or similar insurance;

11 (5) automobile medical payment insurance;

12 (6) credit-only insurance;

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

14 (8) other similar insurance coverage, specified in  
15 federal regulations issued pursuant to the federal Health  
16 Information Portability and Accountability Act of 1996,  
17 Public Law 104-191, under which benefits for health care  
18 services are secondary or incidental to other insurance  
19 benefits.

20 "Health benefit plan" does not include the following  
21 benefits if they are provided under a separate policy,  
22 certificate, or contract of insurance or are otherwise not an  
23 integral part of the plan:

24 (a) limited scope dental or vision benefits;

25 (b) benefits for long-term care, nursing home care,  
26 home health care, community-based care, or any combination

1       thereof; or

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

4       "Health benefit plan" does not include the following  
5       benefits if the benefits are provided under a separate policy,  
6       certificate, or contract of insurance, there is no coordination  
7       between the provision of the benefits and any exclusion of  
8       benefits under any group health plan maintained by the same  
9       plan sponsor, and the benefits are paid with respect to an  
10       event without regard to whether benefits are provided with  
11       respect to such an event under any group health plan maintained  
12       by the same plan sponsor:

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

14       or

15           (ii) hospital indemnity or other fixed indemnity  
16       insurance.

17       "Health benefit plan" does not include the following if  
18       offered as a separate policy, certificate, or contract of  
19       insurance:

20           (A) Medicare supplemental health insurance as defined  
21       under Section 1882(g)(1) of the federal Social Security  
22       Act;

23           (B) coverage supplemental to the coverage provided  
24       under Chapter 55 of Title 10, United States Code (Civilian  
25       Health and Medical Program of the Uniformed Services  
26       (CHAMPUS)); or

1           (C) similar supplemental coverage provided to coverage  
2           under a group health plan.

3           "Health benefit plan" does not include a group health plan  
4           or multiple employer welfare arrangement to the extent the plan  
5           or arrangement is not subject to State insurance regulation  
6           under Section 514 of the federal Employee Retirement Income  
7           Security Act of 1974.

8           "Health insurance carrier" or "carrier" means an entity  
9           subject to the insurance laws and regulations of this State, or  
10           subject to the jurisdiction of the Director, that contracts or  
11           offers to contract to provide, deliver, arrange for, pay for,  
12           or reimburse any of the costs of health care services,  
13           including a sickness and accident insurance company, a health  
14           maintenance organization, or any other entity providing a plan  
15           of health insurance, health benefits, or health services.

16           "Health insurance carrier" does not include short term,  
17           accident only, disability income, hospital confinement or  
18           fixed indemnity, vision only, limited benefit, or credit  
19           insurance, coverage issued as a supplement to liability  
20           insurance, insurance arising out of a workers' compensation or  
21           similar law, automobile medical-payment insurance, insurance  
22           under which benefits are payable with or without regard to  
23           fault and which is statutorily required to be contained in any  
24           liability insurance policy or equivalent self-insurance, or a  
25           Consumer Operated and Oriented Plan.

26           "Illinois Health Benefits Exchange Fund" means the fund

1 created outside of the State treasury to be used exclusively to  
2 provide funding for the operation and administration of the  
3 Exchange in carrying out the purposes authorized by this Law.

4 "Individual Exchange" means the exchange marketplace  
5 established by this Law through which qualified individuals may  
6 obtain coverage through an individual market qualified health  
7 plan.

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

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

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

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

26 "Qualified health plan" or "QHP" means a health benefit

1 plan that has in effect a certification that the plan meets the  
2 criteria for certification described in Section 1311(c) of the  
3 Federal Act.

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

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

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

12 (2) resides in this State;

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

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

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

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

26 "Small employer" means, in connection with a group health

1 plan with respect to a calendar year and a plan year, an  
2 employer who employed an average of at least 2 but not more  
3 than 50 employees before January 1, 2016 and no more than 100  
4 employees on and after January 1, 2016 on business days during  
5 the preceding calendar year and who employs at least one  
6 employee on the first day of the plan year. For purposes of  
7 this definition:

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

12 (b) an employer and any predecessor employer shall be  
13 treated as a single employer;

14 (c) employees shall be counted in accordance with  
15 federal law and regulations and State law and regulations;  
16 provided however, that in the event of a conflict between  
17 the federal law and regulations and the State law and  
18 regulations, the federal law and regulations shall  
19 prevail;

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

26 (e) an employer that makes enrollment in qualified

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

8 (215 ILCS 122/5-5)

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

11 (a) It is declared that this State, beginning on the  
12 effective date of this amendatory Act of the 98th General  
13 Assembly ~~October 1, 2013~~, in accordance with Section 1311 of  
14 the federal Patient Protection and Affordable Care Act, shall  
15 establish a State health benefits exchange to be known as the  
16 Illinois Health Benefits Exchange in order to help individuals  
17 and small employers ~~with no more than 50 employees~~ shop for,  
18 select, and enroll in qualified, affordable private health  
19 plans that fit their needs at competitive prices. The Exchange  
20 shall separate coverage pools for individuals and small  
21 employers and shall supplement and not supplant any existing  
22 private health insurance market for individuals and small  
23 employers. These health plans shall be available to individuals  
24 and small employers for enrollment by October 1, 2014.

25 (b) There is hereby created a political subdivision, body

1 politic and corporate, named the Illinois Health Benefits  
2 Exchange. The Exchange shall be a public entity, but shall not  
3 be considered a department, institution, or agency of the  
4 State.

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

14 (d) The Exchange shall promote a competitive marketplace  
15 for consumer access to affordable health coverage options. The  
16 Department shall review and recommend that the Board certify  
17 health benefit plans on the individual and SHOP Exchange, as  
18 applicable, provided that any such health benefit plan meets  
19 the requirements set forth in Section 1311(c) of the Federal  
20 Act and any other requirements of the Illinois Insurance Code.  
21 The Board shall certify health benefit plans that the  
22 Department recommends for certification.

23 (e) The Exchange shall not supersede the provisions of the  
24 Illinois Insurance Code, nor the functions of the Department of  
25 Insurance, the Department of Healthcare and Family Services, or  
26 the Department of Public Health.



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

2 (215 ILCS 122/5-6 new)

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

4 (a) To be certified as a qualified health plan, a health  
5 benefit plan shall, at a minimum:

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

11 (A) the Board, in cooperation with the Department,  
12 has determined that at least one qualified dental plan  
13 is available to supplement the plan's coverage; and

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

21 (2) fulfill all premium rate and contract filing  
22 requirements and ensure that no contract language has been  
23 disapproved by the Director;

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

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

7           (5) be offered by a health carrier that:

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

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

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

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

25                   (E) complies with the regulations established by  
26                   the Secretary under Section 1311 (d) of the Federal Act

1           and any other requirements of the Illinois Insurance  
2           Code and the Department;

3           (6) meet the requirements of certification pursuant to  
4           the requirements of the Department and the Illinois  
5           Insurance Code provided in this Law and the requirements  
6           issued by the Secretary under Section 1311(c) of the  
7           Federal Act and rules promulgated or adopted pursuant to  
8           this Law or the Federal Act, which shall include:

9                   (A) minimum standards in the areas of marketing  
10           practices;

11                   (B) network adequacy;

12                   (C) essential community providers in underserved  
13           areas;

14                   (D) accreditation;

15                   (E) quality improvement;

16                   (F) uniform enrollment forms and descriptions of  
17           coverage; and

18                   (G) information on quality measures for health  
19           benefit plan performance; and

20           (7) include outpatient clinics in the health plan's  
21           region that are controlled by an entity that also controls  
22           a 340B eligible provider as defined by Section 340B(a)(4)  
23           of the federal Public Health Service Act such that the  
24           outpatient clinics are subject to the same mission,  
25           policies, and medical standards related to the provision of  
26           health care services as the 340B eligible provider.

1       (b) The Department shall require each health carrier  
2 seeking certification of a plan as a qualified health plan to:

3           (1) make available to the public, in plain language as  
4 defined in Section 1311(e)(3)(B) of the Federal Act, and  
5 submit to the Board, the Secretary, and the Department  
6 accurate and timely disclosure of the following:

7                   (i) claims payment policies and practices;

8                   (ii) periodic financial disclosures;

9                   (iii) data on enrollment;

10                   (iv) data on disenrollment;

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

13                   (vi) data on rating practices;

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

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

18                   (ix) other information as determined  
19 appropriate by the Secretary, including, but not  
20 limited to, accredited clinical quality measures;  
21 and

22           (2) permit individuals to learn, in a timely manner  
23 upon the request of the individual, the comparative quality  
24 standards of the plans along established clinical  
25 data-based standards and the amount of cost-sharing,  
26 including deductibles, copayments, and coinsurance, under

1 the individual's plan or coverage that the individual would  
2 be responsible for paying with respect to the furnishing of  
3 a specific item or service by a participating provider and  
4 make this information available to the individual through  
5 an Internet website that is publicly accessible and through  
6 other means for individuals without access to the Internet.

7 (c) The Department shall not exempt any health carrier  
8 seeking certification as a qualified health plan, regardless of  
9 the type or size of the health carrier, from licensure or  
10 solvency requirements and shall apply the criteria of this  
11 Section in a manner that ensures a level playing field between  
12 or among health carriers participating in the Exchange.

13 (d) The provisions of this Law that are applicable to  
14 qualified health plans shall also apply, to the extent  
15 relevant, to qualified dental plans, except as modified in  
16 accordance with the provisions of paragraphs (1), (2), and (3)  
17 of this subsection (d) or by rules adopted by the Board.

18 (1) The health carrier shall be licensed to offer  
19 dental coverage, but need not be licensed to offer other  
20 health benefits.

21 (2) The plan shall be limited to dental and oral health  
22 benefits, without substantially duplicating the benefits  
23 typically offered by health benefit plans without dental  
24 coverage and shall include, at a minimum, the essential  
25 pediatric dental benefits prescribed by the Secretary  
26 pursuant to Section 1302(b)(1)(J) of the Federal Act and

1 such other dental benefits as the Board or the Secretary  
2 may specify by rule.

3 (3) Health carriers may jointly offer a comprehensive  
4 plan through the Exchange in which the dental benefits are  
5 provided by a health carrier through a qualified dental  
6 plan and the other benefits are provided by a health  
7 carrier through a qualified health plan, provided that the  
8 plans are priced separately and are also made available for  
9 purchase separately at the same price.

10 (215 ILCS 122/5-15)

11 Sec. 5-15. Illinois Health Benefits Exchange Legislative  
12 Oversight Study Committee.

13 (a) There is created an Illinois Health Benefits Exchange  
14 Legislative Oversight Study Committee within the Commission on  
15 Government Forecasting and Accountability to provide  
16 accountability for ~~conduct a study regarding State~~  
17 ~~implementation and establishment of~~ the Illinois Health  
18 Benefits Exchange and to ensure Exchange operations and  
19 functions align with the goals and duties outlined by this Law.  
20 The Committee shall also be responsible for providing policy  
21 recommendations to ensure the Exchange aligns with the Federal  
22 Act, amendments to the Federal Act, and regulations promulgated  
23 pursuant to the Federal Act.

24 (b) Members of the Legislative Oversight Study Committee  
25 shall be appointed as follows: 3 members of the Senate shall be

1 appointed by the President of the Senate; 3 members of the  
2 Senate shall be appointed by the Minority Leader of the Senate;  
3 3 members of the House of Representatives shall be appointed by  
4 the Speaker of the House of Representatives; and 3 members of  
5 the House of Representatives shall be appointed by the Minority  
6 Leader of the House of Representatives. Each legislative leader  
7 shall select one member to serve as co-chair of the committee.

8 ~~(e) Members of the Legislative Oversight Study Committee~~  
9 ~~shall be appointed no later than June 1, 2013 within 30 days~~  
10 ~~after the effective date of this Law. The co-chairs shall~~  
11 ~~convene the first meeting of the committee no later than 45~~  
12 ~~days after the effective date of this Law.~~

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

14 (215 ILCS 122/5-16 new)

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

19 (1) The Board shall consist of 11 voting members  
20 appointed by the Governor with the advice and consent of a  
21 majority of the members elected to the Senate. In addition,  
22 the Director of Healthcare and Family Services, and the  
23 Executive Director of the Exchange shall serve as  
24 non-voting, ex-officio members of the Board. The Governor  
25 shall also appoint as non-voting, ex-officio members one

1 economist with experience in the health care markets and  
2 one educated health care consumer advocate. All Board  
3 members shall be appointed no later than January 1, 2014.

4 (2) The Governor shall make the appointments so as to  
5 reflect no less than proportional representation of the  
6 geographic, gender, cultural, racial, and ethnic  
7 composition of this State and in accordance with  
8 subparagraphs (A), (B), and (C) of this paragraph, as  
9 follows:

10 (A) No more than 4 voting members may represent the  
11 following interests, of which no more than 2 may  
12 represent any one interest:

13 (1) the insurance industry;

14 (2) health care administrators; and

15 (3) licensed health care professionals.

16 (B) At least 7 voting members shall represent the  
17 following interest groups, with each interest group  
18 represented by at least one voting member:

19 (1) a labor interest group;

20 (2) a women's interest group;

21 (3) a minorities' interest group;

22 (4) a disabled persons' interest group;

23 (5) a small business interest group; and

24 (6) a public health interest group.

25 (C) Each person appointed to the Board should have  
26 demonstrated experience in at least one of the



1           following areas:

2                   (1) individual health insurance coverage;

3                   (2) small employer health insurance;

4                   (3) health benefits administration;

5                   (4) health care finance;

6                   (5) administration of a public or private

7                   health care delivery system;

8                   (6) the provision of health care services;

9                   (7) the purchase of health insurance coverage;

10                  (8) health care consumer navigation or

11                  assistance;

12                  (9) health care economics or health care

13                  actuarial sciences;

14                  (10) information technology; or

15                  (11) starting a small business with 50 or fewer

16                  employees.

17                  (3) The Board shall elect one voting member of the  
18                  Board to serve as chairperson and one voting member to  
19                  serve as vice-chairperson, upon approval of a majority of  
20                  the Board.

21                  (4) The Exchange shall be administered by an Executive  
22                  Director, who shall be appointed, and may be removed, by a  
23                  majority of the Board. The Board shall have the power to  
24                  determine compensation for the Executive Director.

25                  (5) The terms of the non-voting, ex-officio members of  
26                  the Board shall run concurrent with their terms of

1 appointment to office, or in the case of the Executive  
2 Director, his or her term of appointment to that position,  
3 subject to the determination of the Board. The terms of the  
4 members, including those non-voting, ex-officio members  
5 appointed by the Governor, shall be 4 years. Upon  
6 conclusion of the initial term, the next term and every  
7 term subsequent to it shall run for 3 years. Voting members  
8 shall serve no more than 3 consecutive terms.

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

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

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

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

6 (1) an insurer advisory group;

7 (2) a business advisory group;

8 (3) a consumer advisory group; and

9 (4) a provider advisory group.

10 (7) The Board shall meet no less than quarterly on a  
11 schedule established by the chairperson. Meetings shall be  
12 public and public records shall be maintained, subject to  
13 the Open Meetings Act. A majority of the Board shall  
14 constitute a quorum and the affirmative vote of a majority  
15 is necessary for any action of the Board. No vacancy shall  
16 impair the ability of the Board to act provided a quorum is  
17 reached. Members shall serve without pay, but shall be  
18 reimbursed for their actual and reasonable expenses  
19 incurred in the performance of their duties. The  
20 chairperson of the Board shall file a written report  
21 regarding the activities of the Board and the Exchange to  
22 the Governor and General Assembly annually, and the  
23 Legislative Oversight Committee established in Section  
24 5-15 quarterly, beginning on September 1, 2013 through  
25 December 31, 2014.

26 (8) The Board shall adopt conflict of interest rules

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

11       (9) The Board shall develop a budget, to be submitted  
12       and approved by the General Assembly, for the  
13       implementation and operation of the Exchange for operating  
14       expenses, including, but not limited to:

15               (A) proposed compensation levels for the Executive  
16               Director and shall identify personnel and staffing  
17               needs for the implementation and operation of the  
18               Exchange;

19               (B) disclosure of funds received or expected to be  
20               received from the federal government for the  
21               infrastructure and systems of the Exchange and those  
22               funds received or expected to be received for program  
23               administration and operations; and

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

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

5           (215 ILCS 122/5-17 new)

6           Sec. 5-17. Insurer's assessment. Every carrier licensed to  
7           issue, and that issues for delivery, policies of accident and  
8           health insurance in this State, excluding those carriers that  
9           issue only limited lines or supplemental insurance policies not  
10           eligible to be offered on the Exchange, shall be assessed. The  
11           Board shall within 90 days after the effective date of this  
12           amendatory Act of the 98th General Assembly and within the  
13           first quarter of each fiscal year thereafter, assess all  
14           insurers for the anticipated deficit in accordance with the  
15           provisions of this Section. The Board may also make additional  
16           assessments no more than 4 times a year to fund unanticipated  
17           deficits, implementation expenses, and cash flow needs. An  
18           insurer's assessment shall be determined by multiplying the  
19           total assessment, as determined in this Section, by a fraction,  
20           the numerator of which equals that insurer's direct Illinois  
21           premiums during the preceding calendar year and the denominator  
22           of which equals the total of all insurers' direct Illinois  
23           premiums. The Board may exempt those insurers whose share as  
24           determined under this Section would be so minimal as to not  
25           exceed the estimated cost of levying the assessment. The Board

1 shall charge and collect from each insurer the amounts  
2 determined to be due under this Section. The assessment shall  
3 be billed by Board invoice based upon the insurer's direct  
4 Illinois premium income as shown in its annual statement for  
5 the preceding calendar year as filed with the Director. The  
6 invoice shall be due upon receipt and must be paid no later  
7 than 30 days after receipt by the insurer.

8 When a carrier fails to pay the full amount of any  
9 assessment of \$100 or more due under this Section there shall  
10 be added to the amount due as a penalty the greater of \$50 or an  
11 amount equal to 5% of the deficiency for each month or part of  
12 a month that the deficiency remains unpaid. All moneys  
13 collected by the Board shall be placed in the Illinois Health  
14 Benefits Exchange Fund.

15 The Board shall prepare annually a complete and detailed  
16 written report accounting for all funds received and dispensed  
17 during the preceding fiscal year.

18 (215 ILCS 122/5-18 new)

19 Sec. 5-18. Illinois Health Benefits Exchange Fund. There  
20 is hereby created as a fund outside of the State treasury the  
21 Illinois Health Benefits Exchange Fund to be used, subject to  
22 appropriation, exclusively by the Exchange to provide funding  
23 for the operation and administration of the Exchange in  
24 carrying out the purposes authorized in this Law.

1 (215 ILCS 122/5-21 new)

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

4 (a) In accordance with Section 1312(e) of the Federal Act,  
5 the Exchange shall allow licensed insurance producers to (1)  
6 enroll qualified individuals in any qualified health plan, for  
7 which the individual is eligible, in the individual exchange,  
8 (2) assist qualified individuals in applying for premium tax  
9 credits and cost-sharing reductions for qualified health plans  
10 purchased through the individual exchange, and (3) enroll  
11 qualified employers in any qualified health plan, for which the  
12 employer is eligible, offered through the SHOP exchange.  
13 Nothing in this subsection (a) shall be construed as to require  
14 a qualified individual or qualified employer to utilize a  
15 licensed insurance producer for any of the purposes outlined in  
16 this subsection (a).

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

1       (c) The Exchange shall include on its Internet website a  
2 producer locator section, featured prominently, through which  
3 individuals and small employers can find exchange-certified  
4 producers.

5           (215 ILCS 122/5-23 new)

6       Sec. 5-23. Examination or investigation of the Exchange;  
7 hearing.

8       (a) In addition to any powers conferred upon him or her by  
9 this or any other law, including Article XXIV of the Illinois  
10 Insurance Code, the Director or any person designated by him or  
11 her has the power to:

12           (1) at the expense of the Exchange, examine or  
13 investigate any and all aspects regarding the operation and  
14 finances of the Exchange and the Illinois Health Benefits  
15 Exchange Fund through free access to all books, records,  
16 files, papers, and documents relating to their operation  
17 and finances and may summon, subpoena, qualify, and examine  
18 as witnesses all persons having knowledge of such  
19 operation, including directors, officers, agents, or  
20 employees thereof; and

21           (2) require such reports as the Director may deem  
22 necessary.

23       (b) The examiners designated by the Director pursuant to  
24 this Section may make reports to the Director. Any report  
25 alleging substantive violations of this Law, any applicable



1 provisions of the Illinois Insurance Code, any applicable Part  
2 of Title 50 of the Illinois Administrative Code, or federal law  
3 shall be in writing and be based upon facts obtained by the  
4 examiners. The report shall be verified by the examiners.

5 (c) If a report is made, the Director shall deliver a  
6 duplicate thereof to the Exchange or persons examined and  
7 afford the Exchange or such persons examined an opportunity to  
8 request a hearing to object to the report. The Exchange or such  
9 persons examined may request a hearing within 30 days after  
10 receipt of the duplicate of the examination report by giving  
11 the Director written notice of such request together with  
12 written objections to the report. Any hearing shall be  
13 conducted in accordance with Sections 402 and 403 of the  
14 Illinois Insurance Code. The right to hearing is waived if the  
15 delivery of the report is refused or the report is otherwise  
16 undeliverable or the Exchange or such persons examined do not  
17 timely request a hearing.

18 After the hearing or upon expiration of the time period  
19 during which the Exchange or such persons may request a  
20 hearing, if the examination reveals that the Exchange or such  
21 persons examined are operating in violation of any applicable  
22 provision of this Article, the Illinois Insurance Code, any  
23 applicable Part of Title 50 of the Illinois Administrative  
24 Code, prior order, or federal law, the Director, in the written  
25 order, may require the Exchange or such persons examined to  
26 take any action the Director considers necessary or appropriate

1 in accordance with the report or examination hearing. If the  
2 Director issues an order, it shall be issued within 90 days  
3 after the report is filed, or if there is a hearing, within 90  
4 days after the conclusion of the hearing. The order is subject  
5 to review under the Administrative Review Law.

6 Section 99. Effective date. This Act takes effect upon  
7 becoming law.".