



Rep. Barbara Flynn Currie

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1 AMENDMENT TO SENATE BILL 1515

2 AMENDMENT NO. _____. Amend Senate Bill 1515, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The State Employees Group Insurance Act of 1971
6 is amended by changing Sections 5 and 8 as follows:

7 (5 ILCS 375/5) (from Ch. 127, par. 525)

8 Sec. 5. Employee benefits; declaration of State policy. The
9 General Assembly declares that it is the policy of the State
10 and in the best interest of the State to assure quality
11 benefits to members and their dependents under this Act. The
12 implementation of this policy depends upon, among other things,
13 stability and continuity of coverage, care, and services under
14 benefit programs for members and their dependents.
15 Specifically, but without limitation, members should have
16 continued access, on substantially similar terms and

1 conditions, to trusted family health care providers with whom
2 they have developed long-term relationships through a benefit
3 program under this Act. Therefore, the Director must administer
4 this Act consistent with that State policy, but may consider
5 affordability, cost of coverage and care, and competition among
6 health insurers and providers. All contracts for provision of
7 employee benefits, including those portions of any proposed
8 collective bargaining agreement that would require
9 implementation through contracts entered into under this Act,
10 are subject to the following requirements:

11 (i) By April 1 of each year, the Director must report
12 and provide information to the Commission concerning the
13 status of the employee benefits program to be offered for
14 the next fiscal year. Information includes, but is not
15 limited to, documents, reports of negotiations, bid
16 invitations, requests for proposals, specifications,
17 copies of proposed and final contracts or agreements, and
18 any other materials concerning contracts or agreements for
19 the employee benefits program. By the first of each month
20 thereafter, the Director must provide updated, and any new,
21 information to the Commission until the employee benefits
22 program for the next fiscal year is determined. In addition
23 to these monthly reporting requirements, at any time the
24 Commission makes a written request, the Director must
25 promptly, but in no event later than 5 business days after
26 receipt of the request, provide to the Commission any

1 additional requested information in the possession of the
2 Director concerning employee benefits programs. The
3 Commission may waive any of the reporting requirements of
4 this item (i) upon the written request by the Director. Any
5 waiver granted under this item (i) must be in writing.
6 Nothing in this item is intended to abrogate any
7 attorney-client privilege.

8 (ii) Within 30 days after notice of the awarding or
9 letting of a contract has appeared in the Illinois
10 Procurement Bulletin in accordance with subsection (b) of
11 Section 15-25 of the Illinois Procurement Code, the
12 Commission may request in writing from the Director and the
13 Director shall promptly, but in no event later than 5
14 business days after receipt of the request, provide to the
15 Commission information in the possession of the Director
16 concerning the proposed contract. Nothing in this item is
17 intended to waive or abrogate any privilege or right of
18 confidentiality authorized by law.

19 (iii) Except as otherwise provided in this item (iii),
20 no ~~No~~ contract subject to this Section may be entered into
21 until the 30-day period described in item (ii) has expired,
22 unless the Director requests in writing that the Commission
23 waive the period and the Commission grants the waiver in
24 writing. This item (iii) does not apply to any contract
25 entered into after the effective date of this amendatory
26 Act of the 98th General Assembly and through January 1,

1 2014 to provide a program of group health benefits for
2 Medicare-primary members and their Medicare-primary
3 dependents that is comparable in stability and continuity
4 of coverage, care, and services to the program of health
5 benefits offered to other members and their dependents
6 under this Act.

7 (iv) If the Director seeks to make any substantive
8 modification to any provision of a proposed contract after
9 it is submitted to the Commission in accordance with item
10 (ii), the modified contract shall be subject to the
11 requirements of items (ii) and (iii) unless the Commission
12 agrees, in writing, to a waiver of those requirements with
13 respect to the modified contract.

14 (v) By the date of the beginning of the annual benefit
15 choice period, the Director must transmit to the Commission
16 a copy of each final contract or agreement for the employee
17 benefits program to be offered for the next fiscal year.
18 The annual benefit choice period for an employee benefits
19 program must begin on May 1 of the fiscal year preceding
20 the year for which the program is to be offered. If,
21 however, in any such preceding fiscal year collective
22 bargaining over employee benefit programs for the next
23 fiscal year remains pending on April 15, the beginning date
24 of the annual benefit choice period shall be not later than
25 15 days after ratification of the collective bargaining
26 agreement.

1 (vi) The Director must provide the reports,
2 information, and contracts required under items (i), (ii),
3 (iv), and (v) by electronic or other means satisfactory to
4 the Commission. Reports, information, and contracts in the
5 possession of the Commission pursuant to items (i), (ii),
6 (iv), and (v) are exempt from disclosure by the Commission
7 and its members and employees under the Freedom of
8 Information Act. Reports, information, and contracts
9 received by the Commission pursuant to items (i), (ii),
10 (iv), and (v) must be kept confidential by and may not be
11 disclosed or used by the Commission or its members or
12 employees if such disclosure or use could compromise the
13 fairness or integrity of the procurement, bidding, or
14 contract process. Commission meetings, or portions of
15 Commission meetings, in which reports, information, and
16 contracts received by the Commission pursuant to items (i),
17 (ii), (iv), and (v) are discussed must be closed if
18 disclosure or use of the report or information could
19 compromise the fairness or integrity of the procurement,
20 bidding, or contract process.

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

24 The Director shall contract or otherwise make available
25 group life insurance, health benefits and other employee
26 benefits to eligible members and, where elected, their eligible

1 dependents. Any contract or, if applicable, contracts or other
2 arrangement for provision of benefits shall be on terms
3 consistent with State policy and based on, but not limited to,
4 such criteria as administrative cost, service capabilities of
5 the carrier or other contractor and premiums, fees or charges
6 as related to benefits.

7 Notwithstanding any other provisions of this Act, by
8 January 1, 2014, the Department of Central Management Services,
9 in consultation with and subject to the approval of the Chief
10 Procurement Officer, shall contract or make otherwise
11 available a program of group health benefits for
12 Medicare-primary members and their Medicare-primary
13 dependents. The Director may procure a single contract or
14 multiple contracts that provide a program of group health
15 benefits that is comparable in stability and continuity of
16 coverage, care, and services to the program of health benefits
17 offered to other members and their dependents under this Act.
18 The initial procurement of a contract or contracts under this
19 paragraph is not subject to the provisions of the Illinois
20 Procurement Code, except for Sections 20-60, 20-65, 20-70, and
21 20-160 and Article 50 of that Code, provided that the Chief
22 Procurement Officer may, in writing with justification, waive
23 any certification required under Article 50.

24 The Director may prepare and issue specifications for group
25 life insurance, health benefits, other employee benefits and
26 administrative services for the purpose of receiving proposals

1 from interested parties.

2 The Director is authorized to execute a contract, or
3 contracts, for the programs of group life insurance, health
4 benefits, other employee benefits and administrative services
5 authorized by this Act (including, without limitation,
6 prescription drug benefits). All of the benefits provided under
7 this Act may be included in one or more contracts, or the
8 benefits may be classified into different types with each type
9 included under one or more similar contracts with the same or
10 different companies.

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

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

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

2 (5 ILCS 375/8) (from Ch. 127, par. 528)

3 Sec. 8. Eligibility.

4 (a) Each employee eligible under the provisions of this Act
5 and any rules and regulations promulgated and adopted hereunder
6 by the Director shall become immediately eligible and covered
7 for all benefits available under the programs. Employees
8 electing coverage for eligible dependents shall have the
9 coverage effective immediately, provided that the election is
10 properly filed in accordance with required filing dates and
11 procedures specified by the Director, including the completion
12 and submission of all documentation and forms required by the
13 Director.

14 (1) Every member originally eligible to elect
15 dependent coverage, but not electing it during the original
16 eligibility period, may subsequently obtain dependent
17 coverage only in the event of a qualifying change in
18 status, special enrollment, special circumstance as
19 defined by the Director, or during the annual Benefit
20 Choice Period.

21 (2) Members described above being transferred from
22 previous coverage towards which the State has been
23 contributing shall be transferred regardless of
24 preexisting conditions, waiting periods, or other
25 requirements that might jeopardize claim payments to which

1 they would otherwise have been entitled.

2 (3) Eligible and covered members that are eligible for
3 coverage as dependents except for the fact of being members
4 shall be transferred to, and covered under, dependent
5 status regardless of preexisting conditions, waiting
6 periods, or other requirements that might jeopardize claim
7 payments to which they would otherwise have been entitled
8 upon cessation of member status and the election of
9 dependent coverage by a member eligible to elect that
10 coverage.

11 (b) New employees shall be immediately insured for the
12 basic group life insurance and covered by the program of health
13 benefits on the first day of active State service. Optional
14 life insurance coverage one to 4 times the basic amount, if
15 elected during the relevant eligibility period, will become
16 effective on the date of employment. Optional life insurance
17 coverage exceeding 4 times the basic amount and all life
18 insurance amounts applied for after the eligibility period will
19 be effective, subject to satisfactory evidence of insurability
20 when applicable, or other necessary qualifications, pursuant
21 to the requirements of the applicable benefit program, unless
22 there is a change in status that would confer new eligibility
23 for change of enrollment under rules established supplementing
24 this Act, in which event application must be made within the
25 new eligibility period.

26 (c) As to the group health benefits program contracted to

1 begin or continue after June 30, 1973, each annuitant,
2 survivor, and retired employee shall become immediately
3 eligible for all benefits available under that program. Each
4 annuitant, survivor, and retired employee shall have coverage
5 effective immediately, provided that the election is properly
6 filed in accordance with the required filing dates and
7 procedures specified by the Director, including the completion
8 and submission of all documentation and forms required by the
9 Director. Annuitants, survivors, and retired employees may
10 elect coverage for eligible dependents and shall have the
11 coverage effective immediately, provided that the election is
12 properly filed in accordance with required filing dates and
13 procedures specified by the Director, except that, for a
14 survivor, the dependent sought to be added on or after the
15 effective date of this amendatory Act of the 97th General
16 Assembly must have been eligible for coverage as a dependent
17 under the deceased member upon whom the survivor's annuity is
18 based in order to be eligible for coverage under the survivor.

19 Except as otherwise provided in this Act, where husband and
20 wife are both eligible members, each shall be enrolled as a
21 member and coverage on their eligible dependent children, if
22 any, may be under the enrollment and election of either.

23 Regardless of other provisions herein regarding late
24 enrollment or other qualifications, as appropriate, the
25 Director may periodically authorize open enrollment periods
26 for each of the benefit programs at which time each member may

1 elect enrollment or change of enrollment without regard to age,
2 sex, health, or other qualification under the conditions as may
3 be prescribed in rules and regulations supplementing this Act.
4 Special open enrollment periods may be declared by the Director
5 for certain members only when special circumstances occur that
6 affect only those members.

7 (d) Beginning with fiscal year 2003 and for all subsequent
8 years, eligible members may elect not to participate in the
9 program of health benefits as defined in this Act. The election
10 must be made during the annual benefit choice period, subject
11 to the conditions in this subsection.

12 (1) Members must furnish proof of health benefit
13 coverage, either comprehensive major medical coverage or
14 comprehensive managed care plan, from a source other than
15 the Department of Central Management Services in order to
16 elect not to participate in the program.

17 (2) Members may re-enroll in the Department of Central
18 Management Services program of health benefits upon
19 showing a qualifying change in status, as defined in the
20 U.S. Internal Revenue Code, without evidence of
21 insurability and with no limitations on coverage for
22 pre-existing conditions, provided that there was not a
23 break in coverage of more than 63 days.

24 (3) Members may also re-enroll in the program of health
25 benefits during any annual benefit choice period, without
26 evidence of insurability.

1 (4) Members who elect not to participate in the program
2 of health benefits shall be furnished a written explanation
3 of the requirements and limitations for the election not to
4 participate in the program and for re-enrolling in the
5 program. The explanation shall also be included in the
6 annual benefit choice options booklets furnished to
7 members.

8 (d-5) Beginning July 1, 2005, the Director may establish a
9 program of financial incentives to encourage annuitants
10 receiving a retirement annuity ~~from the State Employees~~
11 ~~Retirement System~~, but who are not eligible for benefits under
12 the federal Medicare health insurance program (Title XVIII of
13 the Social Security Act, as added by Public Law 89-97) to elect
14 not to participate in the program of health benefits provided
15 under this Act. The election by an annuitant not to participate
16 under this program must be made in accordance with the
17 requirements set forth under subsection (d). The financial
18 incentives provided to these annuitants under the program may
19 not exceed \$150 per month for each annuitant electing not to
20 participate in the program of health benefits provided under
21 this Act.

22 (d-6) Beginning July 1, 2013, the Director may establish a
23 program of financial incentives to encourage annuitants with 20
24 or more years of creditable service but who are not eligible
25 for benefits under the federal Medicare health insurance
26 program (Title XVIII of the Social Security Act, as added by

1 Public Law 89-97) to elect not to participate in the program of
2 health benefits provided under this Act. The election by an
3 annuitant not to participate under this program must be made in
4 accordance with the requirements set forth under subsection
5 (d). The program established under this subsection (d-6) may
6 include a prorated incentive for annuitants with fewer than 20
7 years of creditable service, as determined by the Director. The
8 financial incentives provided to these annuitants under this
9 program may not exceed \$500 per month for each annuitant
10 electing not to participate in the program of health benefits
11 provided under this Act.

12 (e) Notwithstanding any other provision of this Act or the
13 rules adopted under this Act, if a person participating in the
14 program of health benefits as the dependent spouse of an
15 eligible member becomes an annuitant, the person may elect, at
16 the time of becoming an annuitant or during any subsequent
17 annual benefit choice period, to continue participation as a
18 dependent rather than as an eligible member for as long as the
19 person continues to be an eligible dependent. In order to be
20 eligible to make such an election, the person must have been
21 enrolled as a dependent under the program of health benefits
22 for no less than one year prior to becoming an annuitant.

23 An eligible member who has elected to participate as a
24 dependent may re-enroll in the program of health benefits as an
25 eligible member (i) during any subsequent annual benefit choice
26 period or (ii) upon showing a qualifying change in status, as

1 defined in the U.S. Internal Revenue Code, without evidence of
2 insurability and with no limitations on coverage for
3 pre-existing conditions.

4 A person who elects to participate in the program of health
5 benefits as a dependent rather than as an eligible member shall
6 be furnished a written explanation of the consequences of
7 electing to participate as a dependent and the conditions and
8 procedures for re-enrolling as an eligible member. The
9 explanation shall also be included in the annual benefit choice
10 options booklet furnished to members.

11 (Source: P.A. 97-668, eff. 1-13-12.)

12 Section 10. The State Treasurer Act is amended by changing
13 Section 18 as follows:

14 (15 ILCS 505/18)

15 Sec. 18. Banking and automatic teller machine services.

16 (a) The Treasurer may enter into written agreements with
17 financial institutions for the provision of banking services at
18 the State Capitol and for the provision of automatic teller
19 machine services at State office buildings, State parks, State
20 tourism centers, and State fairs at Springfield and DuQuoin.
21 The Treasurer shall establish competitive procedures for the
22 selection of financial institutions to provide the services
23 authorized under this Section. No State agency may procure
24 services authorized by this Section without the approval of the

1 Treasurer.

2 (b) The Treasurer shall enter into written agreements with
3 the authorities having jurisdiction of the property where the
4 services are intended to be provided. These agreements shall
5 include, but need not be limited to, the quantity of machines
6 to be located at the property and the exact location of the
7 service or machine and shall establish responsibility for
8 payment of expenses incurred in locating the machine or
9 service.

10 (c) The Treasurer's agreement with a financial institution
11 may authorize the financial institution to provide any or all
12 of the banking services that the financial institution is
13 otherwise authorized by law to provide to the public.

14 The Treasurer's agreement with a financial institution
15 shall establish the amount of compensation to be paid by the
16 financial institution. The financial institution shall pay the
17 compensation to the Treasurer in accordance with the terms of
18 the agreement. The Treasurer shall deposit moneys received
19 under this Section into the Treasurer's Rental Fee Fund, a
20 special fund hereby created in the State treasury. The
21 Treasurer shall use the moneys in the Fund for the operation of
22 the program established under this Section. If the Treasurer
23 determines that any moneys in the Treasurer's Rental Fee Fund
24 are in excess of the amount necessary to sustain the operation
25 of the program established under this Section, the Treasurer
26 may transfer any unobligated and unexpended moneys from the

1 Treasurer's Rental Fee Fund into the State Pensions Fund.

2 (d) This Section does not apply to a State office building
3 in which a currency exchange or a credit union providing
4 financial services located in the building on July 1, 1995 (the
5 effective date of Public Act 88-640) is operating.

6 (Source: P.A. 94-513, eff. 1-1-06.)

7 Section 15. The Illinois Procurement Code is amended by
8 adding Section 25-205 as follows:

9 (30 ILCS 500/25-205 new)

10 Sec. 25-205. Procurement of health benefits for
11 Medicare-primary members and their dependents. The Department
12 of Central Management Services, in consultation with and
13 subject to the approval of the Chief Procurement Officer, shall
14 contract or make otherwise available a program of group health
15 benefits for Medicare-primary members and their
16 Medicare-primary dependents. The Director may procure a single
17 contract or multiple contracts that provide a program of group
18 health benefits that is comparable in stability and continuity
19 of coverage, care, and services to the program of health
20 benefits offered to other members and their dependents under
21 the State Employees Group Insurance Act of 1971. The Department
22 of Central Management Services shall provide administrative
23 support and provide consultation to assist with the
24 procurement. The initial procurement is not subject to the

1 provisions of this Code, except for Sections 20-60, 20-65,
2 20-70, and 20-160, and Article 50, provided that the Chief
3 Procurement Officer may, in writing with justification, waive
4 any certification required under Article 50.

5 Section 20. The Uniform Disposition of Unclaimed Property
6 Act is amended by changing Section 18 as follows:

7 (765 ILCS 1025/18) (from Ch. 141, par. 118)

8 Sec. 18. Deposit of funds received under the Act.

9 (a) The State Treasurer shall retain all funds received
10 under this Act, including the proceeds from the sale of
11 abandoned property under Section 17, in a trust fund. The State
12 Treasurer may deposit any amount in the Trust Fund into the
13 State Pensions Fund during the fiscal year at his or her
14 discretion; however, he or she shall, on April 15 and October
15 15 of each year, deposit any amount in the trust fund exceeding
16 \$2,500,000 into the State Pensions Fund. If on either April 15
17 or October 15, the State Treasurer determines that a balance of
18 \$2,500,000 is insufficient for the prompt payment of unclaimed
19 property claims authorized under this Act, the Treasurer may
20 retain more than \$2,500,000 in the Unclaimed Property Trust
21 Fund in order to ensure the prompt payment of claims. Beginning
22 in State fiscal year 2014, all amounts ~~in excess of \$2,500,000~~
23 that are deposited into the State Pensions Fund from the
24 unclaimed Property Trust Fund shall be apportioned to the

1 designated retirement systems as provided in subsection (c-6)
2 of Section 8.12 of the State Finance Act to reduce their
3 actuarial reserve deficiencies. He or she shall make prompt
4 payment of claims he or she duly allows as provided for in this
5 Act for the trust fund. Before making the deposit the State
6 Treasurer shall record the name and last known address of each
7 person appearing from the holders' reports to be entitled to
8 the abandoned property. The record shall be available for
9 public inspection during reasonable business hours.

10 (b) Before making any deposit to the credit of the State
11 Pensions Fund, the State Treasurer may deduct: (1) any costs in
12 connection with sale of abandoned property, (2) any costs of
13 mailing and publication in connection with any abandoned
14 property, and (3) any costs in connection with the maintenance
15 of records or disposition of claims made pursuant to this Act.
16 The State Treasurer shall semiannually file an itemized report
17 of all such expenses with the Legislative Audit Commission.

18 (Source: P.A. 96-1000, eff. 7-2-10; 97-732, eff. 6-30-12.)

19 Section 99. Effective date. This Act takes effect upon
20 becoming law."