

1 Sec. 5-1069.3. Required health benefits. If a county,
2 including a home rule county, is a self-insurer for purposes
3 of providing health insurance coverage for its employees, the
4 coverage shall include coverage for the post-mastectomy care
5 benefits required to be covered by a policy of accident and
6 health insurance under Section 356t and the coverage required
7 under Sections 356u, 356w, and 356x, 356z.2, 356z.3, 356z.4,
8 and 356z.5 of the Illinois Insurance Code. The requirement
9 that health benefits be covered as provided in this Section
10 is an exclusive power and function of the State and is a
11 denial and limitation under Article VII, Section 6,
12 subsection (h) of the Illinois Constitution. A home rule
13 county to which this Section applies must comply with every
14 provision of this Section.

15 (Source: P.A. 90-7, eff. 6-10-97; 90-741, eff. 1-1-99.)

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

18 (65 ILCS 5/10-4-2.3)

19 Sec. 10-4-2.3. Required health benefits. If a
20 municipality, including a home rule municipality, is a
21 self-insurer for purposes of providing health insurance
22 coverage for its employees, the coverage shall include
23 coverage for the post-mastectomy care benefits required to be
24 covered by a policy of accident and health insurance under
25 Section 356t and the coverage required under Sections 356u,
26 356w, and 356x, 356z.2, 356z.3, 356z.4, and 356z.5 of the
27 Illinois Insurance Code. The requirement that health
28 benefits be covered as provided in this is an exclusive power
29 and function of the State and is a denial and limitation
30 under Article VII, Section 6, subsection (h) of the Illinois
31 Constitution. A home rule municipality to which this Section
32 applies must comply with every provision of this Section.

1 (Source: P.A. 90-7, eff. 6-10-97; 90-741, eff. 1-1-99.)

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

4 (105 ILCS 5/10-22.3f)

5 Sec. 10-22.3f. Required health benefits. Insurance
6 protection and benefits for employees shall provide the
7 post-mastectomy care benefits required to be covered by a
8 policy of accident and health insurance under Section 356t
9 and the coverage required under Sections 356u, 356w, and
10 356x, 356z.2, 356z.3, 356z.4, and 356z.5 of the Illinois
11 Insurance Code.

12 (Source: P.A. 90-7, eff. 6-10-97; 90-741, eff. 1-1-99.)

13 Section 25. The Illinois Insurance Code is amended by
14 adding Sections 356z.2, 356z.3, 356z.4, and 356z.5 as
15 follows:

16 (215 ILCS 5/356z.2 new)

17 Sec. 356z.2. Birth control coverage. A group or
18 individual policy of accident and health insurance or managed
19 care plan amended, delivered, issued, or renewed after the
20 effective date of this amendatory Act of the 92nd General
21 Assembly that provides coverage for prescribed drugs approved
22 by the federal Food and Drug Administration for the treatment
23 of impotence must also provide coverage for prescribed drugs
24 approved by the federal Food and Drug Administration for the
25 prevention of pregnancy on the same terms and conditions that
26 are generally applicable to coverage for other prescribed
27 drugs approved by the federal Food and Drug Administration.

28 (215 ILCS 5/356z.3 new)

29 Sec. 356z.3. AIDS vaccine.

1 (a) A group or individual policy of accident and health
2 and health insurance or managed care plan amended, delivered,
3 issued, or renewed after the effective date of this
4 amendatory Act of the 92nd General Assembly must provide
5 coverage for a vaccine for acquired immune deficiency
6 syndrome (AIDS) that is approved for marketing by the federal
7 Food and Drug Administration and that is recommended by the
8 United States Public Health Service.

9 (b) This Section does not require a policy of accident
10 and health insurance to provide coverage for any clinical
11 trials relating to an AIDS vaccine or for any AIDS vaccine
12 that has been approved by the federal Food and Drug
13 Administration in the form of an investigational new drug
14 application.

15 (215 ILCS 5/356z.4 new)

16 Sec. 356z.4. Prescription nutritional supplements. A
17 group or individual policy of accident and health insurance
18 or managed care plan amended, delivered, issued, or renewed
19 after the effective date of this amendatory Act of the 92nd
20 General Assembly that provides coverage for prescription
21 drugs must provide coverage for reimbursement for medically
22 appropriate prescription nutritional supplements when ordered
23 by a physician licensed to practice medicine in all its
24 branches and the insured suffers from a condition that
25 prevents him or her from taking sufficient oral nourishment
26 to sustain life.

27 (215 ILCS 5/356z.5 new)

28 Sec. 356z.5. Pain medication coverage. A group or
29 individual policy of accident and health insurance or managed
30 care plan amended, delivered, issued, or renewed after the
31 effective date of this amendatory Act of the 92nd General
32 Assembly that provides coverage for prescription drugs must

1 provide coverage for any pain medication prescribed or
2 ordered by the insured's treating physician.

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

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

6 Sec. 5-3. Insurance Code provisions.

7 (a) Health Maintenance Organizations shall be subject to
8 the provisions of Sections 133, 134, 137, 140, 141.1, 141.2,
9 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5,
10 154.6, 154.7, 154.8, 155.04, 355.2, 356m, 356v, 356w, 356x,
11 356y, 356z.2, 356z.3, 356z.4, 356z.5, 367i, 368a, 401, 401.1,
12 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1,
13 paragraph (c) of subsection (2) of Section 367, and Articles
14 IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of
15 the Illinois Insurance Code.

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

20 (1) a corporation authorized under the Dental
21 Service Plan Act or the Voluntary Health Services Plans
22 Act;

23 (2) a corporation organized under the laws of this
24 State; or

25 (3) a corporation organized under the laws of
26 another state, 30% or more of the enrollees of which are
27 residents of this State, except a corporation subject to
28 substantially the same requirements in its state of
29 organization as is a "domestic company" under Article
30 VIII 1/2 of the Illinois Insurance Code.

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

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

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

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

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

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

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

27 (C) a pro forma business plan detailing an
28 acquiring party's plans with respect to the
29 operation of the Health Maintenance Organization
30 sought to be acquired for a period of not less than
31 3 years; and

32 (D) such other information as the Director
33 shall require.

34 (d) The provisions of Article VIII 1/2 of the Illinois

1 Insurance Code and this Section 5-3 shall apply to the sale
2 by any health maintenance organization of greater than 10% of
3 its enrollee population (including without limitation the
4 health maintenance organization's right, title, and interest
5 in and to its health care certificates).

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

16 (f) Except for small employer groups as defined in the
17 Small Employer Rating, Renewability and Portability Health
18 Insurance Act and except for medicare supplement policies as
19 defined in Section 363 of the Illinois Insurance Code, a
20 Health Maintenance Organization may by contract agree with a
21 group or other enrollment unit to effect refunds or charge
22 additional premiums under the following terms and conditions:

23 (i) the amount of, and other terms and conditions
24 with respect to, the refund or additional premium are set
25 forth in the group or enrollment unit contract agreed in
26 advance of the period for which a refund is to be paid or
27 additional premium is to be charged (which period shall
28 not be less than one year); and

29 (ii) the amount of the refund or additional premium
30 shall not exceed 20% of the Health Maintenance
31 Organization's profitable or unprofitable experience with
32 respect to the group or other enrollment unit for the
33 period (and, for purposes of a refund or additional
34 premium, the profitable or unprofitable experience shall

1 be calculated taking into account a pro rata share of the
2 Health Maintenance Organization's administrative and
3 marketing expenses, but shall not include any refund to
4 be made or additional premium to be paid pursuant to this
5 subsection (f)). The Health Maintenance Organization and
6 the group or enrollment unit may agree that the
7 profitable or unprofitable experience may be calculated
8 taking into account the refund period and the immediately
9 preceding 2 plan years.

10 The Health Maintenance Organization shall include a
11 statement in the evidence of coverage issued to each enrollee
12 describing the possibility of a refund or additional premium,
13 and upon request of any group or enrollment unit, provide to
14 the group or enrollment unit a description of the method used
15 to calculate (1) the Health Maintenance Organization's
16 profitable experience with respect to the group or enrollment
17 unit and the resulting refund to the group or enrollment unit
18 or (2) the Health Maintenance Organization's unprofitable
19 experience with respect to the group or enrollment unit and
20 the resulting additional premium to be paid by the group or
21 enrollment unit.

22 In no event shall the Illinois Health Maintenance
23 Organization Guaranty Association be liable to pay any
24 contractual obligation of an insolvent organization to pay
25 any refund authorized under this Section.

26 (Source: P.A. 90-25, eff. 1-1-98; 90-177, eff. 7-23-97;
27 90-372, eff. 7-1-98; 90-583, eff. 5-29-98; 90-655, eff.
28 7-30-98; 90-741, eff. 1-1-99; 91-357, eff. 7-29-99; 91-406,
29 eff. 1-1-00; 91-549, eff. 8-14-99; 91-605, eff. 12-14-99;
30 91-788, eff. 6-9-00.)

31 Section 35. The Voluntary Health Services Plans Act is
32 amended by changing Section 10 as follows:

1 (215 ILCS 165/10) (from Ch. 32, par. 604)
2 Sec. 10. Application of Insurance Code provisions.
3 Health services plan corporations and all persons interested
4 therein or dealing therewith shall be subject to the
5 provisions of Articles IIA and XII 1/2 and Sections 3.1, 133,
6 140, 143, 143c, 149, 155.37, 354, 355.2, 356r, 356t, 356u,
7 356v, 356w, 356x, 356y, 356z.1, 356z.2, 356z.3, 356z.4,
8 356z.5, 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2,
9 and 412, and paragraphs (7) and (15) of Section 367 of the
10 Illinois Insurance Code.
11 (Source: P.A. 91-406, eff. 1-1-00; 91-549, eff. 8-14-99;
12 91-605, eff. 12-14-99; 91-788, eff. 6-9-00; 92-130, eff.
13 7-20-01; 92-440, eff. 8-17-01; revised 9-12-01.)

14 Section 90. The State Mandates Act is amended by adding
15 Section 8.26 as follows:

16 (30 ILCS 805/8.26 new)
17 Sec. 8.26. Exempt mandate. Notwithstanding Sections 6
18 and 8 of this Act, no reimbursement by the State is required
19 for the implementation of any mandate created by this
20 amendatory Act of the 92nd General Assembly."