

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

6 (5 ILCS 375/6.11)

7 Sec. 6.11. Required health benefits; Illinois Insurance  
8 Code requirements. The program of health benefits shall provide  
9 the post-mastectomy care benefits required to be covered by a  
10 policy of accident and health insurance under Section 356t of  
11 the Illinois Insurance Code. The program of health benefits  
12 shall provide the coverage required under Sections 356g,  
13 356g.5, 356g.5-1, 356m, 356u, 356w, 356x, 356z.2, 356z.4,  
14 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,  
15 356z.14, 356z.15, 356z.17, 356z.22, ~~and~~ 356z.25, 356z.26, and  
16 356z.29 of the Illinois Insurance Code. The program of health  
17 benefits must comply with Sections 155.22a, 155.37, 355b,  
18 356z.19, 370c, and 370c.1 of the Illinois Insurance Code.

19 Rulemaking authority to implement Public Act 95-1045, if  
20 any, is conditioned on the rules being adopted in accordance  
21 with all provisions of the Illinois Administrative Procedure  
22 Act and all rules and procedures of the Joint Committee on  
23 Administrative Rules; any purported rule not so adopted, for

1 whatever reason, is unauthorized.

2 (Source: P.A. 99-480, eff. 9-9-15; 100-24, eff. 7-18-17;  
3 100-138, eff. 8-18-17; revised 10-3-17.)

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

6 (55 ILCS 5/5-1069.3)

7 Sec. 5-1069.3. Required health benefits. If a county,  
8 including a home rule county, is a self-insurer for purposes of  
9 providing health insurance coverage for its employees, the  
10 coverage shall include coverage for the post-mastectomy care  
11 benefits required to be covered by a policy of accident and  
12 health insurance under Section 356t and the coverage required  
13 under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x,  
14 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,  
15 356z.14, 356z.15, 356z.22, ~~and 356z.25,~~ 356z.26, and 356z.29 of  
16 the Illinois Insurance Code. The coverage shall comply with  
17 Sections 155.22a, 355b, 356z.19, and 370c of the Illinois  
18 Insurance Code. The requirement that health benefits be covered  
19 as provided in this Section is an exclusive power and function  
20 of the State and is a denial and limitation under Article VII,  
21 Section 6, subsection (h) of the Illinois Constitution. A home  
22 rule county to which this Section applies must comply with  
23 every provision of this Section.

24 Rulemaking authority to implement Public Act 95-1045, if

1 any, is conditioned on the rules being adopted in accordance  
2 with all provisions of the Illinois Administrative Procedure  
3 Act and all rules and procedures of the Joint Committee on  
4 Administrative Rules; any purported rule not so adopted, for  
5 whatever reason, is unauthorized.

6 (Source: P.A. 99-480, eff. 9-9-15; 100-24, eff. 7-18-17;  
7 100-138, eff. 8-18-17; revised 10-5-17.)

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

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

11 Sec. 10-4-2.3. Required health benefits. If a  
12 municipality, including a home rule municipality, is a  
13 self-insurer for purposes of providing health insurance  
14 coverage for its employees, the coverage shall include coverage  
15 for the post-mastectomy care benefits required to be covered by  
16 a policy of accident and health insurance under Section 356t  
17 and the coverage required under Sections 356g, 356g.5,  
18 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10,  
19 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.22, ~~and~~  
20 356z.25, 356z.26, and 356z.29 of the Illinois Insurance Code.  
21 The coverage shall comply with Sections 155.22a, 355b, 356z.19,  
22 and 370c of the Illinois Insurance Code. The requirement that  
23 health benefits be covered as provided in this is an exclusive  
24 power and function of the State and is a denial and limitation

1 under Article VII, Section 6, subsection (h) of the Illinois  
2 Constitution. A home rule municipality to which this Section  
3 applies must comply with every provision of this Section.

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

10 (Source: P.A. 99-480, eff. 9-9-15; 100-24, eff. 7-18-17;  
11 100-138, eff. 8-18-17; revised 10-5-17.)

12 Section 20. The School Code is amended by changing Section  
13 10-22.3f as follows:

14 (105 ILCS 5/10-22.3f)

15 Sec. 10-22.3f. Required health benefits. Insurance  
16 protection and benefits for employees shall provide the  
17 post-mastectomy care benefits required to be covered by a  
18 policy of accident and health insurance under Section 356t and  
19 the coverage required under Sections 356g, 356g.5, 356g.5-1,  
20 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.11, 356z.12,  
21 356z.13, 356z.14, 356z.15, 356z.22, ~~and~~ 356z.25, 356z.26, and  
22 356z.29 of the Illinois Insurance Code. Insurance policies  
23 shall comply with Section 356z.19 of the Illinois Insurance  
24 Code. The coverage shall comply with Sections 155.22a and 355b

1 of the Illinois Insurance Code.

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

8 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;  
9 revised 9-25-17.)

10 Section 25. The Illinois Insurance Code is amended by  
11 adding Section 356z.29 as follows:

12 (215 ILCS 5/356z.29 new)

13 Sec. 356z.29. Stage 4 advanced, metastatic cancer.

14 (a) As used in this Section, "stage 4 advanced, metastatic  
15 cancer" means cancer that has spread from the primary or  
16 original site of the cancer to nearby tissues, lymph nodes, or  
17 other areas or parts of the body.

18 (b) No individual or group policy of accident and health  
19 insurance amended, issued, delivered, or renewed in this State  
20 after the effective date of this amendatory Act of the 100th  
21 General Assembly that, as a provision of hospital, medical, or  
22 surgical services, directly or indirectly covers the treatment  
23 of stage 4 advanced, metastatic cancer shall limit or exclude  
24 coverage for a drug approved by the United States Food and Drug

1 Administration by mandating that the insured shall first be  
2 required to fail to successfully respond to a different drug or  
3 prove a history of failure of the drug as long as the use of the  
4 drug is consistent with best practices for the treatment of  
5 stage 4 advanced, metastatic cancer and is supported by  
6 peer-reviewed medical literature.

7 (c) If, at any time before or after the effective date of  
8 this amendatory Act of the 100th General Assembly, the  
9 Secretary of the United States Department of Health and Human  
10 Services, or its successor agency, promulgates rules or  
11 regulations to be published in the Federal Register, publishes  
12 a comment in the Federal Register, or issues an opinion,  
13 guidance, or other action that would require the State,  
14 pursuant to any provision of the Patient Protection and  
15 Affordable Care Act (Pub. L. 111-148), including, but not  
16 limited to, 42 U.S.C. 18031(d)(3)(B) or any successor  
17 provision, to defray the cost of the prohibition of coverage  
18 restrictions or exclusions contained in subsection (b) of this  
19 Section for the treatment of stage 4 advanced, metastatic  
20 cancer, then this Section is inoperative with respect to all  
21 such coverage other than that authorized under Section 1902 of  
22 the Social Security Act, 42 U.S.C. 1396a, and the State shall  
23 not assume any obligation for the cost of the prohibition of  
24 coverage restrictions or exclusions contained in subsection  
25 (b) of this Section for the treatment of stage 4 advanced,  
26 metastatic cancer.

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

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

4 Sec. 5-3. Insurance Code provisions.

5 (a) Health Maintenance Organizations shall be subject to  
6 the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,  
7 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154,  
8 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 355.3,  
9 355b, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4,  
10 356z.5, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12,  
11 356z.13, 356z.14, 356z.15, 356z.17, 356z.18, 356z.19, 356z.21,  
12 356z.22, 356z.25, 356z.26, 356z.29, 364, 364.01, 367.2,  
13 367.2-5, 367i, 368a, 368b, 368c, 368d, 368e, 370c, 370c.1, 401,  
14 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1,  
15 paragraph (c) of subsection (2) of Section 367, and Articles  
16 IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of  
17 the Illinois Insurance Code.

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

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

24 (2) a corporation organized under the laws of this

1 State; or

2 (3) a corporation organized under the laws of another  
3 state, 30% or more of the enrollees of which are residents  
4 of this State, except a corporation subject to  
5 substantially the same requirements in its state of  
6 organization as is a "domestic company" under Article VIII  
7 1/2 of the Illinois Insurance Code.

8 (c) In considering the merger, consolidation, or other  
9 acquisition of control of a Health Maintenance Organization  
10 pursuant to Article VIII 1/2 of the Illinois Insurance Code,

11 (1) the Director shall give primary consideration to  
12 the continuation of benefits to enrollees and the financial  
13 conditions of the acquired Health Maintenance Organization  
14 after the merger, consolidation, or other acquisition of  
15 control takes effect;

16 (2) (i) the criteria specified in subsection (1)(b) of  
17 Section 131.8 of the Illinois Insurance Code shall not  
18 apply and (ii) the Director, in making his determination  
19 with respect to the merger, consolidation, or other  
20 acquisition of control, need not take into account the  
21 effect on competition of the merger, consolidation, or  
22 other acquisition of control;

23 (3) the Director shall have the power to require the  
24 following information:

25 (A) certification by an independent actuary of the  
26 adequacy of the reserves of the Health Maintenance



1 Organization sought to be acquired;

2 (B) pro forma financial statements reflecting the  
3 combined balance sheets of the acquiring company and  
4 the Health Maintenance Organization sought to be  
5 acquired as of the end of the preceding year and as of  
6 a date 90 days prior to the acquisition, as well as pro  
7 forma financial statements reflecting projected  
8 combined operation for a period of 2 years;

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

13 (D) such other information as the Director shall  
14 require.

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

21 (e) In considering any management contract or service  
22 agreement subject to Section 141.1 of the Illinois Insurance  
23 Code, the Director (i) shall, in addition to the criteria  
24 specified in Section 141.2 of the Illinois Insurance Code, take  
25 into account the effect of the management contract or service  
26 agreement on the continuation of benefits to enrollees and the

1 financial condition of the health maintenance organization to  
2 be managed or serviced, and (ii) need not take into account the  
3 effect of the management contract or service agreement on  
4 competition.

5 (f) Except for small employer groups as defined in the  
6 Small Employer Rating, Renewability and Portability Health  
7 Insurance Act and except for medicare supplement policies as  
8 defined in Section 363 of the Illinois Insurance Code, a Health  
9 Maintenance Organization may by contract agree with a group or  
10 other enrollment unit to effect refunds or charge additional  
11 premiums under the following terms and conditions:

12 (i) the amount of, and other terms and conditions with  
13 respect to, the refund or additional premium are set forth  
14 in the group or enrollment unit contract agreed in advance  
15 of the period for which a refund is to be paid or  
16 additional premium is to be charged (which period shall not  
17 be less than one year); and

18 (ii) the amount of the refund or additional premium  
19 shall not exceed 20% of the Health Maintenance  
20 Organization's profitable or unprofitable experience with  
21 respect to the group or other enrollment unit for the  
22 period (and, for purposes of a refund or additional  
23 premium, the profitable or unprofitable experience shall  
24 be calculated taking into account a pro rata share of the  
25 Health Maintenance Organization's administrative and  
26 marketing expenses, but shall not include any refund to be

1           made or additional premium to be paid pursuant to this  
2           subsection (f)). The Health Maintenance Organization and  
3           the group or enrollment unit may agree that the profitable  
4           or unprofitable experience may be calculated taking into  
5           account the refund period and the immediately preceding 2  
6           plan years.

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

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

23          (g) Rulemaking authority to implement Public Act 95-1045,  
24          if any, is conditioned on the rules being adopted in accordance  
25          with all provisions of the Illinois Administrative Procedure  
26          Act and all rules and procedures of the Joint Committee on

1 Administrative Rules; any purported rule not so adopted, for  
2 whatever reason, is unauthorized.

3 (Source: P.A. 99-761, eff. 1-1-18; 100-24, eff. 7-18-17;  
4 100-138, eff. 8-18-17; revised 10-5-17.)

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

7 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

8 Sec. 4003. Illinois Insurance Code provisions. Limited  
9 health service organizations shall be subject to the provisions  
10 of Sections 133, 134, 136, 137, 139, 140, 141.1, 141.2, 141.3,  
11 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6,  
12 154.7, 154.8, 155.04, 155.37, 355.2, 355.3, 355b, 356v,  
13 356z.10, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 368a,  
14 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444, and  
15 444.1 and Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2,  
16 XXV, and XXVI of the Illinois Insurance Code. For purposes of  
17 the Illinois Insurance Code, except for Sections 444 and 444.1  
18 and Articles XIII and XIII 1/2, limited health service  
19 organizations in the following categories are deemed to be  
20 domestic companies:

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

22 (2) a corporation organized under the laws of another  
23 state, 30% or more of the enrollees of which are residents  
24 of this State, except a corporation subject to

1 substantially the same requirements in its state of  
2 organization as is a domestic company under Article VIII  
3 1/2 of the Illinois Insurance Code.

4 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;  
5 100-201, eff. 8-18-17; revised 10-5-17.)

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

8 (215 ILCS 165/10) (from Ch. 32, par. 604)

9 Sec. 10. Application of Insurance Code provisions. Health  
10 services plan corporations and all persons interested therein  
11 or dealing therewith shall be subject to the provisions of  
12 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,  
13 143, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3, 355b, 356g,  
14 356g.5, 356g.5-1, 356r, 356t, 356u, 356v, 356w, 356x, 356y,  
15 356z.1, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9,  
16 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18,  
17 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 364.01,  
18 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412,  
19 and paragraphs (7) and (15) of Section 367 of the Illinois  
20 Insurance Code.

21 Rulemaking authority to implement Public Act 95-1045, if  
22 any, is conditioned on the rules being adopted in accordance  
23 with all provisions of the Illinois Administrative Procedure  
24 Act and all rules and procedures of the Joint Committee on

1 Administrative Rules; any purported rule not so adopted, for  
2 whatever reason, is unauthorized.

3 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;  
4 revised 10-5-17.)

5 Section 45. The Illinois Public Aid Code is amended by  
6 changing Section 5-16.8 as follows:

7 (305 ILCS 5/5-16.8)

8 Sec. 5-16.8. Required health benefits. The medical  
9 assistance program shall (i) provide the post-mastectomy care  
10 benefits required to be covered by a policy of accident and  
11 health insurance under Section 356t and the coverage required  
12 under Sections 356g.5, 356u, 356w, 356x, 356z.6, 356z.26, and  
13 356z.29 ~~and 356z.25~~ of the Illinois Insurance Code and (ii) be  
14 subject to the provisions of Sections 356z.19, 364.01, 370c,  
15 and 370c.1 of the Illinois Insurance Code.

16 On and after July 1, 2012, the Department shall reduce any  
17 rate of reimbursement for services or other payments or alter  
18 any methodologies authorized by this Code to reduce any rate of  
19 reimbursement for services or other payments in accordance with  
20 Section 5-5e.

21 To ensure full access to the benefits set forth in this  
22 Section, on and after January 1, 2016, the Department shall  
23 ensure that provider and hospital reimbursement for  
24 post-mastectomy care benefits required under this Section are

1 no lower than the Medicare reimbursement rate.

2 (Source: P.A. 99-433, eff. 8-21-15; 99-480, eff. 9-9-15;

3 99-642, eff. 7-28-16; 100-138, eff. 8-18-17; revised 1-29-18.)