AN ACT concerning regulation.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 1. Findings. The General Assembly finds and declares that:

(1) Diabetes affects approximately 1,300,000 adults in Illinois (12.5% of the population);

(2) Diabetes is the seventh leading cause of death nationally and in Illinois;

(3) The toll on the U.S. economy has increased by more than 40% since 2007, costing the country $245,000,000,000 in 2012;

(4) When someone has diabetes, the body either does not make enough insulin or is unable to use its own insulin, causing glucose levels to rise higher than normal in the blood;

(5) For people with Type 1 diabetes, near-constant self-management of glucose levels is essential to prevent life-threatening complications;

(6) From 2012 to 2016, the average price of insulin increased from 13 cents per unit to 25 cents per unit; therefore,

It is necessary for the State to enact laws to reduce the costs for Illinoisans with diabetes and increase their access
to life-saving and life-sustaining insulin.

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

(5 ILCS 375/6.11)

Sec. 6.11. Required health benefits; Illinois Insurance Code requirements. The program of health benefits shall provide the post-mastectomy care benefits required to be covered by a policy of accident and health insurance under Section 356t of the Illinois Insurance Code. The program of health benefits shall provide the coverage required under Sections 356g, 356g.5, 356g.5-1, 356m, 356u, 356w, 356x, 356z.2, 356z.4, 356z.4a, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30a, 356z.32, and 356z.33, 356z.36, and 356z.41 of the Illinois Insurance Code. The program of health benefits must comply with Sections 155.22a, 155.37, 355b, 356z.19, 370c, and 370c.17 and Article XXXIIB of the Illinois Insurance Code. The Department of Insurance shall enforce the requirements of this Section with respect to Sections 370c and 370c.1 of the Illinois Insurance Code; all other requirements of this Section shall be enforced by the Department of Central Management Services.

Rulemaking authority to implement Public Act 95-1045, if any, is conditioned on the rules being adopted in accordance
with all provisions of the Illinois Administrative Procedure Act and all rules and procedures of the Joint Committee on Administrative Rules; any purported rule not so adopted, for whatever reason, is unauthorized.
(Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; 100-1170, eff. 6-1-19; 101-13, eff. 6-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20; 101-452, eff. 1-1-20; 101-461, eff. 1-1-20; revised 10-16-19.)

Section 15. The Counties Code is amended by changing Section 5-1069.3 as follows:

(55 ILCS 5/5-1069.3)

Sec. 5-1069.3. Required health benefits. If a county, including a home rule county, is a self-insurer for purposes of providing health insurance coverage for its employees, the coverage shall include coverage for the post-mastectomy care benefits required to be covered by a policy of accident and health insurance under Section 356t and the coverage required under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.16, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30a, and 356z.32, and 356z.33, 356z.36, and 356z.41 of the Illinois Insurance Code. The coverage shall comply with Sections 155.22a, 355b, 356z.19, and 370c of the Illinois
Insurance Code. The Department of Insurance shall enforce the requirements of this Section. The requirement that health benefits be covered as provided in this Section is an exclusive power and function of the State and is a denial and limitation under Article VII, Section 6, subsection (h) of the Illinois Constitution. A home rule county to which this Section applies must comply with every provision of this Section.

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

(Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; 101-81, eff. 7-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20; 101-461, eff. 1-1-20; revised 10-16-19.)

Section 20. The Illinois Municipal Code is amended by changing Section 10-4-2.3 as follows:

(65 ILCS 5/10-4-2.3)

Sec. 10-4-2.3. Required health benefits. If a municipality, including a home rule municipality, is a self-insurer for purposes of providing health insurance
coverage for its employees, the coverage shall include coverage
for the post-mastectomy care benefits required to be covered by
a policy of accident and health insurance under Section 356t
and the coverage required under Sections 356g, 356g.5,
356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10,
356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.22, 356z.25,
356z.26, 356z.29, 356z.30a, and 356z.32, and 356z.33, 356z.36,
and 356z.41 of the Illinois Insurance Code. The coverage shall
comply with Sections 155.22a, 355b, 356z.19, and 370c of the
Illinois Insurance Code. The Department of Insurance shall
enforce the requirements of this Section. The requirement that
health benefits be covered as provided in this is an exclusive
power and function of the State and is a denial and limitation
under Article VII, Section 6, subsection (h) of the Illinois
Constitution. A home rule municipality to which this Section
applies must comply with every provision of this Section.

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

(Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;
100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff.
1-1-19; 100-1102, eff. 1-1-19; 101-81, eff. 7-12-19; 101-281,
eff. 1-1-20; 101-393, eff. 1-1-20; 101-461, eff. 1-1-20;
Section 25. The School Code is amended by changing Section 10-22.3f as follows:

(105 ILCS 5/10-22.3f)

Sec. 10-22.3f. Required health benefits. Insurance protection and benefits for employees shall provide the post-mastectomy care benefits required to be covered by a policy of accident and health insurance under Section 356t and the coverage required under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30a, and 356z.32, and 356z.33, 356z.36, and 356z.41 of the Illinois Insurance Code. Insurance policies shall comply with Section 356z.19 of the Illinois Insurance Code. The coverage shall comply with Sections 155.22a, 355b, and 370c of the Illinois Insurance Code. The Department of Insurance shall enforce the requirements of this Section.

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

(Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;
Section 30. The Illinois Insurance Code is amended by changing Section 356w and by adding Sections 356z.41 and 356z.42 as follows:

(215 ILCS 5/356w)
Sec. 356w. Diabetes self-management training and education.
(a) A group policy of accident and health insurance that is amended, delivered, issued, or renewed after the effective date of this amendatory Act of 1998 shall provide coverage for outpatient self-management training and education, equipment, and supplies, as set forth in this Section, for the treatment of type 1 diabetes, type 2 diabetes, and gestational diabetes mellitus.
(b) As used in this Section:
"Diabetes self-management training" means instruction in an outpatient setting which enables a diabetic patient to understand the diabetic management process and daily management of diabetic therapy as a means of avoiding frequent hospitalization and complications. Diabetes self-management training shall include the content areas listed in the National
Standards for Diabetes Self-Management Education Programs as published by the American Diabetes Association, including medical nutrition therapy and education programs, as defined by the contract of insurance, that allow the patient to maintain an A1c level within the range identified in nationally recognized standards of care.

"Medical nutrition therapy" shall have the meaning ascribed to that term in the Dietitian Nutritionist Practice Act.

"Physician" means a physician licensed to practice medicine in all of its branches providing care to the individual.

"Qualified provider" for an individual that is enrolled in:

1. a health maintenance organization that uses a primary care physician to control access to specialty care means (A) the individual's primary care physician licensed to practice medicine in all of its branches, (B) a physician licensed to practice medicine in all of its branches to whom the individual has been referred by the primary care physician, or (C) a certified, registered, or licensed network health care professional with expertise in diabetes management to whom the individual has been referred by the primary care physician.

2. an insurance plan means (A) a physician licensed to practice medicine in all of its branches or (B) a certified, registered, or licensed health care
professional with expertise in diabetes management to whom
the individual has been referred by a physician.

(c) Coverage under this Section for diabetes
self-management training, including medical nutrition
education, shall be limited to the following:

(1) Up to 3 medically necessary visits to a qualified
provider upon initial diagnosis of diabetes by the
patient's physician or, if diagnosis of diabetes was made
within one year prior to the effective date of this
amendatory Act of 1998 where the insured was a covered
individual, up to 3 medically necessary visits to a
qualified provider within one year after that effective
date.

(2) Up to 2 medically necessary visits to a qualified
provider upon a determination by a patient's physician that
a significant change in the patient's symptoms or medical
condition has occurred. A "significant change" in
condition means symptomatic hyperglycemia (greater than
250 mg/dl on repeated occasions), severe hypoglycemia
(requiring the assistance of another person), onset or
progression of diabetes, or a significant change in medical
condition that would require a significantly different
treatment regimen.

Payment by the insurer or health maintenance organization
for the coverage required for diabetes self-management
training pursuant to the provisions of this Section is only
required to be made for services provided. No coverage is required for additional visits beyond those specified in items (1) and (2) of this subsection.

Coverage under this subsection (c) for diabetes self-management training shall be subject to the same deductible, co-payment, and co-insurance provisions that apply to coverage under the policy for other services provided by the same type of provider.

(d) Coverage shall be provided for the following equipment when medically necessary and prescribed by a physician licensed to practice medicine in all of its branches. Coverage for the following items shall be subject to deductible, co-payment and co-insurance provisions provided for under the policy or a durable medical equipment rider to the policy:

(1) blood glucose monitors;
(2) blood glucose monitors for the legally blind;
(3) cartridges for the legally blind; and
(4) lancets and lancing devices.

This subsection does not apply to a group policy of accident and health insurance that does not provide a durable medical equipment benefit.

(e) Coverage shall be provided for the following pharmaceuticals and supplies when medically necessary and prescribed by a physician licensed to practice medicine in all of its branches. Coverage for the following items shall be subject to the same coverage, deductible, co-payment, and
co-insurance provisions under the policy or a drug rider to the policy, except as otherwise provided for under Section 356z.41:

(1) insulin;

(2) syringes and needles;

(3) test strips for glucose monitors;

(4) FDA approved oral agents used to control blood sugar; and

(5) glucagon emergency kits.

This subsection does not apply to a group policy of accident and health insurance that does not provide a drug benefit.

(f) Coverage shall be provided for regular foot care exams by a physician or by a physician to whom a physician has referred the patient. Coverage for regular foot care exams shall be subject to the same deductible, co-payment, and co-insurance provisions that apply under the policy for other services provided by the same type of provider.

(g) If authorized by a physician, diabetes self-management training may be provided as a part of an office visit, group setting, or home visit.

(h) This Section shall not apply to agreements, contracts, or policies that provide coverage for a specified diagnosis or other limited benefit coverage.

(Source: P.A. 97-281, eff. 1-1-12; 97-1141, eff. 12-28-12.)

(215 ILCS 5/356z.41 new)
Sec. 356z.41. Cost sharing in prescription insulin drugs; limits; confidentiality of rebate information.

(a) As used in this Section, "prescription insulin drug" means a prescription drug that contains insulin and is used to control blood glucose levels to treat diabetes but does not include an insulin drug that is administered to a patient intravenously.

(b) This Section applies to a group or individual policy of accident and health insurance amended, delivered, issued, or renewed on or after the effective date of this amendatory Act of the 101st General Assembly.

(c) An insurer that provides coverage for prescription insulin drugs pursuant to the terms of a health coverage plan the insurer offers shall limit the total amount that an insured is required to pay for a 30-day supply of covered prescription insulin drugs at an amount not to exceed $100, regardless of the quantity or type of covered prescription insulin drug used to fill the insured's prescription.

(d) Nothing in this Section prevents an insurer from reducing an insured's cost sharing by an amount greater than the amount specified in subsection (c).

(e) The Director may use any of the Director's enforcement powers to obtain an insurer's compliance with this Section.

(f) The Department may adopt rules as necessary to implement and administer this Section and to align it with federal requirements.
(g) On January 1 of each year, the limit on the amount that
an insured is required to pay for a 30-day supply of a covered
prescription insulin drug shall increase by a percentage equal
to the percentage change from the preceding year in the medical
care component of the Consumer Price Index of the Bureau of

(215 ILCS 5/356z.42 new)

Sec. 356z.42. Insulin pricing report. By November 1, 2020,
the Department of Insurance in conjunction with the Department
of Human Services and the Department of Healthcare and Family
Services shall make available to the public a report that
details each Department's findings for the following:
(1) a summary of insulin pricing practices and variables
that contribute to pricing of health coverage plans;
(2) public policy recommendations to control and prevent
overpricing of prescription insulin drugs made available to
Illinois consumers; and
(3) any other information the Department finds necessary.

This Section is repealed December 31, 2020.

Section 35. The Health Maintenance Organization Act is
amended by changing Section 5-3 as follows:

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

Sec. 5-3. Insurance Code provisions.
(a) Health Maintenance Organizations shall be subject to the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1, 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 355.3, 355b, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17, 356z.18, 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30, 356z.30a, 356z.32, 356z.33, 356z.35, 356z.36, 356z.41, 364, 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c, 368d, 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1, paragraph (c) of subsection (2) of Section 367, Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, XXVI, and XXXIIIb of the Illinois Insurance Code.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(ii) the amount of the refund or additional premium shall not exceed 20% of the Health Maintenance Organization's profitable or unprofitable experience with respect to the group or other enrollment unit for the period (and, for purposes of a refund or additional premium, the profitable or unprofitable experience shall be calculated taking into account a pro rata share of the Health Maintenance Organization's administrative and marketing expenses, but shall not include any refund to be made or additional premium to be paid pursuant to this subsection (f)). The Health Maintenance Organization and the group or enrollment unit may agree that the profitable or unprofitable experience may be calculated taking into account the refund period and the immediately preceding 2
plan years.

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

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

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

(Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1026, eff. 8-22-18; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; 101-13, eff. 6-12-19; 101-81,
Section 40. The Limited Health Service Organization Act is amended by changing Section 4003 as follows:

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

Sec. 4003. Illinois Insurance Code provisions. Limited health service organizations shall be subject to the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1, 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.37, 355.2, 355.3, 355b, 356, 356z.10, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30a, 356z.32, 356z.33, 356z.41, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444, and Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of the Illinois Insurance Code. For purposes of the Illinois Insurance Code, except for Sections 444 and 444.1 and Articles XIII and XIII 1/2, limited health service organizations in the following categories are deemed to be domestic companies:

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

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

(Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17; 100-201, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; 101-81, eff. 7-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20; revised 10-16-19.)

Section 45. The Voluntary Health Services Plans Act is amended by changing Section 10 as follows:

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

Sec. 10. Application of Insurance Code provisions. Health services plan corporations and all persons interested therein or dealing therewith shall be subject to the provisions of Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140, 143, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3, 355b, 356g, 356g.5, 356g.5-1, 356r, 356t, 356u, 356v, 356w, 356x, 356y, 356z.1, 356z.2, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18, 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30, 356z.30a, 356z.32, 356z.33, 356z.41, 364.01, 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412, and paragraphs (7) and (15) of Section 367 of the Illinois Insurance Code.

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

(Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1026, eff. 8-22-18; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; 101-13, eff. 6-12-19; 101-81, eff. 7-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20; revised 10-16-19.)

Section 99. Effective date. This Act takes effect January 1, 2021, except that Section 356z.42 and this Section take effect upon becoming law.