



**94TH GENERAL ASSEMBLY**  
**State of Illinois**  
**2005 and 2006**  
**HB3832**

Introduced 2/25/2005, by Rep. Jay C. Hoffman

**SYNOPSIS AS INTRODUCED:**

5 ILCS 315/15  
5 ILCS 375/5

from Ch. 48, par. 1615  
from Ch. 127, par. 525

Amends the Public Labor Relations Act and the State Employees Group Insurance Act of 1971. Removes provisions that make the labor relations provisions subject to the group insurance provisions. Removes provisions that require proposed collective bargaining agreements to meet certain requirements of the group insurance provisions. Makes other changes. Effective immediately.

LRB094 09245 JAM 39479 b

FISCAL NOTE ACT  
MAY APPLY

1 AN ACT concerning public employees.

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

4 Section 5. The Illinois Public Labor Relations Act is  
5 amended by changing Section 15 as follows:

6 (5 ILCS 315/15) (from Ch. 48, par. 1615)

7 Sec. 15. Act Takes Precedence.

8 (a) In case of any conflict between the provisions of this  
9 Act and any other law ~~(other than Section 5 of the State~~  
10 ~~Employees Group Insurance Act of 1971)~~, executive order or  
11 administrative regulation relating to wages, hours and  
12 conditions of employment and employment relations, the  
13 provisions of this Act or any collective bargaining agreement  
14 negotiated thereunder shall prevail and control. Nothing in  
15 this Act shall be construed to replace or diminish the rights  
16 of employees established by Sections 28 and 28a of the  
17 Metropolitan Transit Authority Act, Sections 2.15 through 2.19  
18 of the Regional Transportation Authority Act. ~~The provisions of~~  
19 ~~this Act are subject to Section 5 of the State Employees Group~~  
20 ~~Insurance Act of 1971.~~ Nothing in this Act shall be construed  
21 to replace the necessity of complaints against a sworn peace  
22 officer, as defined in Section 2(a) of the Uniform Peace  
23 Officer Disciplinary Act, from having a complaint supported by  
24 a sworn affidavit.

25 (b) Except as provided in subsection (a) above, any  
26 collective bargaining contract between a public employer and a  
27 labor organization executed pursuant to this Act shall  
28 supersede any contrary statutes, charters, ordinances, rules  
29 or regulations relating to wages, hours and conditions of  
30 employment and employment relations adopted by the public  
31 employer or its agents. Any collective bargaining agreement  
32 entered into prior to the effective date of this Act shall

1 remain in full force during its duration.

2 (c) It is the public policy of this State, pursuant to  
3 paragraphs (h) and (i) of Section 6 of Article VII of the  
4 Illinois Constitution, that the provisions of this Act are the  
5 exclusive exercise by the State of powers and functions which  
6 might otherwise be exercised by home rule units. Such powers  
7 and functions may not be exercised concurrently, either  
8 directly or indirectly, by any unit of local government,  
9 including any home rule unit, except as otherwise authorized by  
10 this Act.

11 (Source: P.A. 93-839, eff. 7-30-04; 93-1006, eff. 8-24-04;  
12 revised 10-25-04.)

13 Section 10. The State Employees Group Insurance Act of 1971  
14 is amended by changing Section 5 as follows:

15 (5 ILCS 375/5) (from Ch. 127, par. 525)

16 Sec. 5. Employee benefits; declaration of State policy. The  
17 General Assembly declares that it is the policy of the State  
18 and in the best interest of the State to assure quality  
19 benefits to members and their dependents under this Act. The  
20 implementation of this policy depends upon, among other things,  
21 stability and continuity of coverage, care, and services under  
22 benefit programs for members and their dependents.  
23 Specifically, but without limitation, members should have  
24 continued access, on substantially similar terms and  
25 conditions, to trusted family health care providers with whom  
26 they have developed long-term relationships through a benefit  
27 program under this Act. Therefore, the Director must administer  
28 this Act consistent with that State policy, but may consider  
29 affordability, cost of coverage and care, and competition among  
30 health insurers and providers. All contracts for provision of  
31 employee benefits, ~~including those portions of any proposed~~  
32 ~~collective bargaining agreement that would require~~  
33 ~~implementation through contracts entered into under this Act,~~  
34 are subject to the following requirements:

1 (i) By April 1 of each year, the Director must report  
2 and provide information to the Commission concerning the  
3 status of the employee benefits program to be offered for  
4 the next fiscal year. Information includes, but is not  
5 limited to, documents, reports of negotiations, bid  
6 invitations, requests for proposals, specifications,  
7 copies of proposed and final contracts, or final  
8 agreements, and any other materials concerning contracts  
9 ~~or agreements~~ for the employee benefits program. By the  
10 first of each month thereafter, the Director must provide  
11 updated, and any new, information to the Commission until  
12 the employee benefits program for the next fiscal year is  
13 determined. In addition to these monthly reporting  
14 requirements, at any time the Commission makes a written  
15 request, the Director must promptly, but in no event later  
16 than 5 business days after receipt of the request, provide  
17 to the Commission any additional requested information in  
18 the possession of the Director concerning employee  
19 benefits programs. The Commission may waive any of the  
20 reporting requirements of this item (i) upon the written  
21 request by the Director. Any waiver granted under this item  
22 (i) must be in writing. Nothing in this item is intended to  
23 abrogate any attorney-client privilege.

24 (ii) Within 30 days after notice of the awarding or  
25 letting of a contract has appeared in the Illinois  
26 Procurement Bulletin in accordance with subsection (b) of  
27 Section 15-25 of the Illinois Procurement Code, the  
28 Commission may request in writing from the Director and the  
29 Director shall promptly, but in no event later than 5  
30 business days after receipt of the request, provide to the  
31 Commission information in the possession of the Director  
32 concerning the proposed contract. Nothing in this item is  
33 intended to waive or abrogate any privilege or right of  
34 confidentiality authorized by law.

35 (iii) No contract subject to this Section may be  
36 entered into until the 30-day period described in item (ii)

1 has expired, unless the Director requests in writing that  
2 the Commission waive the period and the Commission grants  
3 the waiver in writing.

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

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

24 (vi) The Director must provide the reports,  
25 information, and contracts required under items (i), (ii),  
26 (iv), and (v) by electronic or other means satisfactory to  
27 the Commission. Reports, information, and contracts in the  
28 possession of the Commission pursuant to items (i), (ii),  
29 (iv), and (v) are exempt from disclosure by the Commission  
30 and its members and employees under the Freedom of  
31 Information Act. Reports, information, and contracts  
32 received by the Commission pursuant to items (i), (ii),  
33 (iv), and (v) must be kept confidential by and may not be  
34 disclosed or used by the Commission or its members or  
35 employees if such disclosure or use could compromise the  
36 fairness or integrity of the procurement, bidding, or

1 contract process. Commission meetings, or portions of  
2 Commission meetings, in which reports, information, and  
3 contracts received by the Commission pursuant to items (i),  
4 (ii), (iv), and (v) are discussed must be closed if  
5 disclosure or use of the report or information could  
6 compromise the fairness or integrity of the procurement,  
7 bidding, or contract process.

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

11 The Director shall contract or otherwise make available  
12 group life insurance, health benefits and other employee  
13 benefits to eligible members and, where elected, their eligible  
14 dependents. Any contract or, if applicable, contracts or other  
15 arrangement for provision of benefits shall be on terms  
16 consistent with State policy and based on, but not limited to,  
17 such criteria as administrative cost, service capabilities of  
18 the carrier or other contractor and premiums, fees or charges  
19 as related to benefits.

20 The Director may prepare and issue specifications for group  
21 life insurance, health benefits, other employee benefits and  
22 administrative services for the purpose of receiving proposals  
23 from interested parties.

24 The Director is authorized to execute a contract, or  
25 contracts, for the programs of group life insurance, health  
26 benefits, other employee benefits and administrative services  
27 authorized by this Act (including, without limitation,  
28 prescription drug benefits). All of the benefits provided under  
29 this Act may be included in one or more contracts, or the  
30 benefits may be classified into different types with each type  
31 included under one or more similar contracts with the same or  
32 different companies.

33 The term of any contract may not extend beyond 5 fiscal  
34 years. Upon recommendation of the Commission, the Director may  
35 exercise renewal options of the same contract for up to a  
36 period of 5 years. Any increases in premiums, fees or charges

1 requested by a contractor whose contract may be renewed  
2 pursuant to a renewal option contained therein, must be  
3 justified on the basis of (1) audited experience data, (2)  
4 increases in the costs of health care services provided under  
5 the contract, (3) contractor performance, (4) increases in  
6 contractor responsibilities, or (5) any combination thereof.

7 Any contractor shall agree to abide by all requirements of  
8 this Act and Rules and Regulations promulgated and adopted  
9 thereto; to submit such information and data as may from time  
10 to time be deemed necessary by the Director for effective  
11 administration of the provisions of this Act and the programs  
12 established hereunder, and to fully cooperate in any audit.

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

14 Section 99. Effective date. This Act takes effect upon  
15 becoming law.