



Rep. Elizabeth Coulson

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1 AMENDMENT TO SENATE BILL 101

2 AMENDMENT NO. _____. Amend Senate Bill 101, AS AMENDED, by
3 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 Section 6.11 as follows:

7 (5 ILCS 375/6.11)

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

1 Insurance Code.

2 (Source: P.A. 95-189, eff. 8-16-07; 95-422, eff. 8-24-07;
3 95-520, eff. 8-28-07; 95-876, eff. 8-21-08.)

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.5, 356u, 356w, 356x, 356z.6, 356z.9, ~~and~~
14 356z.10, and 356z.14 of the Illinois Insurance Code. The
15 requirement that health benefits be covered as provided in this
16 Section is an exclusive power and function of the State and is
17 a denial and limitation under Article VII, Section 6,
18 subsection (h) of the Illinois Constitution. A home rule county
19 to which this Section applies must comply with every provision
20 of this Section.

21 (Source: P.A. 95-189, eff. 8-16-07; 95-422, eff. 8-24-07;
22 95-520, eff. 8-28-07; 95-876, eff. 8-21-08.)

23 Section 15. The Illinois Municipal Code is amended by

1 changing Section 10-4-2.3 as follows:

2 (65 ILCS 5/10-4-2.3)

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

17 (Source: P.A. 95-189, eff. 8-16-07; 95-422, eff. 8-24-07;
18 95-520, eff. 8-28-07; 95-876, eff. 8-21-08.)

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

21 (105 ILCS 5/10-22.3f)

22 Sec. 10-22.3f. Required health benefits. Insurance
23 protection and benefits for employees shall provide the

1 post-mastectomy care benefits required to be covered by a
2 policy of accident and health insurance under Section 356t and
3 the coverage required under Sections 356g.5, 356u, 356w, 356x,
4 356z.6, ~~and 356z.9,~~ and 356z.14 of the Illinois Insurance Code.

5 (Source: P.A. 95-189, eff. 8-16-07; 95-422, eff. 8-24-07;
6 95-876, eff. 8-21-08.)

7 Section 25. The Illinois Insurance Code is amended by
8 adding Section 356z.14 as follows:

9 (215 ILCS 5/356z.14 new)

10 Sec. 356z.14. Habilitative services for children.

11 (a) As used in this Section, "habilitative services" means
12 occupational therapy, physical therapy, speech therapy, and
13 other services prescribed by the insured's treating physician
14 pursuant to a treatment plan to enhance the ability of a child
15 to function with a congenital, genetic, or early acquired
16 disorder. A congenital or genetic disorder includes, but is not
17 limited to, hereditary disorders. An early acquired disorder
18 refers to a disorder resulting from illness, trauma, injury, or
19 some other event or condition suffered by a child prior to that
20 child developing functional life skills such as, but not
21 limited to, walking, talking, or self-help skills. Congenital,
22 genetic, and early acquired disorders may include, but are not
23 limited to, autism or an autism spectrum disorder, cerebral
24 palsy, and other disorders resulting from early childhood

1 illness, trauma, or injury.

2 (b) A group or individual policy of accident and health
3 insurance or managed care plan amended, delivered, issued, or
4 renewed after the effective date of this amendatory Act of the
5 95th General Assembly must provide coverage for habilitative
6 services for children under 19 years of age with a congenital,
7 genetic, or early acquired disorder so long as all of the
8 following conditions are met:

9 (1) A physician licensed to practice medicine in all
10 its branches has diagnosed the child's congenital,
11 genetic, or early acquired disorder.

12 (2) The treatment is administered by a licensed
13 speech-language pathologist, licensed audiologist,
14 licensed occupational therapist, licensed physical
15 therapist, licensed physician, licensed nurse, licensed
16 optometrist, licensed nutritionist, licensed social
17 worker, or licensed psychologist upon the referral of a
18 physician licensed to practice medicine in all its
19 branches.

20 (3) The initial or continued treatment must be
21 medically necessary and therapeutic and not experimental
22 or investigational.

23 (c) The coverage required by this Section shall be subject
24 to other general exclusions and limitations of the policy,
25 including coordination of benefits, participating provider
26 requirements, restrictions on services provided by family or

1 household members, utilization review of health care services,
2 including review of medical necessity, case management,
3 experimental, and investigational treatments, and other
4 managed care provisions.

5 (d) Coverage under this Section does not apply to those
6 services that are solely educational in nature or otherwise
7 paid under State or federal law for purely educational
8 services. Nothing in this subsection (d) relieves an insurer or
9 similar third party from an otherwise valid obligation to
10 provide or to pay for services provided to a child with a
11 disability.

12 (e) Coverage under this Section for children under age 19
13 shall not apply to treatment of mental or emotional disorders
14 or illnesses as covered under Section 370 of this Code as well
15 as any other benefit based upon a specific diagnosis that may
16 be otherwise required by law.

17 (f) The provisions of this Section do not apply to
18 short-term travel, accident-only, limited, or specific disease
19 policies.

20 (g) Any denial of care for habilitative services shall be
21 subject to appeal and external independent review procedures as
22 provided by Section 45 of the Managed Care Reform and Patient
23 Rights Act.

24 (h) Upon request of the reimbursing insurer, the provider
25 under whose supervision the habilitative services are being
26 provided shall furnish medical records, clinical notes, or

1 other necessary data to allow the insurer to substantiate that
2 initial or continued medical treatment is medically necessary
3 and that the patient's condition is clinically improving. When
4 the treating provider anticipates that continued treatment is
5 or will be required to permit the patient to achieve
6 demonstrable progress, the insurer may request that the
7 provider furnish a treatment plan consisting of diagnosis,
8 proposed treatment by type, frequency, anticipated duration of
9 treatment, the anticipated goals of treatment, and how
10 frequently the treatment plan will be updated.

11 (i) Rulemaking authority to implement this amendatory Act
12 of the 95th General Assembly, if any, is conditioned on the
13 rules being adopted in accordance with all provisions of the
14 Illinois Administrative Procedure Act and all rules and
15 procedures of the Joint Committee on Administrative Rules; any
16 purported rule not so adopted, for whatever reason, is
17 unauthorized.

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

20 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

21 Sec. 5-3. Insurance Code provisions.

22 (a) Health Maintenance Organizations shall be subject to
23 the provisions of Sections 133, 134, 137, 140, 141.1, 141.2,
24 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5,

1 154.6, 154.7, 154.8, 155.04, 355.2, 356m, 356v, 356w, 356x,
2 356y, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10,
3 356z.14, 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c, 368d,
4 368e, 370c, 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412,
5 444, and 444.1, paragraph (c) of subsection (2) of Section 367,
6 and Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV,
7 and XXVI of the Illinois Insurance Code.

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

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

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

16 (3) a corporation organized under the laws of another
17 state, 30% or more of the enrollees of which are residents
18 of this State, except a corporation subject to
19 substantially the same requirements in its state of
20 organization as is a "domestic company" under Article VIII
21 1/2 of the Illinois Insurance Code.

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

25 (1) the Director shall give primary consideration to
26 the continuation of benefits to enrollees and the financial

1 conditions of the acquired Health Maintenance Organization
2 after the merger, consolidation, or other acquisition of
3 control takes effect;

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

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

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

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

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

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

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

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

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

26 (i) the amount of, and other terms and conditions with

1 respect to, the refund or additional premium are set forth
2 in the group or enrollment unit contract agreed in advance
3 of the period for which a refund is to be paid or
4 additional premium is to be charged (which period shall not
5 be less than one year); and

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

21 The Health Maintenance Organization shall include a
22 statement in the evidence of coverage issued to each enrollee
23 describing the possibility of a refund or additional premium,
24 and upon request of any group or enrollment unit, provide to
25 the group or enrollment unit a description of the method used
26 to calculate (1) the Health Maintenance Organization's

1 profitable experience with respect to the group or enrollment
2 unit and the resulting refund to the group or enrollment unit
3 or (2) the Health Maintenance Organization's unprofitable
4 experience with respect to the group or enrollment unit and the
5 resulting additional premium to be paid by the group or
6 enrollment unit.

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

11 (Source: P.A. 94-906, eff. 1-1-07; 94-1076, eff. 12-29-06;
12 95-422, eff. 8-24-07; 95-520, eff. 8-28-07; 95-876, eff.
13 8-21-08.)

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

16 (215 ILCS 165/10) (from Ch. 32, par. 604)

17 Sec. 10. Application of Insurance Code provisions. Health
18 services plan corporations and all persons interested therein
19 or dealing therewith shall be subject to the provisions of
20 Articles IIA and XII 1/2 and Sections 3.1, 133, 140, 143, 143c,
21 149, 155.37, 354, 355.2, 356g.5, 356r, 356t, 356u, 356v, 356w,
22 356x, 356y, 356z.1, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8,
23 356z.9, 356z.10, 356z.14, 364.01, 367.2, 368a, 401, 401.1, 402,
24 403, 403A, 408, 408.2, and 412, and paragraphs (7) and (15) of

1 Section 367 of the Illinois Insurance Code.

2 (Source: P.A. 94-1076, eff. 12-29-06; 95-189, eff. 8-16-07;
3 95-331, eff. 8-21-07; 95-422, eff. 8-24-07; 95-520, eff.
4 8-28-07; 95-876, eff. 8-21-08.)

5 Section 90. The State Mandates Act is amended by adding
6 Section 8.32 as follows:

7 (30 ILCS 805/8.32 new)

8 Sec. 8.32. Exempt mandate. Notwithstanding Sections 6 and 8
9 of this Act, no reimbursement by the State is required for the
10 implementation of any mandate created by this amendatory Act of
11 the 95th General Assembly."