



Sen. Don Harmon

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09800SB2366sam001

LRB098 07932 RPM 42592 a

1 AMENDMENT TO SENATE BILL 2366

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 2366 by replacing  
3 everything after the enacting clause with the following:

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, ~~and 356z.17,~~ and 356z.22 ~~and 356z.19~~ of the  
16 Illinois Insurance Code. The program of health benefits must

1 comply with Sections 155.22a, 155.37, and 356z.19 of the  
2 Illinois Insurance Code.

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

9 (Source: P.A. 96-139, eff. 1-1-10; 96-328, eff. 8-11-09;  
10 96-639, eff. 1-1-10; 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11;  
11 97-343, eff. 1-1-12; 97-813, eff. 7-13-12.)

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

14 (55 ILCS 5/5-1069.3)

15 Sec. 5-1069.3. Required health benefits. If a county,  
16 including a home rule county, is a self-insurer for purposes of  
17 providing health insurance coverage for its employees, the  
18 coverage shall include coverage for the post-mastectomy care  
19 benefits required to be covered by a policy of accident and  
20 health insurance under Section 356t and the coverage required  
21 under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x,  
22 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,  
23 356z.14, ~~and~~ 356z.15, and 356z.22 of the Illinois Insurance  
24 Code. The coverage shall comply with Sections 155.22a and

1 356z.19 of the Illinois Insurance Code. The requirement that  
2 health benefits be covered as provided in this Section is an  
3 exclusive power and function of the State and is a denial and  
4 limitation under Article VII, Section 6, subsection (h) of the  
5 Illinois Constitution. A home rule county to which this Section  
6 applies must comply with every provision of this Section.

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

13 (Source: P.A. 96-139, eff. 1-1-10; 96-328, eff. 8-11-09;  
14 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11; 97-343, eff. 1-1-12;  
15 97-813, eff. 7-13-12.)

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 coverage  
23 for the post-mastectomy care benefits required to be covered by  
24 a policy of accident and health insurance under Section 356t

1 and the coverage required under Sections 356g, 356g.5,  
2 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10,  
3 356z.11, 356z.12, 356z.13, 356z.14, ~~and 356z.15~~, and 356z.22 of  
4 the Illinois Insurance Code. The coverage shall comply with  
5 Sections 155.22a and 356z.19 of the Illinois Insurance Code.  
6 The requirement that health benefits be covered as provided in  
7 this is an exclusive power and function of the State and is a  
8 denial and limitation under Article VII, Section 6, subsection  
9 (h) of the Illinois Constitution. A home rule municipality to  
10 which this Section applies must comply with every provision of  
11 this Section.

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

18 (Source: P.A. 96-139, eff. 1-1-10; 96-328, eff. 8-11-09;  
19 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11; 97-343, eff. 1-1-12;  
20 97-813, eff. 7-13-12.)

21 Section 20. The School Code is amended by changing Section  
22 10-22.3f as follows:

23 (105 ILCS 5/10-22.3f)

24 Sec. 10-22.3f. Required health benefits. Insurance

1 protection and benefits for employees shall provide the  
2 post-mastectomy care benefits required to be covered by a  
3 policy of accident and health insurance under Section 356t and  
4 the coverage required under Sections 356g, 356g.5, 356g.5-1,  
5 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.11, 356z.12,  
6 356z.13, 356z.14, ~~and 356z.15,~~ and 356z.22 of the Illinois  
7 Insurance Code. Insurance policies shall comply with Section  
8 356z.19 of the Illinois Insurance Code. The coverage shall  
9 comply with Section 155.22a of the Illinois Insurance Code.

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

16 (Source: P.A. 96-139, eff. 1-1-10; 96-328, eff. 8-11-09;  
17 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11; 97-343, eff. 1-1-12;  
18 97-813, eff. 7-13-12.)

19 Section 25. The Illinois Insurance Code is amended by  
20 adding Section 356z.22 as follows:

21 (215 ILCS 5/356z.22 new)

22 Sec. 356z.22. Telehealth.

23 (a) The General Assembly finds and declares the following:

24 (1) Lack of primary care providers, specialty

1 providers, and transportation continue to be significant  
2 barriers to access to health services in medically  
3 underserved rural and urban areas.

4 (2) Parts of Illinois have difficulty attracting and  
5 retaining health professionals, as well as supporting  
6 local health facilities to provide a continuum of health  
7 care.

8 (3) Individuals in rural areas are much less likely to  
9 have access to the specialty health services they need, due  
10 to major distance and time barriers, transportation  
11 limitations, or mobility limitations, all of which lead to  
12 disparities in access to care.

13 (4) Hospital emergency rooms have become the default  
14 provider of health care to patients with acute crises and  
15 for whom no appropriate alternatives are available, and the  
16 majority of emergency rooms do not have reliable, ready  
17 consultative access to psychiatrists or other medical  
18 specialties.

19 (5) Telehealth has been shown to be an effective medium  
20 through which to deliver physical health and mental health  
21 care.

22 (6) Key findings from the Illinois Rural Health  
23 Association's Mental Health Access Forum Report recommend  
24 the increased use of telehealth and technology to improve  
25 access to care, increase training opportunities, and  
26 evaluate quality of care.

1           (7) The State of Illinois has already recognized, and  
2           currently reimburses providers for, telepsychiatry  
3           services to patients receiving State public aid.

4           (8) Telehealth is a mode of delivering health care  
5           services of a personal, family, and public health nature  
6           through utilizing information and communication  
7           technologies to enable the examination, diagnosis,  
8           consultation, treatment, education, care management, and  
9           self-management of patients at a distance from health care  
10           providers.

11           (9) The use of information and telecommunication  
12           technologies to deliver health services has the potential  
13           to reduce costs, improve quality, change the conditions of  
14           practice, and improve access to health care, particularly  
15           in rural and other medically underserved areas, as well as  
16           in emergency rooms in large urban areas where the wait for  
17           specialty care can be lengthy.

18           (10) Telehealth will assist in maintaining or  
19           improving the physical and economic health of medically  
20           underserved communities by keeping the source of medical  
21           care in the local area by assisting primary care  
22           physicians, strengthening the health infrastructure, and  
23           preserving health care-related jobs.

24           (11) Consumers of health care will benefit from  
25           telehealth in many ways, including expanded access to  
26           providers, faster and more convenient treatment, better

1 continuity of care, reduction of lost work time and travel  
2 costs, and the ability to remain with support networks.

3 (12) It is the intent of the General Assembly that the  
4 fundamental health care provider-patient relationship not  
5 only be preserved, but also be augmented and enhanced,  
6 through the use of telehealth as a tool to be integrated  
7 into practices.

8 (13) Without the assurance of payment and the  
9 resolution of legal and policy barriers, the full potential  
10 of telehealth will not be realized.

11 The purpose of this Section is to require certain insurers,  
12 nonprofit health service plans, managed care organizations,  
13 and health maintenance organizations to provide coverage for  
14 health care services delivered through telehealth in a certain  
15 manner; prohibit certain insurers, nonprofit health service  
16 plans, health maintenance organizations and managed care  
17 organizations from excluding a health care service from  
18 coverage solely because it is delivered by telehealth and not  
19 in another manner; require certain insurers, nonprofit health  
20 service plans, and health maintenance organizations to  
21 reimburse health care providers for certain services under  
22 certain circumstances; authorize the imposition of a  
23 deductible, copayment, coinsurance amount, or annual dollar  
24 maximum for certain services; prohibit the imposition of a  
25 lifetime dollar maximum for certain services; prohibit a health  
26 insurance policy or contract from distinguishing between

1 patients in rural or urban locations in providing certain  
2 coverage; and provide for the application of this Code.

3 (b) For the purposes of this Section:

4 "Asynchronous store and forward" means the transmission of  
5 a patient's medical information from an originating site to the  
6 health care provider at a distant site without the presence of  
7 the patient.

8 "Distant site" means the location at which the provider  
9 rendering the service is located.

10 "Facility fee" means the reimbursement made to the  
11 following originating sites for the telehealth service:  
12 physician's office, local health departments, community mental  
13 health centers, outpatient hospitals, and substance abuse  
14 treatment centers licensed by the Division of Alcoholism and  
15 Substance Abuse of the Department of Human Services.

16 "Interactive telecommunications system" means multimedia  
17 communications equipment that includes, at a minimum, audio and  
18 video equipment permitting 2-way, real-time interactive  
19 communication between the patient and the distant site  
20 provider. Telephones, facsimile machines, and electronic mail  
21 systems do not meet the definition of "interactive  
22 telecommunications system".

23 "Originating site" means the location at which the  
24 participant receiving the service is located, including, but  
25 not limited to, hospitals, rural health clinics, Federally  
26 Qualified Health Centers, and other health care professionals

1 and providers.

2 "Physician" means a physician licensed to practice  
3 medicine in all its branches.

4 "Synchronous interaction" means a real-time interaction  
5 between a patient at an originating site and a health care  
6 provider located at a distant site.

7 "Telecommunication system" means an asynchronous store and  
8 forward technology or an interactive telecommunications  
9 system, or both, that is used to transmit data between the  
10 originating and distant sites.

11 "Telehealth" means (1) the provision of services and the  
12 mode of delivering health care services and public health via  
13 information and communication technologies to facilitate the  
14 examination, diagnosis, consultation, treatment, education,  
15 care management, and self-management of a patient's health care  
16 while the patient is at the originating site and the health  
17 care provider is at a distant site; telehealth facilitates  
18 patient self-management and caregiver support for patients and  
19 includes synchronous interactions and asynchronous store and  
20 forward transfers and (2) as it relates to the delivery of  
21 health care, mental health care, and public health services,  
22 the use of interactive audio, video, or other  
23 telecommunications or electronic technology by a licensed  
24 health care provider to deliver a health care service within  
25 the scope of practice of the health care provider from the  
26 distant site to the originating site at which the patient is

1 located; telehealth is the provision of services via  
2 information and communication technologies to facilitate the  
3 diagnosis, consultation, treatment, education, care  
4 management, and self-management of a patient's health care  
5 while the patient is at the originating site and the health  
6 care provider is at a distant site; telehealth facilitates  
7 patient self-management and caregiver support for patients and  
8 includes synchronous interactions and asynchronous store and  
9 forward transfers. "Telehealth" does not include:

10 (A) an audio-only telephone conversation between a  
11 health care provider and a patient;

12 (B) an electronic mail message between a health care  
13 provider and a patient; or

14 (C) a facsimile transmission between a health care  
15 provider and a patient.

16 "Teleophthalmology and teledermatology by store and  
17 forward" means an asynchronous transmission of medical  
18 information to be reviewed at a later time by a physician at a  
19 distant site who is trained in ophthalmology or dermatology or,  
20 for teleophthalmology, by an optometrist who is licensed  
21 pursuant to the Illinois Optometric Practice Act of 1987 where  
22 the physician or optometrist at the distant site reviews the  
23 medical information without the patient being present in real  
24 time.

25 (c) This Section applies to:

26 (1) insurers and nonprofit health service plans that

1 provide hospital, medical, mental health, or surgical  
2 benefits to individuals or groups on an expense-incurred  
3 basis under health insurance policies or contracts that are  
4 issued or delivered in this State; and

5 (2) health maintenance organizations that provide  
6 hospital, medical, mental health, or surgical benefits to  
7 individuals or groups under contracts that are issued or  
8 delivered in this State.

9 This Section shall not be construed to alter the scope of  
10 practice of any health care provider or authorize the delivery  
11 of health care services in a setting or in a manner not  
12 otherwise authorized by law. All laws regarding the  
13 confidentiality of health care information and a patient's  
14 rights to his or her medical information shall apply to  
15 telehealth interactions. This Section applies to a group or  
16 individual policy of accident and health insurance or managed  
17 care plan amended, delivered, issued, or renewed after the  
18 effective date of this amendatory Act of the 98th General  
19 Assembly.

20 (d) An entity subject to this Section:

21 (1) shall provide coverage under a health insurance  
22 policy or contract for health care services appropriately  
23 delivered through telehealth;

24 (2) may not exclude from coverage a health care service  
25 solely because it is provided through telehealth and is not  
26 provided through an in-person consultation or contact

1 between a health care provider and a patient; and

2 (3) shall not require that in-person contact occur  
3 between a health care provider and a patient before payment  
4 is made for the covered services appropriately provided  
5 through telehealth.

6 No health care service plan shall require the health care  
7 provider to document a barrier to an in-person visit for  
8 coverage of services to be provided via telehealth. No health  
9 care service plan shall limit the type of setting where  
10 services are provided for the patient or by the health care  
11 provider before payment is made for the covered services  
12 appropriately provided through telehealth, subject to the  
13 terms and conditions of the contract entered into between the  
14 enrollee or subscriber and the health care service plan and its  
15 participating providers or provider groups.

16 Notwithstanding any other provision, this Section shall  
17 not be interpreted to authorize a health care service plan to  
18 require the use of telehealth when the health care provider has  
19 determined that it is not appropriate.

20 (e) With regard to reimbursement, an entity subject to this  
21 Section:

22 (1) shall reimburse a health care provider for the  
23 examination, diagnosis, consultation, and treatment of an  
24 insured patient for a health care service covered under a  
25 health insurance policy or contract that can appropriately  
26 be provided through telehealth;

1           (2) is not required to:

2                   (A) reimburse a health care provider for a health  
3                   care service delivered in person or through telehealth  
4                   that is not a covered benefit under the health  
5                   insurance policy or contract; or

6                   (B) reimburse a health care provider who is not a  
7                   covered provider under the health insurance policy or  
8                   contract;

9           (3) may impose the same deductible, copayment, or  
10           coinsurance amount on benefits for health care services  
11           that are delivered through an in-person consultation or  
12           through telehealth; and

13           (4) may not impose a lifetime dollar maximum.

14           A facility fee shall be paid to providers. Participating  
15           providers shall be reimbursed for the appropriate current  
16           procedural terminology (CPT) code for the telehealth service  
17           rendered.

18           (f) A patient receiving services by store and forward shall  
19           be notified of the right to receive interactive communication  
20           with the distant specialist physician or optometrist, and shall  
21           receive an interactive communication with the distant  
22           specialist physician or optometrist upon request. If  
23           requested, communication with the distant specialist physician  
24           or optometrist may occur either at the time of the consultation  
25           or within 30 days after the patient's notification of the  
26           results of the consultation. If the reviewing optometrist

1 identifies a disease or condition requiring consultation or  
2 referral, then that consultation or referral shall be with an  
3 ophthalmologist or other appropriate physician and surgeon as  
4 required.

5 (g) The requirements for telehealth services are as  
6 follows:

7 (1) A physician or other licensed health care  
8 professional must be present at all times with the patient  
9 at the originating site.

10 (2) The distant site provider must be a physician or  
11 other licensed health care professional who is licensed by  
12 the State of Illinois or by the state where the patient is  
13 located.

14 (3) Medical data may be exchanged through a  
15 telecommunication system.

16 (4) The interactive telecommunications system must, at  
17 a minimum, have the capability of allowing the consulting  
18 physician to examine the patient sufficiently to allow  
19 proper diagnosis of the involved body system. The system  
20 must also be capable of transmitting clearly audible heart  
21 tones and lung sounds as well as clear video images of the  
22 patient and any diagnostic tools such as radiographs.

23 (h) The requirements for telepsychiatry services are as  
24 follows:

25 (1) A physician or other licensed clinician as defined  
26 in Section 132.25 of Title 59 of the Illinois

1 Administrative Code must be present at all times with the  
2 patient at the originating site.

3 (2) The distant site provider must be a physician  
4 licensed by the State of Illinois or by the state where the  
5 patient is located and must have completed or be registered  
6 in and supervised by a physician who has completed an  
7 approved general psychiatry residency program. When  
8 treating patients age 16 and younger, the physician must  
9 have also completed an approved child and adolescent  
10 residency program or be registered in an approved general  
11 psychiatry residency program or a child and adolescent  
12 psychiatry fellowship program and supervised by a  
13 physician who has completed an approved child and  
14 adolescent psychiatry fellowship program. The distant site  
15 provider must personally render the telepsychiatry  
16 service. Telepsychiatry services must be rendered using an  
17 interactive telecommunications system.

18 Group psychotherapy is a covered telepsychiatry service.

19 (i) The originating site must maintain records to document  
20 the services provided to patients and the health care  
21 professionals and providers involved in the services at all  
22 originating and distant site locations.

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

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

2 Sec. 5-3. Insurance Code provisions.

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

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

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

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

23 (3) a corporation organized under the laws of another  
24 state, 30% or more of the enrollees of which are residents  
25 of this State, except a corporation subject to  
26 substantially the same requirements in its state of

1 organization as is a "domestic company" under Article VIII  
2 1/2 of the Illinois Insurance Code.

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

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

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

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

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

23 (B) pro forma financial statements reflecting the  
24 combined balance sheets of the acquiring company and  
25 the Health Maintenance Organization sought to be  
26 acquired as of the end of the preceding year and as of

1 a date 90 days prior to the acquisition, as well as pro  
2 forma financial statements reflecting projected  
3 combined operation for a period of 2 years;

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

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

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

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

26 (f) Except for small employer groups as defined in the

1 Small Employer Rating, Renewability and Portability Health  
2 Insurance Act and except for medicare supplement policies as  
3 defined in Section 363 of the Illinois Insurance Code, a Health  
4 Maintenance Organization may by contract agree with a group or  
5 other enrollment unit to effect refunds or charge additional  
6 premiums under the following terms and conditions:

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

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

1 plan years.

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

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

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

24 (Source: P.A. 96-328, eff. 8-11-09; 96-639, eff. 1-1-10;  
25 96-833, eff. 6-1-10; 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11;  
26 97-343, eff. 1-1-12; 97-437, eff. 8-18-11; 97-486, eff. 1-1-12;

1 97-592, eff. 1-1-12; 97-805, eff. 1-1-13; 97-813, eff.  
2 7-13-12.)

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

5 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

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

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

19 (2) a corporation organized under the laws of another  
20 state, 30% of more of the enrollees of which are residents  
21 of this State, except a corporation subject to  
22 substantially the same requirements in its state of  
23 organization as is a domestic company under Article VIII  
24 1/2 of the Illinois Insurance Code.

1 (Source: P.A. 97-486, eff. 1-1-12; 97-592, 1-1-12; 97-805, eff.  
2 1-1-13; 97-813, eff. 7-13-12.)

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

5 (215 ILCS 165/10) (from Ch. 32, par. 604)

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

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

23 (Source: P.A. 96-328, eff. 8-11-09; 96-833, eff. 6-1-10;  
24 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11; 97-343, eff. 1-1-12;

- 1 97-486, eff. 1-1-12; 97-592, eff. 1-1-12; 97-805, eff. 1-1-13;
- 2 97-813, eff. 7-13-12.)".