



Sen. Don Harmon

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LRB098 07932 RPM 43590 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 in compliance with Illinois and
25 federal parity laws; prohibit the imposition of a lifetime
26 dollar maximum for certain services; prohibit a health

1 insurance policy or contract from distinguishing between
2 patients in rural or urban locations in providing certain
3 coverage; and provide for the application of this Code.

4 (b) For the purposes of this Section:

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

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

11 "Facility fee" means the reimbursement made to the
12 following originating sites for the telehealth service:
13 physician's office, local health departments, community mental
14 health centers, rural health clinics, hospitals, and substance
15 use disorder facilities licensed by the Department of Human
16 Services or the Department of Public Health.

17 "Health care provider" means a licensed or certified health
18 care professional, including, but not limited to, advanced
19 practice nurses, psychologists, social workers, physicians,
20 licensed clinical professional counselors, and mental health
21 professionals as defined in 59 Ill. Adm. Code 132.25 and
22 substance use disorder professionals as defined in 77 Ill. Adm.
23 Code 2060.309.

24 "Interactive telecommunications system" means multimedia
25 communications equipment that includes, at a minimum, audio and
26 video equipment permitting 2-way, real-time interactive

1 communication between the patient and the distant site
2 provider. Telephones, facsimile machines, and electronic mail
3 systems do not meet the definition of "interactive
4 telecommunications system".

5 "Originating site" means the location at which the
6 participant receiving the service is located, including, but
7 not limited to, hospitals, rural health clinics, Federally
8 Qualified Health Centers, and other health care providers.

9 "Physician" means a physician licensed to practice
10 medicine in all its branches.

11 "Synchronous interaction" means a real-time interaction
12 between a patient at an originating site and a health care
13 provider located at a distant site.

14 "Telecommunication system" means an asynchronous store and
15 forward technology or an interactive telecommunications
16 system, or both, that is used to transmit data between the
17 originating and distant sites.

18 "Telehealth" means (1) the provision of services and the
19 mode of delivering health care services and public health via
20 information and communication technologies to facilitate the
21 examination, assessment, diagnosis, consultation, treatment,
22 education, care management, and self-management of a patient's
23 health care while the patient is at the originating site and
24 the health care provider is at a distant site; telehealth
25 facilitates patient self-management and caregiver support for
26 patients and includes synchronous interactions and

1 asynchronous store and forward transfers and (2) as it relates
2 to the delivery of health care, mental health care, substance
3 use disorder treatment, and public health services, the use of
4 interactive audio, video, or other telecommunications or
5 electronic technology by a health care provider to deliver a
6 health care service within the scope of practice of the health
7 care provider from the distant site to the originating site at
8 which the patient is located; telehealth is the provision of
9 services via information and communication technologies to
10 facilitate the assessment, diagnosis, consultation, treatment,
11 education, care management, and self-management of a patient's
12 health care while the patient is at the originating site and
13 the health care provider is at a distant site; telehealth
14 facilitates patient self-management and caregiver support for
15 patients and includes synchronous interactions and
16 asynchronous store and forward transfers. "Telehealth" does
17 not include:

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

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

22 (C) a facsimile transmission between a health care
23 provider and a patient.

24 "Teleophthalmology and teledermatology by store and
25 forward" means an asynchronous transmission of medical
26 information to be reviewed at a later time by a physician at a

1 distant site who is trained in ophthalmology or dermatology or,
2 for teleophthalmology, by an optometrist who is licensed
3 pursuant to the Illinois Optometric Practice Act of 1987 where
4 the physician or optometrist at the distant site reviews the
5 medical information without the patient being present in real
6 time.

7 (c) This Section applies to:

8 (1) insurers and nonprofit health service plans that
9 provide hospital, medical, mental health, substance use
10 disorder, or surgical benefits to individuals or groups on
11 an expense-incurred basis under health insurance policies
12 or contracts that are issued or delivered in this State;
13 and

14 (2) health maintenance organizations that provide
15 hospital, medical, mental health, substance use disorder,
16 or surgical benefits to individuals or groups under
17 contracts that are issued or delivered in this State.

18 This Section shall not be construed to alter the scope of
19 practice of any health care provider or authorize the delivery
20 of health care services in a setting or in a manner not
21 otherwise authorized by law. All laws regarding the
22 confidentiality of health care information and a patient's
23 rights to his or her medical information shall apply to
24 telehealth interactions. This Section applies to a group or
25 individual policy of accident and health insurance or managed
26 care plan amended, delivered, issued, or renewed after the

1 effective date of this amendatory Act of the 98th General
2 Assembly.

3 (d) An entity subject to this Section:

4 (1) shall provide coverage under a health insurance
5 policy or contract for health care services appropriately
6 delivered through telehealth;

7 (2) may not exclude from coverage a health care service
8 solely because it is provided through telehealth and is not
9 provided through an in-person consultation or contact
10 between a health care provider and a patient; and

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

15 No health care service plan shall require the health care
16 provider to document a barrier to an in-person visit for
17 coverage of services to be provided via telehealth. No health
18 care service plan shall limit the type of setting where
19 services are provided for the patient or by the health care
20 provider before payment is made for the covered services
21 appropriately provided through telehealth, subject to the
22 terms and conditions of the contract entered into between the
23 enrollee or subscriber and the health care service plan and its
24 participating providers or provider groups.

25 Notwithstanding any other provision, this Section shall
26 not be interpreted to authorize a health care service plan to

1 require the use of telehealth when the health care provider has
2 determined that it is not appropriate.

3 (e) With regard to reimbursement, an entity subject to this
4 Section:

5 (1) shall reimburse a health care provider for the
6 examination, assessment, diagnosis, consultation, and
7 treatment of an insured patient for a health care service
8 covered under a health insurance policy or contract that
9 can appropriately be provided through telehealth;

10 (2) is not required to:

11 (A) reimburse a health care provider for a health
12 care service delivered in person or through telehealth
13 that is not a covered benefit under the health
14 insurance policy or contract; or

15 (B) reimburse a health care provider who is not a
16 covered provider under the health insurance policy or
17 contract;

18 (3) may impose the same deductible, copayment, or
19 coinsurance amount on benefits for health care services
20 that are delivered through an in-person consultation or
21 through telehealth in compliance with Illinois and federal
22 parity laws; and

23 (4) may not impose a lifetime dollar maximum or limit
24 the provision of mental health or substance use disorder
25 services in a manner that violates Illinois or federal
26 parity laws.

1 A facility fee shall be paid to providers. Participating
2 providers shall be reimbursed for the appropriate current
3 procedural terminology (CPT) code for the telehealth service
4 rendered.

5 (f) A patient receiving services by store and forward shall
6 be notified of the right to receive interactive communication
7 with the distant specialist physician or optometrist, and shall
8 receive an interactive communication with the distant
9 specialist physician or optometrist upon request. If
10 requested, communication with the distant specialist physician
11 or optometrist may occur either at the time of the consultation
12 or within 30 days after the patient's notification of the
13 results of the consultation. If the reviewing optometrist
14 identifies a disease or condition requiring consultation or
15 referral, then that consultation or referral shall be with an
16 ophthalmologist or other appropriate physician and surgeon as
17 required.

18 (g) The requirements for telehealth services are as
19 follows:

20 (1) A physician or other health care provider must be
21 onsite and available to the patient at the originating
22 site, except:

23 (A) where the patient requests that the health care
24 provider not be present in the same room with the
25 patient, but such health care provider is otherwise
26 available to the patient onsite; or

1 (B) where the patient and his or her treating
2 health care provider consent to the provision of level
3 one substance use disorder treatment services in
4 accordance with 77 Ill. Adm. Code 2060.401 without a
5 health care provider present onsite with the patient.

6 (2) The distant site provider must be a physician or
7 health care provider.

8 (3) Medical data may be exchanged through a
9 telecommunication system.

10 (4) The interactive telecommunications system must, at
11 a minimum, have the capability of allowing the consulting
12 physician to examine the patient sufficiently to allow
13 proper diagnosis. The system must also be capable of
14 transmitting clearly audible sounds as well as clear video
15 images.

16 (h) The requirements for telepsychiatry services are as
17 follows:

18 (1) A physician or other health care provider as
19 defined in 59 Ill. Adm. Code 132.25 must be onsite and
20 available to the patient at the originating site, but at
21 the patient's request does not need to be present in the
22 room with the patient.

23 (2) The distant site provider must be a physician or
24 health care provider licensed by the State of Illinois or
25 by the state where the patient is located and must have
26 completed or be registered in and supervised by a physician

1 who has completed an approved general psychiatry residency
2 program. When treating patients age 16 and younger, the
3 physician must have also completed an approved child and
4 adolescent residency program or be registered in an
5 approved general psychiatry residency program or a child
6 and adolescent psychiatry fellowship program and
7 supervised by a physician who has completed an approved
8 child and adolescent psychiatry fellowship program. The
9 distant site provider must personally render the
10 telepsychiatry service. Telepsychiatry services must be
11 rendered using an interactive video telecommunications
12 system.

13 Group psychotherapy is a covered telepsychiatry service.

14 (i) The originating site must maintain records to document
15 the services provided to patients and the health care providers
16 involved in the services at all originating and distant site
17 locations.

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, 136, 137, 139, 140, 141.1,
24 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154,

1 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 355.3,
2 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4, 356z.5,
3 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
4 356z.14, 356z.15, 356z.17, 356z.18, 356z.19, 356z.21, 356z.22,
5 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c, 368d, 368e,
6 370c, 370c.1, 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412,
7 444, and 444.1, paragraph (c) of subsection (2) of Section 367,
8 and Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV,
9 and XXVI of the Illinois Insurance Code.

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

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

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

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

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

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

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

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

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

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

25 (C) a pro forma business plan detailing an
26 acquiring party's plans with respect to the operation

1 of the Health Maintenance Organization sought to be
2 acquired for a period of not less than 3 years; and

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

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

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

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

1 premiums under the following terms and conditions:

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

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

23 The Health Maintenance Organization shall include a
24 statement in the evidence of coverage issued to each enrollee
25 describing the possibility of a refund or additional premium,
26 and upon request of any group or enrollment unit, provide to

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

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

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

19 (Source: P.A. 96-328, eff. 8-11-09; 96-639, eff. 1-1-10;
20 96-833, eff. 6-1-10; 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11;
21 97-343, eff. 1-1-12; 97-437, eff. 8-18-11; 97-486, eff. 1-1-12;
22 97-592, eff. 1-1-12; 97-805, eff. 1-1-13; 97-813, eff.
23 7-13-12.)

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

1 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)
2 Sec. 4003. Illinois Insurance Code provisions. Limited
3 health service organizations shall be subject to the provisions
4 of Sections 133, 134, 136, 137, 139, 140, 141.1, 141.2, 141.3,
5 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6,
6 154.7, 154.8, 155.04, 155.37, 355.2, 355.3, 356v, 356z.10,
7 356z.21, 356z.22, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2,
8 409, 412, 444, and 444.1 and Articles IIA, VIII 1/2, XII, XII
9 1/2, XIII, XIII 1/2, XXV, and XXVI of the Illinois Insurance
10 Code. For purposes of the Illinois Insurance Code, except for
11 Sections 444 and 444.1 and Articles XIII and XIII 1/2, limited
12 health service organizations in the following categories are
13 deemed to be domestic companies:

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

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

21 (Source: P.A. 97-486, eff. 1-1-12; 97-592, 1-1-12; 97-805, eff.
22 1-1-13; 97-813, eff. 7-13-12.)

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

1 (215 ILCS 165/10) (from Ch. 32, par. 604)

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

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

19 (Source: P.A. 96-328, eff. 8-11-09; 96-833, eff. 6-1-10;
20 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11; 97-343, eff. 1-1-12;
21 97-486, eff. 1-1-12; 97-592, eff. 1-1-12; 97-805, eff. 1-1-13;
22 97-813, eff. 7-13-12.)".