



Sen. William R. Haine

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LRB099 19287 EGJ 45470 a

1 AMENDMENT TO SENATE BILL 2364

2 AMENDMENT NO. _____. Amend Senate Bill 2364 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Personnel Code is amended by adding Section
5 26 as follows:

6 (20 ILCS 415/26 new)

7 Sec. 26. Transfers. Personnel employed by the Illinois
8 Comprehensive Health Insurance Plan transferred to the
9 Department of Insurance on January 1, 2017 pursuant to this
10 amendatory Act of the 99th General Assembly, upon completion of
11 the probationary period, shall receive certified status under
12 this Code.

13 Section 10. The Department of Insurance Law of the Civil
14 Administrative Code of Illinois is amended by adding Section
15 1405-40 as follows:

1 (20 ILCS 1405/1405-40 new)

2 Sec. 1405-40. Transfer of the Illinois Comprehensive
3 Health Insurance Plan. On January 1, 2017, all powers, duties,
4 rights, and responsibilities of the Illinois Comprehensive
5 Health Insurance Plan and the Illinois Comprehensive Health
6 Insurance Board under the Comprehensive Health Insurance Plan
7 Act shall be transferred to the Director of Insurance as
8 provided in Section 17 of the Comprehensive Health Insurance
9 Plan Act.

10 Section 15. The Comprehensive Health Insurance Plan Act is
11 amended by changing Sections 1.1, 3, and 15 and by adding
12 Sections 16, 17, and 18 as follows:

13 (215 ILCS 105/1.1) (from Ch. 73, par. 1301.1)

14 Sec. 1.1. The General Assembly hereby makes the following
15 findings and declarations:

16 (a) The Comprehensive Health Insurance Plan is
17 established as a State program that is intended to provide
18 an alternate market for health insurance for certain
19 uninsurable Illinois residents, and further is intended to
20 provide an acceptable alternative mechanism as described
21 in the federal Health Insurance Portability and
22 Accountability Act of 1996 for providing portable and
23 accessible individual health insurance coverage for

1 federally eligible individuals as defined in this Act.

2 (b) The State of Illinois may subsidize the cost of
3 health insurance coverage offered by the Plan. However,
4 since the State has only a limited amount of resources, the
5 General Assembly declares that it intends for this program
6 to provide portable and accessible individual health
7 insurance coverage for every federally eligible individual
8 who qualifies for coverage in accordance with Section 15 of
9 this Act, but does not intend for every eligible person who
10 qualifies for Plan coverage in accordance with Section 7 of
11 this Act to be guaranteed a right to be issued a policy
12 under this Plan as a matter of entitlement.

13 (c) The Comprehensive Health Insurance Plan Board
14 shall operate the Plan in a manner so that the estimated
15 cost of the program during any fiscal year will not exceed
16 the total income it expects to receive from policy
17 premiums, investment income, assessments, or fees
18 collected or received by the Board and other funds which
19 are made available from appropriations for the Plan by the
20 General Assembly for that fiscal year.

21 With the implementation of the federal Patient Protection
22 and Affordable Care Act, the Plan shall discontinue as the
23 alternative market for health insurance for certain
24 uninsurable Illinois residents and discontinue as the
25 alternative mechanism, as described in the federal Health
26 Insurance Portability and Accountability Act of 1996,

1 effective no later than January 1, 2017.

2 (Source: P.A. 90-30, eff. 7-1-97.)

3 (215 ILCS 105/3) (from Ch. 73, par. 1303)

4 Sec. 3. Operation of the Plan.

5 a. There is hereby created an Illinois Comprehensive Health
6 Insurance Plan.

7 b. The Plan shall operate subject to the supervision and
8 control of the board. The board is created as a political
9 subdivision and body politic and corporate and, as such, is not
10 a State agency. The board shall consist of 10 public members,
11 appointed by the Governor with the advice and consent of the
12 Senate.

13 Initial members shall be appointed to the Board by the
14 Governor as follows: 2 members to serve until July 1, 1988, and
15 until their successors are appointed and qualified; 2 members
16 to serve until July 1, 1989, and until their successors are
17 appointed and qualified; 3 members to serve until July 1, 1990,
18 and until their successors are appointed and qualified; and 3
19 members to serve until July 1, 1991, and until their successors
20 are appointed and qualified. As terms of initial members
21 expire, their successors shall be appointed for terms to expire
22 the first day in July 3 years thereafter, and until their
23 successors are appointed and qualified.

24 Any vacancy in the Board occurring for any reason other
25 than the expiration of a term shall be filled for the unexpired

1 term in the same manner as the original appointment.

2 Any member of the Board may be removed by the Governor for
3 neglect of duty, misfeasance, malfeasance, or nonfeasance in
4 office.

5 In addition, a representative of the Governor's Office of
6 Management and Budget, a representative of the Office of the
7 Attorney General and the Director or the Director's designated
8 representative shall be members of the board. Four members of
9 the General Assembly, one each appointed by the President and
10 Minority Leader of the Senate and by the Speaker and Minority
11 Leader of the House of Representatives, shall serve as
12 nonvoting members of the board. At least 2 of the public
13 members shall be individuals reasonably expected to qualify for
14 coverage under the Plan, the parent or spouse of such an
15 individual, or a surviving family member of an individual who
16 could have qualified for the plan during his lifetime. The
17 Director or Director's representative shall be the chairperson
18 of the board. Members of the board shall receive no
19 compensation, but shall be reimbursed for reasonable expenses
20 incurred in the necessary performance of their duties.

21 c. The board shall make an annual report in September and
22 shall file the report with the Secretary of the Senate and the
23 Clerk of the House of Representatives. The report shall
24 summarize the activities of the Plan in the preceding calendar
25 year, including net written and earned premiums, the expense of
26 administration, the paid and incurred losses for the year and

1 other information as may be requested by the General Assembly.
2 The report shall also include analysis and recommendations
3 regarding utilization review, quality assurance and access to
4 cost effective quality health care.

5 d. In its plan of operation the board shall:

6 (1) Establish procedures for selecting a plan
7 administrator in accordance with Section 5 of this Act.

8 (2) Establish procedures for the operation of the
9 board.

10 (3) Create a Plan fund, under management of the board,
11 to fund administrative, claim, and other expenses of the
12 Plan.

13 (4) Establish procedures for the handling and
14 accounting of assets and monies of the Plan.

15 (5) Develop and implement a program to publicize the
16 existence of the Plan, the eligibility requirements and
17 procedures for enrollment and to maintain public awareness
18 of the Plan.

19 (6) Establish procedures under which applicants and
20 participants may have grievances reviewed by a grievance
21 committee appointed by the board. The grievances shall be
22 reported to the board immediately after completion of the
23 review. The Department and the board shall retain all
24 written complaints regarding the Plan for at least 3 years.
25 Oral complaints shall be reduced to written form and
26 maintained for at least 3 years.

1 (7) Provide for other matters as may be necessary and
2 proper for the execution of its powers, duties and
3 obligations under the Plan.

4 e. No later than 5 years after the Plan is operative the
5 board and the Department shall conduct cooperatively a study of
6 the Plan and the persons insured by the Plan to determine: (1)
7 claims experience including a breakdown of medical conditions
8 for which claims were paid; (2) whether availability of the
9 Plan affected employment opportunities for participants; (3)
10 whether availability of the Plan affected the receipt of
11 medical assistance benefits by Plan participants; (4) whether a
12 change occurred in the number of personal bankruptcies due to
13 medical or other health related costs; (5) data regarding all
14 complaints received about the Plan including its operation and
15 services; (6) and any other significant observations regarding
16 utilization of the Plan. The study shall culminate in a written
17 report to be presented to the Governor, the President of the
18 Senate, the Speaker of the House and the chairpersons of the
19 House and Senate Insurance Committees. The report shall be
20 filed with the Secretary of the Senate and the Clerk of the
21 House of Representatives. The report shall also be available to
22 members of the general public upon request.

23 (e-5) The board shall conduct a feasibility study of
24 establishing a small employer health insurance pool in which
25 employers may provide affordable health insurance coverage to
26 their employees. The board may contract with a private entity

1 or enter into intergovernmental agreements with State agencies
2 for the completion of all or part of the study. The study
3 shall:

4 (i) Analyze other states' experience in establishing
5 small employer health insurance pools;

6 (ii) Assess the need for a small employer health
7 insurance pool, including the number of individuals who
8 might benefit from it;

9 (iii) Recommend means of establishing a small employer
10 health insurance pool; and

11 (iv) Estimate the cost of providing a small employer
12 health insurance pool through the Illinois Comprehensive
13 Health Insurance Plan or another, public or private entity.

14 The board may accept donations, in trust, from any legal
15 source, public or private, for deposit into a trust account
16 specifically created for expenditure, without the necessity of
17 being appropriated, solely for the purpose of conducting all or
18 part of the study. The board shall issue a report with
19 recommendations to the Governor and the General Assembly by
20 January 1, 2005. As used in this subsection e-5, "small
21 employer" means an employer having between one and 50
22 employees.

23 f. The board may:

24 (1) Prepare and distribute certificate of eligibility
25 forms and enrollment instruction forms to insurance
26 producers and to the general public in this State.

1 (2) Provide for reinsurance of risks incurred by the
2 Plan and enter into reinsurance agreements with insurers to
3 establish a reinsurance plan for risks of coverage
4 described in the Plan, or obtain commercial reinsurance to
5 reduce the risk of loss through the Plan.

6 (3) Issue additional types of health insurance
7 policies to provide optional coverages as are otherwise
8 permitted by this Act including a Medicare supplement
9 policy designed to supplement Medicare.

10 (4) Provide for and employ cost containment measures
11 and requirements including, but not limited to,
12 preadmission certification, second surgical opinion,
13 concurrent utilization review programs, and individual
14 case management for the purpose of making the pool more
15 cost effective.

16 (5) Design, utilize, contract, or otherwise arrange
17 for the delivery of cost effective health care services,
18 including establishing or contracting with preferred
19 provider organizations, health maintenance organizations,
20 and other limited network provider arrangements.

21 (6) Adopt bylaws, rules, regulations, policies and
22 procedures as may be necessary or convenient for the
23 implementation of the Act and the operation of the Plan.

24 (7) Administer separate pools, separate accounts, or
25 other plans or arrangements as required by this Act to
26 separate federally eligible individuals or groups of

1 federally eligible individuals who qualify for plan
2 coverage under Section 15 of this Act from eligible persons
3 or groups of eligible persons who qualify for plan coverage
4 under Section 7 of this Act and apportion the costs of the
5 administration among such separate pools, separate
6 accounts, or other plans or arrangements.

7 g. The Director may, by rule, establish additional powers
8 and duties of the board and may adopt rules for any other
9 purposes, including the operation of the Plan, as are necessary
10 or proper to implement this Act.

11 h. The board is not liable for any obligation of the Plan.
12 There is no liability on the part of any member or employee of
13 the board or the Department, and no cause of action of any
14 nature may arise against them, for any action taken or omission
15 made by them in the performance of their powers and duties
16 under this Act, unless the action or omission constitutes
17 willful or wanton misconduct. The board may provide in its
18 bylaws or rules for indemnification of, and legal
19 representation for, its members and employees.

20 i. There is no liability on the part of any insurance
21 producer for the failure of any applicant to be accepted by the
22 Plan unless the failure of the applicant to be accepted by the
23 Plan is due to an act or omission by the insurance producer
24 which constitutes willful or wanton misconduct.

25 j. On or before June 30, 2016, the Board shall develop a
26 dissolution plan to wind down the affairs of the Plan for

1 presentation to and approval by the Director, who shall begin
2 to administer and oversee the dissolution and wind-down plan on
3 the effective date of this amendatory Act of the 99th General
4 Assembly in accordance with Article XIII of the Illinois
5 Insurance Code.

6 (Source: P.A. 92-597, eff. 6-28-02; 93-622, eff. 12-18-03;
7 93-824, eff. 7-28-04.)

8 (215 ILCS 105/15)

9 Sec. 15. Alternative portable coverage for federally
10 eligible individuals.

11 (a) Notwithstanding the requirements of subsection a. of
12 Section 7 and except as otherwise provided in this Section, any
13 federally eligible individual for whom a Plan application, and
14 such enclosures and supporting documentation as the Board may
15 require, is received by the Board within 90 days after the
16 termination of prior creditable coverage shall qualify to
17 enroll in the Plan under the portability provisions of this
18 Section.

19 A federally eligible person who has been certified as
20 eligible pursuant to the federal Trade Act of 2002 and whose
21 Plan application and enclosures and supporting documentation
22 as the Board may require is received by the Board within 63
23 days after the termination of previous creditable coverage
24 shall qualify to enroll in the Plan under the portability
25 provisions of this Section.

1 (b) Any federally eligible individual seeking Plan
2 coverage under this Section must submit with his or her
3 application evidence, including acceptable written
4 certification of previous creditable coverage, that will
5 establish to the Board's satisfaction, that he or she meets all
6 of the requirements to be a federally eligible individual and
7 is currently and permanently residing in this State (as of the
8 date his or her application was received by the Board).

9 (c) Except as otherwise provided in this Section, a period
10 of creditable coverage shall not be counted, with respect to
11 qualifying an applicant for Plan coverage as a federally
12 eligible individual under this Section, if after such period
13 and before the application for Plan coverage was received by
14 the Board, there was at least a 90 day period during all of
15 which the individual was not covered under any creditable
16 coverage.

17 For a federally eligible person who has been certified as
18 eligible pursuant to the federal Trade Act of 2002, a period of
19 creditable coverage shall not be counted, with respect to
20 qualifying an applicant for Plan coverage as a federally
21 eligible individual under this Section, if after such period
22 and before the application for Plan coverage was received by
23 the Board, there was at least a 63 day period during all of
24 which the individual was not covered under any creditable
25 coverage.

26 (d) Any federally eligible individual who the Board

1 determines qualifies for Plan coverage under this Section shall
2 be offered his or her choice of enrolling in one of alternative
3 portability health benefit plans which the Board is authorized
4 under this Section to establish for these federally eligible
5 individuals and their dependents.

6 (e) The Board shall offer a choice of health care coverages
7 consistent with major medical coverage under the alternative
8 health benefit plans authorized by this Section to every
9 federally eligible individual. The coverages to be offered
10 under the plans, the schedule of benefits, deductibles,
11 co-payments, exclusions, and other limitations shall be
12 approved by the Board. One optional form of coverage shall be
13 comparable to comprehensive health insurance coverage offered
14 in the individual market in this State or a standard option of
15 coverage available under the group or individual health
16 insurance laws of the State. The standard benefit plan that is
17 authorized by Section 8 of this Act may be used for this
18 purpose. The Board may also offer a preferred provider option
19 and such other options as the Board determines may be
20 appropriate for these federally eligible individuals who
21 qualify for Plan coverage pursuant to this Section.

22 (f) Notwithstanding the requirements of subsection f. of
23 Section 8, any plan coverage that is issued to federally
24 eligible individuals who qualify for the Plan pursuant to the
25 portability provisions of this Section shall not be subject to
26 any preexisting conditions exclusion, waiting period, or other

1 similar limitation on coverage.

2 (g) Federally eligible individuals who qualify and enroll
3 in the Plan pursuant to this Section shall be required to pay
4 such premium rates as the Board shall establish and approve in
5 accordance with the requirements of Section 7.1 of this Act.

6 (h) A federally eligible individual who qualifies and
7 enrolls in the Plan pursuant to this Section must satisfy on an
8 ongoing basis all of the other eligibility requirements of this
9 Act to the extent not inconsistent with the federal Health
10 Insurance Portability and Accountability Act of 1996 in order
11 to maintain continued eligibility for coverage under the Plan.

12 (i) New enrollment and policy renewals are discontinued on
13 December 31, 2016.

14 (Source: P.A. 97-333, eff. 8-12-11.)

15 (215 ILCS 105/16 new)

16 Sec. 16. Cessation of operations.

17 (a) Except as otherwise provided in this Section, the
18 insurance operations of the Plan authorized by this Act shall
19 cease on December 31, 2016.

20 (b) Coverage under the Plan does not apply to services
21 provided on or after January 1, 2017.

22 (c) The Plan shall cease providing coverage for
23 participants enrolled prior to January 1, 2017 at 11:59 p.m. on
24 December 31, 2016.

25 (d) A claim for payment under the Plan must be submitted

1 within 180 days after January 1, 2017 and paid within 180 days
2 after receipt.

3 (e) Any grievance shall be resolved by the Board not later
4 than October 31, 2017.

5 (f) Balance billing by a health care provider that is not a
6 member of the provider network used by the Plan is prohibited.

7 (g) The Board shall, not later than June 30, 2016, submit
8 to the Director a plan of dissolution, which must provide for,
9 but shall not be limited to, the following:

10 (1) Continuity of care for an individual who is covered
11 under the Plan and is an inpatient on January 1, 2017.

12 (2) A final accounting of assessments.

13 (3) Resolution of any net asset deficiency.

14 (4) Cessation of all liability of the Plan.

15 (5) Final dissolution of the Plan.

16 (h) The plan of dissolution may provide that, with the
17 approval of the Director, a power or duty of the Plan may be
18 delegated to a person that is to perform functions similar to
19 the functions of the Plan.

20 (i) An action by or against the Plan must be filed no later
21 than January 1, 2019.

22 (j) Upon completion of the dissolution plan and final
23 satisfaction of all claims under and administrative expenses of
24 the dissolution plan, a proportional share of any remaining
25 General Revenue Fund and insurer assessments contributed to the
26 Plan shall be returned to the General Revenue Fund and assessed

1 insurers in accordance with the distribution provisions
2 contained in Section 210 of the Illinois Insurance Code.

3 (215 ILCS 105/17 new)

4 Sec. 17. Transfer of the Illinois Comprehensive Health
5 Insurance Plan.

6 (a) On January 1, 2017, all powers, duties, rights, and
7 responsibilities of the Plan and the Board shall be transferred
8 to the Director, who is authorized to wind down the affairs of
9 the Plan in accordance with Article XIII of the Illinois
10 Insurance Code.

11 (b) The Director shall act on behalf of the Plan and the
12 Board and shall have the power and duty to receive and answer
13 correspondence and pay any claims due and owing from any
14 unencumbered funds, including refunds, and, for claims
15 remaining unpaid as of July 1, 2018, refer unpaid vendors to
16 the Court of Claims and arrange for the orderly termination of
17 any affairs of the Plan and the Board that remain unresolved.

18 (c) All books, records, papers, documents, property (real
19 and personal), contracts, causes of action, and pending
20 business pertaining to the powers, duties, rights, and
21 responsibilities transferred by this amendatory Act of the 99th
22 General Assembly from the Plan and the Board to the Director,
23 including, but not limited to, material in electronic or
24 magnetic format and necessary computer hardware and software,
25 shall be transferred to the Director. Records shall be

1 maintained as required by the federal Health Insurance
2 Portability and Accountability Act, as now or hereafter
3 amended.

4 (d) The personnel of the Plan and the Board shall be
5 transferred to the Department. The rights of the employees in
6 the State of Illinois and its agencies under the Personnel Code
7 and applicable collective bargaining agreements or under any
8 pension, retirement, or annuity plan shall not be affected by
9 this amendatory Act of the 99th General Assembly.

10 (e) All unexpended appropriations and balances and other
11 funds available for use by the Plan and the Board shall be
12 transferred for use by the Director. Unexpended balances so
13 transferred shall be expended for the purpose for which the
14 appropriations were originally made or for paying the
15 Director's administrative expenses incurred in connection with
16 winding down the affairs of the Plan in accordance with Article
17 XIII of the Illinois Insurance Code.

18 (f) Whenever reports or notices are, on the effective date
19 of this amendatory Act of the 99th General Assembly, required
20 to be made or given or papers or documents furnished or served
21 by any person to or upon the Plan or the Board in connection
22 with any of the powers, duties, rights, and responsibilities
23 transferred by this amendatory Act of the 99th General
24 Assembly, the same shall be made, given, furnished, or served
25 in the same manner to or upon the Director.

26 (g) This amendatory Act of the 99th General Assembly does

1 not affect any act done, ratified, or canceled or any right
2 occurring or established or any action or proceeding had or
3 commenced in the administrative, civil, or criminal cause by
4 the Plan or the Board prior to January 1, 2017; such actions or
5 proceedings may be prosecuted and continued by the Director.

6 (h) The Board shall continue to exist within the Department
7 to provide guidance and recommendations to the Director
8 relating to the wind down of operations and affairs of the Plan
9 and shall retain the power and responsibility to review
10 grievances pursuant to this Act. The Board shall cease to exist
11 upon final dissolution of the Plan or December 31, 2018,
12 whichever occurs first.

13 (215 ILCS 105/18 new)

14 Sec. 18. Repealer. This Act is repealed on January 1, 2019.

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