

1 AN ACT concerning regulation.

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

4 Section 5. The State Employees Group Insurance Act of 1971  
5 is amended by changing Section 6.11 and by renumbering and  
6 changing 6.11D as added by Public Act 103-975 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  
10 provide the post-mastectomy care benefits required to be  
11 covered by a policy of accident and health insurance under  
12 Section 356t of the Illinois Insurance Code. The program of  
13 health benefits shall provide the coverage required under  
14 Sections 356g, 356g.5, 356g.5-1, 356m, 356q, 356u, 356u.10,  
15 356w, 356x, 356z.2, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8,  
16 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15,  
17 356z.17, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30, 356z.32,  
18 356z.33, 356z.36, 356z.40, 356z.41, 356z.45, 356z.46, 356z.47,  
19 356z.51, 356z.53, 356z.54, 356z.55, 356z.56, 356z.57, 356z.59,  
20 356z.60, 356z.61, 356z.62, 356z.64, 356z.67, 356z.68, ~~and~~  
21 356z.70, ~~and~~ 356z.71, 356z.74, 356z.76, 356z.77, and 356z.80  
22 of the Illinois Insurance Code. The program of health benefits  
23 must comply with Sections 155.22a, 155.37, 355b, 356z.19,

1 370c, and 370c.1 and Article XXXIIB of the Illinois Insurance  
2 Code. The program of health benefits shall provide the  
3 coverage required under Section 356m of the Illinois Insurance  
4 Code and, for the employees of the State Employee Group  
5 Insurance Program only, the coverage as also provided in  
6 Section 6.11B of this Act. The Department of Insurance shall  
7 enforce the requirements of this Section with respect to  
8 Sections 370c and 370c.1 of the Illinois Insurance Code; all  
9 other requirements of this Section shall be enforced by the  
10 Department of Central Management Services.

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

17 (Source: P.A. 102-30, eff. 1-1-22; 102-103, eff. 1-1-22;  
18 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-642, eff.  
19 1-1-22; 102-665, eff. 10-8-21; 102-731, eff. 1-1-23; 102-768,  
20 eff. 1-1-24; 102-804, eff. 1-1-23; 102-813, eff. 5-13-22;  
21 102-816, eff. 1-1-23; 102-860, eff. 1-1-23; 102-1093, eff.  
22 1-1-23; 102-1117, eff. 1-13-23; 103-8, eff. 1-1-24; 103-84,  
23 eff. 1-1-24; 103-91, eff. 1-1-24; 103-420, eff. 1-1-24;  
24 103-445, eff. 1-1-24; 103-535, eff. 8-11-23; 103-551, eff.  
25 8-11-23; 103-605, eff. 7-1-24; 103-718, eff. 7-19-24; 103-751,  
26 eff. 8-2-24; 103-870, eff. 1-1-25; 103-914, eff. 1-1-25;

1 103-918, eff. 1-1-25; 103-951, eff. 1-1-25; 103-1024, eff.  
2 1-1-25; revised 11-26-24.)

3 (5 ILCS 375/6.11E)

4 Sec. 6.11E ~~6.11D~~. Coverage for treatments to slow the  
5 progression of Alzheimer's disease and related dementias.  
6 Beginning on July 1, 2025, the State Employees Group Insurance  
7 Program shall provide coverage for all medically necessary  
8 FDA-approved treatments or medications prescribed to slow the  
9 progression of Alzheimer's disease or another related  
10 dementia, as determined by a physician licensed to practice  
11 medicine in all its branches. Coverage for all FDA-approved  
12 treatments or medications prescribed to slow the progression  
13 of Alzheimer's disease or another related dementia shall not  
14 be subject to step therapy. Any diagnostic testing necessary  
15 for a physician to determine appropriate use of these  
16 treatments or medications shall be covered by the State  
17 Employees Group Insurance Program. This Section is repealed on  
18 July 1, 2027.

19 (Source: P.A. 103-975, eff. 1-1-25; revised 12-1-24.)

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

22 (55 ILCS 5/5-1069.3)

23 Sec. 5-1069.3. Required health benefits. If a county,

1 including a home rule county, is a self-insurer for purposes  
2 of providing health insurance coverage for its employees, the  
3 coverage shall include coverage for the post-mastectomy care  
4 benefits required to be covered by a policy of accident and  
5 health insurance under Section 356t and the coverage required  
6 under Sections 356g, 356g.5, 356g.5-1, 356m, 356q, 356u,  
7 356u.10, 356w, 356x, 356z.4, 356z.4a, 356z.6, 356z.8, 356z.9,  
8 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.22,  
9 356z.25, 356z.26, 356z.29, 356z.30, 356z.32, 356z.33, 356z.36,  
10 356z.40, 356z.41, 356z.45, 356z.46, 356z.47, 356z.48, 356z.51,  
11 356z.53, 356z.54, 356z.56, 356z.57, 356z.59, 356z.60, 356z.61,  
12 356z.62, 356z.64, 356z.67, 356z.68, ~~and~~ 356z.70, ~~and~~ 356z.71,  
13 356z.74, 356z.77, and 356z.80 of the Illinois Insurance Code.

14 The coverage shall comply with Sections 155.22a, 355b,  
15 356z.19, and 370c of the Illinois Insurance Code. The  
16 Department of Insurance shall enforce the requirements of this  
17 Section. The requirement that health benefits be covered as  
18 provided in this Section is an exclusive power and function of  
19 the State and is a denial and limitation under Article VII,  
20 Section 6, subsection (h) of the Illinois Constitution. A home  
21 rule county to which this Section applies must comply with  
22 every provision of this Section.

23 Rulemaking authority to implement Public Act 95-1045, if  
24 any, is conditioned on the rules being adopted in accordance  
25 with all provisions of the Illinois Administrative Procedure  
26 Act and all rules and procedures of the Joint Committee on

1 Administrative Rules; any purported rule not so adopted, for  
2 whatever reason, is unauthorized.

3 (Source: P.A. 102-30, eff. 1-1-22; 102-103, eff. 1-1-22;  
4 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.  
5 1-1-22; 102-642, eff. 1-1-22; 102-665, eff. 10-8-21; 102-731,  
6 eff. 1-1-23; 102-804, eff. 1-1-23; 102-813, eff. 5-13-22;  
7 102-816, eff. 1-1-23; 102-860, eff. 1-1-23; 102-1093, eff.  
8 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91,  
9 eff. 1-1-24; 103-420, eff. 1-1-24; 103-445, eff. 1-1-24;  
10 103-535, eff. 8-11-23; 103-551, eff. 8-11-23; 103-605, eff.  
11 7-1-24; 103-718, eff. 7-19-24; 103-751, eff. 8-2-24; 103-914,  
12 eff. 1-1-25; 103-918, eff. 1-1-25; 103-1024, eff. 1-1-25;  
13 revised 11-26-24.)

14 Section 15. The Illinois Municipal Code is amended by  
15 changing Section 10-4-2.3 as follows:

16 (65 ILCS 5/10-4-2.3)

17 Sec. 10-4-2.3. Required health benefits. If a  
18 municipality, including a home rule municipality, is a  
19 self-insurer for purposes of providing health insurance  
20 coverage for its employees, the coverage shall include  
21 coverage for the post-mastectomy care benefits required to be  
22 covered by a policy of accident and health insurance under  
23 Section 356t and the coverage required under Sections 356g,  
24 356g.5, 356g.5-1, 356m, 356q, 356u, 356u.10, 356w, 356x,

1 356z.4, 356z.4a, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11,  
2 356z.12, 356z.13, 356z.14, 356z.15, 356z.22, 356z.25, 356z.26,  
3 356z.29, 356z.30, 356z.32, 356z.33, 356z.36, 356z.40, 356z.41,  
4 356z.45, 356z.46, 356z.47, 356z.48, 356z.51, 356z.53, 356z.54,  
5 356z.56, 356z.57, 356z.59, 356z.60, 356z.61, 356z.62, 356z.64,  
6 356z.67, 356z.68, ~~and~~ 356z.70, ~~and~~ 356z.71, 356z.74, 356z.77,  
7 and 356z.80 of the Illinois Insurance Code. The coverage shall  
8 comply with Sections 155.22a, 355b, 356z.19, and 370c of the  
9 Illinois Insurance Code. The Department of Insurance shall  
10 enforce the requirements of this Section. The requirement that  
11 health benefits be covered as provided in this is an exclusive  
12 power and function of the State and is a denial and limitation  
13 under Article VII, Section 6, subsection (h) of the Illinois  
14 Constitution. A home rule municipality to which this Section  
15 applies must comply with every provision of this Section.

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

22 (Source: P.A. 102-30, eff. 1-1-22; 102-103, eff. 1-1-22;  
23 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.  
24 1-1-22; 102-642, eff. 1-1-22; 102-665, eff. 10-8-21; 102-731,  
25 eff. 1-1-23; 102-804, eff. 1-1-23; 102-813, eff. 5-13-22;  
26 102-816, eff. 1-1-23; 102-860, eff. 1-1-23; 102-1093, eff.

1 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91,  
2 eff. 1-1-24; 103-420, eff. 1-1-24; 103-445, eff. 1-1-24;  
3 103-535, eff. 8-11-23; 103-551, eff. 8-11-23; 103-605, eff.  
4 7-1-24; 103-718, eff. 7-19-24; 103-751, eff. 8-2-24; 103-914,  
5 eff. 1-1-25; 103-918, eff. 1-1-25; 103-1024, eff. 1-1-25;  
6 revised 11-26-24.)

7 Section 20. The School Code is amended by changing Section  
8 10-22.3f as follows:

9 (105 ILCS 5/10-22.3f)

10 Sec. 10-22.3f. Required health benefits. Insurance  
11 protection and benefits for employees shall provide the  
12 post-mastectomy care benefits required to be covered by a  
13 policy of accident and health insurance under Section 356t and  
14 the coverage required under Sections 356g, 356g.5, 356g.5-1,  
15 356m, 356q, 356u, 356u.10, 356w, 356x, 356z.4, 356z.4a,  
16 356z.6, 356z.8, 356z.9, 356z.11, 356z.12, 356z.13, 356z.14,  
17 356z.15, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30, 356z.32,  
18 356z.33, 356z.36, 356z.40, 356z.41, 356z.45, 356z.46, 356z.47,  
19 356z.51, 356z.53, 356z.54, 356z.56, 356z.57, 356z.59, 356z.60,  
20 356z.61, 356z.62, 356z.64, 356z.67, 356z.68, ~~and~~ 356z.70, ~~and~~  
21 356z.71, 356z.74, 356z.77, and 356z.80 of the Illinois  
22 Insurance Code. Insurance policies shall comply with Section  
23 356z.19 of the Illinois Insurance Code. The coverage shall  
24 comply with Sections 155.22a, 355b, and 370c of the Illinois

1 Insurance Code. The Department of Insurance shall enforce the  
2 requirements of this Section.

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. 102-30, eff. 1-1-22; 102-103, eff. 1-1-22;  
10 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-642, eff.  
11 1-1-22; 102-665, eff. 10-8-21; 102-731, eff. 1-1-23; 102-804,  
12 eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff. 1-1-23;  
13 102-860, eff. 1-1-23; 102-1093, eff. 1-1-23; 102-1117, eff.  
14 1-13-23; 103-84, eff. 1-1-24; 103-91, eff. 1-1-24; 103-420,  
15 eff. 1-1-24; 103-445, eff. 1-1-24; 103-535, eff. 8-11-23;  
16 103-551, eff. 8-11-23; 103-605, eff. 7-1-24; 103-718, eff.  
17 7-19-24; 103-751, eff. 8-2-24; 103-914, eff. 1-1-25; 103-918,  
18 eff. 1-1-25; 103-1024, eff. 1-1-25; revised 11-26-24.)

19 Section 25. The Illinois Insurance Code is amended by  
20 adding Section 356z.80 as follows:

21 (215 ILCS 5/356z.80 new)

22 Sec. 356z.80. Coverage for treatments to slow the  
23 progression of Alzheimer's disease and related dementias.

24 (a) A group or individual policy of accident and health

1 insurance or a managed care plan that is amended, delivered,  
2 issued, or renewed on or after January 1, 2027 shall provide  
3 coverage for all medically necessary diagnostic testing and  
4 U.S. Food and Drug Administration-approved treatments or  
5 medications prescribed to slow the progression of Alzheimer's  
6 disease or another related dementia, in accordance with the  
7 U.S. Food and Drug Administration label, as determined by a  
8 physician licensed to practice medicine in all its branches.  
9 Coverage of U.S. Food and Drug Administration-approved  
10 treatments or medications prescribed to slow the progression  
11 of Alzheimer's disease or another related dementia pursuant to  
12 this Section shall not be subject to step therapy.

13 (b) Nothing in this Section prohibits a group or  
14 individual policy of accident and health insurance or managed  
15 care plan, by contract, written policy, procedure, or any  
16 other agreement or course of conduct, from requiring a  
17 pharmacist to effect substitutions of prescription drugs  
18 consistent with Section 19.5 of the Pharmacy Practice Act,  
19 under which a pharmacist may substitute an interchangeable  
20 biologic for a prescribed biologic product, and Section 25 of  
21 the Pharmacy Practice Act, under which a pharmacist may select  
22 a generic drug determined to be therapeutically equivalent by  
23 the United States Food and Drug Administration and in  
24 accordance with the Illinois Food, Drug and Cosmetic Act.

25 (c) The coverage required under this Section shall not  
26 apply to managed care plans that are under contract with the

1 Department of Healthcare and Family Services.

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

4 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

5 (Text of Section before amendment by P.A. 103-808)

6 Sec. 5-3. Insurance Code provisions.

7 (a) Health Maintenance Organizations shall be subject to  
8 the provisions of Sections 133, 134, 136, 137, 139, 140,  
9 141.1, 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151,  
10 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a,  
11 155.49, 352c, 355.2, 355.3, 355.6, 355b, 355c, 356f, 356g.5-1,  
12 356m, 356q, 356u.10, 356v, 356w, 356x, 356z.2, 356z.3a,  
13 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10,  
14 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17, 356z.18,  
15 356z.19, 356z.20, 356z.21, 356z.22, 356z.23, 356z.24, 356z.25,  
16 356z.26, 356z.28, 356z.29, 356z.30, 356z.31, 356z.32, 356z.33,  
17 356z.34, 356z.35, 356z.36, 356z.37, 356z.38, 356z.39, 356z.40,  
18 356z.40a, 356z.41, 356z.44, 356z.45, 356z.46, 356z.47,  
19 356z.48, 356z.49, 356z.50, 356z.51, 356z.53, 356z.54, 356z.55,  
20 356z.56, 356z.57, 356z.58, 356z.59, 356z.60, 356z.61, 356z.62,  
21 356z.63, 356z.64, 356z.65, 356z.66, 356z.67, 356z.68, 356z.69,  
22 356z.70, 356z.71, 356z.72, 356z.73, 356z.74, 356z.75, 356z.77,  
23 356z.80, 364, 364.01, 364.3, 367.2, 367.2-5, 367i, 368a, 368b,  
24 368c, 368d, 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A,

1 408, 408.2, 409, 412, 444, and 444.1, paragraph (c) of  
2 subsection (2) of Section 367, and Articles IIA, VIII 1/2,  
3 XII, XII 1/2, XIII, XIII 1/2, XXV, XXVI, and XXXIIB of the  
4 Illinois Insurance Code.

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

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

11 (2) a corporation organized under the laws of this  
12 State; or

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

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

22 (1) the Director shall give primary consideration to  
23 the continuation of benefits to enrollees and the  
24 financial conditions of the acquired Health Maintenance  
25 Organization after the merger, consolidation, or other  
26 acquisition of control takes effect;

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

8           (3) the Director shall have the power to require the  
9           following information:

10           (A) certification by an independent actuary of the  
11           adequacy of the reserves of the Health Maintenance  
12           Organization sought to be acquired;

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

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

24           (D) such other information as the Director shall  
25           require.

26           (d) The provisions of Article VIII 1/2 of the Illinois

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

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

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

23 (i) the amount of, and other terms and conditions with  
24 respect to, the refund or additional premium are set forth  
25 in the group or enrollment unit contract agreed in advance  
26 of the period for which a refund is to be paid or

1 additional premium is to be charged (which period shall  
2 not be less than one year); and

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

18 The Health Maintenance Organization shall include a  
19 statement in the evidence of coverage issued to each enrollee  
20 describing the possibility of a refund or additional premium,  
21 and upon request of any group or enrollment unit, provide to  
22 the group or enrollment unit a description of the method used  
23 to calculate (1) the Health Maintenance Organization's  
24 profitable experience with respect to the group or enrollment  
25 unit and the resulting refund to the group or enrollment unit  
26 or (2) the Health Maintenance Organization's unprofitable

1 experience with respect to the group or enrollment unit and  
2 the resulting additional premium to be paid by the group or  
3 enrollment unit.

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

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

14 (Source: P.A. 102-30, eff. 1-1-22; 102-34, eff. 6-25-21;  
15 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.  
16 1-1-22; 102-589, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665,  
17 eff. 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22;  
18 102-804, eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff.  
19 1-1-23; 102-860, eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093,  
20 eff. 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24;  
21 103-91, eff. 1-1-24; 103-123, eff. 1-1-24; 103-154, eff.  
22 6-30-23; 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445,  
23 eff. 1-1-24; 103-551, eff. 8-11-23; 103-605, eff. 7-1-24;  
24 103-618, eff. 1-1-25; 103-649, eff. 1-1-25; 103-656, eff.  
25 1-1-25; 103-700, eff. 1-1-25; 103-718, eff. 7-19-24; 103-751,  
26 eff. 8-2-24; 103-753, eff. 8-2-24; 103-758, eff. 1-1-25;

1 103-777, eff. 8-2-24; 103-914, eff. 1-1-25; 103-918, eff.  
2 1-1-25; 103-1024, eff. 1-1-25; revised 9-26-24.)

3 (Text of Section after amendment by P.A. 103-808)

4 Sec. 5-3. Insurance Code provisions.

5 (a) Health Maintenance Organizations shall be subject to  
6 the provisions of Sections 133, 134, 136, 137, 139, 140,  
7 141.1, 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151,  
8 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a,  
9 155.49, 352c, 355.2, 355.3, 355.6, 355b, 355c, 356f, 356g,  
10 356g.5-1, 356m, 356q, 356u.10, 356v, 356w, 356x, 356z.2,  
11 356z.3a, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9,  
12 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17,  
13 356z.18, 356z.19, 356z.20, 356z.21, 356z.22, 356z.23, 356z.24,  
14 356z.25, 356z.26, 356z.28, 356z.29, 356z.30, 356z.31, 356z.32,  
15 356z.33, 356z.34, 356z.35, 356z.36, 356z.37, 356z.38, 356z.39,  
16 356z.40, 356z.40a, 356z.41, 356z.44, 356z.45, 356z.46,  
17 356z.47, 356z.48, 356z.49, 356z.50, 356z.51, 356z.53, 356z.54,  
18 356z.55, 356z.56, 356z.57, 356z.58, 356z.59, 356z.60, 356z.61,  
19 356z.62, 356z.63, 356z.64, 356z.65, 356z.66, 356z.67, 356z.68,  
20 356z.69, 356z.70, 356z.71, 356z.72, 356z.73, 356z.74, 356z.75,  
21 356z.77, 356z.80, 364, 364.01, 364.3, 367.2, 367.2-5, 367i,  
22 368a, 368b, 368c, 368d, 368e, 370c, 370c.1, 401, 401.1, 402,  
23 403, 403A, 408, 408.2, 409, 412, 444, and 444.1, paragraph (c)  
24 of subsection (2) of Section 367, and Articles IIA, VIII 1/2,  
25 XII, XII 1/2, XIII, XIII 1/2, XXV, XXVI, and XXXIIB of the

1 Illinois Insurance Code.

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

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

8 (2) a corporation organized under the laws of this  
9 State; or

10 (3) a corporation organized under the laws of another  
11 state, 30% or more of the enrollees of which are residents  
12 of this State, except a corporation subject to  
13 substantially the same requirements in its state of  
14 organization as is a "domestic company" under Article VIII  
15 1/2 of the Illinois Insurance Code.

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

19 (1) the Director shall give primary consideration to  
20 the continuation of benefits to enrollees and the  
21 financial conditions of the acquired Health Maintenance  
22 Organization after the merger, consolidation, or other  
23 acquisition of control takes effect;

24 (2) (i) the criteria specified in subsection (1) (b) of  
25 Section 131.8 of the Illinois Insurance Code shall not  
26 apply and (ii) the Director, in making his determination

1 with respect to the merger, consolidation, or other  
2 acquisition of control, need not take into account the  
3 effect on competition of the merger, consolidation, or  
4 other acquisition of control;

5 (3) the Director shall have the power to require the  
6 following information:

7 (A) certification by an independent actuary of the  
8 adequacy of the reserves of the Health Maintenance  
9 Organization sought to be acquired;

10 (B) pro forma financial statements reflecting the  
11 combined balance sheets of the acquiring company and  
12 the Health Maintenance Organization sought to be  
13 acquired as of the end of the preceding year and as of  
14 a date 90 days prior to the acquisition, as well as pro  
15 forma financial statements reflecting projected  
16 combined operation for a period of 2 years;

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

21 (D) such other information as the Director shall  
22 require.

23 (d) The provisions of Article VIII 1/2 of the Illinois  
24 Insurance Code and this Section 5-3 shall apply to the sale by  
25 any health maintenance organization of greater than 10% of its  
26 enrollee population (including, without limitation, the health

1 maintenance organization's right, title, and interest in and  
2 to its health care certificates).

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

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

20 (i) the amount of, and other terms and conditions with  
21 respect to, the refund or additional premium are set forth  
22 in the group or enrollment unit contract agreed in advance  
23 of the period for which a refund is to be paid or  
24 additional premium is to be charged (which period shall  
25 not be less than one year); and

26 (ii) the amount of the refund or additional premium

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

15 The Health Maintenance Organization shall include a  
16 statement in the evidence of coverage issued to each enrollee  
17 describing the possibility of a refund or additional premium,  
18 and upon request of any group or enrollment unit, provide to  
19 the group or enrollment unit a description of the method used  
20 to calculate (1) the Health Maintenance Organization's  
21 profitable experience with respect to the group or enrollment  
22 unit and the resulting refund to the group or enrollment unit  
23 or (2) the Health Maintenance Organization's unprofitable  
24 experience with respect to the group or enrollment unit and  
25 the resulting additional premium to be paid by the group or  
26 enrollment unit.

1           In no event shall the Illinois Health Maintenance  
2 Organization Guaranty Association be liable to pay any  
3 contractual obligation of an insolvent organization to pay any  
4 refund authorized under this Section.

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

11           (Source: P.A. 102-30, eff. 1-1-22; 102-34, eff. 6-25-21;  
12 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.  
13 1-1-22; 102-589, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665,  
14 eff. 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22;  
15 102-804, eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff.  
16 1-1-23; 102-860, eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093,  
17 eff. 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24;  
18 103-91, eff. 1-1-24; 103-123, eff. 1-1-24; 103-154, eff.  
19 6-30-23; 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445,  
20 eff. 1-1-24; 103-551, eff. 8-11-23; 103-605, eff. 7-1-24;  
21 103-618, eff. 1-1-25; 103-649, eff. 1-1-25; 103-656, eff.  
22 1-1-25; 103-700, eff. 1-1-25; 103-718, eff. 7-19-24; 103-751,  
23 eff. 8-2-24; 103-753, eff. 8-2-24; 103-758, eff. 1-1-25;  
24 103-777, eff. 8-2-24; 103-808, eff. 1-1-26; 103-914, eff.  
25 1-1-25; 103-918, eff. 1-1-25; 103-1024, eff. 1-1-25; revised  
26 11-26-24.)

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

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

4 Sec. 4003. Illinois Insurance Code provisions. Limited  
5 health service organizations shall be subject to the  
6 provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,  
7 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151, 152, 153,  
8 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.37, 155.49, 352c,  
9 355.2, 355.3, 355b, 355d, 356m, 356q, 356v, 356z.4, 356z.4a,  
10 356z.10, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.32,  
11 356z.33, 356z.41, 356z.46, 356z.47, 356z.51, 356z.53, 356z.54,  
12 356z.57, 356z.59, 356z.61, 356z.64, 356z.67, 356z.68, 356z.71,  
13 356z.73, 356z.74, 356z.75, 356z.80, 364.3, 368a, 401, 401.1,  
14 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1 and  
15 Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and  
16 XXVI of the Illinois Insurance Code. Nothing in this Section  
17 shall require a limited health care plan to cover any service  
18 that is not a limited health service. For purposes of the  
19 Illinois Insurance Code, except for Sections 444 and 444.1 and  
20 Articles XIII and XIII 1/2, limited health service  
21 organizations in the following categories are deemed to be  
22 domestic companies:

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

24 (2) a corporation organized under the laws of another

1 state, 30% or more of the enrollees of which are residents  
2 of this State, except a corporation subject to  
3 substantially the same requirements in its state of  
4 organization as is a domestic company under Article VIII  
5 1/2 of the Illinois Insurance Code.

6 (Source: P.A. 102-30, eff. 1-1-22; 102-203, eff. 1-1-22;  
7 102-306, eff. 1-1-22; 102-642, eff. 1-1-22; 102-731, eff.  
8 1-1-23; 102-775, eff. 5-13-22; 102-813, eff. 5-13-22; 102-816,  
9 eff. 1-1-23; 102-860, eff. 1-1-23; 102-1093, eff. 1-1-23;  
10 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91, eff.  
11 1-1-24; 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445,  
12 eff. 1-1-24; 103-605, eff. 7-1-24; 103-649, eff. 1-1-25;  
13 103-656, eff. 1-1-25; 103-700, eff. 1-1-25; 103-718, eff.  
14 7-19-24; 103-751, eff. 8-2-24; 103-758, eff. 1-1-25; 103-832,  
15 eff. 1-1-25; 103-1024, eff. 1-1-25; revised 11-26-24.)

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

18 (215 ILCS 165/10) (from Ch. 32, par. 604)

19 Sec. 10. Application of Insurance Code provisions. Health  
20 services plan corporations and all persons interested therein  
21 or dealing therewith shall be subject to the provisions of  
22 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,  
23 143, 143.31, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3,  
24 355b, 355d, 356g, 356g.5, 356g.5-1, 356m, 356q, 356r, 356t,

1 356u, 356u.10, 356v, 356w, 356x, 356y, 356z.1, 356z.2,  
2 356z.3a, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9,  
3 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18,  
4 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30,  
5 356z.32, 356z.32a, 356z.33, 356z.40, 356z.41, 356z.46,  
6 356z.47, 356z.51, 356z.53, 356z.54, 356z.56, 356z.57, 356z.59,  
7 356z.60, 356z.61, 356z.62, 356z.64, 356z.67, 356z.68, 356z.71,  
8 356z.72, 356z.74, 356z.75, 356z.77, 356z.80, 364.01, 364.3,  
9 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412,  
10 and paragraphs (7) and (15) of Section 367 of the Illinois  
11 Insurance Code.

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. 102-30, eff. 1-1-22; 102-203, eff. 1-1-22;  
19 102-306, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665, eff.  
20 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22; 102-804,  
21 eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff. 1-1-23;  
22 102-860, eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093, eff.  
23 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91,  
24 eff. 1-1-24; 103-420, eff. 1-1-24; 103-445, eff. 1-1-24;  
25 103-551, eff. 8-11-23; 103-605, eff. 7-1-24; 103-656, eff.  
26 1-1-25; 103-718, eff. 7-19-24; 103-751, eff. 8-2-24; 103-753,

1 eff. 8-2-24; 103-758, eff. 1-1-25; 103-832, eff. 1-1-25;  
2 103-914, eff. 1-1-25; 103-918, eff. 1-1-25; 103-1024, eff.  
3 1-1-25; revised 11-26-24.)

4 Section 95. No acceleration or delay. Where this Act makes  
5 changes in a statute that is represented in this Act by text  
6 that is not yet or no longer in effect (for example, a Section  
7 represented by multiple versions), the use of that text does  
8 not accelerate or delay the taking effect of (i) the changes  
9 made by this Act or (ii) provisions derived from any other  
10 Public Act.

11 Section 99. Effective date. This Act takes effect upon  
12 becoming law, except that the changes to Section 6.11 of the  
13 State Employees Group Insurance Act of 1971 take effect on  
14 July 1, 2027.