



Rep. Mary Gill

Filed: 3/12/2025

10400HB1360ham002

LRB104 07412 BAB 23509 a

1 AMENDMENT TO HOUSE BILL 1360

2 AMENDMENT NO. _____. Amend House Bill 1360 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Employees Group Insurance Act of
5 1971 is amended by changing Section 6.11 and by renumbering
6 and 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,

1 356z.17, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30, 356z.32,
2 356z.33, 356z.36, 356z.40, 356z.41, 356z.45, 356z.46, 356z.47,
3 356z.51, 356z.53, 356z.54, 356z.55, 356z.56, 356z.57, 356z.59,
4 356z.60, 356z.61, 356z.62, 356z.64, 356z.67, 356z.68, ~~and~~
5 356z.70, ~~and~~ 356z.71, 356z.74, 356z.76, 356z.77, and 356z.80
6 of the Illinois Insurance Code. The program of health benefits
7 must comply with Sections 155.22a, 155.37, 355b, 356z.19,
8 370c, and 370c.1 and Article XXXIIB of the Illinois Insurance
9 Code. The program of health benefits shall provide the
10 coverage required under Section 356m of the Illinois Insurance
11 Code and, for the employees of the State Employee Group
12 Insurance Program only, the coverage as also provided in
13 Section 6.11B of this Act. The Department of Insurance shall
14 enforce the requirements of this Section with respect to
15 Sections 370c and 370c.1 of the Illinois Insurance Code; all
16 other requirements of this Section shall be enforced by the
17 Department of Central Management Services.

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

24 (Source: P.A. 102-30, eff. 1-1-22; 102-103, eff. 1-1-22;
25 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-642, eff.
26 1-1-22; 102-665, eff. 10-8-21; 102-731, eff. 1-1-23; 102-768,

1 eff. 1-1-24; 102-804, eff. 1-1-23; 102-813, eff. 5-13-22;
2 102-816, eff. 1-1-23; 102-860, eff. 1-1-23; 102-1093, eff.
3 1-1-23; 102-1117, eff. 1-13-23; 103-8, eff. 1-1-24; 103-84,
4 eff. 1-1-24; 103-91, eff. 1-1-24; 103-420, eff. 1-1-24;
5 103-445, eff. 1-1-24; 103-535, eff. 8-11-23; 103-551, eff.
6 8-11-23; 103-605, eff. 7-1-24; 103-718, eff. 7-19-24; 103-751,
7 eff. 8-2-24; 103-870, eff. 1-1-25; 103-914, eff. 1-1-25;
8 103-918, eff. 1-1-25; 103-951, eff. 1-1-25; 103-1024, eff.
9 1-1-25; revised 11-26-24.)

10 (5 ILCS 375/6.11E)

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

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

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

4 (55 ILCS 5/5-1069.3)

5 Sec. 5-1069.3. Required health benefits. If a county,
6 including a home rule county, is a self-insurer for purposes
7 of providing health insurance coverage for its employees, the
8 coverage shall include coverage for the post-mastectomy care
9 benefits required to be covered by a policy of accident and
10 health insurance under Section 356t and the coverage required
11 under Sections 356g, 356g.5, 356g.5-1, 356m, 356q, 356u,
12 356u.10, 356w, 356x, 356z.4, 356z.4a, 356z.6, 356z.8, 356z.9,
13 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.22,
14 356z.25, 356z.26, 356z.29, 356z.30, 356z.32, 356z.33, 356z.36,
15 356z.40, 356z.41, 356z.45, 356z.46, 356z.47, 356z.48, 356z.51,
16 356z.53, 356z.54, 356z.56, 356z.57, 356z.59, 356z.60, 356z.61,
17 356z.62, 356z.64, 356z.67, 356z.68, ~~and~~ 356z.70, ~~and~~ 356z.71, and
18 356z.74, 356z.77, and 356z.80 of the Illinois Insurance Code.
19 The coverage shall comply with Sections 155.22a, 355b,
20 356z.19, and 370c of the Illinois Insurance Code. The
21 Department of Insurance shall enforce the requirements of this
22 Section. The requirement that health benefits be covered as
23 provided in this Section is an exclusive power and function of
24 the State and is a denial and limitation under Article VII,

1 Section 6, subsection (h) of the Illinois Constitution. A home
2 rule county to which this Section applies must comply with
3 every provision of this Section.

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

10 (Source: P.A. 102-30, eff. 1-1-22; 102-103, eff. 1-1-22;
11 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.
12 1-1-22; 102-642, eff. 1-1-22; 102-665, eff. 10-8-21; 102-731,
13 eff. 1-1-23; 102-804, eff. 1-1-23; 102-813, eff. 5-13-22;
14 102-816, eff. 1-1-23; 102-860, eff. 1-1-23; 102-1093, eff.
15 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91,
16 eff. 1-1-24; 103-420, eff. 1-1-24; 103-445, eff. 1-1-24;
17 103-535, eff. 8-11-23; 103-551, eff. 8-11-23; 103-605, eff.
18 7-1-24; 103-718, eff. 7-19-24; 103-751, eff. 8-2-24; 103-914,
19 eff. 1-1-25; 103-918, eff. 1-1-25; 103-1024, eff. 1-1-25;
20 revised 11-26-24.)

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

23 (65 ILCS 5/10-4-2.3)

24 Sec. 10-4-2.3. Required health benefits. If a

1 municipality, including a home rule municipality, is a
2 self-insurer for purposes of providing health insurance
3 coverage for its employees, the coverage shall include
4 coverage for the post-mastectomy care benefits required to be
5 covered by a policy of accident and health insurance under
6 Section 356t and the coverage required under Sections 356g,
7 356g.5, 356g.5-1, 356m, 356q, 356u, 356u.10, 356w, 356x,
8 356z.4, 356z.4a, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11,
9 356z.12, 356z.13, 356z.14, 356z.15, 356z.22, 356z.25, 356z.26,
10 356z.29, 356z.30, 356z.32, 356z.33, 356z.36, 356z.40, 356z.41,
11 356z.45, 356z.46, 356z.47, 356z.48, 356z.51, 356z.53, 356z.54,
12 356z.56, 356z.57, 356z.59, 356z.60, 356z.61, 356z.62, 356z.64,
13 356z.67, 356z.68, ~~and~~ 356z.70, ~~and~~ 356z.71, 356z.74, 356z.77,
14 and 356z.80 of the Illinois Insurance Code. The coverage shall
15 comply with Sections 155.22a, 355b, 356z.19, and 370c of the
16 Illinois Insurance Code. The Department of Insurance shall
17 enforce the requirements of this Section. The requirement that
18 health benefits be covered as provided in this is an exclusive
19 power and function of the State and is a denial and limitation
20 under Article VII, Section 6, subsection (h) of the Illinois
21 Constitution. A home rule municipality to which this Section
22 applies must comply with 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 20. The School Code is amended by changing Section
15 10-22.3f as follows:

16 (105 ILCS 5/10-22.3f)

17 Sec. 10-22.3f. Required health benefits. Insurance
18 protection and benefits for employees shall provide the
19 post-mastectomy care benefits required to be covered by a
20 policy of accident and health insurance under Section 356t and
21 the coverage required under Sections 356g, 356g.5, 356g.5-1,
22 356m, 356q, 356u, 356u.10, 356w, 356x, 356z.4, 356z.4a,
23 356z.6, 356z.8, 356z.9, 356z.11, 356z.12, 356z.13, 356z.14,
24 356z.15, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30, 356z.32,

1 356z.33, 356z.36, 356z.40, 356z.41, 356z.45, 356z.46, 356z.47,
2 356z.51, 356z.53, 356z.54, 356z.56, 356z.57, 356z.59, 356z.60,
3 356z.61, 356z.62, 356z.64, 356z.67, 356z.68, ~~and~~ 356z.70, ~~and~~
4 356z.71, 356z.74, 356z.77, and 356z.80 of the Illinois
5 Insurance Code. Insurance policies shall comply with Section
6 356z.19 of the Illinois Insurance Code. The coverage shall
7 comply with Sections 155.22a, 355b, and 370c of the Illinois
8 Insurance Code. The Department of Insurance shall enforce the
9 requirements of this Section.

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. 102-30, eff. 1-1-22; 102-103, eff. 1-1-22;
17 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-642, eff.
18 1-1-22; 102-665, eff. 10-8-21; 102-731, eff. 1-1-23; 102-804,
19 eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff. 1-1-23;
20 102-860, eff. 1-1-23; 102-1093, eff. 1-1-23; 102-1117, eff.
21 1-13-23; 103-84, eff. 1-1-24; 103-91, eff. 1-1-24; 103-420,
22 eff. 1-1-24; 103-445, eff. 1-1-24; 103-535, eff. 8-11-23;
23 103-551, eff. 8-11-23; 103-605, eff. 7-1-24; 103-718, eff.
24 7-19-24; 103-751, eff. 8-2-24; 103-914, eff. 1-1-25; 103-918,
25 eff. 1-1-25; 103-1024, eff. 1-1-25; revised 11-26-24.)

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

3 (215 ILCS 5/356z.80 new)

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

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

19 (b) Nothing in this Section prohibits a group or
20 individual policy of accident and health insurance or managed
21 care plan, by contract, written policy, procedure, or any
22 other agreement or course of conduct, from requiring a
23 pharmacist to effect substitutions of prescription drugs
24 consistent with Section 19.5 of the Pharmacy Practice Act,
25 under which a pharmacist may substitute an interchangeable

1 biologic for a prescribed biologic product, and Section 25 of
2 the Pharmacy Practice Act, under which a pharmacist may select
3 a generic drug determined to be therapeutically equivalent by
4 the United States Food and Drug Administration and in
5 accordance with the Illinois Food, Drug and Cosmetic Act.

6 (c) The coverage required under this Section shall not
7 apply to managed care plans that are under contract with the
8 Department of Healthcare and Family Services.

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

11 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

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

13 Sec. 5-3. Insurance Code provisions.

14 (a) Health Maintenance Organizations shall be subject to
15 the provisions of Sections 133, 134, 136, 137, 139, 140,
16 141.1, 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151,
17 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a,
18 155.49, 352c, 355.2, 355.3, 355.6, 355b, 355c, 356f, 356g.5-1,
19 356m, 356q, 356u.10, 356v, 356w, 356x, 356z.2, 356z.3a,
20 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10,
21 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17, 356z.18,
22 356z.19, 356z.20, 356z.21, 356z.22, 356z.23, 356z.24, 356z.25,
23 356z.26, 356z.28, 356z.29, 356z.30, 356z.31, 356z.32, 356z.33,
24 356z.34, 356z.35, 356z.36, 356z.37, 356z.38, 356z.39, 356z.40,

1 356z.40a, 356z.41, 356z.44, 356z.45, 356z.46, 356z.47,
2 356z.48, 356z.49, 356z.50, 356z.51, 356z.53, 356z.54, 356z.55,
3 356z.56, 356z.57, 356z.58, 356z.59, 356z.60, 356z.61, 356z.62,
4 356z.63, 356z.64, 356z.65, 356z.66, 356z.67, 356z.68, 356z.69,
5 356z.70, 356z.71, 356z.72, 356z.73, 356z.74, 356z.75, 356z.77,
6 356z.80, 364, 364.01, 364.3, 367.2, 367.2-5, 367i, 368a, 368b,
7 368c, 368d, 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A,
8 408, 408.2, 409, 412, 444, and 444.1, paragraph (c) of
9 subsection (2) of Section 367, and Articles IIA, VIII 1/2,
10 XII, XII 1/2, XIII, XIII 1/2, XXV, XXVI, and XXXIIB of the
11 Illinois Insurance Code.

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

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

18 (2) a corporation organized under the laws of this
19 State; or

20 (3) a corporation organized under the laws of another
21 state, 30% or more of the enrollees of which are residents
22 of this State, except a corporation subject to
23 substantially the same requirements in its state of
24 organization as is a "domestic company" under Article VIII
25 1/2 of the Illinois Insurance Code.

26 (c) In considering the merger, consolidation, or other

1 acquisition of control of a Health Maintenance Organization
2 pursuant to Article VIII 1/2 of the Illinois Insurance Code,

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

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

15 (3) the Director shall have the power to require the
16 following information:

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

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

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

5 (D) such other information as the Director shall
6 require.

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

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

23 (f) Except for small employer groups as defined in the
24 Small Employer Rating, Renewability and Portability Health
25 Insurance Act and except for medicare supplement policies as
26 defined in Section 363 of the Illinois Insurance Code, a

1 Health Maintenance Organization may by contract agree with a
2 group or other enrollment unit to effect refunds or charge
3 additional premiums under the following terms and conditions:

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

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

25 The Health Maintenance Organization shall include a
26 statement in the evidence of coverage issued to each enrollee

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

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

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

21 (Source: P.A. 102-30, eff. 1-1-22; 102-34, eff. 6-25-21;
22 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.
23 1-1-22; 102-589, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665,
24 eff. 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22;
25 102-804, eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff.
26 1-1-23; 102-860, eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093,

1 eff. 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24;
2 103-91, eff. 1-1-24; 103-123, eff. 1-1-24; 103-154, eff.
3 6-30-23; 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445,
4 eff. 1-1-24; 103-551, eff. 8-11-23; 103-605, eff. 7-1-24;
5 103-618, eff. 1-1-25; 103-649, eff. 1-1-25; 103-656, eff.
6 1-1-25; 103-700, eff. 1-1-25; 103-718, eff. 7-19-24; 103-751,
7 eff. 8-2-24; 103-753, eff. 8-2-24; 103-758, eff. 1-1-25;
8 103-777, eff. 8-2-24; 103-914, eff. 1-1-25; 103-918, eff.
9 1-1-25; 103-1024, eff. 1-1-25; revised 9-26-24.)

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

11 Sec. 5-3. Insurance Code provisions.

12 (a) Health Maintenance Organizations shall be subject to
13 the provisions of Sections 133, 134, 136, 137, 139, 140,
14 141.1, 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151,
15 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a,
16 155.49, 352c, 355.2, 355.3, 355.6, 355b, 355c, 356f, 356g,
17 356g.5-1, 356m, 356q, 356u.10, 356v, 356w, 356x, 356z.2,
18 356z.3a, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9,
19 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17,
20 356z.18, 356z.19, 356z.20, 356z.21, 356z.22, 356z.23, 356z.24,
21 356z.25, 356z.26, 356z.28, 356z.29, 356z.30, 356z.31, 356z.32,
22 356z.33, 356z.34, 356z.35, 356z.36, 356z.37, 356z.38, 356z.39,
23 356z.40, 356z.40a, 356z.41, 356z.44, 356z.45, 356z.46,
24 356z.47, 356z.48, 356z.49, 356z.50, 356z.51, 356z.53, 356z.54,
25 356z.55, 356z.56, 356z.57, 356z.58, 356z.59, 356z.60, 356z.61,

1 356z.62, 356z.63, 356z.64, 356z.65, 356z.66, 356z.67, 356z.68,
2 356z.69, 356z.70, 356z.71, 356z.72, 356z.73, 356z.74, 356z.75,
3 356z.77, 356z.80, 364, 364.01, 364.3, 367.2, 367.2-5, 367i,
4 368a, 368b, 368c, 368d, 368e, 370c, 370c.1, 401, 401.1, 402,
5 403, 403A, 408, 408.2, 409, 412, 444, and 444.1, paragraph (c)
6 of subsection (2) of Section 367, and Articles IIA, VIII 1/2,
7 XII, XII 1/2, XIII, XIII 1/2, XXV, XXVI, and XXXIIB of the
8 Illinois Insurance Code.

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

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

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

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

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

26 (1) the Director shall give primary consideration to

1 the continuation of benefits to enrollees and the
2 financial conditions of the acquired Health Maintenance
3 Organization after the merger, consolidation, or other
4 acquisition of control takes effect;

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

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

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

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

24 (C) a pro forma business plan detailing an
25 acquiring party's plans with respect to the operation
26 of the Health Maintenance Organization sought to be

1 acquired for a period of not less than 3 years; and

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

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

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

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

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

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

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

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

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

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

18 (Source: P.A. 102-30, eff. 1-1-22; 102-34, eff. 6-25-21;
19 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.
20 1-1-22; 102-589, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665,
21 eff. 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22;
22 102-804, eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff.
23 1-1-23; 102-860, eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093,
24 eff. 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24;
25 103-91, eff. 1-1-24; 103-123, eff. 1-1-24; 103-154, eff.
26 6-30-23; 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445,

1 eff. 1-1-24; 103-551, eff. 8-11-23; 103-605, eff. 7-1-24;
2 103-618, eff. 1-1-25; 103-649, eff. 1-1-25; 103-656, eff.
3 1-1-25; 103-700, eff. 1-1-25; 103-718, eff. 7-19-24; 103-751,
4 eff. 8-2-24; 103-753, eff. 8-2-24; 103-758, eff. 1-1-25;
5 103-777, eff. 8-2-24; 103-808, eff. 1-1-26; 103-914, eff.
6 1-1-25; 103-918, eff. 1-1-25; 103-1024, eff. 1-1-25; revised
7 11-26-24.)

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

10 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

11 Sec. 4003. Illinois Insurance Code provisions. Limited
12 health service organizations shall be subject to the
13 provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,
14 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151, 152, 153,
15 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.37, 155.49, 352c,
16 355.2, 355.3, 355b, 355d, 356m, 356q, 356v, 356z.4, 356z.4a,
17 356z.10, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.32,
18 356z.33, 356z.41, 356z.46, 356z.47, 356z.51, 356z.53, 356z.54,
19 356z.57, 356z.59, 356z.61, 356z.64, 356z.67, 356z.68, 356z.71,
20 356z.73, 356z.74, 356z.75, 356z.80, 364.3, 368a, 401, 401.1,
21 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1 and
22 Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and
23 XXVI of the Illinois Insurance Code. Nothing in this Section
24 shall require a limited health care plan to cover any service

1 that is not a limited health service. For purposes of the
2 Illinois Insurance Code, except for Sections 444 and 444.1 and
3 Articles XIII and XIII 1/2, limited health service
4 organizations in the following categories are deemed to be
5 domestic companies:

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

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

13 (Source: P.A. 102-30, eff. 1-1-22; 102-203, eff. 1-1-22;
14 102-306, eff. 1-1-22; 102-642, eff. 1-1-22; 102-731, eff.
15 1-1-23; 102-775, eff. 5-13-22; 102-813, eff. 5-13-22; 102-816,
16 eff. 1-1-23; 102-860, eff. 1-1-23; 102-1093, eff. 1-1-23;
17 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91, eff.
18 1-1-24; 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445,
19 eff. 1-1-24; 103-605, eff. 7-1-24; 103-649, eff. 1-1-25;
20 103-656, eff. 1-1-25; 103-700, eff. 1-1-25; 103-718, eff.
21 7-19-24; 103-751, eff. 8-2-24; 103-758, eff. 1-1-25; 103-832,
22 eff. 1-1-25; 103-1024, eff. 1-1-25; revised 11-26-24.)

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, 143.31, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3,
7 355b, 355d, 356g, 356g.5, 356g.5-1, 356m, 356q, 356r, 356t,
8 356u, 356u.10, 356v, 356w, 356x, 356y, 356z.1, 356z.2,
9 356z.3a, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9,
10 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18,
11 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30,
12 356z.32, 356z.32a, 356z.33, 356z.40, 356z.41, 356z.46,
13 356z.47, 356z.51, 356z.53, 356z.54, 356z.56, 356z.57, 356z.59,
14 356z.60, 356z.61, 356z.62, 356z.64, 356z.67, 356z.68, 356z.71,
15 356z.72, 356z.74, 356z.75, 356z.77, 356z.80, 364.01, 364.3,
16 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412,
17 and paragraphs (7) and (15) of Section 367 of the Illinois
18 Insurance Code.

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

25 (Source: P.A. 102-30, eff. 1-1-22; 102-203, eff. 1-1-22;
26 102-306, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665, eff.

1 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22; 102-804,
2 eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff. 1-1-23;
3 102-860, eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093, eff.
4 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91,
5 eff. 1-1-24; 103-420, eff. 1-1-24; 103-445, eff. 1-1-24;
6 103-551, eff. 8-11-23; 103-605, eff. 7-1-24; 103-656, eff.
7 1-1-25; 103-718, eff. 7-19-24; 103-751, eff. 8-2-24; 103-753,
8 eff. 8-2-24; 103-758, eff. 1-1-25; 103-832, eff. 1-1-25;
9 103-914, eff. 1-1-25; 103-918, eff. 1-1-25; 103-1024, eff.
10 1-1-25; revised 11-26-24.)

11 Section 95. No acceleration or delay. Where this Act makes
12 changes in a statute that is represented in this Act by text
13 that is not yet or no longer in effect (for example, a Section
14 represented by multiple versions), the use of that text does
15 not accelerate or delay the taking effect of (i) the changes
16 made by this Act or (ii) provisions derived from any other
17 Public Act.

18 Section 99. Effective date. This Act takes effect upon
19 becoming law, except that the changes to Section 6.11 of the
20 State Employees Group Insurance Act of 1971 take effect on
21 July 1, 2027."