



Sen. Graciela Guzmán

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10400HB3248sam001

LRB104 08344 BAB 26197 a

1 AMENDMENT TO HOUSE BILL 3248

2 AMENDMENT NO. _____. Amend House Bill 3248 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 as follows:

6 (5 ILCS 375/6.11)

7 Sec. 6.11. Required health benefits; Illinois Insurance
8 Code requirements. The program of health benefits shall
9 provide the post-mastectomy care benefits required to be
10 covered by a policy of accident and health insurance under
11 Section 356t of the Illinois Insurance Code. The program of
12 health benefits shall provide the coverage required under
13 Sections 356g, 356g.5, 356g.5-1, 356m, 356q, 356u, 356u.10,
14 356w, 356x, 356z.2, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8,
15 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15,
16 356z.17, 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.55, 356z.56, 356z.57, 356z.59,
3 356z.60, 356z.61, 356z.62, 356z.64, 356z.67, 356z.68, ~~and~~
4 356z.70, ~~and~~ 356z.71, 356z.74, 356z.76, 356z.77, and 356z.80
5 of the Illinois Insurance Code. The program of health benefits
6 must comply with Sections 155.22a, 155.37, 355b, 356z.19,
7 370c, and 370c.1 and Article XXXIIB of the Illinois Insurance
8 Code. The program of health benefits shall provide the
9 coverage required under Section 356m of the Illinois Insurance
10 Code and, for the employees of the State Employee Group
11 Insurance Program only, the coverage as also provided in
12 Section 6.11B of this Act. The Department of Insurance shall
13 enforce the requirements of this Section with respect to
14 Sections 370c and 370c.1 of the Illinois Insurance Code; all
15 other requirements of this Section shall be enforced by the
16 Department of Central Management Services.

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

23 (Source: P.A. 102-30, eff. 1-1-22; 102-103, eff. 1-1-22;
24 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-642, eff.
25 1-1-22; 102-665, eff. 10-8-21; 102-731, eff. 1-1-23; 102-768,
26 eff. 1-1-24; 102-804, eff. 1-1-23; 102-813, eff. 5-13-22;

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

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

11 (55 ILCS 5/5-1069.3)

12 Sec. 5-1069.3. Required health benefits. If a county,
13 including a home rule county, is a self-insurer for purposes
14 of providing health insurance coverage for its employees, the
15 coverage shall include coverage for the post-mastectomy care
16 benefits required to be covered by a policy of accident and
17 health insurance under Section 356t and the coverage required
18 under Sections 356g, 356g.5, 356g.5-1, 356m, 356q, 356u,
19 356u.10, 356w, 356x, 356z.4, 356z.4a, 356z.6, 356z.8, 356z.9,
20 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.22,
21 356z.25, 356z.26, 356z.29, 356z.30, 356z.32, 356z.33, 356z.36,
22 356z.40, 356z.41, 356z.45, 356z.46, 356z.47, 356z.48, 356z.51,
23 356z.53, 356z.54, 356z.56, 356z.57, 356z.59, 356z.60, 356z.61,
24 356z.62, 356z.64, 356z.67, 356z.68, ~~and~~ 356z.70, ~~and~~ 356z.71, and

1 356z.74, 356z.77, and 356z.80 of the Illinois Insurance Code.
2 The coverage shall comply with Sections 155.22a, 355b,
3 356z.19, and 370c of the Illinois Insurance Code. The
4 Department of Insurance shall enforce the requirements of this
5 Section. The requirement that health benefits be covered as
6 provided in this Section is an exclusive power and function of
7 the State and is a denial and limitation under Article VII,
8 Section 6, subsection (h) of the Illinois Constitution. A home
9 rule county to which this Section applies must comply with
10 every provision of this Section.

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; 102-443, eff.
19 1-1-22; 102-642, eff. 1-1-22; 102-665, eff. 10-8-21; 102-731,
20 eff. 1-1-23; 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; 103-84, eff. 1-1-24; 103-91,
23 eff. 1-1-24; 103-420, eff. 1-1-24; 103-445, eff. 1-1-24;
24 103-535, eff. 8-11-23; 103-551, eff. 8-11-23; 103-605, eff.
25 7-1-24; 103-718, eff. 7-19-24; 103-751, eff. 8-2-24; 103-914,
26 eff. 1-1-25; 103-918, eff. 1-1-25; 103-1024, eff. 1-1-25;

1 revised 11-26-24.)

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

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

5 Sec. 10-4-2.3. Required health benefits. If a
6 municipality, including a home rule municipality, is a
7 self-insurer for purposes of providing health insurance
8 coverage for its employees, the coverage shall include
9 coverage for the post-mastectomy care benefits required to be
10 covered by a policy of accident and health insurance under
11 Section 356t and the coverage required under Sections 356g,
12 356g.5, 356g.5-1, 356m, 356q, 356u, 356u.10, 356w, 356x,
13 356z.4, 356z.4a, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11,
14 356z.12, 356z.13, 356z.14, 356z.15, 356z.22, 356z.25, 356z.26,
15 356z.29, 356z.30, 356z.32, 356z.33, 356z.36, 356z.40, 356z.41,
16 356z.45, 356z.46, 356z.47, 356z.48, 356z.51, 356z.53, 356z.54,
17 356z.56, 356z.57, 356z.59, 356z.60, 356z.61, 356z.62, 356z.64,
18 356z.67, 356z.68, ~~and~~ 356z.70, ~~and~~ 356z.71, 356z.74, 356z.77,
19 and 356z.80 of the Illinois Insurance Code. The coverage shall
20 comply with Sections 155.22a, 355b, 356z.19, and 370c of the
21 Illinois Insurance Code. The Department of Insurance shall
22 enforce the requirements of this Section. The requirement that
23 health benefits be covered as provided in this is an exclusive
24 power and function of the State and is a denial and limitation

1 under Article VII, Section 6, subsection (h) of the Illinois
2 Constitution. A home rule municipality to which this Section
3 applies must comply with 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 20. The School Code is amended by changing Section
22 10-22.3f as follows:

23 (105 ILCS 5/10-22.3f)

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

1 protection and benefits for employees shall provide the
2 post-mastectomy care benefits required to be covered by a
3 policy of accident and health insurance under Section 356t and
4 the coverage required under Sections 356g, 356g.5, 356g.5-1,
5 356m, 356q, 356u, 356u.10, 356w, 356x, 356z.4, 356z.4a,
6 356z.6, 356z.8, 356z.9, 356z.11, 356z.12, 356z.13, 356z.14,
7 356z.15, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30, 356z.32,
8 356z.33, 356z.36, 356z.40, 356z.41, 356z.45, 356z.46, 356z.47,
9 356z.51, 356z.53, 356z.54, 356z.56, 356z.57, 356z.59, 356z.60,
10 356z.61, 356z.62, 356z.64, 356z.67, 356z.68, ~~and~~ 356z.70, ~~and~~
11 356z.71, 356z.74, 356z.77, and 356z.80 of the Illinois
12 Insurance Code. Insurance policies shall comply with Section
13 356z.19 of the Illinois Insurance Code. The coverage shall
14 comply with Sections 155.22a, 355b, and 370c of the Illinois
15 Insurance Code. The Department of Insurance shall enforce the
16 requirements of this Section.

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

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

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

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

9 (215 ILCS 5/356z.80 new)

10 Sec. 356z.80. Laser hair removal. Any group or individual
11 policy of accident or health insurance or a managed care plan
12 that is amended, delivered, issued, or renewed after January
13 1, 2027 shall provide coverage for medically necessary laser
14 hair removal if the procedure is a prescribed medical
15 treatment in accordance with generally accepted standards of
16 medical care.

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

19 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

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

21 Sec. 5-3. Insurance Code provisions.

22 (a) Health Maintenance Organizations shall be subject to

1 the provisions of Sections 133, 134, 136, 137, 139, 140,
2 141.1, 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151,
3 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a,
4 155.49, 352c, 355.2, 355.3, 355.6, 355b, 355c, 356f, 356g.5-1,
5 356m, 356q, 356u.10, 356v, 356w, 356x, 356z.2, 356z.3a,
6 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10,
7 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17, 356z.18,
8 356z.19, 356z.20, 356z.21, 356z.22, 356z.23, 356z.24, 356z.25,
9 356z.26, 356z.28, 356z.29, 356z.30, 356z.31, 356z.32, 356z.33,
10 356z.34, 356z.35, 356z.36, 356z.37, 356z.38, 356z.39, 356z.40,
11 356z.40a, 356z.41, 356z.44, 356z.45, 356z.46, 356z.47,
12 356z.48, 356z.49, 356z.50, 356z.51, 356z.53, 356z.54, 356z.55,
13 356z.56, 356z.57, 356z.58, 356z.59, 356z.60, 356z.61, 356z.62,
14 356z.63, 356z.64, 356z.65, 356z.66, 356z.67, 356z.68, 356z.69,
15 356z.70, 356z.71, 356z.72, 356z.73, 356z.74, 356z.75, 356z.77,
16 356z.80, 364, 364.01, 364.3, 367.2, 367.2-5, 367i, 368a, 368b,
17 368c, 368d, 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A,
18 408, 408.2, 409, 412, 444, and 444.1, paragraph (c) of
19 subsection (2) of Section 367, and Articles IIA, VIII 1/2,
20 XII, XII 1/2, XIII, XIII 1/2, XXV, XXVI, and XXXIIB of the
21 Illinois Insurance Code. Section 356z.80 of the Illinois
22 Insurance Code is not applicable to health care plans
23 providing health care services for persons who are enrolled
24 under Article V of the Illinois Public Aid Code.

25 (b) For purposes of the Illinois Insurance Code, except
26 for Sections 444 and 444.1 and Articles XIII and XIII 1/2,

1 Health Maintenance Organizations in the following categories
2 are deemed to be "domestic companies":

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

5 (2) a corporation organized under the laws of this
6 State; or

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

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

21 (2) (i) the criteria specified in subsection (1) (b) of
22 Section 131.8 of the Illinois Insurance Code shall not
23 apply and (ii) the Director, in making his determination
24 with respect to the merger, consolidation, or other
25 acquisition of control, need not take into account the
26 effect on competition of the merger, consolidation, or

1 other acquisition of control;

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

4 (A) certification by an independent actuary of the
5 adequacy of the reserves of the Health Maintenance
6 Organization sought to be acquired;

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

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

18 (D) such other information as the Director shall
19 require.

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

26 (e) In considering any management contract or service

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

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

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

23 (ii) the amount of the refund or additional premium
24 shall not exceed 20% of the Health Maintenance
25 Organization's profitable or unprofitable experience with
26 respect to the group or other enrollment unit for the

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

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

24 In no event shall the Illinois Health Maintenance
25 Organization Guaranty Association be liable to pay any
26 contractual obligation of an insolvent organization to pay any

1 refund authorized under this Section.

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

8 (Source: P.A. 102-30, eff. 1-1-22; 102-34, eff. 6-25-21;
9 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.
10 1-1-22; 102-589, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665,
11 eff. 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22;
12 102-804, eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff.
13 1-1-23; 102-860, eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093,
14 eff. 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24;
15 103-91, eff. 1-1-24; 103-123, eff. 1-1-24; 103-154, eff.
16 6-30-23; 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445,
17 eff. 1-1-24; 103-551, eff. 8-11-23; 103-605, eff. 7-1-24;
18 103-618, eff. 1-1-25; 103-649, eff. 1-1-25; 103-656, eff.
19 1-1-25; 103-700, eff. 1-1-25; 103-718, eff. 7-19-24; 103-751,
20 eff. 8-2-24; 103-753, eff. 8-2-24; 103-758, eff. 1-1-25;
21 103-777, eff. 8-2-24; 103-914, eff. 1-1-25; 103-918, eff.
22 1-1-25; 103-1024, eff. 1-1-25; revised 9-26-24.)

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

24 Sec. 5-3. Insurance Code provisions.

25 (a) Health Maintenance Organizations shall be subject to

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

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

26 (1) a corporation authorized under the Dental Service

1 Plan Act or the Voluntary Health Services Plans Act;

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

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

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

13 (1) the Director shall give primary consideration to
14 the continuation of benefits to enrollees and the
15 financial conditions of the acquired Health Maintenance
16 Organization after the merger, consolidation, or other
17 acquisition of control takes effect;

18 (2) (i) the criteria specified in subsection (1) (b) of
19 Section 131.8 of the Illinois Insurance Code shall not
20 apply and (ii) the Director, in making his determination
21 with respect to the merger, consolidation, or other
22 acquisition of control, need not take into account the
23 effect on competition of the merger, consolidation, or
24 other acquisition of control;

25 (3) the Director shall have the power to require the
26 following information:

1 (A) certification by an independent actuary of the
2 adequacy of the reserves of the Health Maintenance
3 Organization sought to be acquired;

4 (B) pro forma financial statements reflecting the
5 combined balance sheets of the acquiring company and
6 the Health Maintenance Organization sought to be
7 acquired as of the end of the preceding year and as of
8 a date 90 days prior to the acquisition, as well as pro
9 forma financial statements reflecting projected
10 combined operation for a period of 2 years;

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

15 (D) such other information as the Director shall
16 require.

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

23 (e) In considering any management contract or service
24 agreement subject to Section 141.1 of the Illinois Insurance
25 Code, the Director (i) shall, in addition to the criteria
26 specified in Section 141.2 of the Illinois Insurance Code,

1 take into account the effect of the management contract or
2 service agreement on the continuation of benefits to enrollees
3 and the financial condition of the health maintenance
4 organization to be managed or serviced, and (ii) need not take
5 into account the effect of the management contract or service
6 agreement on competition.

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

14 (i) the amount of, and other terms and conditions with
15 respect to, the refund or additional premium are set forth
16 in the group or enrollment unit contract agreed in advance
17 of the period for which a refund is to be paid or
18 additional premium is to be charged (which period shall
19 not be less than one year); and

20 (ii) the amount of the refund or additional premium
21 shall not exceed 20% of the Health Maintenance
22 Organization's profitable or unprofitable experience with
23 respect to the group or other enrollment unit for the
24 period (and, for purposes of a refund or additional
25 premium, the profitable or unprofitable experience shall
26 be calculated taking into account a pro rata share of the

1 Health Maintenance Organization's administrative and
2 marketing expenses, but shall not include any refund to be
3 made or additional premium to be paid pursuant to this
4 subsection (f)). The Health Maintenance Organization and
5 the group or enrollment unit may agree that the profitable
6 or unprofitable experience may be calculated taking into
7 account the refund period and the immediately preceding 2
8 plan years.

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

21 In no event shall the Illinois Health Maintenance
22 Organization Guaranty Association be liable to pay any
23 contractual obligation of an insolvent organization to pay any
24 refund authorized under this Section.

25 (g) Rulemaking authority to implement Public Act 95-1045,
26 if any, is conditioned on the rules being adopted in

1 accordance with all provisions of the Illinois Administrative
2 Procedure Act and all rules and procedures of the Joint
3 Committee on Administrative Rules; any purported rule not so
4 adopted, for whatever reason, is unauthorized.

5 (Source: P.A. 102-30, eff. 1-1-22; 102-34, eff. 6-25-21;
6 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.
7 1-1-22; 102-589, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665,
8 eff. 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22;
9 102-804, eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff.
10 1-1-23; 102-860, eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093,
11 eff. 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24;
12 103-91, eff. 1-1-24; 103-123, eff. 1-1-24; 103-154, eff.
13 6-30-23; 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445,
14 eff. 1-1-24; 103-551, eff. 8-11-23; 103-605, eff. 7-1-24;
15 103-618, eff. 1-1-25; 103-649, eff. 1-1-25; 103-656, eff.
16 1-1-25; 103-700, eff. 1-1-25; 103-718, eff. 7-19-24; 103-751,
17 eff. 8-2-24; 103-753, eff. 8-2-24; 103-758, eff. 1-1-25;
18 103-777, eff. 8-2-24; 103-808, eff. 1-1-26; 103-914, eff.
19 1-1-25; 103-918, eff. 1-1-25; 103-1024, eff. 1-1-25; revised
20 11-26-24.)

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

23 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

24 Sec. 4003. Illinois Insurance Code provisions. Limited

1 health service organizations shall be subject to the
2 provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,
3 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151, 152, 153,
4 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.37, 155.49, 352c,
5 355.2, 355.3, 355b, 355d, 356m, 356q, 356v, 356z.4, 356z.4a,
6 356z.10, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.32,
7 356z.33, 356z.41, 356z.46, 356z.47, 356z.51, 356z.53, 356z.54,
8 356z.57, 356z.59, 356z.61, 356z.64, 356z.67, 356z.68, 356z.71,
9 356z.73, 356z.74, 356z.75, 356z.80, 364.3, 368a, 401, 401.1,
10 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1 and
11 Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and
12 XXVI of the Illinois Insurance Code. Nothing in this Section
13 shall require a limited health care plan to cover any service
14 that is not a limited health service. For purposes of the
15 Illinois Insurance Code, except for Sections 444 and 444.1 and
16 Articles XIII and XIII 1/2, limited health service
17 organizations in the following categories are deemed to be
18 domestic companies:

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

20 (2) 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 (Source: P.A. 102-30, eff. 1-1-22; 102-203, eff. 1-1-22;

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

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

12 (215 ILCS 165/10) (from Ch. 32, par. 604)

13 Sec. 10. Application of Insurance Code provisions. Health
14 services plan corporations and all persons interested therein
15 or dealing therewith shall be subject to the provisions of
16 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,
17 143, 143.31, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3,
18 355b, 355d, 356g, 356g.5, 356g.5-1, 356m, 356q, 356r, 356t,
19 356u, 356u.10, 356v, 356w, 356x, 356y, 356z.1, 356z.2,
20 356z.3a, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9,
21 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18,
22 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30,
23 356z.32, 356z.32a, 356z.33, 356z.40, 356z.41, 356z.46,
24 356z.47, 356z.51, 356z.53, 356z.54, 356z.56, 356z.57, 356z.59,

1 356z.60, 356z.61, 356z.62, 356z.64, 356z.67, 356z.68, 356z.71,
2 356z.72, 356z.74, 356z.75, 356z.77, 356z.80, 364.01, 364.3,
3 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412,
4 and paragraphs (7) and (15) of Section 367 of the Illinois
5 Insurance Code.

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

12 (Source: P.A. 102-30, eff. 1-1-22; 102-203, eff. 1-1-22;
13 102-306, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665, eff.
14 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22; 102-804,
15 eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff. 1-1-23;
16 102-860, eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093, eff.
17 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91,
18 eff. 1-1-24; 103-420, eff. 1-1-24; 103-445, eff. 1-1-24;
19 103-551, eff. 8-11-23; 103-605, eff. 7-1-24; 103-656, eff.
20 1-1-25; 103-718, eff. 7-19-24; 103-751, eff. 8-2-24; 103-753,
21 eff. 8-2-24; 103-758, eff. 1-1-25; 103-832, eff. 1-1-25;
22 103-914, eff. 1-1-25; 103-918, eff. 1-1-25; 103-1024, eff.
23 1-1-25; revised 11-26-24.)

24 Section 95. No acceleration or delay. Where this Act makes
25 changes in a statute that is represented in this Act by text

1 that is not yet or no longer in effect (for example, a Section
2 represented by multiple versions), the use of that text does
3 not accelerate or delay the taking effect of (i) the changes
4 made by this Act or (ii) provisions derived from any other
5 Public Act."