



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB3561

Introduced 2/18/2025, by Rep. Dagmara Avelar

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Insurance Code. Requires a group or individual policy of accident and health insurance or a managed care plan to provide coverage for at least one early egg allergen introduction dietary supplement and one early peanut allergen introduction dietary supplement. Provides that the required coverage shall be provided at no cost to a covered individual, including deductible payments and cost-sharing amounts charged once a deductible is met. Except as otherwise provided, nothing in the provisions prevents the operation of such a policy provision as a deductible, coinsurance, allowable charge limitation, coordination of benefits, or a provision restricting coverage to services by a licensed, certified, or carrier-approved provider or facility. Provides that the required coverage does not apply to accident-only, specified disease, hospital indemnity, Medicare supplement, long-term care, disability income, or other limited benefit health insurance policies, and that the cost-sharing limitation does not apply to a catastrophic health plan to the extent the cost-sharing limitation would cause the plan to fail to be treated as a catastrophic plan under federal law. Provides that the cost-sharing limitation does not apply to a high deductible health plan to the extent this cost-sharing limitation would cause the plan to fail to be treated as a high deductible health plan under specified provisions of the Internal Revenue Code. Provides that, if the cost-sharing limitation would result in an enrollee becoming ineligible for a health savings account under federal law, the cost-sharing limitation only applies to a qualified high deductible health plan after the enrollee's deductible has been met. Amends the State Employees Group Insurance Act of 1971, the Counties Code, the Illinois Municipal Code, the School Code, the Health Maintenance Organization Act, the Limited Health Service Organization Act, the Voluntary Health Services Plans Act, and the Illinois Public Aid Code to require coverage under those provisions.

LRB104 10745 BAB 20824 b

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 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,
17 356z.33, 356z.36, 356z.40, 356z.41, 356z.45, 356z.46, 356z.47,
18 356z.51, 356z.53, 356z.54, 356z.55, 356z.56, 356z.57, 356z.59,
19 356z.60, 356z.61, 356z.62, 356z.64, 356z.67, 356z.68, ~~and~~
20 356z.70, ~~and~~ 356z.71, 356z.74, 356z.76, 356z.77, and 356z.80
21 of the Illinois Insurance Code. The program of health benefits
22 must comply with Sections 155.22a, 155.37, 355b, 356z.19,
23 370c, and 370c.1 and Article XXXIIB of the Illinois Insurance

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

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; 102-768,
19 eff. 1-1-24; 102-804, eff. 1-1-23; 102-813, eff. 5-13-22;
20 102-816, eff. 1-1-23; 102-860, eff. 1-1-23; 102-1093, eff.
21 1-1-23; 102-1117, eff. 1-13-23; 103-8, eff. 1-1-24; 103-84,
22 eff. 1-1-24; 103-91, eff. 1-1-24; 103-420, eff. 1-1-24;
23 103-445, eff. 1-1-24; 103-535, eff. 8-11-23; 103-551, eff.
24 8-11-23; 103-605, eff. 7-1-24; 103-718, eff. 7-19-24; 103-751,
25 eff. 8-2-24; 103-870, eff. 1-1-25; 103-914, eff. 1-1-25;
26 103-918, eff. 1-1-25; 103-951, eff. 1-1-25; 103-1024, eff.

1 1-1-25; revised 11-26-24.)

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,~~
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 22. The Illinois Insurance Code is amended by
2 adding Section 356z.80 as follows:

3 (5 ILCS 375/356z.80 new)

4 Sec. 356z.80. Coverage for allergenic protein dietary
5 supplements.

6 (a) As used in this Section:

7 "Dietary supplement" has the meaning given to that term in
8 the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. 321.

9 "Early egg allergen introduction dietary supplement" means
10 a dietary supplement that is prescribed to an infant by a
11 health care provider and contains sufficient infant-safe,
12 well-cooked egg protein to reduce the risk of food allergies.

13 "Early peanut allergen introduction dietary supplement"
14 means a dietary supplement that is prescribed to an infant by a
15 health care provider and contains sufficient infant-safe
16 peanut protein to reduce the risk of food allergies.

17 "Health care provider" or "provider" means a physician,
18 hospital facility, or other health care practitioner licensed,
19 accredited, or certified to perform specified health care
20 services consistent with State law, responsible for
21 recommending health care services on behalf of a covered
22 person.

23 "Infant" means a child who has not attained the age of one
24 year.

25 (b) 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 at least one early egg allergen introduction
4 dietary supplement and at least one early peanut allergen
5 introduction dietary supplement.

6 The coverage required under this subsection shall be
7 provided at no cost to a covered individual, including
8 deductible payments and cost-sharing amounts charged once a
9 deductible is met.

10 (c) Except as provided under subsection (b) of this
11 Section, nothing in this Section prevents the operation of a
12 policy provision required by this Section as a deductible,
13 coinsurance, allowable charge limitation, coordination of
14 benefits, or a provision restricting coverage to services by a
15 licensed, certified, or carrier-approved provider or facility.

16 (d) This Section does not apply to accident-only,
17 specified disease, hospital indemnity, Medicare supplement,
18 long-term care, disability income, or other limited benefit
19 health insurance policies.

20 (e) The cost-sharing limitation under subsection (b) does
21 not apply to:

22 (1) a catastrophic health plan to the extent this
23 cost-sharing limitation would cause the plan to fail to be
24 treated as a catastrophic plan under 42 U.S.C. 18022(e).

25 (2) a high deductible health plan to the extent this
26 cost-sharing limitation would cause the plan to fail to be

1 treated as a high deductible health plan under Section
2 223(c) (2) of the Internal Revenue Code.

3 If the cost-sharing limitation under subsection (b) would
4 result in an enrollee becoming ineligible for a health savings
5 account under federal law, this cost-sharing limitation only
6 applies to a qualified high deductible health plan after the
7 enrollee's deductible has been met.

8 Section 25. The Health Maintenance Organization Act is
9 amended by changing Section 5-3 as follows:

10 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

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

12 Sec. 5-3. Insurance Code provisions.

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

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

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

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

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

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

25 (c) In considering the merger, consolidation, or other
26 acquisition of control of a Health Maintenance Organization

1 pursuant to Article VIII 1/2 of the Illinois Insurance Code,

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

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

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

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

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

26 (C) a pro forma business plan detailing an

1 acquiring party's plans with respect to the operation
2 of the Health Maintenance Organization sought to be
3 acquired for a period of not less than 3 years; and

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

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

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

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

1 group or other enrollment unit to effect refunds or charge
2 additional premiums under the following terms and conditions:

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

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

24 The Health Maintenance Organization shall include a
25 statement in the evidence of coverage issued to each enrollee
26 describing the possibility of a refund or additional premium,

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

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

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

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

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

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

10 Sec. 5-3. Insurance Code provisions.

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

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

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

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

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

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

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

25 (1) the Director shall give primary consideration to
26 the continuation of benefits to enrollees and the

1 financial conditions of the acquired Health Maintenance
2 Organization after the merger, consolidation, or other
3 acquisition of control takes effect;

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

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

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

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

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

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

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

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

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

26 (i) the amount of, and other terms and conditions with

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

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

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

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

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

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

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

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

7 Section 30. The Limited Health Service Organization Act is
8 amended by changing Section 4003 as follows:

9 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

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

1 Illinois Insurance Code, except for Sections 444 and 444.1 and
2 Articles XIII and XIII 1/2, limited health service
3 organizations in the following categories are deemed to be
4 domestic companies:

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

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

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

22 Section 35. The Voluntary Health Services Plans Act is
23 amended by changing Section 10 as follows:

24 (215 ILCS 165/10) (from Ch. 32, par. 604)

1 Sec. 10. Application of Insurance Code provisions. Health
2 services plan corporations and all persons interested therein
3 or dealing therewith shall be subject to the provisions of
4 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,
5 143, 143.31, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3,
6 355b, 355d, 356g, 356g.5, 356g.5-1, 356m, 356q, 356r, 356t,
7 356u, 356u.10, 356v, 356w, 356x, 356y, 356z.1, 356z.2,
8 356z.3a, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9,
9 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18,
10 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30,
11 356z.32, 356z.32a, 356z.33, 356z.40, 356z.41, 356z.46,
12 356z.47, 356z.51, 356z.53, 356z.54, 356z.56, 356z.57, 356z.59,
13 356z.60, 356z.61, 356z.62, 356z.64, 356z.67, 356z.68, 356z.71,
14 356z.72, 356z.74, 356z.75, 356z.77, 356z.80, 364.01, 364.3,
15 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412,
16 and paragraphs (7) and (15) of Section 367 of the Illinois
17 Insurance Code.

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; 102-203, eff. 1-1-22;
25 102-306, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665, eff.
26 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22; 102-804,

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

10 Section 40. The Illinois Public Aid Code is amended by
11 changing Section 5-16.8 as follows:

12 (305 ILCS 5/5-16.8)

13 Sec. 5-16.8. Required health benefits. The medical
14 assistance program shall (i) provide the post-mastectomy care
15 benefits required to be covered by a policy of accident and
16 health insurance under Section 356t and the coverage required
17 under Sections 356g.5, 356q, 356u, 356w, 356x, 356z.6,
18 356z.26, 356z.29, 356z.32, 356z.33, 356z.34, 356z.35, 356z.46,
19 356z.47, 356z.51, 356z.53, 356z.59, 356z.60, 356z.61, 356z.64,
20 ~~and~~ 356z.67, ~~and~~ 356z.71, 356z.75, and 356z.80 of the Illinois
21 Insurance Code, (ii) be subject to the provisions of Sections
22 356z.19, 356z.44, 356z.49, 364.01, 370c, and 370c.1 of the
23 Illinois Insurance Code, and (iii) be subject to the
24 provisions of subsection (d-5) of Section 10 of the Network

1 Adequacy and Transparency Act.

2 The Department, by rule, shall adopt a model similar to
3 the requirements of Section 356z.39 of the Illinois Insurance
4 Code.

5 On and after July 1, 2012, the Department shall reduce any
6 rate of reimbursement for services or other payments or alter
7 any methodologies authorized by this Code to reduce any rate
8 of reimbursement for services or other payments in accordance
9 with Section 5-5e.

10 To ensure full access to the benefits set forth in this
11 Section, on and after January 1, 2016, the Department shall
12 ensure that provider and hospital reimbursement for
13 post-mastectomy care benefits required under this Section are
14 no lower than the Medicare reimbursement rate.

15 (Source: P.A. 102-30, eff. 1-1-22; 102-144, eff. 1-1-22;
16 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-530, eff.
17 1-1-22; 102-642, eff. 1-1-22; 102-804, eff. 1-1-23; 102-813,
18 eff. 5-13-22; 102-816, eff. 1-1-23; 102-1093, eff. 1-1-23;
19 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91, eff.
20 1-1-24; 103-420, eff. 1-1-24; 103-605, eff. 7-1-24; 103-703,
21 eff. 1-1-25; 103-758, eff. 1-1-25; 103-1024, eff. 1-1-25;
22 revised 11-26-24.)

23 Section 95. No acceleration or delay. Where this Act makes
24 changes in a statute that is represented in this Act by text
25 that is not yet or no longer in effect (for example, a Section

1 represented by multiple versions), the use of that text does
2 not accelerate or delay the taking effect of (i) the changes
3 made by this Act or (ii) provisions derived from any other
4 Public Act.

1 INDEX

2 Statutes amended in order of appearance

3 5 ILCS 375/6.11

4 55 ILCS 5/5-1069.3

5 65 ILCS 5/10-4-2.3

6 105 ILCS 5/10-22.3f

7 5 ILCS 375/356z.80 new

8 215 ILCS 125/5-3 from Ch. 111 1/2, par. 1411.2

9 215 ILCS 130/4003 from Ch. 73, par. 1504-3

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

11 305 ILCS 5/5-16.8