



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB4908

by Rep. Martha Deuter

#### SYNOPSIS AS INTRODUCED:

5 ILCS 375/10

from Ch. 127, par. 530

215 ILCS 5/368h new

Amends the State Employees Group Insurance Act of 1971. Provides that the Department of Central Management Services shall require all contracts, managed care arrangements, and third-party administrator agreements under the State Employees Group Insurance Program to apply site-neutral payment principles for covered services. Grants the Department rulemaking authority, including specified rules. Amends the Illinois Insurance Code. Requires the Department of Insurance to instruct health insurance companies operating in the State to apply site-neutral payment principles for any covered service for any health insurance product the health insurance company sells, manages, offers, or markets in the State. Grants the Department rulemaking authority, including specified rules. Effective January 1, 2027.

LRB104 18917 BAB 32362 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 10 as follows:

6 (5 ILCS 375/10) (from Ch. 127, par. 530)

7 Sec. 10. Contributions by the State and members.

8 (a) The State shall pay the cost of basic non-contributory  
9 group life insurance and, subject to member paid contributions  
10 set by the Department or required by this Section and except as  
11 provided in this Section, the basic program of group health  
12 benefits on each eligible member, except a member, not  
13 otherwise covered by this Act, who has retired as a  
14 participating member under Article 2 of the Illinois Pension  
15 Code but is ineligible for the retirement annuity under  
16 Section 2-119 of the Illinois Pension Code, and part of each  
17 eligible member's and retired member's premiums for health  
18 insurance coverage for enrolled dependents as provided by  
19 Section 9. The State shall pay the cost of the basic program of  
20 group health benefits only after benefits are reduced by the  
21 amount of benefits covered by Medicare for all members and  
22 dependents who are eligible for benefits under Social Security  
23 or the Railroad Retirement system or who had sufficient

1 Medicare-covered government employment, except that such  
2 reduction in benefits shall apply only to those members and  
3 dependents who (1) first become eligible for such Medicare  
4 coverage on or after July 1, 1992; or (2) are  
5 Medicare-eligible members or dependents of a local government  
6 unit which began participation in the program on or after July  
7 1, 1992; or (3) remain eligible for, but no longer receive  
8 Medicare coverage which they had been receiving on or after  
9 July 1, 1992. The Department may determine the aggregate level  
10 of the State's contribution on the basis of actual cost of  
11 medical services adjusted for age, sex or geographic or other  
12 demographic characteristics which affect the costs of such  
13 programs.

14 The cost of participation in the basic program of group  
15 health benefits for the dependent or survivor of a living or  
16 deceased retired employee who was formerly employed by the  
17 University of Illinois in the Cooperative Extension Service  
18 and would be an annuitant but for the fact that he or she was  
19 made ineligible to participate in the State Universities  
20 Retirement System by clause (4) of subsection (a) of Section  
21 15-107 of the Illinois Pension Code shall not be greater than  
22 the cost of participation that would otherwise apply to that  
23 dependent or survivor if he or she were the dependent or  
24 survivor of an annuitant under the State Universities  
25 Retirement System.

26 (a-1) (Blank).

1 (a-2) (Blank).

2 (a-3) (Blank).

3 (a-4) (Blank).

4 (a-5) (Blank).

5 (a-6) (Blank).

6 (a-7) (Blank).

7 (a-8) Any annuitant, survivor, or retired employee may  
8 waive or terminate coverage in the program of group health  
9 benefits. Any such annuitant, survivor, or retired employee  
10 who has waived or terminated coverage may enroll or re-enroll  
11 in the program of group health benefits only during the annual  
12 benefit choice period, as determined by the Director; except  
13 that in the event of termination of coverage due to nonpayment  
14 of premiums, the annuitant, survivor, or retired employee may  
15 not re-enroll in the program.

16 (a-8.5) Beginning on July 1, 2012 (the effective date of  
17 Public Act 97-695), the Director of Central Management  
18 Services shall, on an annual basis, determine the amount that  
19 the State shall contribute toward the basic program of group  
20 health benefits on behalf of annuitants (including individuals  
21 who (i) participated in the General Assembly Retirement  
22 System, the State Employees' Retirement System of Illinois,  
23 the State Universities Retirement System, the Teachers'  
24 Retirement System of the State of Illinois, or the Judges  
25 Retirement System of Illinois and (ii) qualify as annuitants  
26 under subsection (b) of Section 3 of this Act), survivors

1 (including individuals who (i) receive an annuity as a  
2 survivor of an individual who participated in the General  
3 Assembly Retirement System, the State Employees' Retirement  
4 System of Illinois, the State Universities Retirement System,  
5 the Teachers' Retirement System of the State of Illinois, or  
6 the Judges Retirement System of Illinois and (ii) qualify as  
7 survivors under subsection (q) of Section 3 of this Act), and  
8 retired employees (as defined in subsection (p) of Section 3  
9 of this Act). The remainder of the cost of coverage for each  
10 annuitant, survivor, or retired employee, as determined by the  
11 Director of Central Management Services, shall be the  
12 responsibility of that annuitant, survivor, or retired  
13 employee.

14 Contributions required of annuitants, survivors, and  
15 retired employees shall be the same for all retirement systems  
16 and shall also be based on whether an individual has made an  
17 election under Section 15-135.1 of the Illinois Pension Code.  
18 Contributions may be based on annuitants', survivors', or  
19 retired employees' Medicare eligibility, but may not be based  
20 on Social Security eligibility.

21 (a-9) No later than May 1 of each calendar year, the  
22 Director of Central Management Services shall certify in  
23 writing to the Executive Secretary of the State Employees'  
24 Retirement System of Illinois the amounts of the Medicare  
25 supplement health care premiums and the amounts of the health  
26 care premiums for all other retirees who are not Medicare

1 eligible.

2 A separate calculation of the premiums based upon the  
3 actual cost of each health care plan shall be so certified.

4 The Director of Central Management Services shall provide  
5 to the Executive Secretary of the State Employees' Retirement  
6 System of Illinois such information, statistics, and other  
7 data as he or she may require to review the premium amounts  
8 certified by the Director of Central Management Services.

9 The Department of Central Management Services, or any  
10 successor agency designated to procure health care contracts  
11 pursuant to this Act, is authorized to establish funds,  
12 separate accounts provided by any bank or banks as defined by  
13 the Illinois Banking Act, or separate accounts provided by any  
14 savings and loan association or associations as defined by the  
15 Illinois Savings and Loan Act of 1985 to be held by the  
16 Director, outside the State treasury, for the purpose of  
17 receiving the transfer of moneys from the Local Government  
18 Health Insurance Reserve Fund. The Department may promulgate  
19 rules further defining the methodology for the transfers. Any  
20 interest earned by moneys in the funds or accounts shall inure  
21 to the Local Government Health Insurance Reserve Fund. The  
22 transferred moneys, and interest accrued thereon, shall be  
23 used exclusively for transfers to administrative service  
24 organizations or their financial institutions for payments of  
25 claims to claimants and providers under the self-insurance  
26 health plan. The transferred moneys, and interest accrued

1 thereon, shall not be used for any other purpose including,  
2 but not limited to, reimbursement of administration fees due  
3 the administrative service organization pursuant to its  
4 contract or contracts with the Department.

5 (a-10) To the extent that participation, benefits, or  
6 premiums under this Act are based on a person's service credit  
7 under an Article of the Illinois Pension Code, service credit  
8 terminated in exchange for an accelerated pension benefit  
9 payment under Section 14-147.5, 15-185.5, or 16-190.5 of that  
10 Code shall be included in determining a person's service  
11 credit for the purposes of this Act.

12 (b) State employees who become eligible for this program  
13 on or after January 1, 1980 in positions normally requiring  
14 actual performance of duty not less than 1/2 of a normal work  
15 period but not equal to that of a normal work period, shall be  
16 given the option of participating in the available program. If  
17 the employee elects coverage, the State shall contribute on  
18 behalf of such employee to the cost of the employee's benefit  
19 and any applicable dependent supplement, that sum which bears  
20 the same percentage as that percentage of time the employee  
21 regularly works when compared to normal work period.

22 (c) The basic non-contributory coverage from the basic  
23 program of group health benefits shall be continued for each  
24 employee not in pay status or on active service by reason of  
25 (1) leave of absence due to illness or injury, (2) authorized  
26 educational leave of absence or sabbatical leave, or (3)

1 military leave. This coverage shall continue until expiration  
2 of authorized leave and return to active service, but not to  
3 exceed 24 months for leaves under item (1) or (2). This  
4 24-month limitation and the requirement of returning to active  
5 service shall not apply to persons receiving ordinary or  
6 accidental disability benefits or retirement benefits through  
7 the appropriate State retirement system or benefits under the  
8 Workers' Compensation Act or the Workers' Occupational  
9 Diseases Act.

10 (d) The basic group life insurance coverage shall  
11 continue, with full State contribution, where such person is  
12 (1) absent from active service by reason of disability arising  
13 from any cause other than self-inflicted, (2) on authorized  
14 educational leave of absence or sabbatical leave, or (3) on  
15 military leave.

16 (e) Where the person is in non-pay status for a period in  
17 excess of 30 days or on leave of absence, other than by reason  
18 of disability, educational or sabbatical leave, or military  
19 leave, such person may continue coverage only by making  
20 personal payment equal to the amount normally contributed by  
21 the State on such person's behalf. Such payments and coverage  
22 may be continued: (1) until such time as the person returns to  
23 a status eligible for coverage at State expense, but not to  
24 exceed 24 months or (2) until such person's employment or  
25 annuitant status with the State is terminated (exclusive of  
26 any additional service imposed pursuant to law).

1           (f) The Department shall establish by rule the extent to  
2 which other employee benefits will continue for persons in  
3 non-pay status or who are not in active service.

4           (g) The State shall not pay the cost of the basic  
5 non-contributory group life insurance, program of health  
6 benefits and other employee benefits for members who are  
7 survivors as defined by paragraphs (1) and (2) of subsection  
8 (q) of Section 3 of this Act. The costs of benefits for these  
9 survivors shall be paid by the survivors or by the University  
10 of Illinois Cooperative Extension Service, or any combination  
11 thereof. However, the State shall pay the amount of the  
12 reduction in the cost of participation, if any, resulting from  
13 the amendment to subsection (a) made by Public Act 91-617.

14           (h) Those persons occupying positions with any department  
15 as a result of emergency appointments pursuant to Section 8b.8  
16 of the Personnel Code who are not considered employees under  
17 this Act shall be given the option of participating in the  
18 programs of group life insurance, health benefits and other  
19 employee benefits. Such persons electing coverage may  
20 participate only by making payment equal to the amount  
21 normally contributed by the State for similarly situated  
22 employees. Such amounts shall be determined by the Director.  
23 Such payments and coverage may be continued until such time as  
24 the person becomes an employee pursuant to this Act or such  
25 person's appointment is terminated.

26           (i) Any unit of local government within the State of

1 Illinois may apply to the Director to have its employees,  
2 annuitants, and their dependents provided group health  
3 coverage under this Act on a non-insured basis. To  
4 participate, a unit of local government must agree to enroll  
5 all of its employees, who may select coverage under any group  
6 health benefits plan made available by the Department under  
7 the health benefits program established under this Section or  
8 a health maintenance organization that has contracted with the  
9 State to be available as a health care provider for employees  
10 as defined in this Act. A unit of local government must remit  
11 the entire cost of providing coverage under the health  
12 benefits program established under this Section or, for  
13 coverage under a health maintenance organization, an amount  
14 determined by the Director based on an analysis of the sex,  
15 age, geographic location, or other relevant demographic  
16 variables for its employees, except that the unit of local  
17 government shall not be required to enroll those of its  
18 employees who are covered spouses or dependents under the  
19 State group health benefits plan or another group policy or  
20 plan providing health benefits as long as (1) an appropriate  
21 official from the unit of local government attests that each  
22 employee not enrolled is a covered spouse or dependent under  
23 this plan or another group policy or plan, and (2) at least 50%  
24 of the employees are enrolled and the unit of local government  
25 remits the entire cost of providing coverage to those  
26 employees, except that a participating school district must

1 have enrolled at least 50% of its full-time employees who have  
2 not waived coverage under the district's group health plan by  
3 participating in a component of the district's cafeteria plan.  
4 A participating school district is not required to enroll a  
5 full-time employee who has waived coverage under the  
6 district's health plan, provided that an appropriate official  
7 from the participating school district attests that the  
8 full-time employee has waived coverage by participating in a  
9 component of the district's cafeteria plan. For the purposes  
10 of this subsection, "participating school district" includes a  
11 unit of local government whose primary purpose is education as  
12 defined by the Department's rules.

13 Employees of a participating unit of local government who  
14 are not enrolled due to coverage under another group health  
15 policy or plan may enroll in the event of a qualifying change  
16 in status, special enrollment, special circumstance as defined  
17 by the Director, or during the annual benefit choice period. A  
18 participating unit of local government may also elect to cover  
19 its annuitants. Dependent coverage shall be offered on an  
20 optional basis, with the costs paid by the unit of local  
21 government, its employees, or some combination of the two as  
22 determined by the unit of local government. The unit of local  
23 government shall be responsible for timely collection and  
24 transmission of dependent premiums.

25 The Director shall annually determine monthly rates of  
26 payment, subject to the following constraints:

1           (1) In the first year of coverage, the rates shall be  
2           equal to the amount normally charged to State employees  
3           for elected optional coverages or for enrolled dependents  
4           coverages or other contributory coverages, or contributed  
5           by the State for basic insurance coverages on behalf of  
6           its employees, adjusted for differences between State  
7           employees and employees of the local government in age,  
8           sex, geographic location or other relevant demographic  
9           variables, plus an amount sufficient to pay for the  
10          additional administrative costs of providing coverage to  
11          employees of the unit of local government and their  
12          dependents.

13          (2) In subsequent years, a further adjustment shall be  
14          made to reflect the actual prior years' claims experience  
15          of the employees of the unit of local government.

16          In the case of coverage of local government employees  
17          under a health maintenance organization, the Director shall  
18          annually determine for each participating unit of local  
19          government the maximum monthly amount the unit may contribute  
20          toward that coverage, based on an analysis of (i) the age, sex,  
21          geographic location, and other relevant demographic variables  
22          of the unit's employees and (ii) the cost to cover those  
23          employees under the State group health benefits plan. The  
24          Director may similarly determine the maximum monthly amount  
25          each unit of local government may contribute toward coverage  
26          of its employees' dependents under a health maintenance

1 organization.

2 Monthly payments by the unit of local government or its  
3 employees for group health benefits plan or health maintenance  
4 organization coverage shall be deposited into the Local  
5 Government Health Insurance Reserve Fund.

6 The Local Government Health Insurance Reserve Fund is  
7 hereby created as a nonappropriated trust fund to be held  
8 outside the State treasury, with the State Treasurer as  
9 custodian. The Local Government Health Insurance Reserve Fund  
10 shall be a continuing fund not subject to fiscal year  
11 limitations. The Local Government Health Insurance Reserve  
12 Fund is not subject to administrative charges or charge-backs,  
13 including, but not limited to, those authorized under Section  
14 8h of the State Finance Act. All revenues arising from the  
15 administration of the health benefits program established  
16 under this Section shall be deposited into the Local  
17 Government Health Insurance Reserve Fund. Any interest earned  
18 on moneys in the Local Government Health Insurance Reserve  
19 Fund shall be deposited into the Fund. All expenditures from  
20 this Fund shall be used for payments for health care benefits  
21 for local government and rehabilitation facility employees,  
22 annuitants, and dependents, and to reimburse the Department or  
23 its administrative service organization for all expenses  
24 incurred in the administration of benefits. No other State  
25 funds may be used for these purposes.

26 A local government employer's participation or desire to

1 participate in a program created under this subsection shall  
2 not limit that employer's duty to bargain with the  
3 representative of any collective bargaining unit of its  
4 employees.

5 (j) Any rehabilitation facility within the State of  
6 Illinois may apply to the Director to have its employees,  
7 annuitants, and their eligible dependents provided group  
8 health coverage under this Act on a non-insured basis. To  
9 participate, a rehabilitation facility must agree to enroll  
10 all of its employees and remit the entire cost of providing  
11 such coverage for its employees, except that the  
12 rehabilitation facility shall not be required to enroll those  
13 of its employees who are covered spouses or dependents under  
14 this plan or another group policy or plan providing health  
15 benefits as long as (1) an appropriate official from the  
16 rehabilitation facility attests that each employee not  
17 enrolled is a covered spouse or dependent under this plan or  
18 another group policy or plan, and (2) at least 50% of the  
19 employees are enrolled and the rehabilitation facility remits  
20 the entire cost of providing coverage to those employees.  
21 Employees of a participating rehabilitation facility who are  
22 not enrolled due to coverage under another group health policy  
23 or plan may enroll in the event of a qualifying change in  
24 status, special enrollment, special circumstance as defined by  
25 the Director, or during the annual benefit choice period. A  
26 participating rehabilitation facility may also elect to cover

1 its annuitants. Dependent coverage shall be offered on an  
2 optional basis, with the costs paid by the rehabilitation  
3 facility, its employees, or some combination of the 2 as  
4 determined by the rehabilitation facility. The rehabilitation  
5 facility shall be responsible for timely collection and  
6 transmission of dependent premiums.

7 The Director shall annually determine quarterly rates of  
8 payment, subject to the following constraints:

9 (1) In the first year of coverage, the rates shall be  
10 equal to the amount normally charged to State employees  
11 for elected optional coverages or for enrolled dependents  
12 coverages or other contributory coverages on behalf of its  
13 employees, adjusted for differences between State  
14 employees and employees of the rehabilitation facility in  
15 age, sex, geographic location or other relevant  
16 demographic variables, plus an amount sufficient to pay  
17 for the additional administrative costs of providing  
18 coverage to employees of the rehabilitation facility and  
19 their dependents.

20 (2) In subsequent years, a further adjustment shall be  
21 made to reflect the actual prior years' claims experience  
22 of the employees of the rehabilitation facility.

23 Monthly payments by the rehabilitation facility or its  
24 employees for group health benefits shall be deposited into  
25 the Local Government Health Insurance Reserve Fund.

26 (k) Any domestic violence shelter or service within the

1 State of Illinois may apply to the Director to have its  
2 employees, annuitants, and their dependents provided group  
3 health coverage under this Act on a non-insured basis. To  
4 participate, a domestic violence shelter or service must agree  
5 to enroll all of its employees and pay the entire cost of  
6 providing such coverage for its employees. The domestic  
7 violence shelter shall not be required to enroll those of its  
8 employees who are covered spouses or dependents under this  
9 plan or another group policy or plan providing health benefits  
10 as long as (1) an appropriate official from the domestic  
11 violence shelter attests that each employee not enrolled is a  
12 covered spouse or dependent under this plan or another group  
13 policy or plan and (2) at least 50% of the employees are  
14 enrolled and the domestic violence shelter remits the entire  
15 cost of providing coverage to those employees. Employees of a  
16 participating domestic violence shelter who are not enrolled  
17 due to coverage under another group health policy or plan may  
18 enroll in the event of a qualifying change in status, special  
19 enrollment, or special circumstance as defined by the Director  
20 or during the annual benefit choice period. A participating  
21 domestic violence shelter may also elect to cover its  
22 annuitants. Dependent coverage shall be offered on an optional  
23 basis, with employees, or some combination of the 2 as  
24 determined by the domestic violence shelter or service. The  
25 domestic violence shelter or service shall be responsible for  
26 timely collection and transmission of dependent premiums.

1           The Director shall annually determine rates of payment,  
2 subject to the following constraints:

3           (1) In the first year of coverage, the rates shall be  
4 equal to the amount normally charged to State employees  
5 for elected optional coverages or for enrolled dependents  
6 coverages or other contributory coverages on behalf of its  
7 employees, adjusted for differences between State  
8 employees and employees of the domestic violence shelter  
9 or service in age, sex, geographic location or other  
10 relevant demographic variables, plus an amount sufficient  
11 to pay for the additional administrative costs of  
12 providing coverage to employees of the domestic violence  
13 shelter or service and their dependents.

14           (2) In subsequent years, a further adjustment shall be  
15 made to reflect the actual prior years' claims experience  
16 of the employees of the domestic violence shelter or  
17 service.

18           Monthly payments by the domestic violence shelter or  
19 service or its employees for group health insurance shall be  
20 deposited into the Local Government Health Insurance Reserve  
21 Fund.

22           (1) A public community college or entity organized  
23 pursuant to the Public Community College Act may apply to the  
24 Director initially to have only annuitants not covered prior  
25 to July 1, 1992 by the district's health plan provided health  
26 coverage under this Act on a non-insured basis. The community

1 college must execute a 2-year contract to participate in the  
2 Local Government Health Plan. Any annuitant may enroll in the  
3 event of a qualifying change in status, special enrollment,  
4 special circumstance as defined by the Director, or during the  
5 annual benefit choice period.

6 The Director shall annually determine monthly rates of  
7 payment subject to the following constraints: for those  
8 community colleges with annuitants only enrolled, first year  
9 rates shall be equal to the average cost to cover claims for a  
10 State member adjusted for demographics, Medicare  
11 participation, and other factors; and in the second year, a  
12 further adjustment of rates shall be made to reflect the  
13 actual first year's claims experience of the covered  
14 annuitants.

15 (l-5) The provisions of subsection (l) become inoperative  
16 on July 1, 1999.

17 (m) The Director shall adopt any rules deemed necessary  
18 for implementation of this amendatory Act of 1989 (Public Act  
19 86-978).

20 (n) Any child advocacy center within the State of Illinois  
21 may apply to the Director to have its employees, annuitants,  
22 and their dependents provided group health coverage under this  
23 Act on a non-insured basis. To participate, a child advocacy  
24 center must agree to enroll all of its employees and pay the  
25 entire cost of providing coverage for its employees. The child  
26 advocacy center shall not be required to enroll those of its

1 employees who are covered spouses or dependents under this  
2 plan or another group policy or plan providing health benefits  
3 as long as (1) an appropriate official from the child advocacy  
4 center attests that each employee not enrolled is a covered  
5 spouse or dependent under this plan or another group policy or  
6 plan and (2) at least 50% of the employees are enrolled and the  
7 child advocacy center remits the entire cost of providing  
8 coverage to those employees. Employees of a participating  
9 child advocacy center who are not enrolled due to coverage  
10 under another group health policy or plan may enroll in the  
11 event of a qualifying change in status, special enrollment, or  
12 special circumstance as defined by the Director or during the  
13 annual benefit choice period. A participating child advocacy  
14 center may also elect to cover its annuitants. Dependent  
15 coverage shall be offered on an optional basis, with the costs  
16 paid by the child advocacy center, its employees, or some  
17 combination of the 2 as determined by the child advocacy  
18 center. The child advocacy center shall be responsible for  
19 timely collection and transmission of dependent premiums.

20 The Director shall annually determine rates of payment,  
21 subject to the following constraints:

22 (1) In the first year of coverage, the rates shall be  
23 equal to the amount normally charged to State employees  
24 for elected optional coverages or for enrolled dependents  
25 coverages or other contributory coverages on behalf of its  
26 employees, adjusted for differences between State

1 employees and employees of the child advocacy center in  
2 age, sex, geographic location, or other relevant  
3 demographic variables, plus an amount sufficient to pay  
4 for the additional administrative costs of providing  
5 coverage to employees of the child advocacy center and  
6 their dependents.

7 (2) In subsequent years, a further adjustment shall be  
8 made to reflect the actual prior years' claims experience  
9 of the employees of the child advocacy center.

10 Monthly payments by the child advocacy center or its  
11 employees for group health insurance shall be deposited into  
12 the Local Government Health Insurance Reserve Fund.

13 (o) In this subsection, "health insurance company",  
14 "provider", and "site-neutral payment" have the meanings given  
15 to those terms in Section 368h of the Illinois Insurance Code.  
16 The Department of Central Management Services shall require  
17 all contracts, managed care arrangements, and third-party  
18 administrator agreements under the State Employees Group  
19 Insurance Program to apply site-neutral payment principles for  
20 covered services. The Department may adopt rules necessary to  
21 implement this Act, including, but not limited to, rules  
22 addressing:

23 (1) identification of services subject to site-neutral  
24 payment;

25 (2) methodologies for determining equivalent  
26 reimbursement rates; and

1           (3) reporting and compliance requirements for  
2           providers, contractors, and health insurance companies.

3           (Source: P.A. 104-417, eff. 8-15-25.)

4           Section 10. The Illinois Insurance Code is amended by  
5           adding Section 368h as follows:

6           (215 ILCS 5/368h new)

7           Sec. 368h. Site-neutral payment principles.

8           (a) In this Section:

9           "Health insurance company" means any health maintenance  
10          organization, preferred provider organization, or other entity  
11          that pays for, manages, or arranges for other entities to pay  
12          for health care services provided in this State.

13          "Provider" means any individual or entity licensed or  
14          otherwise authorized under Illinois law to provide health care  
15          services.

16          "Site-neutral payment" means reimbursement for a covered  
17          health care service at the same rate, regardless of the  
18          setting in which the service is provided, when the service is  
19          clinically comparable and furnished by a health care provider  
20          acting within the scope of the provider's license.

21          (b) The Department shall instruct health insurance  
22          companies operating in this State to apply site-neutral  
23          payment principles for any covered service for any health  
24          insurance product the health insurance company sells, manages,

1 offers, or markets in the State.

2 (c) The Department may adopt rules necessary to implement  
3 this Act, including, but not limited to, rules addressing:

4 (1) identification of services subject to site-neutral  
5 payment;

6 (2) methodologies for determining equivalent  
7 reimbursement rates; and

8 (3) reporting and compliance requirements for  
9 providers, contractors, and health insurance companies.

10 Section 99. Effective date. This Act takes effect January  
11 1, 2027.