



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB0126

Introduced 1/17/2025, by Sen. Laura M. Murphy

SYNOPSIS AS INTRODUCED:

55 ILCS 5/5-1069.3	
65 ILCS 5/10-4-2.3	
105 ILCS 5/10-22.3f	
215 ILCS 5/356z.80 new	
215 ILCS 125/5-3	from Ch. 111 1/2, par. 1411.2
215 ILCS 130/4003	from Ch. 73, par. 1504-3
215 ILCS 165/10	from Ch. 32, par. 604

Amends the Illinois Insurance Code. Provides that a group or individual policy of accident and health insurance or a managed care plan that is amended, delivered, issued, or renewed on or after January 1, 2027 shall provide coverage for all medically necessary diagnostic testing and U.S. Food and Drug Administration-approved treatments or medications prescribed to slow the progression of Alzheimer's disease or another related dementia, in accordance with the U.S. Food and Drug Administration label, as determined by a physician licensed to practice medicine in all its branches. Provides that coverage of U.S. Food and Drug Administration-approved treatments or medications prescribed to slow the progression of Alzheimer's disease or another related dementia shall not be subject to step therapy. Amends the Counties Code, the Illinois Municipal Code, the School Code, the Health Maintenance Organization Act, the Limited Health Service Organization Act, and the Voluntary Health Services Plans Act to require coverage under those provisions. Effective immediately.

LRB104 07411 BAB 17452 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 Counties Code is amended by changing
5 Section 5-1069.3 as follows:

6 (55 ILCS 5/5-1069.3)

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

1 Section. The requirement that health benefits be covered as
2 provided in this Section is an exclusive power and function of
3 the State and is a denial and limitation under Article VII,
4 Section 6, subsection (h) of the Illinois Constitution. A home
5 rule county to which this Section applies must comply with
6 every provision of this Section.

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

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

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

1 (65 ILCS 5/10-4-2.3)

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

25 Rulemaking authority to implement Public Act 95-1045, if

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

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

17 Section 15. The School Code is amended by changing Section
18 10-22.3f as follows:

19 (105 ILCS 5/10-22.3f)

20 Sec. 10-22.3f. Required health benefits. Insurance
21 protection and benefits for employees shall provide the
22 post-mastectomy care benefits required to be covered by a
23 policy of accident and health insurance under Section 356t and
24 the coverage required under Sections 356g, 356g.5, 356g.5-1,

1 356m, 356q, 356u, 356u.10, 356w, 356x, 356z.4, 356z.4a,
2 356z.6, 356z.8, 356z.9, 356z.11, 356z.12, 356z.13, 356z.14,
3 356z.15, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30, 356z.32,
4 356z.33, 356z.36, 356z.40, 356z.41, 356z.45, 356z.46, 356z.47,
5 356z.51, 356z.53, 356z.54, 356z.56, 356z.57, 356z.59, 356z.60,
6 356z.61, 356z.62, 356z.64, 356z.67, 356z.68, ~~and~~ 356z.70, ~~and~~
7 356z.71, 356z.74, 356z.77, and 356z.80 of the Illinois
8 Insurance Code. Insurance policies shall comply with Section
9 356z.19 of the Illinois Insurance Code. The coverage shall
10 comply with Sections 155.22a, 355b, and 370c of the Illinois
11 Insurance Code. The Department of Insurance shall enforce the
12 requirements of this Section.

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

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

1 7-19-24; 103-751, eff. 8-2-24; 103-914, eff. 1-1-25; 103-918,
2 eff. 1-1-25; 103-1024, eff. 1-1-25; revised 11-26-24.)

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

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

6 Sec. 356z.80. Coverage for treatments to slow the
7 progression of Alzheimer's disease and related dementias. A
8 group or individual policy of accident and health insurance or
9 a managed care plan that is amended, delivered, issued, or
10 renewed on or after January 1, 2027 shall provide coverage for
11 all medically necessary diagnostic testing and U.S. Food and
12 Drug Administration-approved treatments or medications
13 prescribed to slow the progression of Alzheimer's disease or
14 another related dementia, in accordance with the U.S. Food and
15 Drug Administration label, as determined by a physician
16 licensed to practice medicine in all its branches. Coverage of
17 U.S. Food and Drug Administration-approved treatments or
18 medications prescribed to slow the progression of Alzheimer's
19 disease or another related dementia pursuant to this Section
20 shall not be subject to step therapy.

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

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

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

3 Sec. 5-3. Insurance Code provisions.

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

26 (b) For purposes of the Illinois Insurance Code, except

1 for Sections 444 and 444.1 and Articles XIII and XIII 1/2,
2 Health Maintenance Organizations in the following categories
3 are deemed to be "domestic companies":

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

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

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

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

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

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

1 effect on competition of the merger, consolidation, or
2 other acquisition of control;

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

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

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

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

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

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

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

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

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

24 (ii) the amount of the refund or additional premium
25 shall not exceed 20% of the Health Maintenance
26 Organization's profitable or unprofitable experience with

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

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

25 In no event shall the Illinois Health Maintenance
26 Organization Guaranty Association be liable to pay any

1 contractual obligation of an insolvent organization to pay any
2 refund authorized under this Section.

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

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

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

25 Sec. 5-3. Insurance Code provisions.

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

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

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

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

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

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

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

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

26 (3) the Director shall have the power to require the

1 following information:

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (g) Rulemaking authority to implement Public Act 95-1045,

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

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

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

24 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

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

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

21 (2) a corporation organized under the laws of another
22 state, 30% or more of the enrollees of which are residents
23 of this State, except a corporation subject to
24 substantially the same requirements in its state of
25 organization as is a domestic company under Article VIII
26 1/2 of the Illinois Insurance Code.

1 (Source: P.A. 102-30, eff. 1-1-22; 102-203, eff. 1-1-22;
2 102-306, eff. 1-1-22; 102-642, eff. 1-1-22; 102-731, eff.
3 1-1-23; 102-775, eff. 5-13-22; 102-813, eff. 5-13-22; 102-816,
4 eff. 1-1-23; 102-860, eff. 1-1-23; 102-1093, eff. 1-1-23;
5 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91, eff.
6 1-1-24; 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445,
7 eff. 1-1-24; 103-605, eff. 7-1-24; 103-649, eff. 1-1-25;
8 103-656, eff. 1-1-25; 103-700, eff. 1-1-25; 103-718, eff.
9 7-19-24; 103-751, eff. 8-2-24; 103-758, eff. 1-1-25; 103-832,
10 eff. 1-1-25; 103-1024, eff. 1-1-25; revised 11-26-24.)

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

13 (215 ILCS 165/10) (from Ch. 32, par. 604)

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

1 356z.47, 356z.51, 356z.53, 356z.54, 356z.56, 356z.57, 356z.59,
2 356z.60, 356z.61, 356z.62, 356z.64, 356z.67, 356z.68, 356z.71,
3 356z.72, 356z.74, 356z.75, 356z.77, 356z.80, 364.01, 364.3,
4 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412,
5 and paragraphs (7) and (15) of Section 367 of the Illinois
6 Insurance Code.

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

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

25 Section 95. No acceleration or delay. Where this Act makes

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

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.