

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 and by renumbering and
6 changing 6.11D as added by Public Act 103-975 as follows:

7 (5 ILCS 375/6.11)

8 Sec. 6.11. Required health benefits; Illinois Insurance
9 Code requirements. The program of health benefits shall
10 provide the post-mastectomy care benefits required to be
11 covered by a policy of accident and health insurance under
12 Section 356t of the Illinois Insurance Code. The program of
13 health benefits shall provide the coverage required under
14 Sections 356g, 356g.5, 356g.5-1, 356m, 356q, 356u, 356u.10,
15 356w, 356x, 356z.2, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8,
16 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15,
17 356z.17, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30, 356z.32,
18 356z.33, 356z.36, 356z.40, 356z.41, 356z.45, 356z.46, 356z.47,
19 356z.51, 356z.53, 356z.54, 356z.55, 356z.56, 356z.57, 356z.59,
20 356z.60, 356z.61, 356z.62, 356z.64, 356z.67, 356z.68, ~~and~~
21 356z.70, ~~and~~ 356z.71, 356z.74, 356z.76, 356z.77, and 356z.80
22 of the Illinois Insurance Code. The program of health benefits
23 must comply with Sections 155.22a, 155.37, 355b, 356z.19,

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

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

17 (Source: P.A. 102-30, eff. 1-1-22; 102-103, eff. 1-1-22;
18 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-642, eff.
19 1-1-22; 102-665, eff. 10-8-21; 102-731, eff. 1-1-23; 102-768,
20 eff. 1-1-24; 102-804, eff. 1-1-23; 102-813, eff. 5-13-22;
21 102-816, eff. 1-1-23; 102-860, eff. 1-1-23; 102-1093, eff.
22 1-1-23; 102-1117, eff. 1-13-23; 103-8, eff. 1-1-24; 103-84,
23 eff. 1-1-24; 103-91, eff. 1-1-24; 103-420, eff. 1-1-24;
24 103-445, eff. 1-1-24; 103-535, eff. 8-11-23; 103-551, eff.
25 8-11-23; 103-605, eff. 7-1-24; 103-718, eff. 7-19-24; 103-751,
26 eff. 8-2-24; 103-870, eff. 1-1-25; 103-914, eff. 1-1-25;

1 103-918, eff. 1-1-25; 103-951, eff. 1-1-25; 103-1024, eff.
2 1-1-25; revised 11-26-24.)

3 (5 ILCS 375/6.11E)

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

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

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

22 (55 ILCS 5/5-1069.3)

23 Sec. 5-1069.3. Required health benefits. If a county,

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

16 (65 ILCS 5/10-4-2.3)

17 Sec. 10-4-2.3. Required health benefits. If a
18 municipality, including a home rule municipality, is a
19 self-insurer for purposes of providing health insurance
20 coverage for its employees, the coverage shall include
21 coverage for the post-mastectomy care benefits required to be
22 covered by a policy of accident and health insurance under
23 Section 356t and the coverage required under Sections 356g,
24 356g.5, 356g.5-1, 356m, 356q, 356u, 356u.10, 356w, 356x,

1 356z.4, 356z.4a, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11,
2 356z.12, 356z.13, 356z.14, 356z.15, 356z.22, 356z.25, 356z.26,
3 356z.29, 356z.30, 356z.32, 356z.33, 356z.36, 356z.40, 356z.41,
4 356z.45, 356z.46, 356z.47, 356z.48, 356z.51, 356z.53, 356z.54,
5 356z.56, 356z.57, 356z.59, 356z.60, 356z.61, 356z.62, 356z.64,
6 356z.67, 356z.68, ~~and~~ 356z.70, ~~and~~ 356z.71, 356z.74, 356z.77,
7 and 356z.80 of the Illinois Insurance Code. The coverage shall
8 comply with Sections 155.22a, 355b, 356z.19, and 370c of the
9 Illinois Insurance Code. The Department of Insurance shall
10 enforce the requirements of this Section. The requirement that
11 health benefits be covered as provided in this is an exclusive
12 power and function of the State and is a denial and limitation
13 under Article VII, Section 6, subsection (h) of the Illinois
14 Constitution. A home rule municipality to which this Section
15 applies must comply with every provision of this Section.

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

22 (Source: P.A. 102-30, eff. 1-1-22; 102-103, eff. 1-1-22;
23 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.
24 1-1-22; 102-642, eff. 1-1-22; 102-665, eff. 10-8-21; 102-731,
25 eff. 1-1-23; 102-804, eff. 1-1-23; 102-813, eff. 5-13-22;
26 102-816, eff. 1-1-23; 102-860, eff. 1-1-23; 102-1093, eff.

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

7 Section 20. The School Code is amended by changing Section
8 10-22.3f as follows:

9 (105 ILCS 5/10-22.3f)

10 Sec. 10-22.3f. Required health benefits. Insurance
11 protection and benefits for employees shall provide the
12 post-mastectomy care benefits required to be covered by a
13 policy of accident and health insurance under Section 356t and
14 the coverage required under Sections 356g, 356g.5, 356g.5-1,
15 356m, 356q, 356u, 356u.10, 356w, 356x, 356z.4, 356z.4a,
16 356z.6, 356z.8, 356z.9, 356z.11, 356z.12, 356z.13, 356z.14,
17 356z.15, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30, 356z.32,
18 356z.33, 356z.36, 356z.40, 356z.41, 356z.45, 356z.46, 356z.47,
19 356z.51, 356z.53, 356z.54, 356z.56, 356z.57, 356z.59, 356z.60,
20 356z.61, 356z.62, 356z.64, 356z.67, 356z.68, ~~and~~ 356z.70, ~~and~~
21 356z.71, 356z.74, 356z.77, and 356z.80 of the Illinois
22 Insurance Code. Insurance policies shall comply with Section
23 356z.19 of the Illinois Insurance Code. The coverage shall
24 comply with Sections 155.22a, 355b, and 370c of the Illinois

1 Insurance Code. The Department of Insurance shall enforce the
2 requirements of this Section.

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

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

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

21 (215 ILCS 5/356z.80 new)

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

24 (a) 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 all medically necessary diagnostic testing and
4 U.S. Food and Drug Administration-approved treatments or
5 medications prescribed to slow the progression of Alzheimer's
6 disease or another related dementia, in accordance with the
7 U.S. Food and Drug Administration label, as determined by a
8 physician licensed to practice medicine in all its branches.
9 Coverage of U.S. Food and Drug Administration-approved
10 treatments or medications prescribed to slow the progression
11 of Alzheimer's disease or another related dementia pursuant to
12 this Section shall not be subject to step therapy.

13 (b) Nothing in this Section prohibits a group or
14 individual policy of accident and health insurance or managed
15 care plan, by contract, written policy, procedure, or any
16 other agreement or course of conduct, from requiring a
17 pharmacist to effect substitutions of prescription drugs
18 consistent with Section 19.5 of the Pharmacy Practice Act,
19 under which a pharmacist may substitute an interchangeable
20 biologic for a prescribed biologic product, and Section 25 of
21 the Pharmacy Practice Act, under which a pharmacist may select
22 a generic drug determined to be therapeutically equivalent by
23 the United States Food and Drug Administration and in
24 accordance with the Illinois Food, Drug and Cosmetic Act.

25 (c) The coverage required under this Section shall not
26 apply to managed care plans that are under contract with the

1 Department of Healthcare and Family Services.

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

4 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

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

6 Sec. 5-3. Insurance Code provisions.

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

1 408, 408.2, 409, 412, 444, and 444.1, paragraph (c) of
2 subsection (2) of Section 367, and Articles IIA, VIII 1/2,
3 XII, XII 1/2, XIII, XIII 1/2, XXV, XXVI, and XXXIIB of the
4 Illinois Insurance Code.

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

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

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

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

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

22 (1) the Director shall give primary consideration to
23 the continuation of benefits to enrollees and the
24 financial conditions of the acquired Health Maintenance
25 Organization after the merger, consolidation, or other
26 acquisition of control takes effect;

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

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

10 (A) certification by an independent actuary of the
11 adequacy of the reserves of the Health Maintenance
12 Organization sought to be acquired;

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

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

24 (D) such other information as the Director shall
25 require.

26 (d) The provisions of Article VIII 1/2 of the Illinois

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

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

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

23 (i) the amount of, and other terms and conditions with
24 respect to, the refund or additional premium are set forth
25 in the group or enrollment unit contract agreed in advance
26 of the period for which a refund is to be paid or

1 additional premium is to be charged (which period shall
2 not be less than one year); and

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

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

1 experience with respect to the group or enrollment unit and
2 the resulting additional premium to be paid by the group or
3 enrollment unit.

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

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

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

1 103-777, eff. 8-2-24; 103-914, eff. 1-1-25; 103-918, eff.
2 1-1-25; 103-1024, eff. 1-1-25; revised 9-26-24.)

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

4 Sec. 5-3. Insurance Code provisions.

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

1 Illinois Insurance Code.

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

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

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

10 (3) a corporation organized under the laws of another
11 state, 30% or more of the enrollees of which are residents
12 of this State, except a corporation subject to
13 substantially the same requirements in its state of
14 organization as is a "domestic company" under Article VIII
15 1/2 of the Illinois Insurance Code.

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

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

24 (2) (i) the criteria specified in subsection (1) (b) of
25 Section 131.8 of the Illinois Insurance Code shall not
26 apply and (ii) the Director, in making his determination

1 with respect to the merger, consolidation, or other
2 acquisition of control, need not take into account the
3 effect on competition of the merger, consolidation, or
4 other acquisition of control;

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

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

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

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

21 (D) such other information as the Director shall
22 require.

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

1 maintenance organization's right, title, and interest in and
2 to its health care certificates).

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

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

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

26 (ii) the amount of the refund or additional premium

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

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

1 In no event shall the Illinois Health Maintenance
2 Organization Guaranty Association be liable to pay any
3 contractual obligation of an insolvent organization to pay any
4 refund authorized under this Section.

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

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

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

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

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

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

24 (2) a corporation organized under the laws of another

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

6 (Source: P.A. 102-30, eff. 1-1-22; 102-203, eff. 1-1-22;
7 102-306, eff. 1-1-22; 102-642, eff. 1-1-22; 102-731, eff.
8 1-1-23; 102-775, eff. 5-13-22; 102-813, eff. 5-13-22; 102-816,
9 eff. 1-1-23; 102-860, eff. 1-1-23; 102-1093, eff. 1-1-23;
10 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91, eff.
11 1-1-24; 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445,
12 eff. 1-1-24; 103-605, eff. 7-1-24; 103-649, eff. 1-1-25;
13 103-656, eff. 1-1-25; 103-700, eff. 1-1-25; 103-718, eff.
14 7-19-24; 103-751, eff. 8-2-24; 103-758, eff. 1-1-25; 103-832,
15 eff. 1-1-25; 103-1024, eff. 1-1-25; revised 11-26-24.)

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

18 (215 ILCS 165/10) (from Ch. 32, par. 604)

19 Sec. 10. Application of Insurance Code provisions. Health
20 services plan corporations and all persons interested therein
21 or dealing therewith shall be subject to the provisions of
22 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,
23 143, 143.31, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3,
24 355b, 355d, 356g, 356g.5, 356g.5-1, 356m, 356q, 356r, 356t,

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

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

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

1 eff. 8-2-24; 103-758, eff. 1-1-25; 103-832, eff. 1-1-25;
2 103-914, eff. 1-1-25; 103-918, eff. 1-1-25; 103-1024, eff.
3 1-1-25; revised 11-26-24.)

4 Section 95. No acceleration or delay. Where this Act makes
5 changes in a statute that is represented in this Act by text
6 that is not yet or no longer in effect (for example, a Section
7 represented by multiple versions), the use of that text does
8 not accelerate or delay the taking effect of (i) the changes
9 made by this Act or (ii) provisions derived from any other
10 Public Act.

11 Section 99. Effective date. This Act takes effect upon
12 becoming law, except that the changes to Section 6.11 of the
13 State Employees Group Insurance Act of 1971 take effect on
14 July 1, 2027.