



Sen. Heather A. Steans

Filed: 5/9/2018

10000HB2624sam001

LRB100 07415 SMS 39757 a

1 AMENDMENT TO HOUSE BILL 2624

2 AMENDMENT NO. _____. Amend House Bill 2624 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Short-Term, Limited-Duration Health Insurance Coverage Act.

6 Section 5. Definitions. In this Act:

7 "Department" means the Department of Insurance.

8 "Group health insurance coverage" means, in connection
9 with a group health plan, health insurance coverage offered in
10 connection with the plan.

11 "Group health plan" means an employee welfare benefit plan
12 (as defined in Section 3(1) of the federal Employee Retirement
13 Income Security Act of 1974) to the extent that the plan
14 provides medical care (as defined in paragraph (2) of that
15 Section and including items and services paid for as medical
16 care) to employees or their dependents (as defined under the

1 terms of the plan) directly or through insurance,
2 reimbursement, or otherwise.

3 "Health insurance coverage" means benefits consisting of
4 medical care (provided directly, through insurance or
5 reimbursement, or otherwise and including items and services
6 paid for as medical care) under any hospital or medical service
7 policy or certificate, hospital or medical service plan
8 contract, or health maintenance organization contract offered
9 by a health insurance issuer.

10 "Health insurance issuer" means an insurance company,
11 insurance service, or insurance organization (including a
12 health maintenance organization) that is licensed to engage in
13 the business of insurance in a state and that is subject to
14 Illinois law that regulates insurance (within the meaning of
15 Section 514(b)(2) of the federal Employee Retirement Income
16 Security Act of 1974). "Health insurance issuer" does not
17 include a group health plan.

18 "Fraud" means an intentional misrepresentation of a
19 material fact in connection with the coverage.

20 "Individual health insurance coverage" means health
21 insurance coverage offered to individuals in the individual
22 market, including short-term, limited-duration health
23 insurance coverage.

24 "Short-term, limited-duration health insurance coverage"
25 means individual health insurance coverage provided under a
26 contract offered by a licensed health insurance issuer,

1 regardless of the situs of the delivery of the policy or
2 contract that has a specified, limited-duration.

3 Section 10. Application; scope; duration of coverage.

4 (a) This Act applies to health insurance issuers that offer
5 short-term, limited-duration health insurance coverage to
6 individuals in this State and to short-term, limited-duration
7 health insurance coverage that is delivered or issued for
8 delivery in this State, including coverage issued outside of
9 this State that covers individuals in this State.

10 (b) A short-term, limited-duration health insurance
11 coverage policy (even where issued outside of this State) may
12 not cover any person residing in this State or be delivered or
13 issued for delivery in this State unless the policy complies
14 with the provisions of this Act.

15 (c) Any short-term, limited-duration health insurance
16 coverage policy that is delivered or issued for delivery in
17 this State must have an expiration date in the contract that is
18 less than 91 days and shall not be renewable within a period of
19 365 days, beginning the day after the contract ends, either at
20 the option of the issuer or the individual. Renewal of a
21 short-term, limited-duration health insurance coverage policy
22 includes the issuance of a new short-term, limited-duration
23 health insurance policy by an issuer to a policyholder within
24 60 days after the expiration of a policy previously issued by
25 the issuer to the policyholder.

1 (d) Any short-term, limited-duration health insurance
2 coverage policy that is delivered or issued for delivery in
3 this State may not be rescinded before the expiration date in
4 the contract, except in cases of nonpayment of premiums or
5 fraud.

6 Section 15. Disclosure requirements.

7 (a) A health insurance issuer that offers short-term,
8 limited-duration health insurance coverage shall, in addition
9 to all other documents required, including, but not limited to,
10 the policy, the certificate, the membership booklet, and a
11 description of appeal and external review rights, deliver an
12 outline of coverage to an applicant for or an enrollee in
13 short-term, limited-duration health insurance coverage
14 delivered or issued for delivery in this State.

15 (b) Any short-term, limited-duration health insurance
16 coverage policy that is delivered or issued for delivery in the
17 State shall display prominently in the contract, any
18 application, sales, and marketing materials provided in
19 connection with enrollment in such coverage, and the outline of
20 coverage for such coverage, in at least 14-point, bold type,
21 the following: "WARNING! This plan may not cover all of the
22 health care you need and may leave you with very high medical
23 bills. If you buy this plan, you may not be able to get more
24 complete insurance when this contract ends. You may be able to
25 get more complete insurance now and help to pay for it at

1 www.healthcare.gov".

2 (c) Any short-term, limited-duration health insurance
3 coverage policy that is delivered or issued for delivery in
4 this State shall display prominently in the footer on every
5 page of the contract, in any application, sales, and marketing
6 materials provided in connection with enrollment in such
7 coverage, and in the outline of coverage for such coverage, in
8 at least 14-point, bold type, the following: "WARNING! This is
9 temporary coverage. This policy provides limited benefits."

10 (d) Any identification card for short-term,
11 limited-duration health insurance coverage that is delivered
12 or issued for delivery in this State must prominently display
13 the following in bold type: "WARNING! This is temporary
14 coverage. This policy provides limited benefits."

15 (e) Any individual selling a short-term, limited-duration
16 health insurance coverage policy in this State must read out
17 loud the disclosure in subsection (b) to a prospective
18 purchaser.

19 Section 20. Filing and approval.

20 (a) Coverage subject to this Act may not be delivered or
21 issued for delivery unless it has been approved by the
22 Department.

23 (b) A health insurance issuer who intends to deliver or
24 issue for delivery a short-term, limited-duration health
25 insurance coverage policy in this State shall file with the

1 Department:

2 (1) all paperwork required by health insurance issuers
3 of individual health insurance coverage;

4 (2) all sales and marketing materials provided in
5 connection with enrollment in such coverage; and

6 (3) the outline of such coverage.

7 (c) The Department shall adopt any rules necessary to carry
8 out the provisions of this Act.

9 (d) The Department shall adopt any rules necessary to
10 protect Illinois consumers and promote the stability of
11 Illinois' health insurance markets.

12 Section 25. Illinois Insurance Code and benefit
13 requirements.

14 (a) Short-term, limited-duration coverage shall be subject
15 to Sections 143c, 155.36, 355, 356a, 356b, 356c, 356e, 356f,
16 356g, 356g.5, 356g.5-1, 356h, 356i, 356k, 356L, 356m, 356n,
17 356p, 356q, 356r, 356s, 356t, 356u, 356v, 356w, 356x, 356z.1,
18 356z.2, 356z.3a, 356z.4, 356z.5, 356z.6, 356z.7, 356z.8,
19 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15,
20 356z.17, 356z.18, 356z.19, 356z.20, 356z.21, 356z.22, 356z.24,
21 356z.25, 356z.25, 364, 364.01, 367b, 367k, 370a, and 370c,
22 subsections (7) and (8) of Section 367, and subsection (a) of
23 Section 370i of the Illinois Insurance Code.

24 (b) Short-term, limited-duration coverage shall also be
25 subject to the provisions of the Network Adequacy and

1 Transparency Act, the Managed Care Reform and Patients Rights
2 Act, the Topical Eye Medication Prescription Act, the Organ
3 Transplant Medication Notification Act, and the Health Carrier
4 External Review Act.

5 Section 90. The Illinois Insurance Code is amended by
6 changing Section 356z.16 and by changing and renumbering
7 Section 356z.25 (as added by Public Act 100-386) as follows:

8 (215 ILCS 5/356z.16)

9 Sec. 356z.16. Applicability of mandated benefits to
10 supplemental policies. Unless specified otherwise, the
11 following Sections of the Illinois Insurance Code do not apply
12 to short-term travel, disability income, long-term care,
13 accident only, or limited (excluding short-term,
14 limited-duration health insurance coverage policies as defined
15 in the Short-Term, Limited-Duration Health Insurance Coverage
16 Act) or specified disease policies: 355b, 356b, 356c, 356d,
17 356g, 356k, 356m, 356n, 356p, 356q, 356r, 356t, 356u, 356w,
18 356x, 356z.1, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.12,
19 356z.14, 356z.19, 356z.21, 356z.25, 356z.27, 364.01, 367.2-5,
20 and 367e.

21 (Source: P.A. 100-386, eff. 1-1-18.)

22 (215 ILCS 5/356z.27)

23 Sec. 356z.27 ~~356z.25~~. Preexisting condition exclusion. No

1 policy of individual or group accident and health insurance
2 issued, amended, delivered, or renewed on or after January 1,
3 2018 (the effective date of Public Act 100-386) ~~this amendatory~~
4 ~~Act of the 100th General Assembly~~ may impose any preexisting
5 condition exclusion, as defined in the Illinois Health
6 Insurance Portability and Accountability Act, with respect to
7 such plan or coverage.

8 No policy of short-term, limited-duration health insurance
9 coverage as defined in the Short-Term, Limited-Duration Health
10 Insurance Coverage Act issued, amended, delivered, or renewed
11 on or after the effective date of this amendatory Act of the
12 100th General Assembly may impose any preexisting condition
13 exclusion, as defined in the Illinois Health Insurance
14 Portability and Accountability Act, with respect to such plan
15 or coverage.

16 (Source: P.A. 100-386, eff. 1-1-18; revised 9-15-17.)

17 Section 99. Effective date. This Act takes effect January
18 1, 2019."