



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

HB5490

by Rep. Karina Villa

#### SYNOPSIS AS INTRODUCED:

5 ILCS 375/6.11  
55 ILCS 5/5-1069.3  
65 ILCS 5/10-4-2.3  
105 ILCS 5/10-22.3f  
215 ILCS 5/356z.43 new  
215 ILCS 125/5-3 from Ch. 111 1/2, par. 1411.2  
215 ILCS 165/10 from Ch. 32, par. 604

Amends the Illinois Insurance Code to require an individual or group policy of accident and health insurance or managed care plan that is amended, delivered, issued, or renewed on or after January 1, 2021 to offer coverage for opioid addiction treatment, recovery, and related services for all individuals when determined medically necessary by a health care professional. Defines "opioid addiction treatment". Makes conforming changes in the State Employees Group Insurance Act of 1971, the Counties Code, the Illinois Municipal Code, the School Code, the Health Maintenance Organization Act, and the Voluntary Health Services Plans Act. Effective January 1, 2021.

LRB101 18419 BMS 67867 b

FISCAL NOTE ACT  
MAY APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The State Employees Group Insurance Act of 1971  
5 is amended by changing Section 6.11 as follows:

6 (5 ILCS 375/6.11)

7 (Text of Section before amendment by P.A. 101-625)

8 Sec. 6.11. Required health benefits; Illinois Insurance  
9 Code requirements. The program of health benefits shall provide  
10 the post-mastectomy care benefits required to be covered by a  
11 policy of accident and health insurance under Section 356t of  
12 the Illinois Insurance Code. The program of health benefits  
13 shall provide the coverage required under Sections 356g,  
14 356g.5, 356g.5-1, 356m, 356u, 356w, 356x, 356z.2, 356z.4,  
15 356z.4a, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12,  
16 356z.13, 356z.14, 356z.15, 356z.17, 356z.22, 356z.25, 356z.26,  
17 356z.29, 356z.30a, 356z.32, ~~and~~ 356z.33, 356z.36, and 356z.43  
18 of the Illinois Insurance Code. The program of health benefits  
19 must comply with Sections 155.22a, 155.37, 355b, 356z.19, 370c,  
20 and 370c.1~~7~~ and Article XXXIIB of the Illinois Insurance Code.  
21 The Department of Insurance shall enforce the requirements of  
22 this Section with respect to Sections 370c and 370c.1 of the  
23 Illinois Insurance Code; all other requirements of this Section

1 shall be enforced by the Department of Central Management  
2 Services.

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. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;  
10 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff.  
11 1-1-19; 100-1102, eff. 1-1-19; 100-1170, eff. 6-1-19; 101-13,  
12 eff. 6-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20;  
13 101-452, eff. 1-1-20; 101-461, eff. 1-1-20; revised 10-16-19.)

14 (Text of Section after amendment by P.A. 101-625)

15 Sec. 6.11. Required health benefits; Illinois Insurance  
16 Code requirements. The program of health benefits shall provide  
17 the post-mastectomy care benefits required to be covered by a  
18 policy of accident and health insurance under Section 356t of  
19 the Illinois Insurance Code. The program of health benefits  
20 shall provide the coverage required under Sections 356g,  
21 356g.5, 356g.5-1, 356m, 356u, 356w, 356x, 356z.2, 356z.4,  
22 356z.4a, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12,  
23 356z.13, 356z.14, 356z.15, 356z.17, 356z.22, 356z.25, 356z.26,  
24 356z.29, 356z.30a, 356z.32, 356z.33, 356z.36, ~~and~~ 356z.41, and  
25 356z.43 of the Illinois Insurance Code. The program of health

1 benefits must comply with Sections 155.22a, 155.37, 355b,  
2 356z.19, 370c, and 370c.1 and Article XXXIIB of the Illinois  
3 Insurance Code. The Department of Insurance shall enforce the  
4 requirements of this Section with respect to Sections 370c and  
5 370c.1 of the Illinois Insurance Code; all other requirements  
6 of this Section shall be enforced by the Department of Central  
7 Management Services.

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

14 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;  
15 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff.  
16 1-1-19; 100-1102, eff. 1-1-19; 100-1170, eff. 6-1-19; 101-13,  
17 eff. 6-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20;  
18 101-452, eff. 1-1-20; 101-461, eff. 1-1-20; 101-625, eff.  
19 1-1-21.)

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 (Text of Section before amendment by P.A. 101-625)

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

1 including a home rule county, is a self-insurer for purposes of  
2 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, 356u, 356w, 356x,  
7 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,  
8 356z.14, 356z.15, 356z.22, 356z.25, 356z.26, 356z.29,  
9 356z.30a, ~~and 356z.32, and 356z.33~~, 356z.36, and 356z.43 of the  
10 Illinois Insurance Code. The coverage shall comply with  
11 Sections 155.22a, 355b, 356z.19, and 370c of the Illinois  
12 Insurance Code. The Department of Insurance shall enforce the  
13 requirements of this Section. The requirement that health  
14 benefits be covered as provided in this Section is an exclusive  
15 power and function of the State and is a denial and limitation  
16 under Article VII, Section 6, subsection (h) of the Illinois  
17 Constitution. A home rule county to which this Section applies  
18 must comply with every provision of this Section.

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

25 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;  
26 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff.

1 1-1-19; 100-1102, eff. 1-1-19; 101-81, eff. 7-12-19; 101-281,  
2 eff. 1-1-20; 101-393, eff. 1-1-20; 101-461, eff. 1-1-20;  
3 revised 10-16-19.)

4 (Text of Section after amendment by P.A. 101-625)

5 Sec. 5-1069.3. Required health benefits. If a county,  
6 including a home rule county, is a self-insurer for purposes of  
7 providing health insurance coverage for its employees, the  
8 coverage shall include coverage for the post-mastectomy care  
9 benefits required to be covered by a policy of accident and  
10 health insurance under Section 356t and the coverage required  
11 under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x,  
12 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,  
13 356z.14, 356z.15, 356z.22, 356z.25, 356z.26, 356z.29,  
14 356z.30a, 356z.32, 356z.33, 356z.36, ~~and~~ 356z.41, and 356z.43  
15 of the Illinois Insurance Code. The coverage shall comply with  
16 Sections 155.22a, 355b, 356z.19, and 370c of the Illinois  
17 Insurance Code. The Department of Insurance shall enforce the  
18 requirements of this Section. The requirement that health  
19 benefits be covered as provided in this Section is an exclusive  
20 power and function of the State and is a denial and limitation  
21 under Article VII, Section 6, subsection (h) of the Illinois  
22 Constitution. A home rule county to which this Section applies  
23 must comply with every provision of this Section.

24 Rulemaking authority to implement Public Act 95-1045, if  
25 any, is conditioned on the rules being adopted in accordance

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

5 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;  
6 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff.  
7 1-1-19; 100-1102, eff. 1-1-19; 101-81, eff. 7-12-19; 101-281,  
8 eff. 1-1-20; 101-393, eff. 1-1-20; 101-461, eff. 1-1-20;  
9 101-625, eff. 1-1-21.)

10 Section 15. The Illinois Municipal Code is amended by  
11 changing Section 10-4-2.3 as follows:

12 (65 ILCS 5/10-4-2.3)

13 (Text of Section before amendment by P.A. 101-625)

14 Sec. 10-4-2.3. Required health benefits. If a  
15 municipality, including a home rule municipality, is a  
16 self-insurer for purposes of providing health insurance  
17 coverage for its employees, the coverage shall include coverage  
18 for the post-mastectomy care benefits required to be covered by  
19 a policy of accident and health insurance under Section 356t  
20 and the coverage required under Sections 356g, 356g.5,  
21 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10,  
22 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.22, 356z.25,  
23 356z.26, 356z.29, 356z.30a, ~~and~~ 356z.32, ~~and~~ 356z.33, 356z.36,  
24 and 356z.43 of the Illinois Insurance Code. The coverage shall

1 comply with Sections 155.22a, 355b, 356z.19, and 370c of the  
2 Illinois Insurance Code. The Department of Insurance shall  
3 enforce the requirements of this Section. The requirement that  
4 health benefits be covered as provided in this is an exclusive  
5 power and function of the State and is a denial and limitation  
6 under Article VII, Section 6, subsection (h) of the Illinois  
7 Constitution. A home rule municipality to which this Section  
8 applies must comply with every provision of this Section.

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

15 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;  
16 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff.  
17 1-1-19; 100-1102, eff. 1-1-19; 101-81, eff. 7-12-19; 101-281,  
18 eff. 1-1-20; 101-393, eff. 1-1-20; 101-461, eff. 1-1-20;  
19 revised 10-16-19.)

20 (Text of Section after amendment by P.A. 101-625)

21 Sec. 10-4-2.3. Required health benefits. If a  
22 municipality, including a home rule municipality, is a  
23 self-insurer for purposes of providing health insurance  
24 coverage for its employees, the coverage shall include coverage  
25 for the post-mastectomy care benefits required to be covered by



1 a policy of accident and health insurance under Section 356t  
2 and the coverage required under Sections 356g, 356g.5,  
3 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10,  
4 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.22, 356z.25,  
5 356z.26, 356z.29, 356z.30a, 356z.32, 356z.33, 356z.36, ~~and~~  
6 356z.41, and 356z.43 of the Illinois Insurance Code. The  
7 coverage shall comply with Sections 155.22a, 355b, 356z.19, and  
8 370c of the Illinois Insurance Code. The Department of  
9 Insurance shall enforce the requirements of this Section. The  
10 requirement that health benefits be covered as provided in this  
11 is an exclusive power and function of the State and is a denial  
12 and limitation under Article VII, Section 6, subsection (h) of  
13 the Illinois Constitution. A home rule municipality to which  
14 this Section applies must comply with every provision of this  
15 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. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;  
23 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff.  
24 1-1-19; 100-1102, eff. 1-1-19; 101-81, eff. 7-12-19; 101-281,  
25 eff. 1-1-20; 101-393, eff. 1-1-20; 101-461, eff. 1-1-20;  
26 101-625, eff. 1-1-21.)

1 Section 20. The School Code is amended by changing Section  
2 10-22.3f as follows:

3 (105 ILCS 5/10-22.3f)

4 (Text of Section before amendment by P.A. 101-625)

5 Sec. 10-22.3f. Required health benefits. Insurance  
6 protection and benefits for employees shall provide the  
7 post-mastectomy care benefits required to be covered by a  
8 policy of accident and health insurance under Section 356t and  
9 the coverage required under Sections 356g, 356g.5, 356g.5-1,  
10 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.11, 356z.12,  
11 356z.13, 356z.14, 356z.15, 356z.22, 356z.25, 356z.26, 356z.29,  
12 356z.30a, ~~and 356z.32, and 356z.33~~, 356z.36, and 356z.43 of the  
13 Illinois Insurance Code. Insurance policies shall comply with  
14 Section 356z.19 of the Illinois Insurance Code. The coverage  
15 shall comply with Sections 155.22a, 355b, and 370c of the  
16 Illinois Insurance Code. The Department of Insurance shall  
17 enforce the requirements of this Section.

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

24 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;

1 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff.  
2 1-1-19; 100-1102, eff. 1-1-19; 101-81, eff. 7-12-19; 101-281,  
3 eff. 1-1-20; 101-393, eff. 1-1-20; 101-461, eff. 1-1-20;  
4 revised 10-16-19.)

5 (Text of Section after amendment by P.A. 101-625)

6 Sec. 10-22.3f. Required health benefits. Insurance  
7 protection and benefits for employees shall provide the  
8 post-mastectomy care benefits required to be covered by a  
9 policy of accident and health insurance under Section 356t and  
10 the coverage required under Sections 356g, 356g.5, 356g.5-1,  
11 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.11, 356z.12,  
12 356z.13, 356z.14, 356z.15, 356z.22, 356z.25, 356z.26, 356z.29,  
13 356z.30a, 356z.32, 356z.33, 356z.36, ~~and~~ 356z.41, and 356z.43  
14 of the Illinois Insurance Code. Insurance policies shall comply  
15 with Section 356z.19 of the Illinois Insurance Code. The  
16 coverage shall comply with Sections 155.22a, 355b, and 370c of  
17 the Illinois Insurance Code. The Department of Insurance shall  
18 enforce the requirements of this Section.

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

25 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;

1 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff.  
2 1-1-19; 100-1102, eff. 1-1-19; 101-81, eff. 7-12-19; 101-281,  
3 eff. 1-1-20; 101-393, eff. 1-1-20; 101-461, eff. 1-1-20;  
4 101-625, eff. 1-1-21.)

5 Section 25. The Illinois Insurance Code is amended by  
6 adding Section 356z.43 as follows:

7 (215 ILCS 5/356z.43 new)

8 Sec. 356z.43. Opioid addiction treatment.

9 (a) As used in this Section, "opioid addiction treatment"  
10 includes, but is not limited to, medication-assisted  
11 treatment, counseling, behavioral therapies, and any other  
12 treatment deemed medically necessary.

13 (b) An individual or group policy of accident and health  
14 insurance or managed care plan that is amended, delivered,  
15 issued, or renewed on or after January 1, 2021 shall offer  
16 coverage for opioid addiction treatment, recovery, and related  
17 services for all individuals when determined medically  
18 necessary by a health care professional.

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

21 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

22 (Text of Section before amendment by P.A. 101-625)

1           Sec. 5-3. Insurance Code provisions.

2           (a) Health Maintenance Organizations shall be subject to  
3 the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,  
4 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154,  
5 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 355.3,  
6 355b, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4,  
7 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11,  
8 356z.12, 356z.13, 356z.14, 356z.15, 356z.17, 356z.18, 356z.19,  
9 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30,  
10 356z.30a, 356z.32, 356z.33, 356z.35, 356z.36, 356z.43, 364,  
11 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c, 368d, 368e,  
12 370c, 370c.1, 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412,  
13 444, and 444.1, paragraph (c) of subsection (2) of Section 367,  
14 and Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV,  
15 XXVI, and XXXIIB of the Illinois Insurance Code.

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

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

22           (2) a corporation organized under the laws of this  
23 State; or

24           (3) a corporation organized under the laws of another  
25 state, 30% or more of the enrollees of which are residents  
26 of this State, except a corporation subject to

1 substantially the same requirements in its state of  
2 organization as is a "domestic company" under Article VIII  
3 1/2 of the Illinois Insurance Code.

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

7 (1) the Director shall give primary consideration to  
8 the continuation of benefits to enrollees and the financial  
9 conditions of the acquired Health Maintenance Organization  
10 after the merger, consolidation, or other acquisition of  
11 control takes effect;

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

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

21 (A) certification by an independent actuary of the  
22 adequacy of the reserves of the Health Maintenance  
23 Organization sought to be acquired;

24 (B) pro forma financial statements reflecting the  
25 combined balance sheets of the acquiring company and  
26 the Health Maintenance Organization sought to be

1           acquired as of the end of the preceding year and as of  
2           a date 90 days prior to the acquisition, as well as pro  
3           forma financial statements reflecting projected  
4           combined operation for a period of 2 years;

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

9           (D) such other information as the Director shall  
10          require.

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

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

1 (f) Except for small employer groups as defined in the  
2 Small Employer Rating, Renewability and Portability Health  
3 Insurance Act and except for medicare supplement policies as  
4 defined in Section 363 of the Illinois Insurance Code, a Health  
5 Maintenance Organization may by contract agree with a group or  
6 other enrollment unit to effect refunds or charge additional  
7 premiums under the following terms and conditions:

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

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



1 account the refund period and the immediately preceding 2  
2 plan years.

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

15 In no event shall the Illinois Health Maintenance  
16 Organization Guaranty Association be liable to pay any  
17 contractual obligation of an insolvent organization to pay any  
18 refund authorized under this Section.

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

25 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;  
26 100-863, eff. 8-14-18; 100-1026, eff. 8-22-18; 100-1057, eff.

1 1-1-19; 100-1102, eff. 1-1-19; 101-13, eff. 6-12-19; 101-81,  
2 eff. 7-12-19; 101-281, eff. 1-1-20; 101-371, eff. 1-1-20;  
3 101-393, eff. 1-1-20; 101-452, eff. 1-1-20; 101-461, eff.  
4 1-1-20; revised 10-16-19.)

5 (Text of Section after amendment by P.A. 101-625)

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, 141.1,  
9 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154,  
10 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 355.3,  
11 355b, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4,  
12 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11,  
13 356z.12, 356z.13, 356z.14, 356z.15, 356z.17, 356z.18, 356z.19,  
14 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30,  
15 356z.30a, 356z.32, 356z.33, 356z.35, 356z.36, 356z.41,  
16 356z.43, 364, 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c,  
17 368d, 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A, 408,  
18 408.2, 409, 412, 444, and 444.1, paragraph (c) of subsection  
19 (2) of Section 367, and Articles IIA, VIII 1/2, XII, XII 1/2,  
20 XIII, XIII 1/2, XXV, XXVI, and XXXIIB of the Illinois Insurance  
21 Code.

22 (b) For purposes of the Illinois Insurance Code, except for  
23 Sections 444 and 444.1 and Articles XIII and XIII 1/2, Health  
24 Maintenance Organizations in the following categories are  
25 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 financial  
16 conditions of the acquired Health Maintenance Organization  
17 after the merger, consolidation, or other acquisition of  
18 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 to  
23 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, take  
2 into account the effect of the management contract or service  
3 agreement on the continuation of benefits to enrollees and the  
4 financial condition of the health maintenance organization to  
5 be managed or serviced, and (ii) need not take into account the  
6 effect of the management contract or service agreement on  
7 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 Health  
12 Maintenance Organization may by contract agree with a group or  
13 other enrollment unit to effect refunds or charge additional  
14 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 not  
20 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 the  
20 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 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. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;  
7 100-863, eff. 8-14-18; 100-1026, eff. 8-22-18; 100-1057, eff.  
8 1-1-19; 100-1102, eff. 1-1-19; 101-13, eff. 6-12-19; 101-81,  
9 eff. 7-12-19; 101-281, eff. 1-1-20; 101-371, eff. 1-1-20;  
10 101-393, eff. 1-1-20; 101-452, eff. 1-1-20; 101-461, eff.  
11 1-1-20; 101-625, eff. 1-1-21.)

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

14 (215 ILCS 165/10) (from Ch. 32, par. 604)

15 (Text of Section before amendment by P.A. 101-625)

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

1 356z.30, 356z.30a, 356z.32, 356z.33, 356z.43, 364.01, 367.2,  
2 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412, and  
3 paragraphs (7) and (15) of Section 367 of the Illinois  
4 Insurance Code.

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

11 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;  
12 100-863, eff. 8-14-18; 100-1026, eff. 8-22-18; 100-1057, eff.  
13 1-1-19; 100-1102, eff. 1-1-19; 101-13, eff. 6-12-19; 101-81,  
14 eff. 7-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20;  
15 revised 10-16-19.)

16 (Text of Section after amendment by P.A. 101-625)

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



1 356z.30, 356z.30a, 356z.32, 356z.33, 356z.41, 356z.43, 364.01,  
2 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412,  
3 and paragraphs (7) and (15) of Section 367 of the Illinois  
4 Insurance Code.

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

11 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;  
12 100-863, eff. 8-14-18; 100-1026, eff. 8-22-18; 100-1057, eff.  
13 1-1-19; 100-1102, eff. 1-1-19; 101-13, eff. 6-12-19; 101-81,  
14 eff. 7-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20;  
15 101-625, eff. 1-1-21.)

16 Section 95. No acceleration or delay. Where this Act makes  
17 changes in a statute that is represented in this Act by text  
18 that is not yet or no longer in effect (for example, a Section  
19 represented by multiple versions), the use of that text does  
20 not accelerate or delay the taking effect of (i) the changes  
21 made by this Act or (ii) provisions derived from any other  
22 Public Act.

23 Section 999. Effective date. This Act takes effect January  
24 1, 2021.