



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB2047

Introduced 2/15/2019, by Sen. Sue Rezin

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.33 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
305 ILCS 5/5-16.8	

Amends the Illinois Insurance Code. Provides that a health insurer that provides prescription drug benefits shall offer generic alternatives to brand name epinephrine and insulin auto-injectors, where available. Amends the State Employees Group Insurance Act of 1971, the Counties Code, the Illinois Municipal Code, the School Code, the Health Maintenance Organization Act, the Limited Health Service Organization Act, the Voluntary Health Services Plans Act, and the Illinois Public Aid Code. Effective immediately.

LRB101 09336 RAB 54432 b

1 AN ACT concerning regulation.

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

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

6 (5 ILCS 375/6.11)

7 (Text of Section before amendment by P.A. 100-1170)

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.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
16 356z.14, 356z.15, 356z.17, 356z.22, 356z.25, ~~and~~ 356z.26, ~~and~~
17 356z.29, 356z.32, and 356z.33 of the Illinois Insurance Code.
18 The program of health benefits must comply with Sections
19 155.22a, 155.37, 355b, 356z.19, 370c, and 370c.1 of the
20 Illinois Insurance Code. The Department of Insurance shall
21 enforce the requirements of this Section.

22 Rulemaking authority to implement Public Act 95-1045, if
23 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. 99-480, eff. 9-9-15; 100-24, eff. 7-18-17;
6 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1024, eff.
7 1-1-19; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; revised
8 1-8-19.)

9 (Text of Section after amendment by P.A. 100-1170)

10 Sec. 6.11. Required health benefits; Illinois Insurance
11 Code requirements. The program of health benefits shall provide
12 the post-mastectomy care benefits required to be covered by a
13 policy of accident and health insurance under Section 356t of
14 the Illinois Insurance Code. The program of health benefits
15 shall provide the coverage required under Sections 356g,
16 356g.5, 356g.5-1, 356m, 356u, 356w, 356x, 356z.2, 356z.4,
17 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
18 356z.14, 356z.15, 356z.17, 356z.22, 356z.25, 356z.26, 356z.29,
19 ~~and~~ 356z.32, and 356z.33 of the Illinois Insurance Code. The
20 program of health benefits must comply with Sections 155.22a,
21 155.37, 355b, 356z.19, 370c, and 370c.1 of the Illinois
22 Insurance Code. The Department of Insurance shall enforce the
23 requirements of this Section with respect to Sections 370c and
24 370c.1 of the Illinois Insurance Code; all other requirements
25 of this Section shall be enforced by the Department of Central

1 Management Services.

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

8 (Source: P.A. 99-480, eff. 9-9-15; 100-24, eff. 7-18-17;
9 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1024, eff.
10 1-1-19; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19;
11 100-1170, eff. 6-1-19.)

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

14 (55 ILCS 5/5-1069.3)

15 Sec. 5-1069.3. Required health benefits. If a county,
16 including a home rule county, is a self-insurer for purposes of
17 providing health insurance coverage for its employees, the
18 coverage shall include coverage for the post-mastectomy care
19 benefits required to be covered by a policy of accident and
20 health insurance under Section 356t and the coverage required
21 under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x,
22 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
23 356z.14, 356z.15, 356z.22, 356z.25, ~~and~~ 356z.26, ~~and~~ 356z.29,
24 356z.32, and 356z.33 of the Illinois Insurance Code. The

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

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

16 (Source: P.A. 99-480, eff. 9-9-15; 100-24, eff. 7-18-17;
17 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1024, eff.
18 1-1-19; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; revised
19 10-3-18.)

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

22 (65 ILCS 5/10-4-2.3)

23 Sec. 10-4-2.3. Required health benefits. If a
24 municipality, including a home rule municipality, is a

1 self-insurer for purposes of providing health insurance
2 coverage for its employees, the coverage shall include coverage
3 for the post-mastectomy care benefits required to be covered by
4 a policy of accident and health insurance under Section 356t
5 and the coverage required under Sections 356g, 356g.5,
6 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10,
7 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.22, 356z.25,
8 ~~and 356z.26, and 356z.29~~, 356z.32, and 356z.33 of the Illinois
9 Insurance Code. The coverage shall comply with Sections
10 155.22a, 355b, 356z.19, and 370c of the Illinois Insurance
11 Code. The Department of Insurance shall enforce the
12 requirements of this Section. The requirement that health
13 benefits be covered as provided in this is an exclusive power
14 and function of the State and is a denial and limitation under
15 Article VII, Section 6, subsection (h) of the Illinois
16 Constitution. A home rule municipality to which this Section
17 applies must comply with every provision 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. 99-480, eff. 9-9-15; 100-24, eff. 7-18-17;
25 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1024, eff.
26 1-1-19; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; revised

1 10-4-18.)

2 Section 20. The School Code is amended by changing Section
3 10-22.3f as follows:

4 (105 ILCS 5/10-22.3f)

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, ~~and~~ 356z.26, ~~and~~
12 356z.29, 356z.32, and 356z.33 of the Illinois Insurance Code.
13 Insurance policies shall comply with Section 356z.19 of the
14 Illinois Insurance Code. The coverage shall comply with
15 Sections 155.22a, 355b, and 370c of the Illinois Insurance
16 Code. The Department of Insurance shall enforce the
17 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; revised 10-4-18.)

3 Section 25. The Illinois Insurance Code is amended by
4 adding Section 356z.33 as follows:

5 (215 ILCS 5/356z.33 new)

6 Sec. 356z.33. Coverage for epinephrine and insulin
7 auto-injectors. A policy of accident and health insurance
8 amended, delivered, issued, or renewed on or after the
9 effective date of this amendatory Act of the 101st General
10 Assembly that provides prescription drug benefits shall offer
11 generic alternatives to brand name epinephrine and insulin
12 auto-injectors, where available.

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

15 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

16 Sec. 5-3. Insurance Code provisions.

17 (a) Health Maintenance Organizations shall be subject to
18 the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,
19 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154,
20 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 355.3,
21 355b, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4,
22 356z.5, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12,

1 356z.13, 356z.14, 356z.15, 356z.17, 356z.18, 356z.19, 356z.21,
2 356z.22, 356z.25, 356z.26, 356z.29, 356z.30, 356z.32, 356z.33,
3 364, 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c, 368d,
4 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A, 408, 408.2,
5 409, 412, 444, and 444.1, paragraph (c) of subsection (2) of
6 Section 367, and Articles IIA, VIII 1/2, XII, XII 1/2, XIII,
7 XIII 1/2, XXV, and XXVI of the Illinois Insurance Code.

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

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

14 (2) a corporation organized under the laws of this
15 State; or

16 (3) a corporation organized under the laws of another
17 state, 30% or more of the enrollees of which are residents
18 of this State, except a corporation subject to
19 substantially the same requirements in its state of
20 organization as is a "domestic company" under Article VIII
21 1/2 of the Illinois Insurance Code.

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

25 (1) the Director shall give primary consideration to
26 the continuation of benefits to enrollees and the financial

1 conditions of the acquired Health Maintenance Organization
2 after the merger, consolidation, or other acquisition of
3 control takes effect;

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

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

13 (A) certification by an independent actuary of the
14 adequacy of the reserves of the Health Maintenance
15 Organization sought to be acquired;

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

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

1 (D) such other information as the Director shall
2 require.

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

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

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

26 (i) the amount of, and other terms and conditions with

1 respect to, the refund or additional premium are set forth
2 in the group or enrollment unit contract agreed in advance
3 of the period for which a refund is to be paid or
4 additional premium is to be charged (which period shall not
5 be less than one year); and

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

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

1 profitable experience with respect to the group or enrollment
2 unit and the resulting refund to the group or enrollment unit
3 or (2) the Health Maintenance Organization's unprofitable
4 experience with respect to the group or enrollment unit and the
5 resulting additional premium to be paid by the group or
6 enrollment unit.

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

11 (g) Rulemaking authority to implement Public Act 95-1045,
12 if 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. 99-761, eff. 1-1-18; 100-24, eff. 7-18-17;
18 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1026, eff.
19 8-22-18; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; revised
20 10-4-18.)

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

23 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

24 Sec. 4003. Illinois Insurance Code provisions. Limited

1 health service organizations shall be subject to the provisions
2 of Sections 133, 134, 136, 137, 139, 140, 141.1, 141.2, 141.3,
3 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6,
4 154.7, 154.8, 155.04, 155.37, 355.2, 355.3, 355b, 356v,
5 356z.10, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.32,
6 356z.33, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, 409,
7 412, 444, and 444.1 and Articles IIA, VIII 1/2, XII, XII 1/2,
8 XIII, XIII 1/2, XXV, and XXVI of the Illinois Insurance Code.
9 For purposes of the Illinois Insurance Code, except for
10 Sections 444 and 444.1 and Articles XIII and XIII 1/2, limited
11 health service organizations in the following categories are
12 deemed to be domestic companies:

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

14 (2) a corporation organized under the laws of another
15 state, 30% or more of the enrollees of which are residents
16 of this State, except a corporation subject to
17 substantially the same requirements in its state of
18 organization as is a domestic company under Article VIII
19 1/2 of the Illinois Insurance Code.

20 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;
21 100-201, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1057, eff.
22 1-1-19; 100-1102, eff. 1-1-19; revised 10-4-18.)

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

1 (215 ILCS 165/10) (from Ch. 32, par. 604)

2 Sec. 10. Application of Insurance Code provisions. Health
3 services plan corporations and all persons interested therein
4 or dealing therewith shall be subject to the provisions of
5 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,
6 143, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3, 355b, 356g,
7 356g.5, 356g.5-1, 356r, 356t, 356u, 356v, 356w, 356x, 356y,
8 356z.1, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9,
9 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18,
10 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30,
11 356z.32, 356z.33, 364.01, 367.2, 368a, 401, 401.1, 402, 403,
12 403A, 408, 408.2, and 412, and paragraphs (7) and (15) of
13 Section 367 of the Illinois Insurance Code.

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

20 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;
21 100-863, eff. 8-14-18; 100-1026, eff. 8-22-18; 100-1057, eff.
22 1-1-19; 100-1102, eff. 1-1-19; revised 10-4-18.)

23 Section 45. The Illinois Public Aid Code is amended by
24 changing Section 5-16.8 as follows:

1 (305 ILCS 5/5-16.8)

2 Sec. 5-16.8. Required health benefits. The medical
3 assistance program shall (i) provide 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.5, 356u, 356w, 356x, 356z.6, 356z.26, ~~and~~
7 356z.29, 356z.32, and 356z.33 of the Illinois Insurance Code
8 and (ii) be subject to the provisions of Sections 356z.19,
9 364.01, 370c, and 370c.1 of the Illinois Insurance Code.

10 On and after July 1, 2012, the Department shall reduce any
11 rate of reimbursement for services or other payments or alter
12 any methodologies authorized by this Code to reduce any rate of
13 reimbursement for services or other payments in accordance with
14 Section 5-5e.

15 To ensure full access to the benefits set forth in this
16 Section, on and after January 1, 2016, the Department shall
17 ensure that provider and hospital reimbursement for
18 post-mastectomy care benefits required under this Section are
19 no lower than the Medicare reimbursement rate.

20 (Source: P.A. 99-433, eff. 8-21-15; 99-480, eff. 9-9-15;
21 99-642, eff. 7-28-16; 100-138, eff. 8-18-17; 100-863, eff.
22 8-14-18; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; revised
23 10-4-18.)

24 Section 95. No acceleration or delay. Where this Act makes
25 changes in a statute that is represented in this Act by text

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

6 Section 999. Effective date. This Act takes effect upon
7 becoming law.