

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 1. This Act may be referred to as Cal's Law.

5 Section 5. 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. Comprehensive cancer testing.

9 (a) As used in this Section:

10 "Comprehensive cancer testing" includes, but is not  
11 limited to, the following forms of testing:

12 (1) Targeted cancer gene panels.

13 (2) Whole-exome genome testing.

14 (3) Whole-genome sequencing.

15 (4) RNA sequencing.

16 (5) Tumor mutation burden.

17 "Prior authorization" means the process by which an  
18 insurer, or the insurer's designee, determines the medical  
19 necessity and medical appropriateness of otherwise covered  
20 health care services before the rendering of such health care  
21 services. "Prior authorization" includes any requirement that  
22 an enrollee, health care professional, or health care provider

1 notify the insurer, or the insurer's designee, before, at the  
2 time of, or concurrently with providing a health care service.

3 "Testing of blood or constitutional tissue for cancer  
4 predisposition testing" includes, but is not limited to, the  
5 following forms of testing:

6 (1) Targeted cancer gene panels.

7 (2) Whole-exome genome testing.

8 (3) Whole-genome sequencing.

9 (b) An individual or group policy of accident and health  
10 insurance or managed care plan that is amended, delivered,  
11 issued, or renewed on or after the effective date of this  
12 amendatory Act of the 102nd General Assembly shall provide  
13 coverage for medically necessary comprehensive cancer testing  
14 and testing of blood or constitutional tissue for cancer  
15 predisposition testing as determined by a physician licensed  
16 to practice medicine in all of its branches.

17 (c) The coverage provided under this Section shall be  
18 provided without any prior authorization requirements.

19 Section 10. 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 Sec. 5-3. Insurance Code provisions.

23 (a) Health Maintenance Organizations shall be subject to  
24 the provisions of Sections 133, 134, 136, 137, 139, 140,

1 141.1, 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153,  
2 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2,  
3 355.3, 355b, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2,  
4 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10,  
5 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17, 356z.18,  
6 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30,  
7 356z.30a, 356z.32, 356z.33, 356z.35, 356z.36, 356z.41,  
8 356z.43, 364, 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c,  
9 368d, 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A, 408,  
10 408.2, 409, 412, 444, and 444.1, paragraph (c) of subsection  
11 (2) of Section 367, and Articles IIA, VIII 1/2, XII, XII 1/2,  
12 XIII, XIII 1/2, XXV, XXVI, and XXXIIB of the Illinois  
13 Insurance Code.

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

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

20 (2) a corporation organized under the laws of this  
21 State; or

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

1           1/2 of the Illinois Insurance Code.

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

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

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

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

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

22                   (B) pro forma financial statements reflecting the  
23 combined balance sheets of the acquiring company and  
24 the Health Maintenance Organization sought to be  
25 acquired as of the end of the preceding year and as of  
26 a date 90 days prior to the acquisition, as well as pro

1           forma financial statements reflecting projected  
2           combined operation for a period of 2 years;

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

7           (D) such other information as the Director shall  
8           require.

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

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

25          (f) Except for small employer groups as defined in the  
26          Small Employer Rating, Renewability and Portability Health

1 Insurance Act and except for medicare supplement policies as  
2 defined in Section 363 of the Illinois Insurance Code, a  
3 Health Maintenance Organization may by contract agree with a  
4 group or other enrollment unit to effect refunds or charge  
5 additional premiums under the following terms and conditions:

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

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

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

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

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

23           (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;  
24 100-863, eff. 8-14-18; 100-1026, eff. 8-22-18; 100-1057, eff.  
25 1-1-19; 100-1102, eff. 1-1-19; 101-13, eff. 6-12-19; 101-81,  
26 eff. 7-12-19; 101-281, eff. 1-1-20; 101-371, eff. 1-1-20;

1 101-393, eff. 1-1-20; 101-452, eff. 1-1-20; 101-461, eff.  
2 1-1-20; 101-625, eff. 1-1-21.)