

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

- 20 (1) Targeted cancer gene panels.
- 21 (2) Whole-exome genome testing.
- 22 (3) Whole-genome sequencing.

1 (b) An individual or group policy of accident and health
2 insurance or managed care plan that is amended, delivered,
3 issued, or renewed on or after the effective date of this
4 amendatory Act of the 102nd General Assembly shall provide
5 coverage for medically necessary comprehensive cancer testing
6 and testing of blood or constitutional tissue for cancer
7 predisposition testing as determined by a physician licensed
8 to practice medicine in all of its branches.

9 Section 10. The Health Maintenance Organization Act is
10 amended by changing Section 5-3 as follows:

11 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

12 Sec. 5-3. Insurance Code provisions.

13 (a) Health Maintenance Organizations shall be subject to
14 the provisions of Sections 133, 134, 136, 137, 139, 140,
15 141.1, 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153,
16 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2,
17 355.3, 355b, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2,
18 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10,
19 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17, 356z.18,
20 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30,
21 356z.30a, 356z.32, 356z.33, 356z.35, 356z.36, 356z.41,
22 356z.43, 364, 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c,
23 368d, 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A, 408,
24 408.2, 409, 412, 444, and 444.1, paragraph (c) of subsection

1 (2) of Section 367, and Articles IIA, VIII 1/2, XII, XII 1/2,
2 XIII, XIII 1/2, XXV, XXVI, and XXXIIB of the Illinois
3 Insurance Code.

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

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

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

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

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

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

26 (2) (i) the criteria specified in subsection (1) (b) of

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

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

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

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

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

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

25 (d) The provisions of Article VIII 1/2 of the Illinois
26 Insurance Code and this Section 5-3 shall apply to the sale by

1 any health maintenance organization of greater than 10% of its
2 enrollee population (including without limitation the health
3 maintenance organization's right, title, and interest in and
4 to its health care certificates).

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

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

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

1 not be less than one year); and

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

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

1 the resulting additional premium to be paid by the group or
2 enrollment unit.

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

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

13 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;
14 100-863, eff. 8-14-18; 100-1026, eff. 8-22-18; 100-1057, eff.
15 1-1-19; 100-1102, eff. 1-1-19; 101-13, eff. 6-12-19; 101-81,
16 eff. 7-12-19; 101-281, eff. 1-1-20; 101-371, eff. 1-1-20;
17 101-393, eff. 1-1-20; 101-452, eff. 1-1-20; 101-461, eff.
18 1-1-20; 101-625, eff. 1-1-21.)