



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

HB2653

Introduced 2/19/2021, by Rep. Joyce Mason

#### SYNOPSIS AS INTRODUCED:

55 ILCS 5/5-1069.3

65 ILCS 5/10-4-2.3

215 ILCS 5/356z.43 new

215 ILCS 125/5-3

from Ch. 111 1/2, par. 1411.2

Amends the Illinois Insurance Code to require a group policy of accident and health insurance that is amended, delivered, issued, or renewed on or after January 1, 2022 to provide coverage for a colonoscopy that is a follow-up exam based on an initial screen where the colonoscopy was determined to be medically necessary by a physician licensed to practice medicine in all its branches, an advanced practice registered nurse, or a physician assistant. Provides that a group insurance policy shall not impose a deductible, coinsurance, copayment, or any other cost-sharing requirement on colonoscopy coverage, except to the extent such coverage would disqualify a high-deductible health plan from eligibility for a health savings account under the Internal Revenue Code. Makes conforming changes in the Counties Code, the Illinois Municipal Code, and the Health Maintenance Organization Act. Effective January 1, 2022.

LRB102 03848 BMS 13862 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 Counties Code is amended by changing  
5 Section 5-1069.3 as follows:

6 (55 ILCS 5/5-1069.3)

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

1 Illinois Constitution. A home rule county to which this  
2 Section applies must comply with every provision of this  
3 Section.

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

10 (Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17;  
11 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff.  
12 1-1-19; 100-1102, eff. 1-1-19; 101-81, eff. 7-12-19; 101-281,  
13 eff. 1-1-20; 101-393, eff. 1-1-20; 101-461, eff. 1-1-20;  
14 101-625, eff. 1-1-21.)

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

17 (65 ILCS 5/10-4-2.3)

18 Sec. 10-4-2.3. Required health benefits. If a  
19 municipality, including a home rule municipality, is a  
20 self-insurer for purposes of providing health insurance  
21 coverage for its employees, the coverage shall include  
22 coverage for the post-mastectomy care benefits required to be  
23 covered by a policy of accident and health insurance under  
24 Section 356t and the coverage required under Sections 356g,

1 356g.5, 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9,  
2 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.22,  
3 356z.25, 356z.26, 356z.29, 356z.30a, 356z.32, 356z.33,  
4 356z.36, ~~and~~ 356z.41, and 356z.43 of the Illinois Insurance  
5 Code. The coverage shall comply with Sections 155.22a, 355b,  
6 356z.19, and 370c of the Illinois Insurance Code. The  
7 Department of Insurance shall enforce the requirements of this  
8 Section. The requirement that health benefits be covered as  
9 provided in this is an exclusive power and function of the  
10 State and is a denial and limitation under Article VII,  
11 Section 6, subsection (h) of the Illinois Constitution. A home  
12 rule municipality to which this Section applies must comply  
13 with every provision of this Section.

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; 100-1024, eff. 1-1-19; 100-1057, eff.  
22 1-1-19; 100-1102, eff. 1-1-19; 101-81, eff. 7-12-19; 101-281,  
23 eff. 1-1-20; 101-393, eff. 1-1-20; 101-461, eff. 1-1-20;  
24 101-625, eff. 1-1-21.)

25 Section 15. The Illinois Insurance Code is amended by

1 adding Section 356z.43 as follows:

2 (215 ILCS 5/356z.43 new)

3 Sec. 356z.43. Colonoscopy coverage.

4 (a) A group policy of accident and health insurance that  
5 is amended, delivered, issued, or renewed on or after January  
6 1, 2022 shall provide coverage for a colonoscopy that is a  
7 follow-up exam based on an initial screen where the  
8 colonoscopy was determined to be medically necessary by a  
9 physician licensed to practice medicine in all its branches,  
10 an advanced practice registered nurse, or a physician  
11 assistant.

12 (b) A policy subject to this Section shall not impose a  
13 deductible, coinsurance, copayment, or any other cost-sharing  
14 requirement on the coverage provided; except that this  
15 subsection does not apply to coverage of colonoscopies to the  
16 extent such coverage would disqualify a high-deductible health  
17 plan from eligibility for a health savings account pursuant to  
18 Section 223 of the Internal Revenue Code.

19 Section 20. 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

1 the provisions of Sections 133, 134, 136, 137, 139, 140,  
2 141.1, 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153,  
3 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2,  
4 355.3, 355b, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2,  
5 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10,  
6 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17, 356z.18,  
7 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30,  
8 356z.30a, 356z.32, 356z.33, 356z.35, 356z.36, 356z.41,  
9 356z.43, 364, 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c,  
10 368d, 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A, 408,  
11 408.2, 409, 412, 444, and 444.1, paragraph (c) of subsection  
12 (2) of Section 367, and Articles IIA, VIII 1/2, XII, XII 1/2,  
13 XIII, XIII 1/2, XXV, XXVI, and XXXIIB of the Illinois  
14 Insurance Code.

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

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

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

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

1 organization as is a "domestic company" under Article VIII  
2 1/2 of the Illinois Insurance Code.

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

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

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

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

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

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

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

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

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

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

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

26 (f) Except for small employer groups as defined in the



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

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

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

1 plan years.

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

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

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

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

1 eff. 7-12-19; 101-281, eff. 1-1-20; 101-371, eff. 1-1-20;  
2 101-393, eff. 1-1-20; 101-452, eff. 1-1-20; 101-461, eff.  
3 1-1-20; 101-625, eff. 1-1-21.)

4 Section 99. Effective date. This Act takes effect January  
5 1, 2022.