

1 AN ACT in relation to State employees.

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  
5 1971 is amended by changing Section 6 as follows:

6 (5 ILCS 375/6) (from Ch. 127, par. 526)

7 Sec. 6. Program of health benefits.

8 (a) The program of health benefits shall provide for  
9 protection against the financial costs of health care  
10 expenses incurred in and out of hospital including basic  
11 hospital-surgical-medical coverages. The program may  
12 include, but shall not be limited to, such supplemental  
13 coverages as out-patient diagnostic X-ray and laboratory  
14 expenses, prescription drugs, dental services, hearing  
15 evaluations, hearing aids, the dispensing and fitting of  
16 hearing aids, and similar group benefits as are now or may  
17 become available. However, nothing in this Act shall be  
18 construed to permit, on or after July 1, 1980, the  
19 non-contributory portion of any such program to include the  
20 expenses of obtaining an abortion, induced miscarriage or  
21 induced premature birth unless, in the opinion of a  
22 physician, such procedures are necessary for the preservation  
23 of the life of the woman seeking such treatment, or except an  
24 induced premature birth intended to produce a live viable  
25 child and such procedure is necessary for the health of the  
26 mother or the unborn child. The program may also include  
27 coverage for those who rely on treatment by prayer or  
28 spiritual means alone for healing in accordance with the  
29 tenets and practice of a recognized religious denomination.

30 The program of health benefits shall be designed by the  
31 Director (1) to provide a reasonable relationship between the

1 benefits to be included and the expected distribution of  
2 expenses of each such type to be incurred by the covered  
3 members and dependents, (2) to specify, as covered benefits  
4 and as optional benefits, the medical services of  
5 practitioners in all categories licensed under the Medical  
6 Practice Act of 1987, (3) to include reasonable controls,  
7 which may include deductible and co-insurance provisions,  
8 applicable to some or all of the benefits, or a coordination  
9 of benefits provision, to prevent or minimize unnecessary  
10 utilization of the various hospital, surgical and medical  
11 expenses to be provided and to provide reasonable assurance  
12 of stability of the program, and (4) to provide benefits to  
13 the extent possible to members throughout the State, wherever  
14 located, on an equitable basis. Notwithstanding any other  
15 provision of this Section or Act, for all members or  
16 dependents who are eligible for benefits under Social  
17 Security or the Railroad Retirement system or who had  
18 sufficient Medicare-covered government employment, the  
19 Department shall reduce benefits which would otherwise be  
20 paid by Medicare, by the amount of benefits for which the  
21 member or dependents are eligible under Medicare, except that  
22 such reduction in benefits shall apply only to those members  
23 or dependents who (1) first become eligible for such medicare  
24 coverage on or after the effective date of this amendatory  
25 Act of 1992; or (2) are Medicare-eligible members or  
26 dependents of a local government unit which began  
27 participation in the program on or after July 1, 1992; or (3)  
28 remain eligible for but no longer receive Medicare coverage  
29 which they had been receiving on or after the effective date  
30 of this amendatory Act of 1992.

31 Notwithstanding any other provisions of this Act, where a  
32 covered member or dependents are eligible for benefits under  
33 the federal Medicare health insurance program (Title XVIII of  
34 the Social Security Act as added by Public Law 89-97, 89th

1 Congress), benefits paid under the State of Illinois program  
2 or plan will be reduced by the amount of benefits paid by  
3 Medicare. For members or dependents who are eligible for  
4 benefits under Social Security or the Railroad Retirement  
5 system or who had sufficient Medicare-covered government  
6 employment, benefits shall be reduced by the amount for which  
7 the member or dependent is eligible under Medicare, except  
8 that such reduction in benefits shall apply only to those  
9 members or dependents who (1) first become eligible for such  
10 Medicare coverage on or after the effective date of this  
11 amendatory Act of 1992; or (2) are Medicare-eligible members  
12 or dependents of a local government unit which began  
13 participation in the program on or after July 1, 1992; or (3)  
14 remain eligible for, but no longer receive Medicare coverage  
15 which they had been receiving on or after the effective date  
16 of this amendatory Act of 1992. Premiums may be adjusted,  
17 where applicable, to an amount deemed by the Director to be  
18 reasonably consistent with any reduction of benefits.

19 (b) A member, not otherwise covered by this Act, who has  
20 retired as a participating member under Article 2 of the  
21 Illinois Pension Code but is ineligible for the retirement  
22 annuity under Section 2-119 of the Illinois Pension Code,  
23 shall pay the premiums for coverage, not exceeding the amount  
24 paid by the State for the non-contributory coverage for other  
25 members, under the group health benefits program under this  
26 Act. The Director shall determine the premiums to be paid by  
27 a member under this subsection (b).

28 (Source: P.A. 91-390, eff. 7-30-99.)

29 Section 99. Effective date. This Act takes effect on  
30 July 1, 2003.