

1 eligible retired community college employees and their
2 dependent beneficiaries. It is also the purpose of this Act
3 to provide a program of health benefits for owners and
4 employees of qualified small businesses and their dependents.
5 (Source: P.A. 89-25, eff. 6-21-95; 90-497, eff. 8-18-97.)

6 (5 ILCS 375/3) (from Ch. 127, par. 523)

7 Sec. 3. Definitions. Unless the context otherwise
8 requires, the following words and phrases as used in this Act
9 shall have the following meanings. The Department may define
10 these and other words and phrases separately for the purpose
11 of implementing specific programs providing benefits under
12 this Act.

13 (a) "Administrative service organization" means any
14 person, firm or corporation experienced in the handling of
15 claims which is fully qualified, financially sound and
16 capable of meeting the service requirements of a contract of
17 administration executed with the Department.

18 (b) "Annuitant" means (1) an employee who retires, or
19 has retired, on or after January 1, 1966 on an immediate
20 annuity under the provisions of Articles 2, 14, 15 (including
21 an employee who has retired under the optional retirement
22 program established under Section 15-158.2), paragraphs (2),
23 (3), or (5) of Section 16-106, or Article 18 of the Illinois
24 Pension Code; (2) any person who was receiving group
25 insurance coverage under this Act as of March 31, 1978 by
26 reason of his status as an annuitant, even though the annuity
27 in relation to which such coverage was provided is a
28 proportional annuity based on less than the minimum period of
29 service required for a retirement annuity in the system
30 involved; (3) any person not otherwise covered by this Act
31 who has retired as a participating member under Article 2 of
32 the Illinois Pension Code but is ineligible for the
33 retirement annuity under Section 2-119 of the Illinois

1 Pension Code; (4) the spouse of any person who is receiving a
2 retirement annuity under Article 18 of the Illinois Pension
3 Code and who is covered under a group health insurance
4 program sponsored by a governmental employer other than the
5 State of Illinois and who has irrevocably elected to waive
6 his or her coverage under this Act and to have his or her
7 spouse considered as the "annuitant" under this Act and not
8 as a "dependent"; ~~or~~ (5) an employee who retires, or has
9 retired, from a qualified position, as determined according
10 to rules promulgated by the Director, under a qualified local
11 government or a qualified rehabilitation facility or a
12 qualified domestic violence shelter or service; or (6) an
13 owner or employee who retires, or has retired, from a
14 qualified position, as determined according to rules
15 promulgated by the Director, with a qualified small business.
16 (For definition of "retired employee", see (p) post).

17 (b-5) "New SERS annuitant" means a person who, on or
18 after January 1, 1998, becomes an annuitant, as defined in
19 subsection (b), by virtue of beginning to receive a
20 retirement annuity under Article 14 of the Illinois Pension
21 Code, and is eligible to participate in the basic program of
22 group health benefits provided for annuitants under this Act.

23 (b-6) "New SURS annuitant" means a person who (1) on or
24 after January 1, 1998, becomes an annuitant, as defined in
25 subsection (b), by virtue of beginning to receive a
26 retirement annuity under Article 15 of the Illinois Pension
27 Code, (2) has not made the election authorized under Section
28 15-135.1 of the Illinois Pension Code, and (3) is eligible to
29 participate in the basic program of group health benefits
30 provided for annuitants under this Act.

31 (b-7) "New TRS State annuitant" means a person who, on
32 or after July 1, 1998, becomes an annuitant, as defined in
33 subsection (b), by virtue of beginning to receive a
34 retirement annuity under Article 16 of the Illinois Pension

1 Code based on service as a teacher as defined in paragraph
2 (2), (3), or (5) of Section 16-106 of that Code, and is
3 eligible to participate in the basic program of group health
4 benefits provided for annuitants under this Act.

5 (c) "Carrier" means (1) an insurance company, a
6 corporation organized under the Limited Health Service
7 Organization Act or the Voluntary Health Services Plan Act, a
8 partnership, or other nongovernmental organization, which is
9 authorized to do group life or group health insurance
10 business in Illinois, or (2) the State of Illinois as a
11 self-insurer.

12 (d) "Compensation" means salary or wages payable on a
13 regular payroll by the State Treasurer on a warrant of the
14 State Comptroller out of any State, trust or federal fund, or
15 by the Governor of the State through a disbursing officer of
16 the State out of a trust or out of federal funds, or by any
17 Department out of State, trust, federal or other funds held
18 by the State Treasurer or the Department, to any person for
19 personal services currently performed, and ordinary or
20 accidental disability benefits under Articles 2, 14, 15
21 (including ordinary or accidental disability benefits under
22 the optional retirement program established under Section
23 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
24 Article 18 of the Illinois Pension Code, for disability
25 incurred after January 1, 1966, or benefits payable under the
26 Workers' Compensation or Occupational Diseases Act or
27 benefits payable under a sick pay plan established in
28 accordance with Section 36 of the State Finance Act.
29 "Compensation" also means salary or wages paid to an employee
30 of any qualified local government or qualified rehabilitation
31 facility or a qualified domestic violence shelter or service.
32 "Compensation" also means salary or wages paid to an employee
33 or owner of a qualified small business.

34 (e) "Commission" means the State Employees Group

1 Insurance Advisory Commission authorized by this Act.
2 Commencing July 1, 1984, "Commission" as used in this Act
3 means the Illinois Economic and Fiscal Commission as
4 established by the Legislative Commission Reorganization Act
5 of 1984.

6 (f) "Contributory", when referred to as contributory
7 coverage, shall mean optional coverages or benefits elected
8 by the member toward the cost of which such member makes
9 contribution, or which are funded in whole or in part through
10 the acceptance of a reduction in earnings or the foregoing of
11 an increase in earnings by an employee, as distinguished from
12 noncontributory coverage or benefits which are paid entirely
13 by the State of Illinois without reduction of the member's
14 salary.

15 (g) "Department" means any department, institution,
16 board, commission, officer, court or any agency of the State
17 government receiving appropriations and having power to
18 certify payrolls to the Comptroller authorizing payments of
19 salary and wages against such appropriations as are made by
20 the General Assembly from any State fund, or against trust
21 funds held by the State Treasurer and includes boards of
22 trustees of the retirement systems created by Articles 2, 14,
23 15, 16 and 18 of the Illinois Pension Code. "Department"
24 also includes the Illinois Comprehensive Health Insurance
25 Board, the Board of Examiners established under the Illinois
26 Public Accounting Act, and the Illinois Rural Bond Bank.

27 (h) "Dependent", when the term is used in the context of
28 the health and life plan, means a member's spouse and any
29 unmarried child (1) from birth to age 19 including an adopted
30 child, a child who lives with the member from the time of the
31 filing of a petition for adoption until entry of an order of
32 adoption, a stepchild or recognized child who lives with the
33 member in a parent-child relationship, or a child who lives
34 with the member if such member is a court appointed guardian

1 of the child, or (2) age 19 to 23 enrolled as a full-time
2 student in any accredited school, financially dependent upon
3 the member, and eligible to be claimed as a dependent for
4 income tax purposes, or (3) age 19 or over who is mentally or
5 physically handicapped. For the health plan only, the term
6 "dependent" also includes any person enrolled prior to the
7 effective date of this Section who is dependent upon the
8 member to the extent that the member may claim such person as
9 a dependent for income tax deduction purposes; no other such
10 person may be enrolled. For the health plan only, the term
11 "dependent" also includes any person who has received after
12 June 30, 2000 an organ transplant and who is financially
13 dependent upon the member and eligible to be claimed as a
14 dependent for income tax purposes.

15 (i) "Director" means the Director of the Illinois
16 Department of Central Management Services.

17 (j) "Eligibility period" means the period of time a
18 member has to elect enrollment in programs or to select
19 benefits without regard to age, sex or health.

20 (k) "Employee" means and includes each officer or
21 employee in the service of a department who (1) receives his
22 compensation for service rendered to the department on a
23 warrant issued pursuant to a payroll certified by a
24 department or on a warrant or check issued and drawn by a
25 department upon a trust, federal or other fund or on a
26 warrant issued pursuant to a payroll certified by an elected
27 or duly appointed officer of the State or who receives
28 payment of the performance of personal services on a warrant
29 issued pursuant to a payroll certified by a Department and
30 drawn by the Comptroller upon the State Treasurer against
31 appropriations made by the General Assembly from any fund or
32 against trust funds held by the State Treasurer, and (2) is
33 employed full-time or part-time in a position normally
34 requiring actual performance of duty during not less than 1/2

1 of a normal work period, as established by the Director in
2 cooperation with each department, except that persons elected
3 by popular vote will be considered employees during the
4 entire term for which they are elected regardless of hours
5 devoted to the service of the State, and (3) except that
6 "employee" does not include any person who is not eligible by
7 reason of such person's employment to participate in one of
8 the State retirement systems under Articles 2, 14, 15 (either
9 the regular Article 15 system or the optional retirement
10 program established under Section 15-158.2) or 18, or under
11 paragraph (2), (3), or (5) of Section 16-106, of the Illinois
12 Pension Code, but such term does include persons who are
13 employed during the 6 month qualifying period under Article
14 14 of the Illinois Pension Code. Such term also includes any
15 person who (1) after January 1, 1966, is receiving ordinary
16 or accidental disability benefits under Articles 2, 14, 15
17 (including ordinary or accidental disability benefits under
18 the optional retirement program established under Section
19 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
20 Article 18 of the Illinois Pension Code, for disability
21 incurred after January 1, 1966, (2) receives total permanent
22 or total temporary disability under the Workers' Compensation
23 Act or Occupational Disease Act as a result of injuries
24 sustained or illness contracted in the course of employment
25 with the State of Illinois, or (3) is not otherwise covered
26 under this Act and has retired as a participating member
27 under Article 2 of the Illinois Pension Code but is
28 ineligible for the retirement annuity under Section 2-119 of
29 the Illinois Pension Code. However, a person who satisfies
30 the criteria of the foregoing definition of "employee" except
31 that such person is made ineligible to participate in the
32 State Universities Retirement System by clause (4) of
33 subsection (a) of Section 15-107 of the Illinois Pension Code
34 is also an "employee" for the purposes of this Act.

1 "Employee" also includes any person receiving or eligible for
2 benefits under a sick pay plan established in accordance with
3 Section 36 of the State Finance Act. "Employee" also includes
4 each officer or employee in the service of a qualified local
5 government, including persons appointed as trustees of
6 sanitary districts regardless of hours devoted to the service
7 of the sanitary district, and each employee in the service of
8 a qualified rehabilitation facility and each full-time
9 employee in the service of a qualified domestic violence
10 shelter or service, as determined according to rules
11 promulgated by the Director. "Employee" also includes an
12 owner and a full-time employee in the service of a qualified
13 small business, as determined according to rules promulgated
14 by the Director.

15 (l) "Member" means an employee, annuitant, retired
16 employee or survivor.

17 (m) "Optional coverages or benefits" means those
18 coverages or benefits available to the member on his or her
19 voluntary election, and at his or her own expense.

20 (n) "Program" means the group life insurance, health
21 benefits and other employee benefits designed and contracted
22 for by the Director under this Act.

23 (o) "Health plan" means a health benefits program
24 offered by the State of Illinois for persons eligible for the
25 plan.

26 (p) "Retired employee" means any person who would be an
27 annuitant as that term is defined herein but for the fact
28 that such person retired prior to January 1, 1966. Such term
29 also includes any person formerly employed by the University
30 of Illinois in the Cooperative Extension Service who would be
31 an annuitant but for the fact that such person was made
32 ineligible to participate in the State Universities
33 Retirement System by clause (4) of subsection (a) of Section
34 15-107 of the Illinois Pension Code.

1 (q) "Survivor" means a person receiving an annuity as a
2 survivor of an employee or of an annuitant. "Survivor" also
3 includes: (1) the surviving dependent of a person who
4 satisfies the definition of "employee" except that such
5 person is made ineligible to participate in the State
6 Universities Retirement System by clause (4) of subsection
7 (a) of Section 15-107 of the Illinois Pension Code; and (2)
8 the surviving dependent of any person formerly employed by
9 the University of Illinois in the Cooperative Extension
10 Service who would be an annuitant except for the fact that
11 such person was made ineligible to participate in the State
12 Universities Retirement System by clause (4) of subsection
13 (a) of Section 15-107 of the Illinois Pension Code.

14 (q-5) "New SERS survivor" means a survivor, as defined
15 in subsection (q), whose annuity is paid under Article 14 of
16 the Illinois Pension Code and is based on the death of (i) an
17 employee whose death occurs on or after January 1, 1998, or
18 (ii) a new SERS annuitant as defined in subsection (b-5).

19 (q-6) "New SURS survivor" means a survivor, as defined
20 in subsection (q), whose annuity is paid under Article 15 of
21 the Illinois Pension Code and is based on the death of (i) an
22 employee whose death occurs on or after January 1, 1998, or
23 (ii) a new SURS annuitant as defined in subsection (b-6).

24 (q-7) "New TRS State survivor" means a survivor, as
25 defined in subsection (q), whose annuity is paid under
26 Article 16 of the Illinois Pension Code and is based on the
27 death of (i) an employee who is a teacher as defined in
28 paragraph (2), (3), or (5) of Section 16-106 of that Code and
29 whose death occurs on or after July 1, 1998, or (ii) a new
30 TRS State annuitant as defined in subsection (b-7).

31 (r) "Medical services" means the services provided
32 within the scope of their licenses by practitioners in all
33 categories licensed under the Medical Practice Act of 1987.

34 (s) "Unit of local government" means any county,

1 municipality, township, school district (including a
2 combination of school districts under the Intergovernmental
3 Cooperation Act), special district or other unit, designated
4 as a unit of local government by law, which exercises limited
5 governmental powers or powers in respect to limited
6 governmental subjects, any not-for-profit association with a
7 membership that primarily includes townships and township
8 officials, that has duties that include provision of research
9 service, dissemination of information, and other acts for the
10 purpose of improving township government, and that is funded
11 wholly or partly in accordance with Section 85-15 of the
12 Township Code; any not-for-profit corporation or association,
13 with a membership consisting primarily of municipalities,
14 that operates its own utility system, and provides research,
15 training, dissemination of information, or other acts to
16 promote cooperation between and among municipalities that
17 provide utility services and for the advancement of the goals
18 and purposes of its membership; the Southern Illinois
19 Collegiate Common Market, which is a consortium of higher
20 education institutions in Southern Illinois; and the Illinois
21 Association of Park Districts. "Qualified local government"
22 means a unit of local government approved by the Director and
23 participating in a program created under subsection (i) of
24 Section 10 of this Act.

25 (t) "Qualified rehabilitation facility" means any
26 not-for-profit organization that is accredited by the
27 Commission on Accreditation of Rehabilitation Facilities or
28 certified by the Department of Human Services (as successor
29 to the Department of Mental Health and Developmental
30 Disabilities) to provide services to persons with
31 disabilities and which receives funds from the State of
32 Illinois for providing those services, approved by the
33 Director and participating in a program created under
34 subsection (j) of Section 10 of this Act.

1 (u) "Qualified domestic violence shelter or service"
2 means any Illinois domestic violence shelter or service and
3 its administrative offices funded by the Department of Human
4 Services (as successor to the Illinois Department of Public
5 Aid), approved by the Director and participating in a program
6 created under subsection (k) of Section 10.

7 (v) "TRS benefit recipient" means a person who:

8 (1) is not a "member" as defined in this Section;
9 and

10 (2) is receiving a monthly benefit or retirement
11 annuity under Article 16 of the Illinois Pension Code;
12 and

13 (3) either (i) has at least 8 years of creditable
14 service under Article 16 of the Illinois Pension Code, or
15 (ii) was enrolled in the health insurance program offered
16 under that Article on January 1, 1996, or (iii) is the
17 survivor of a benefit recipient who had at least 8 years
18 of creditable service under Article 16 of the Illinois
19 Pension Code or was enrolled in the health insurance
20 program offered under that Article on the effective date
21 of this amendatory Act of 1995, or (iv) is a recipient or
22 survivor of a recipient of a disability benefit under
23 Article 16 of the Illinois Pension Code.

24 (w) "TRS dependent beneficiary" means a person who:

25 (1) is not a "member" or "dependent" as defined in
26 this Section; and

27 (2) is a TRS benefit recipient's: (A) spouse, (B)
28 dependent parent who is receiving at least half of his or
29 her support from the TRS benefit recipient, or (C)
30 unmarried natural or adopted child who is (i) under age
31 19, or (ii) enrolled as a full-time student in an
32 accredited school, financially dependent upon the TRS
33 benefit recipient, eligible to be claimed as a dependent
34 for income tax purposes, and either is under age 24 or

1 was, on January 1, 1996, participating as a dependent
2 beneficiary in the health insurance program offered under
3 Article 16 of the Illinois Pension Code, or (iii) age 19
4 or over who is mentally or physically handicapped.

5 (x) "Military leave with pay and benefits" refers to
6 individuals in basic training for reserves, special/advanced
7 training, annual training, emergency call up, or activation
8 by the President of the United States with approved pay and
9 benefits.

10 (y) "Military leave without pay and benefits" refers to
11 individuals who enlist for active duty in a regular component
12 of the U.S. Armed Forces or other duty not specified or
13 authorized under military leave with pay and benefits.

14 (z) "Community college benefit recipient" means a person
15 who:

16 (1) is not a "member" as defined in this Section;
17 and

18 (2) is receiving a monthly survivor's annuity or
19 retirement annuity under Article 15 of the Illinois
20 Pension Code; and

21 (3) either (i) was a full-time employee of a
22 community college district or an association of community
23 college boards created under the Public Community College
24 Act (other than an employee whose last employer under
25 Article 15 of the Illinois Pension Code was a community
26 college district subject to Article VII of the Public
27 Community College Act) and was eligible to participate in
28 a group health benefit plan as an employee during the
29 time of employment with a community college district
30 (other than a community college district subject to
31 Article VII of the Public Community College Act) or an
32 association of community college boards, or (ii) is the
33 survivor of a person described in item (i).

34 (aa) "Community college dependent beneficiary" means a

1 person who:

2 (1) is not a "member" or "dependent" as defined in
3 this Section; and

4 (2) is a community college benefit recipient's: (A)
5 spouse, (B) dependent parent who is receiving at least
6 half of his or her support from the community college
7 benefit recipient, or (C) unmarried natural or adopted
8 child who is (i) under age 19, or (ii) enrolled as a
9 full-time student in an accredited school, financially
10 dependent upon the community college benefit recipient,
11 eligible to be claimed as a dependent for income tax
12 purposes and under age 23, or (iii) age 19 or over and
13 mentally or physically handicapped.

14 (bb) "Qualified small business" means a business
15 situated in Illinois having 50 or fewer employees, approved
16 by the Director and participating in a program created under
17 subsection (k-5) of Section 10.

18 (Source: P.A. 91-390, eff. 7-30-99; 91-395, eff. 7-30-99;
19 91-617, eff. 8-19-99; 92-16, eff. 6-28-01; 92-186, eff.
20 1-1-02; 92-204, eff. 8-1-01; 92-651, eff. 7-11-02.)

21 (5 ILCS 375/10) (from Ch. 127, par. 530)

22 Sec. 10. Payments by State; premiums.

23 (a) The State shall pay the cost of basic
24 non-contributory group life insurance and, subject to member
25 paid contributions set by the Department or required by this
26 Section, the basic program of group health benefits on each
27 eligible member, except a member, not otherwise covered by
28 this Act, who has retired as a participating member under
29 Article 2 of the Illinois Pension Code but is ineligible for
30 the retirement annuity under Section 2-119 of the Illinois
31 Pension Code, and part of each eligible member's and retired
32 member's premiums for health insurance coverage for enrolled
33 dependents as provided by Section 9. The State shall pay the

1 cost of the basic program of group health benefits only after
2 benefits are reduced by the amount of benefits covered by
3 Medicare for all members and 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, except that such reduction in benefits shall
7 apply only to those members and dependents who (1) first
8 become eligible for such Medicare coverage on or after July
9 1, 1992; or (2) are Medicare-eligible members or dependents
10 of a local government unit which began participation in the
11 program on or after July 1, 1992; or (3) remain eligible for,
12 but no longer receive Medicare coverage which they had been
13 receiving on or after July 1, 1992. The Department may
14 determine the aggregate level of the State's contribution on
15 the basis of actual cost of medical services adjusted for
16 age, sex or geographic or other demographic characteristics
17 which affect the costs of such programs.

18 The cost of participation in the basic program of group
19 health benefits for the dependent or survivor of a living or
20 deceased retired employee who was formerly employed by the
21 University of Illinois in the Cooperative Extension Service
22 and would be an annuitant but for the fact that he or she was
23 made ineligible to participate in the State Universities
24 Retirement System by clause (4) of subsection (a) of Section
25 15-107 of the Illinois Pension Code shall not be greater than
26 the cost of participation that would otherwise apply to that
27 dependent or survivor if he or she were the dependent or
28 survivor of an annuitant under the State Universities
29 Retirement System.

30 (a-1) Beginning January 1, 1998, for each person who
31 becomes a new SERS annuitant and participates in the basic
32 program of group health benefits, the State shall contribute
33 toward the cost of the annuitant's coverage under the basic
34 program of group health benefits an amount equal to 5% of

1 that cost for each full year of creditable service upon which
2 the annuitant's retirement annuity is based, up to a maximum
3 of 100% for an annuitant with 20 or more years of creditable
4 service. The remainder of the cost of a new SERS annuitant's
5 coverage under the basic program of group health benefits
6 shall be the responsibility of the annuitant.

7 (a-2) Beginning January 1, 1998, for each person who
8 becomes a new SERS survivor and participates in the basic
9 program of group health benefits, the State shall contribute
10 toward the cost of the survivor's coverage under the basic
11 program of group health benefits an amount equal to 5% of
12 that cost for each full year of the deceased employee's or
13 deceased annuitant's creditable service in the State
14 Employees' Retirement System of Illinois on the date of
15 death, up to a maximum of 100% for a survivor of an employee
16 or annuitant with 20 or more years of creditable service.
17 The remainder of the cost of the new SERS survivor's coverage
18 under the basic program of group health benefits shall be the
19 responsibility of the survivor.

20 (a-3) Beginning January 1, 1998, for each person who
21 becomes a new SURS annuitant and participates in the basic
22 program of group health benefits, the State shall contribute
23 toward the cost of the annuitant's coverage under the basic
24 program of group health benefits an amount equal to 5% of
25 that cost for each full year of creditable service upon which
26 the annuitant's retirement annuity is based, up to a maximum
27 of 100% for an annuitant with 20 or more years of creditable
28 service. The remainder of the cost of a new SURS annuitant's
29 coverage under the basic program of group health benefits
30 shall be the responsibility of the annuitant.

31 (a-4) (Blank).

32 (a-5) Beginning January 1, 1998, for each person who
33 becomes a new SURS survivor and participates in the basic
34 program of group health benefits, the State shall contribute

1 toward the cost of the survivor's coverage under the basic
2 program of group health benefits an amount equal to 5% of
3 that cost for each full year of the deceased employee's or
4 deceased annuitant's creditable service in the State
5 Universities Retirement System on the date of death, up to a
6 maximum of 100% for a survivor of an employee or annuitant
7 with 20 or more years of creditable service. The remainder
8 of the cost of the new SURS survivor's coverage under the
9 basic program of group health benefits shall be the
10 responsibility of the survivor.

11 (a-6) Beginning July 1, 1998, for each person who
12 becomes a new TRS State annuitant and participates in the
13 basic program of group health benefits, the State shall
14 contribute toward the cost of the annuitant's coverage under
15 the basic program of group health benefits an amount equal to
16 5% of that cost for each full year of creditable service as a
17 teacher as defined in paragraph (2), (3), or (5) of Section
18 16-106 of the Illinois Pension Code upon which the
19 annuitant's retirement annuity is based, up to a maximum of
20 100%; except that the State contribution shall be 12.5% per
21 year (rather than 5%) for each full year of creditable
22 service as a regional superintendent or assistant regional
23 superintendent of schools. The remainder of the cost of a
24 new TRS State annuitant's coverage under the basic program of
25 group health benefits shall be the responsibility of the
26 annuitant.

27 (a-7) Beginning July 1, 1998, for each person who
28 becomes a new TRS State survivor and participates in the
29 basic program of group health benefits, the State shall
30 contribute toward the cost of the survivor's coverage under
31 the basic program of group health benefits an amount equal to
32 5% of that cost for each full year of the deceased employee's
33 or deceased annuitant's creditable service as a teacher as
34 defined in paragraph (2), (3), or (5) of Section 16-106 of

1 the Illinois Pension Code on the date of death, up to a
2 maximum of 100%; except that the State contribution shall be
3 12.5% per year (rather than 5%) for each full year of the
4 deceased employee's or deceased annuitant's creditable
5 service as a regional superintendent or assistant regional
6 superintendent of schools. The remainder of the cost of the
7 new TRS State survivor's coverage under the basic program of
8 group health benefits shall be the responsibility of the
9 survivor.

10 (a-8) A new SERS annuitant, new SERS survivor, new SURS
11 annuitant, new SURS survivor, new TRS State annuitant, or new
12 TRS State survivor may waive or terminate coverage in the
13 program of group health benefits. Any such annuitant or
14 survivor who has waived or terminated coverage may enroll or
15 re-enroll in the program of group health benefits only during
16 the annual benefit choice period, as determined by the
17 Director; except that in the event of termination of coverage
18 due to nonpayment of premiums, the annuitant or survivor may
19 not re-enroll in the program.

20 (a-9) No later than May 1 of each calendar year, the
21 Director of Central Management Services shall certify in
22 writing to the Executive Secretary of the State Employees'
23 Retirement System of Illinois the amounts of the Medicare
24 supplement health care premiums and the amounts of the health
25 care premiums for all other retirees who are not Medicare
26 eligible.

27 A separate calculation of the premiums based upon the
28 actual cost of each health care plan shall be so certified.

29 The Director of Central Management Services shall provide
30 to the Executive Secretary of the State Employees' Retirement
31 System of Illinois such information, statistics, and other
32 data as he or she may require to review the premium amounts
33 certified by the Director of Central Management Services.

34 (b) State employees who become eligible for this program

1 on or after January 1, 1980 in positions normally requiring
2 actual performance of duty not less than 1/2 of a normal work
3 period but not equal to that of a normal work period, shall
4 be given the option of participating in the available
5 program. If the employee elects coverage, the State shall
6 contribute on behalf of such employee to the cost of the
7 employee's benefit and any applicable dependent supplement,
8 that sum which bears the same percentage as that percentage
9 of time the employee regularly works when compared to normal
10 work period.

11 (c) The basic non-contributory coverage from the basic
12 program of group health benefits shall be continued for each
13 employee not in pay status or on active service by reason of
14 (1) leave of absence due to illness or injury, (2) authorized
15 educational leave of absence or sabbatical leave, or (3)
16 military leave with pay and benefits. This coverage shall
17 continue until expiration of authorized leave and return to
18 active service, but not to exceed 24 months for leaves under
19 item (1) or (2). This 24-month limitation and the requirement
20 of returning to active service shall not apply to persons
21 receiving ordinary or accidental disability benefits or
22 retirement benefits through the appropriate State retirement
23 system or benefits under the Workers' Compensation or
24 Occupational Disease Act.

25 (d) The basic group life insurance coverage shall
26 continue, with full State contribution, where such person is
27 (1) absent from active service by reason of disability
28 arising from any cause other than self-inflicted, (2) on
29 authorized educational leave of absence or sabbatical leave,
30 or (3) on military leave with pay and benefits.

31 (e) Where the person is in non-pay status for a period
32 in excess of 30 days or on leave of absence, other than by
33 reason of disability, educational or sabbatical leave, or
34 military leave with pay and benefits, such person may

1 continue coverage only by making personal payment equal to
2 the amount normally contributed by the State on such person's
3 behalf. Such payments and coverage may be continued: (1)
4 until such time as the person returns to a status eligible
5 for coverage at State expense, but not to exceed 24 months,
6 (2) until such person's employment or annuitant status with
7 the State is terminated, or (3) for a maximum period of 4
8 years for members on military leave with pay and benefits and
9 military leave without pay and benefits (exclusive of any
10 additional service imposed pursuant to law).

11 (f) The Department shall establish by rule the extent
12 to which other employee benefits will continue for persons in
13 non-pay status or who are not in active service.

14 (g) The State shall not pay the cost of the basic
15 non-contributory group life insurance, program of health
16 benefits and other employee benefits for members who are
17 survivors as defined by paragraphs (1) and (2) of subsection
18 (q) of Section 3 of this Act. The costs of benefits for
19 these survivors shall be paid by the survivors or by the
20 University of Illinois Cooperative Extension Service, or any
21 combination thereof. However, the State shall pay the amount
22 of the reduction in the cost of participation, if any,
23 resulting from the amendment to subsection (a) made by this
24 amendatory Act of the 91st General Assembly.

25 (h) Those persons occupying positions with any
26 department as a result of emergency appointments pursuant to
27 Section 8b.8 of the Personnel Code who are not considered
28 employees under this Act shall be given the option of
29 participating in the programs of group life insurance, health
30 benefits and other employee benefits. Such persons electing
31 coverage may participate only by making payment equal to the
32 amount normally contributed by the State for similarly
33 situated employees. Such amounts shall be determined by the
34 Director. Such payments and coverage may be continued until

1 such time as the person becomes an employee pursuant to this
2 Act or such person's appointment is terminated.

3 (i) Any unit of local government within the State of
4 Illinois may apply to the Director to have its employees,
5 annuitants, and their dependents provided group health
6 coverage under this Act on a non-insured basis. To
7 participate, a unit of local government must agree to enroll
8 all of its employees, who may select coverage under either
9 the State group health benefits plan or a health maintenance
10 organization that has contracted with the State to be
11 available as a health care provider for employees as defined
12 in this Act. A unit of local government must remit the
13 entire cost of providing coverage under the State group
14 health benefits plan or, for coverage under a health
15 maintenance organization, an amount determined by the
16 Director based on an analysis of the sex, age, geographic
17 location, or other relevant demographic variables for its
18 employees, except that the unit of local government shall not
19 be required to enroll those of its employees who are covered
20 spouses or dependents under this plan or another group policy
21 or plan providing health benefits as long as (1) an
22 appropriate official from the unit of local government
23 attests that each employee not enrolled is a covered spouse
24 or dependent under this plan or another group policy or plan,
25 and (2) at least 85% of the employees are enrolled and the
26 unit of local government remits the entire cost of providing
27 coverage to those employees, except that a participating
28 school district must have enrolled at least 85% of its
29 full-time employees who have not waived coverage under the
30 district's group health plan by participating in a component
31 of the district's cafeteria plan. A participating school
32 district is not required to enroll a full-time employee who
33 has waived coverage under the district's health plan,
34 provided that an appropriate official from the participating

1 school district attests that the full-time employee has
2 waived coverage by participating in a component of the
3 district's cafeteria plan. For the purposes of this
4 subsection, "participating school district" includes a unit
5 of local government whose primary purpose is education as
6 defined by the Department's rules.

7 Employees of a participating unit of local government who
8 are not enrolled due to coverage under another group health
9 policy or plan may enroll in the event of a qualifying change
10 in status, special enrollment, special circumstance as
11 defined by the Director, or during the annual Benefit Choice
12 Period. A participating unit of local government may also
13 elect to cover its annuitants. Dependent coverage shall be
14 offered on an optional basis, with the costs paid by the unit
15 of local government, its employees, or some combination of
16 the two as determined by the unit of local government. The
17 unit of local government shall be responsible for timely
18 collection and transmission of dependent premiums.

19 The Director shall annually determine monthly rates of
20 payment, subject to the following constraints:

21 (1) In the first year of coverage, the rates shall
22 be equal to the amount normally charged to State
23 employees for elected optional coverages or for enrolled
24 dependents coverages or other contributory coverages, or
25 contributed by the State for basic insurance coverages on
26 behalf of its employees, adjusted for differences between
27 State employees and employees of the local government in
28 age, sex, geographic location or other relevant
29 demographic variables, plus an amount sufficient to pay
30 for the additional administrative costs of providing
31 coverage to employees of the unit of local government and
32 their dependents.

33 (2) In subsequent years, a further adjustment shall
34 be made to reflect the actual prior years' claims

1 experience of the employees of the unit of local
2 government.

3 In the case of coverage of local government employees
4 under a health maintenance organization, the Director shall
5 annually determine for each participating unit of local
6 government the maximum monthly amount the unit may contribute
7 toward that coverage, based on an analysis of (i) the age,
8 sex, geographic location, and other relevant demographic
9 variables of the unit's employees and (ii) the cost to cover
10 those employees under the State group health benefits plan.
11 The Director may similarly determine the maximum monthly
12 amount each unit of local government may contribute toward
13 coverage of its employees' dependents under a health
14 maintenance organization.

15 Monthly payments by the unit of local government or its
16 employees for group health benefits plan or health
17 maintenance organization coverage shall be deposited in the
18 Local Government Health Insurance Reserve Fund.

19 The Local Government Health Insurance Reserve Fund shall
20 be a continuing fund not subject to fiscal year limitations.
21 All expenditures from this Fund shall be used for payments
22 for health care benefits for local government, domestic
23 violence shelter or service, and rehabilitation facility
24 employees, annuitants, and dependents, and to reimburse the
25 Department or its administrative service organization for all
26 expenses incurred in the administration of benefits. No
27 other State funds may be used for these purposes.

28 A local government employer's participation or desire to
29 participate in a program created under this subsection shall
30 not limit that employer's duty to bargain with the
31 representative of any collective bargaining unit of its
32 employees.

33 (j) Any rehabilitation facility within the State of
34 Illinois may apply to the Director to have its employees,

1 annuitants, and their eligible dependents provided group
2 health coverage under this Act on a non-insured basis. To
3 participate, a rehabilitation facility must agree to enroll
4 all of its employees and remit the entire cost of providing
5 such coverage for its employees, except that the
6 rehabilitation facility shall not be required to enroll those
7 of its employees who are covered spouses or dependents under
8 this plan or another group policy or plan providing health
9 benefits as long as (1) an appropriate official from the
10 rehabilitation facility attests that each employee not
11 enrolled is a covered spouse or dependent under this plan or
12 another group policy or plan, and (2) at least 85% of the
13 employees are enrolled and the rehabilitation facility remits
14 the entire cost of providing coverage to those employees.
15 Employees of a participating rehabilitation facility who are
16 not enrolled due to coverage under another group health
17 policy or plan may enroll in the event of a qualifying change
18 in status, special enrollment, special circumstance as
19 defined by the Director, or during the annual Benefit Choice
20 Period. A participating rehabilitation facility may also
21 elect to cover its annuitants. Dependent coverage shall be
22 offered on an optional basis, with the costs paid by the
23 rehabilitation facility, its employees, or some combination
24 of the 2 as determined by the rehabilitation facility. The
25 rehabilitation facility shall be responsible for timely
26 collection and transmission of dependent premiums.

27 The Director shall annually determine quarterly rates of
28 payment, subject to the following constraints:

29 (1) In the first year of coverage, the rates shall
30 be equal to the amount normally charged to State
31 employees for elected optional coverages or for enrolled
32 dependents coverages or other contributory coverages on
33 behalf of its employees, adjusted for differences between
34 State employees and employees of the rehabilitation

1 facility in age, sex, geographic location or other
2 relevant demographic variables, plus an amount sufficient
3 to pay for the additional administrative costs of
4 providing coverage to employees of the rehabilitation
5 facility and their dependents.

6 (2) In subsequent years, a further adjustment shall
7 be made to reflect the actual prior years' claims
8 experience of the employees of the rehabilitation
9 facility.

10 Monthly payments by the rehabilitation facility or its
11 employees for group health benefits shall be deposited in the
12 Local Government Health Insurance Reserve Fund.

13 (k) Any domestic violence shelter or service within the
14 State of Illinois may apply to the Director to have its
15 employees, annuitants, and their dependents provided group
16 health coverage under this Act on a non-insured basis. To
17 participate, a domestic violence shelter or service must
18 agree to enroll all of its employees and pay the entire cost
19 of providing such coverage for its employees. A
20 participating domestic violence shelter may also elect to
21 cover its annuitants. Dependent coverage shall be offered on
22 an optional basis, with the costs paid by the domestic
23 violence shelter or service, its employees, or some
24 combination of the 2 as determined by the domestic violence
25 shelter or service. The domestic violence shelter or service
26 shall be responsible for timely collection and transmission
27 of dependent premiums.

28 The Director shall annually determine rates of payment,
29 subject to the following constraints:

30 (1) In the first year of coverage, the rates shall
31 be equal to the amount normally charged to State
32 employees for elected optional coverages or for enrolled
33 dependents coverages or other contributory coverages on
34 behalf of its employees, adjusted for differences between

1 State employees and employees of the domestic violence
2 shelter or service in age, sex, geographic location or
3 other relevant demographic variables, plus an amount
4 sufficient to pay for the additional administrative costs
5 of providing coverage to employees of the domestic
6 violence shelter or service and their dependents.

7 (2) In subsequent years, a further adjustment shall
8 be made to reflect the actual prior years' claims
9 experience of the employees of the domestic violence
10 shelter or service.

11 Monthly payments by the domestic violence shelter or
12 service or its employees for group health insurance shall be
13 deposited in the Local Government Health Insurance Reserve
14 Fund.

15 (k-5) Any qualified small business within the State of
16 Illinois may apply to the Director to have its employees,
17 annuitants, and their dependents provided group health
18 coverage under this Act on a non-insured basis. The
19 Department may set a limit on the number of qualified small
20 businesses that may receive group health coverage under this
21 subsection (k-5). In order to control its costs, the
22 Department may designate which plans it will offer to
23 qualified small businesses under this subsection (k-5). Those
24 plans may include, but need not be limited to, minimum,
25 limited, or comprehensive coverage plans; Health Maintenance
26 Organization and Preferred Provider Organization plans; and
27 medical savings plans. The plans may include the utilization
28 of insurance producers in the marketing of coverage under the
29 plans. In offering plans under this subsection (k-5) the
30 Department shall be subject to ratings and minimum coverage
31 in the same manner as a private insurer. Any plan offered
32 under this subsection (k-5) may provide for employee
33 contributions to the cost of the plan. A qualified small
34 business may select one or more of the plans offered by the

1 Department to offer to its employees. To participate, a
2 qualified small business must agree to offer to enroll all of
3 its employees and remit the entire cost of providing such
4 coverage for its employees, except that the qualified small
5 business shall not be required to enroll those of its
6 employees who waive coverage under this subsection (k-5)
7 because they are covered spouses or dependents under another
8 group policy or plan providing health benefits as long as (1)
9 an appropriate official from the qualified small business
10 attests that each employee not enrolled is a covered spouse
11 or dependent under another group policy or plan and (2) at
12 least 75% of the remaining employees are enrolled. A
13 participating qualified small business may also elect to
14 cover its annuitants. Dependent coverage shall be offered on
15 an optional basis, with the costs paid by the small business,
16 its employees, or some combination of the 2 as determined by
17 the qualified small business. The qualified small business
18 shall be responsible for timely collection and transmission
19 of all premiums.

20 The Director shall annually determine rates of payment
21 taking into consideration, among other things, the following:

22 (1) In the first year of coverage, the rates shall
23 be equal to the amount normally charged to State
24 employees for elected optional coverages or for enrolled
25 dependents coverages or other contributory coverages on
26 behalf of its employees, adjusted for differences between
27 State employees and employees of the qualified small
28 business in age, sex, geographic location or other
29 relevant demographic variables, plus an amount sufficient
30 to pay for the additional administrative costs of
31 providing coverage to employees of the qualified small
32 business and their dependents.

33 (2) In subsequent years, a further adjustment shall
34 be made to reflect the actual prior years' claims

1 experience of the employees of the qualified small
2 business.

3 Monthly payments by the qualified small business for
4 group health insurance shall be deposited into the Small
5 Employers Health Insurance Reserve Fund. The Small Employers
6 Health Insurance Reserve Fund shall be a continuing fund not
7 subject to fiscal year limitations. All expenditures from
8 this fund shall be used for payments for health care benefits
9 for employees of qualified small businesses and their
10 annuitants and dependents and to reimburse the Department or
11 its administrative service organization for all expenses
12 incurred in the administration of benefits. No State funds,
13 other than those specifically appropriated, may be used for
14 these purposes.

15 (1) A public community college or entity organized
16 pursuant to the Public Community College Act may apply to the
17 Director initially to have only annuitants not covered prior
18 to July 1, 1992 by the district's health plan provided health
19 coverage under this Act on a non-insured basis. The
20 community college must execute a 2-year contract to
21 participate in the Local Government Health Plan. Any
22 annuitant may enroll in the event of a qualifying change in
23 status, special enrollment, special circumstance as defined
24 by the Director, or during the annual Benefit Choice Period.

25 The Director shall annually determine monthly rates of
26 payment subject to the following constraints: for those
27 community colleges with annuitants only enrolled, first year
28 rates shall be equal to the average cost to cover claims for
29 a State member adjusted for demographics, Medicare
30 participation, and other factors; and in the second year, a
31 further adjustment of rates shall be made to reflect the
32 actual first year's claims experience of the covered
33 annuitants.

34 (1-5) The provisions of subsection (1) become

1 inoperative on July 1, 1999.

2 (m) The Director shall adopt any rules deemed necessary
3 for implementation of this amendatory Act of 1989 (Public Act
4 86-978).

5 (Source: P.A. 91-280, eff. 7-23-99; 91-311; eff. 7-29-99;
6 91-357, eff. 7-29-99; 91-390, eff. 7-30-99; 91-395, eff.
7 7-30-99; 91-617, eff. 8-19-99; 92-16, eff. 6-28-01; revised
8 2-25-02.)

9 (5 ILCS 375/13.2) (from Ch. 127, par. 533.2)

10 Sec. 13.2. Insurance reserve funds; investments. All
11 amounts held in the Health Insurance Reserve Fund, the Group
12 Insurance Premium Fund, the Small Employers Health Insurance
13 Reserve Fund, and the Local Government Health Insurance
14 Reserve Fund shall be invested, at interest, by the State
15 Treasurer. The investments shall be subject to terms,
16 conditions, and limitations imposed by the laws of Illinois
17 on State funds. All income derived from the investments
18 shall accrue and be deposited to the respective funds no less
19 frequently than quarterly. The Health Insurance Reserve
20 Fund, the Small Employers Health Insurance Reserve Fund, and
21 the Local Government Health Insurance Reserve Fund shall be
22 administered by the Director.

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

24 (5 ILCS 375/15) (from Ch. 127, par. 535)

25 Sec. 15. Administration; rules; audit; review.

26 (a) The Director shall administer this Act and shall
27 prescribe such rules and regulations as are necessary to give
28 full effect to the purposes of this Act.

29 (b) These rules may fix reasonable standards for the
30 group life and group health programs and other benefit
31 programs offered under this Act, and for the contractors
32 providing them.

1 (c) These rules shall specify that covered and optional
2 medical services of the program are services provided within
3 the scope of their licenses by practitioners in all
4 categories licensed under the Medical Practice Act of 1987
5 and shall provide that all eligible persons be fully informed
6 of this specification.

7 (d) These rules shall establish eligibility requirements
8 for members and dependents as may be necessary to supplement
9 or clarify requirements contained in this Act.

10 (e) Each affected department of the State, the State
11 Universities Retirement System, the Teachers' Retirement
12 System, and each qualified local government, rehabilitation
13 facility, ~~or~~ domestic violence shelter or service, or small
14 business shall keep such records, make such certifications,
15 and furnish the Director such information as may be necessary
16 for the administration of this Act, including information
17 concerning number and total amounts of payroll of employees
18 of the department who are paid from trust funds or federal
19 funds.

20 (f) Each member, each community college benefit
21 recipient to whom this Act applies, and each TRS benefit
22 recipient to whom this Act applies shall furnish the
23 Director, in such form as may be required, any information
24 that may be necessary to enroll such member or benefit
25 recipient and, if applicable, his or her dependents or
26 dependent beneficiaries under the programs or plan, including
27 such data as may be required to allow the Director to
28 accumulate statistics on data normally considered in
29 actuarial studies of employee groups. Information about
30 community college benefit recipients and community college
31 dependent beneficiaries shall be furnished through the State
32 Universities Retirement System. Information about TRS
33 benefit recipients and TRS dependent beneficiaries shall be
34 furnished through the Teachers' Retirement System.

1 (g) There shall be audits and reports on the programs
2 authorized and established by this Act prepared by the
3 Director with the assistance of a qualified, independent
4 accounting firm. The reports shall provide information on
5 the experience, and administrative effectiveness and adequacy
6 of the program including, when applicable, recommendations on
7 up-grading of benefits and improvement of the program.

8 (h) Any final order, decision or other determination
9 made, issued or executed by the Director under the provisions
10 of this Act whereby any contractor or person is aggrieved
11 shall be subject to review in accordance with the provisions
12 of the Administrative Review Law and all amendments and
13 modifications thereof, and the rules adopted pursuant
14 thereto, shall apply to and govern all proceedings for the
15 judicial review of final administrative decisions of the
16 Director.

17 (Source: P.A. 90-497, eff. 8-18-97; 91-390, eff. 7-30-99.)

18 Section 10. The State Finance Act is amended by changing
19 Section 25 as follows:

20 (30 ILCS 105/25) (from Ch. 127, par. 161)

21 Sec. 25. Fiscal year limitations.

22 (a) All appropriations shall be available for
23 expenditure for the fiscal year or for a lesser period if the
24 Act making that appropriation so specifies. A deficiency or
25 emergency appropriation shall be available for expenditure
26 only through June 30 of the year when the Act making that
27 appropriation is enacted unless that Act otherwise provides.

28 (b) Outstanding liabilities as of June 30, payable from
29 appropriations which have otherwise expired, may be paid out
30 of the expiring appropriations during the 2-month period
31 ending at the close of business on August 31. Any service
32 involving professional or artistic skills or any personal

1 services by an employee whose compensation is subject to
2 income tax withholding must be performed as of June 30 of the
3 fiscal year in order to be considered an "outstanding
4 liability as of June 30" that is thereby eligible for payment
5 out of the expiring appropriation.

6 However, payment of tuition reimbursement claims under
7 Section 14-7.03 or 18-3 of the School Code may be made by the
8 State Board of Education from its appropriations for those
9 respective purposes for any fiscal year, even though the
10 claims reimbursed by the payment may be claims attributable
11 to a prior fiscal year, and payments may be made at the
12 direction of the State Superintendent of Education from the
13 fund from which the appropriation is made without regard to
14 any fiscal year limitations.

15 Medical payments may be made by the Department of
16 Veterans' Affairs from its appropriations for those purposes
17 for any fiscal year, without regard to the fact that the
18 medical services being compensated for by such payment may
19 have been rendered in a prior fiscal year.

20 Medical payments may be made by the Department of Public
21 Aid and child care payments may be made by the Department of
22 Human Services (as successor to the Department of Public Aid)
23 from appropriations for those purposes for any fiscal year,
24 without regard to the fact that the medical or child care
25 services being compensated for by such payment may have been
26 rendered in a prior fiscal year; and payments may be made at
27 the direction of the Department of Central Management
28 Services from the Health Insurance Reserve Fund, the Small
29 Employers Health Insurance Reserve Fund, and the Local
30 Government Health Insurance Reserve Fund without regard to
31 any fiscal year limitations.

32 Additionally, payments may be made by the Department of
33 Human Services from its appropriations, or any other State
34 agency from its appropriations with the approval of the

1 Department of Human Services, from the Immigration Reform and
2 Control Fund for purposes authorized pursuant to the
3 Immigration Reform and Control Act of 1986, without regard to
4 any fiscal year limitations.

5 Further, with respect to costs incurred in fiscal years
6 2002 and 2003 only, payments may be made by the State
7 Treasurer from its appropriations from the Capital Litigation
8 Trust Fund without regard to any fiscal year limitations.

9 (c) Further, payments may be made by the Department of
10 Public Health and the Department of Human Services (acting as
11 successor to the Department of Public Health under the
12 Department of Human Services Act) from their respective
13 appropriations for grants for medical care to or on behalf of
14 persons suffering from chronic renal disease, persons
15 suffering from hemophilia, rape victims, and premature and
16 high-mortality risk infants and their mothers and for grants
17 for supplemental food supplies provided under the United
18 States Department of Agriculture Women, Infants and Children
19 Nutrition Program, for any fiscal year without regard to the
20 fact that the services being compensated for by such payment
21 may have been rendered in a prior fiscal year.

22 (d) The Department of Public Health and the Department
23 of Human Services (acting as successor to the Department of
24 Public Health under the Department of Human Services Act)
25 shall each annually submit to the State Comptroller, Senate
26 President, Senate Minority Leader, Speaker of the House,
27 House Minority Leader, and the respective Chairmen and
28 Minority Spokesmen of the Appropriations Committees of the
29 Senate and the House, on or before December 31, a report of
30 fiscal year funds used to pay for services provided in any
31 prior fiscal year. This report shall document by program or
32 service category those expenditures from the most recently
33 completed fiscal year used to pay for services provided in
34 prior fiscal years.

1 (e) The Department of Public Aid and the Department of
2 Human Services (acting as successor to the Department of
3 Public Aid) shall each annually submit to the State
4 Comptroller, Senate President, Senate Minority Leader,
5 Speaker of the House, House Minority Leader, the respective
6 Chairmen and Minority Spokesmen of the Appropriations
7 Committees of the Senate and the House, on or before November
8 30, a report that shall document by program or service
9 category those expenditures from the most recently completed
10 fiscal year used to pay for (i) services provided in prior
11 fiscal years and (ii) services for which claims were received
12 in prior fiscal years.

13 (f) The Department of Human Services (as successor to
14 the Department of Public Aid) shall annually submit to the
15 State Comptroller, Senate President, Senate Minority Leader,
16 Speaker of the House, House Minority Leader, and the
17 respective Chairmen and Minority Spokesmen of the
18 Appropriations Committees of the Senate and the House, on or
19 before December 31, a report of fiscal year funds used to pay
20 for services (other than medical care) provided in any prior
21 fiscal year. This report shall document by program or
22 service category those expenditures from the most recently
23 completed fiscal year used to pay for services provided in
24 prior fiscal years.

25 (g) In addition, each annual report required to be
26 submitted by the Department of Public Aid under subsection
27 (e) shall include the following information with respect to
28 the State's Medicaid program:

29 (1) Explanations of the exact causes of the
30 variance between the previous year's estimated and actual
31 liabilities.

32 (2) Factors affecting the Department of Public
33 Aid's liabilities, including but not limited to numbers
34 of aid recipients, levels of medical service utilization

1 by aid recipients, and inflation in the cost of medical
2 services.

3 (3) The results of the Department's efforts to
4 combat fraud and abuse.

5 (h) As provided in Section 4 of the General Assembly
6 Compensation Act, any utility bill for service provided to a
7 General Assembly member's district office for a period
8 including portions of 2 consecutive fiscal years may be paid
9 from funds appropriated for such expenditure in either fiscal
10 year.

11 (i) An agency which administers a fund classified by the
12 Comptroller as an internal service fund may issue rules for:

13 (1) billing user agencies in advance based on
14 estimated charges for goods or services;

15 (2) issuing credits during the subsequent fiscal
16 year for all user agency payments received during the
17 prior fiscal year which were in excess of the final
18 amounts owed by the user agency for that period; and

19 (3) issuing catch-up billings to user agencies
20 during the subsequent fiscal year for amounts remaining
21 due when payments received from the user agency during
22 the prior fiscal year were less than the total amount
23 owed for that period.

24 User agencies are authorized to reimburse internal service
25 funds for catch-up billings by vouchers drawn against their
26 respective appropriations for the fiscal year in which the
27 catch-up billing was issued.

28 (Source: P.A. 92-885, eff. 1-13-03.)

29 Section 99. Effective date. This Act takes effect on
30 January 1, 2004."