

1 AN ACT concerning public employee benefits.

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 1971
5 is amended by changing Sections 3, 6.5, and 10 as follows:

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 of
11 implementing specific programs providing benefits under this
12 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 capable
16 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 has
19 retired, on or after January 1, 1966 on an immediate annuity
20 under the provisions of Articles 2, 14 (including an employee
21 who has elected to receive an alternative retirement
22 cancellation payment under Section 14-108.5 of the Illinois
23 Pension Code in lieu of an annuity), 15 (including an employee

1 who has retired under the optional retirement program
2 established under Section 15-158.2), paragraphs (2), (3), or
3 (5) of Section 16-106, or Article 18 of the Illinois Pension
4 Code; (2) any person who was receiving group insurance coverage
5 under this Act as of March 31, 1978 by reason of his status as
6 an annuitant, even though the annuity in relation to which such
7 coverage was provided is a proportional annuity based on less
8 than the minimum period of service required for a retirement
9 annuity in the system involved; (3) any person not otherwise
10 covered by this Act who has retired as a participating member
11 under Article 2 of the Illinois Pension Code but is ineligible
12 for the retirement annuity under Section 2-119 of the Illinois
13 Pension Code; (4) the spouse of any person who is receiving a
14 retirement annuity under Article 18 of the Illinois Pension
15 Code and who is covered under a group health insurance program
16 sponsored by a governmental employer other than the State of
17 Illinois and who has irrevocably elected to waive his or her
18 coverage under this Act and to have his or her spouse
19 considered as the "annuitant" under this Act and not as a
20 "dependent"; or (5) an employee who retires, or has retired,
21 from a qualified position, as determined according to rules
22 promulgated by the Director, under a qualified local
23 government, a qualified rehabilitation facility, a qualified
24 domestic violence shelter or service, or a qualified child
25 advocacy center. (For definition of "retired employee", see (p)
26 post).

1 (b-5) "New SERS annuitant" means a person who, on or after
2 January 1, 1998, becomes an annuitant, as defined in subsection
3 (b), by virtue of beginning to receive a retirement annuity
4 under Article 14 of the Illinois Pension Code (including an
5 employee who has elected to receive an alternative retirement
6 cancellation payment under Section 14-108.5 of that Code in
7 lieu of an annuity), and is eligible to participate in the
8 basic program of group health benefits provided for annuitants
9 under this Act.

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

18 (b-7) "New TRS State annuitant" means a person who, on or
19 after July 1, 1998, becomes an annuitant, as defined in
20 subsection (b), by virtue of beginning to receive a retirement
21 annuity under Article 16 of the Illinois Pension Code based on
22 service as a teacher as defined in paragraph (2), (3), or (5)
23 of Section 16-106 of that Code, and is eligible to participate
24 in the basic program of group health benefits provided for
25 annuitants under this Act.

26 (c) "Carrier" means (1) an insurance company, a corporation

1 organized under the Limited Health Service Organization Act or
2 the Voluntary Health Services Plan Act, a partnership, or other
3 nongovernmental organization, which is authorized to do group
4 life or group health insurance business in Illinois, or (2) the
5 State of Illinois as a self-insurer.

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

1 (e) "Commission" means the State Employees Group Insurance
2 Advisory Commission authorized by this Act. Commencing July 1,
3 1984, "Commission" as used in this Act means the Commission on
4 Government Forecasting and Accountability as established by
5 the Legislative Commission Reorganization Act of 1984.

6 (f) "Contributory", when referred to as contributory
7 coverage, shall mean optional coverages or benefits elected by
8 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 by
13 the State of Illinois without reduction of the member's salary.

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

26 (h) "Dependent", when the term is used in the context of

1 the health and life plan, means a member's spouse and any
2 ~~unmarried~~ child (1) from birth to age 26 ~~19~~ including an
3 adopted child, a child who lives with the member from the time
4 of the filing of a petition for adoption until entry of an
5 order of adoption, a stepchild or adjudicated ~~recognized~~ child
6 ~~who lives with the member in a parent child relationship~~, or a
7 child who lives with the member if such member is a court
8 appointed guardian of the child or, (2) ~~age 19 to 24 enrolled~~
9 ~~as a full time student in any accredited school, financially~~
10 ~~dependent upon the member, and eligible to be claimed as a~~
11 ~~dependent for income tax purposes, (2.1) age 19 to 24 on a~~
12 ~~medical leave of absence as described in Section 356z.11 of the~~
13 ~~Illinois Insurance Code (215 ILCS 5/356z.11), or (3) age 19 or~~
14 ~~over who is mentally or physically disabled from a cause~~
15 ~~originating prior to the age of 19 (age 26 if enrolled as an~~
16 ~~adult child dependent) handicapped. For the purposes of item~~
17 ~~(2), an unmarried child age 19 to 24 who is a member of the~~
18 ~~United States Armed Services, including the Illinois National~~
19 ~~Guard, and is mobilized to active duty shall qualify as a~~
20 ~~dependent beyond the age of 24 and until the age of 25 and~~
21 ~~while a full-time student for the amount of time spent on~~
22 ~~active duty between the ages of 19 and 24. The individual~~
23 ~~attempting to qualify for this additional time must submit~~
24 ~~written documentation of active duty service to the Director.~~
25 ~~The changes made by this amendatory Act of the 94th General~~
26 ~~Assembly apply only to individuals mobilized to active duty in~~

1 ~~the United States Armed Services, including the Illinois~~
2 ~~National Guard, on or after January 1, 2002.~~ For the health
3 plan only, the term "dependent" also includes (1) any person
4 enrolled prior to the effective date of this Section who is
5 dependent upon the member to the extent that the member may
6 claim such person as a dependent for income tax deduction
7 purposes and (2); ~~no other such person may be enrolled. For the~~
8 ~~health plan only, the term "dependent" also includes~~ any person
9 who has received after June 30, 2000 an organ transplant and
10 who is financially dependent upon the member and eligible to be
11 claimed as a dependent for income tax purposes. A member
12 requesting to cover any dependent must provide documentation as
13 requested by the Department of Central Management Services and
14 file with the Department any and all forms required by the
15 Department.

16 (i) "Director" means the Director of the Illinois
17 Department of Central Management Services or of any successor
18 agency designated to administer this Act.

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

22 (k) "Employee" means and includes each officer or employee
23 in the service of a department who (1) receives his
24 compensation for service rendered to the department on a
25 warrant issued pursuant to a payroll certified by a department
26 or on a warrant or check issued and drawn by a department upon

1 a trust, federal or other fund or on a warrant issued pursuant
2 to a payroll certified by an elected or duly appointed officer
3 of the State or who receives payment of the performance of
4 personal services on a warrant issued pursuant to a payroll
5 certified by a Department and drawn by the Comptroller upon the
6 State Treasurer against appropriations made by the General
7 Assembly from any fund or against trust funds held by the State
8 Treasurer, and (2) is employed full-time or part-time in a
9 position normally requiring actual performance of duty during
10 not less than 1/2 of a normal work period, as established by
11 the Director in cooperation with each department, except that
12 persons elected by popular vote will be considered employees
13 during the entire term for which they are elected regardless of
14 hours devoted to the service of the State, and (3) except that
15 "employee" does not include any person who is not eligible by
16 reason of such person's employment to participate in one of the
17 State retirement systems under Articles 2, 14, 15 (either the
18 regular Article 15 system or the optional retirement program
19 established under Section 15-158.2) or 18, or under paragraph
20 (2), (3), or (5) of Section 16-106, of the Illinois Pension
21 Code, but such term does include persons who are employed
22 during the 6 month qualifying period under Article 14 of the
23 Illinois Pension Code. Such term also includes any person who
24 (1) after January 1, 1966, is receiving ordinary or accidental
25 disability benefits under Articles 2, 14, 15 (including
26 ordinary or accidental disability benefits under the optional

1 retirement program established under Section 15-158.2),
2 paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of
3 the Illinois Pension Code, for disability incurred after
4 January 1, 1966, (2) receives total permanent or total
5 temporary disability under the Workers' Compensation Act or
6 Occupational Disease Act as a result of injuries sustained or
7 illness contracted in the course of employment with the State
8 of Illinois, or (3) is not otherwise covered under this Act and
9 has retired as a participating member under Article 2 of the
10 Illinois Pension Code but is ineligible for the retirement
11 annuity under Section 2-119 of the Illinois Pension Code.
12 However, a person who satisfies the criteria of the foregoing
13 definition of "employee" except that such person is made
14 ineligible to participate in the State Universities Retirement
15 System by clause (4) of subsection (a) of Section 15-107 of the
16 Illinois Pension Code is also an "employee" for the purposes of
17 this Act. "Employee" also includes any person receiving or
18 eligible for benefits under a sick pay plan established in
19 accordance with Section 36 of the State Finance Act. "Employee"
20 also includes (i) each officer or employee in the service of a
21 qualified local government, including persons appointed as
22 trustees of sanitary districts regardless of hours devoted to
23 the service of the sanitary district, (ii) each employee in the
24 service of a qualified rehabilitation facility, (iii) each
25 full-time employee in the service of a qualified domestic
26 violence shelter or service, and (iv) each full-time employee

1 in the service of a qualified child advocacy center, as
2 determined according to rules promulgated by the Director.

3 (l) "Member" means an employee, annuitant, retired
4 employee or survivor.

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

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

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

13 (p) "Retired employee" means any person who would be an
14 annuitant as that term is defined herein but for the fact that
15 such person retired prior to January 1, 1966. Such term also
16 includes any person formerly employed by the University of
17 Illinois in the Cooperative Extension Service who would be an
18 annuitant but for the fact that such person was made ineligible
19 to participate in the State Universities Retirement System by
20 clause (4) of subsection (a) of Section 15-107 of the Illinois
21 Pension Code.

22 (q) "Survivor" means a person receiving an annuity as a
23 survivor of an employee or of an annuitant. "Survivor" also
24 includes: (1) the surviving dependent of a person who satisfies
25 the definition of "employee" except that such person is made
26 ineligible to participate in the State Universities Retirement

1 System by clause (4) of subsection (a) of Section 15-107 of the
2 Illinois Pension Code; (2) the surviving dependent of any
3 person formerly employed by the University of Illinois in the
4 Cooperative Extension Service who would be an annuitant except
5 for the fact that such person was made ineligible to
6 participate in the State Universities Retirement System by
7 clause (4) of subsection (a) of Section 15-107 of the Illinois
8 Pension Code; and (3) the surviving dependent of a person who
9 was an annuitant under this Act by virtue of receiving an
10 alternative retirement cancellation payment under Section
11 14-108.5 of the Illinois Pension Code.

12 (q-2) "SERS" means the State Employees' Retirement System
13 of Illinois, created under Article 14 of the Illinois Pension
14 Code.

15 (q-3) "SURS" means the State Universities Retirement
16 System, created under Article 15 of the Illinois Pension Code.

17 (q-4) "TRS" means the Teachers' Retirement System of the
18 State of Illinois, created under Article 16 of the Illinois
19 Pension Code.

20 (q-5) "New SERS survivor" means a survivor, as defined in
21 subsection (q), whose annuity is paid under Article 14 of the
22 Illinois Pension Code and is based on the death of (i) an
23 employee whose death occurs on or after January 1, 1998, or
24 (ii) a new SERS annuitant as defined in subsection (b-5). "New
25 SERS survivor" includes the surviving dependent of a person who
26 was an annuitant under this Act by virtue of receiving an

1 alternative retirement cancellation payment under Section
2 14-108.5 of the Illinois Pension Code.

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

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

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

18 (s) "Unit of local government" means any county,
19 municipality, township, school district (including a
20 combination of school districts under the Intergovernmental
21 Cooperation Act), special district or other unit, designated as
22 a unit of local government by law, which exercises limited
23 governmental powers or powers in respect to limited
24 governmental subjects, any not-for-profit association with a
25 membership that primarily includes townships and township
26 officials, that has duties that include provision of research

1 service, dissemination of information, and other acts for the
2 purpose of improving township government, and that is funded
3 wholly or partly in accordance with Section 85-15 of the
4 Township Code; any not-for-profit corporation or association,
5 with a membership consisting primarily of municipalities, that
6 operates its own utility system, and provides research,
7 training, dissemination of information, or other acts to
8 promote cooperation between and among municipalities that
9 provide utility services and for the advancement of the goals
10 and purposes of its membership; the Southern Illinois
11 Collegiate Common Market, which is a consortium of higher
12 education institutions in Southern Illinois; the Illinois
13 Association of Park Districts; and any hospital provider that
14 is owned by a county that has 100 or fewer hospital beds and
15 has not already joined the program. "Qualified local
16 government" means a unit of local government approved by the
17 Director and participating in a program created under
18 subsection (i) of Section 10 of this Act.

19 (t) "Qualified rehabilitation facility" means any
20 not-for-profit organization that is accredited by the
21 Commission on Accreditation of Rehabilitation Facilities or
22 certified by the Department of Human Services (as successor to
23 the Department of Mental Health and Developmental
24 Disabilities) to provide services to persons with disabilities
25 and which receives funds from the State of Illinois for
26 providing those services, approved by the Director and

1 participating in a program created under subsection (j) of
2 Section 10 of this Act.

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

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

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

11 (2) is receiving a monthly benefit or retirement
12 annuity under Article 16 of the Illinois Pension Code; 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 of
18 creditable service under Article 16 of the Illinois Pension
19 Code or was enrolled in the health insurance program
20 offered under that Article on the effective date of this
21 amendatory Act of 1995, or (iv) is a recipient or survivor
22 of a recipient of a disability benefit under Article 16 of
23 the Illinois Pension Code.

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

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

1 (2) is a TRS benefit recipient's: (A) spouse, (B)
2 dependent parent who is receiving at least half of his or
3 her support from the TRS benefit recipient, or (C)
4 ~~unmarried~~ natural, step, adjudicated, or adopted child who
5 is (i) under age 26 ~~19,~~ ~~or~~ (ii) ~~enrolled as a full-time~~
6 ~~student in an accredited school, financially dependent~~
7 ~~upon the TRS benefit recipient, eligible to be claimed as a~~
8 ~~dependent for income tax purposes, and either is under age~~
9 ~~24~~ ~~or~~ was, on January 1, 1996, participating as a dependent
10 beneficiary in the health insurance program offered under
11 Article 16 of the Illinois Pension Code, or (iii) age 19 or
12 over who is mentally or physically disabled from a cause
13 originating prior to the age of 19 (age 26 if enrolled as
14 an adult child) handicapped.

15 (x) "Military leave ~~with pay and benefits~~" refers to
16 individuals in basic training for reserves, special/advanced
17 training, annual training, emergency call up, ~~or~~ activation by
18 the President of the United States, or any other training or
19 duty in service to the United States Armed Forces ~~with~~
20 ~~approved pay and benefits.~~

21 (y) (Blank). ~~"Military leave without pay and benefits"~~
22 ~~refers to individuals who enlist for active duty in a regular~~
23 ~~component of the U.S. Armed Forces or other duty not specified~~
24 ~~or authorized under military leave with pay and benefits.~~

25 (z) "Community college benefit recipient" means a person
26 who:

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

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

5 (3) either (i) was a full-time employee of a community
6 college district or an association of community college
7 boards created under the Public Community College Act
8 (other than an employee whose last employer under Article
9 15 of the Illinois Pension Code was a community college
10 district subject to Article VII of the Public Community
11 College Act) and was eligible to participate in a group
12 health benefit plan as an employee during the time of
13 employment with a community college district (other than a
14 community college district subject to Article VII of the
15 Public Community College Act) or an association of
16 community college boards, or (ii) is the survivor of a
17 person described in item (i).

18 (aa) "Community college dependent beneficiary" means a
19 person who:

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

22 (2) is a community college benefit recipient's: (A)
23 spouse, (B) dependent parent who is receiving at least half
24 of his or her support from the community college benefit
25 recipient, or (C) ~~unmarried~~ natural, step, adjudicated, or
26 adopted child who is (i) under age 26 ~~19~~, or (ii) ~~enrolled~~

1 ~~as a full-time student in an accredited school, financially~~
2 ~~dependent upon the community college benefit recipient,~~
3 ~~eligible to be claimed as a dependent for income tax~~
4 ~~purposes and under age 23, or (iii) age 19 or over and~~
5 ~~mentally or physically~~ disabled from a cause originating
6 prior to the age of 19 (age 26 if enrolled as an adult
7 child) handicapped.

8 (bb) "Qualified child advocacy center" means any Illinois
9 child advocacy center and its administrative offices funded by
10 the Department of Children and Family Services, as defined by
11 the Children's Advocacy Center Act (55 ILCS 80/), approved by
12 the Director and participating in a program created under
13 subsection (n) of Section 10.

14 (Source: P.A. 95-331, eff. 8-21-07; 95-632, eff. 9-25-07;
15 96-756, eff. 1-1-10.)

16 (5 ILCS 375/6.5)

17 Sec. 6.5. Health benefits for TRS benefit recipients and
18 TRS dependent beneficiaries.

19 (a) Purpose. It is the purpose of this amendatory Act of
20 1995 to transfer the administration of the program of health
21 benefits established for benefit recipients and their
22 dependent beneficiaries under Article 16 of the Illinois
23 Pension Code to the Department of Central Management Services.

24 (b) Transition provisions. The Board of Trustees of the
25 Teachers' Retirement System shall continue to administer the

1 health benefit program established under Article 16 of the
2 Illinois Pension Code through December 31, 1995. Beginning
3 January 1, 1996, the Department of Central Management Services
4 shall be responsible for administering a program of health
5 benefits for TRS benefit recipients and TRS dependent
6 beneficiaries under this Section. The Department of Central
7 Management Services and the Teachers' Retirement System shall
8 cooperate in this endeavor and shall coordinate their
9 activities so as to ensure a smooth transition and
10 uninterrupted health benefit coverage.

11 (c) Eligibility. All persons who were enrolled in the
12 Article 16 program at the time of the transfer shall be
13 eligible to participate in the program established under this
14 Section without any interruption or delay in coverage or
15 limitation as to pre-existing medical conditions. Eligibility
16 to participate shall be determined by the Teachers' Retirement
17 System. Eligibility information shall be communicated to the
18 Department of Central Management Services in a format
19 acceptable to the Department.

20 A TRS dependent beneficiary who is a ~~an unmarried~~ child age
21 19 or over and mentally or physically disabled does not become
22 ineligible to participate by reason of (i) becoming ineligible
23 to be claimed as a dependent for Illinois or federal income tax
24 purposes or (ii) receiving earned income, so long as those
25 earnings are insufficient for the child to be fully
26 self-sufficient.

1 (d) Coverage. The level of health benefits provided under
2 this Section shall be similar to the level of benefits provided
3 by the program previously established under Article 16 of the
4 Illinois Pension Code.

5 Group life insurance benefits are not included in the
6 benefits to be provided to TRS benefit recipients and TRS
7 dependent beneficiaries under this Act.

8 The program of health benefits under this Section may
9 include any or all of the benefit limitations, including but
10 not limited to a reduction in benefits based on eligibility for
11 federal medicare benefits, that are provided under subsection
12 (a) of Section 6 of this Act for other health benefit programs
13 under this Act.

14 (e) Insurance rates and premiums. The Director shall
15 determine the insurance rates and premiums for TRS benefit
16 recipients and TRS dependent beneficiaries, and shall present
17 to the Teachers' Retirement System of the State of Illinois, by
18 April 15 of each calendar year, the rate-setting methodology
19 (including but not limited to utilization levels and costs)
20 used to determine the amount of the health care premiums.

21 For Fiscal Year 1996, the premium shall be equal to the
22 premium actually charged in Fiscal Year 1995; in subsequent
23 years, the premium shall never be lower than the premium
24 charged in Fiscal Year 1995.

25 For Fiscal Year 2003, the premium shall not exceed 110%
26 of the premium actually charged in Fiscal Year 2002.

1 For Fiscal Year 2004, the premium shall not exceed 112%
2 of the premium actually charged in Fiscal Year 2003.

3 For Fiscal Year 2005, the premium shall not exceed a
4 weighted average of 106.6% of the premium actually charged
5 in Fiscal Year 2004.

6 For Fiscal Year 2006, the premium shall not exceed a
7 weighted average of 109.1% of the premium actually charged
8 in Fiscal Year 2005.

9 For Fiscal Year 2007, the premium shall not exceed a
10 weighted average of 103.9% of the premium actually charged
11 in Fiscal Year 2006.

12 For Fiscal Year 2008 and thereafter, the premium in
13 each fiscal year shall not exceed 105% of the premium
14 actually charged in the previous fiscal year.

15 Rates and premiums may be based in part on age and
16 eligibility for federal medicare coverage. However, the cost of
17 participation for a TRS dependent beneficiary who is an
18 unmarried child age 19 or over and mentally or physically
19 disabled shall not exceed the cost for a TRS dependent
20 beneficiary who is an unmarried child under age 19 and
21 participates in the same major medical or managed care program.

22 The cost of health benefits under the program shall be paid
23 as follows:

24 (1) For a TRS benefit recipient selecting a managed
25 care program, up to 75% of the total insurance rate shall
26 be paid from the Teacher Health Insurance Security Fund.

1 Effective with Fiscal Year 2007 and thereafter, for a TRS
2 benefit recipient selecting a managed care program, 75% of
3 the total insurance rate shall be paid from the Teacher
4 Health Insurance Security Fund.

5 (2) For a TRS benefit recipient selecting the major
6 medical coverage program, up to 50% of the total insurance
7 rate shall be paid from the Teacher Health Insurance
8 Security Fund if a managed care program is accessible, as
9 determined by the Teachers' Retirement System. Effective
10 with Fiscal Year 2007 and thereafter, for a TRS benefit
11 recipient selecting the major medical coverage program,
12 50% of the total insurance rate shall be paid from the
13 Teacher Health Insurance Security Fund if a managed care
14 program is accessible, as determined by the Department of
15 Central Management Services.

16 (3) For a TRS benefit recipient selecting the major
17 medical coverage program, up to 75% of the total insurance
18 rate shall be paid from the Teacher Health Insurance
19 Security Fund if a managed care program is not accessible,
20 as determined by the Teachers' Retirement System.
21 Effective with Fiscal Year 2007 and thereafter, for a TRS
22 benefit recipient selecting the major medical coverage
23 program, 75% of the total insurance rate shall be paid from
24 the Teacher Health Insurance Security Fund if a managed
25 care program is not accessible, as determined by the
26 Department of Central Management Services.

1 (3.1) For a TRS dependent beneficiary who is Medicare
2 primary and enrolled in a managed care plan, or the major
3 medical coverage program if a managed care plan is not
4 available, 25% of the total insurance rate shall be paid
5 from the Teacher Health Security Fund as determined by the
6 Department of Central Management Services. For the purpose
7 of this item (3.1), the term "TRS dependent beneficiary who
8 is Medicare primary" means a TRS dependent beneficiary who
9 is participating in Medicare Parts A and B.

10 (4) Except as otherwise provided in item (3.1), the
11 balance of the rate of insurance, including the entire
12 premium of any coverage for TRS dependent beneficiaries
13 that has been elected, shall be paid by deductions
14 authorized by the TRS benefit recipient to be withheld from
15 his or her monthly annuity or benefit payment from the
16 Teachers' Retirement System; except that (i) if the balance
17 of the cost of coverage exceeds the amount of the monthly
18 annuity or benefit payment, the difference shall be paid
19 directly to the Teachers' Retirement System by the TRS
20 benefit recipient, and (ii) all or part of the balance of
21 the cost of coverage may, at the school board's option, be
22 paid to the Teachers' Retirement System by the school board
23 of the school district from which the TRS benefit recipient
24 retired, in accordance with Section 10-22.3b of the School
25 Code. The Teachers' Retirement System shall promptly
26 deposit all moneys withheld by or paid to it under this

1 subdivision (e)(4) into the Teacher Health Insurance
2 Security Fund. These moneys shall not be considered assets
3 of the Retirement System.

4 (f) Financing. Beginning July 1, 1995, all revenues arising
5 from the administration of the health benefit programs
6 established under Article 16 of the Illinois Pension Code or
7 this Section shall be deposited into the Teacher Health
8 Insurance Security Fund, which is hereby created as a
9 nonappropriated trust fund to be held outside the State
10 Treasury, with the State Treasurer as custodian. Any interest
11 earned on moneys in the Teacher Health Insurance Security Fund
12 shall be deposited into the Fund.

13 Moneys in the Teacher Health Insurance Security Fund shall
14 be used only to pay the costs of the health benefit program
15 established under this Section, including associated
16 administrative costs, and the costs associated with the health
17 benefit program established under Article 16 of the Illinois
18 Pension Code, as authorized in this Section. Beginning July 1,
19 1995, the Department of Central Management Services may make
20 expenditures from the Teacher Health Insurance Security Fund
21 for those costs.

22 After other funds authorized for the payment of the costs
23 of the health benefit program established under Article 16 of
24 the Illinois Pension Code are exhausted and until January 1,
25 1996 (or such later date as may be agreed upon by the Director
26 of Central Management Services and the Secretary of the

1 Teachers' Retirement System), the Secretary of the Teachers'
2 Retirement System may make expenditures from the Teacher Health
3 Insurance Security Fund as necessary to pay up to 75% of the
4 cost of providing health coverage to eligible benefit
5 recipients (as defined in Sections 16-153.1 and 16-153.3 of the
6 Illinois Pension Code) who are enrolled in the Article 16
7 health benefit program and to facilitate the transfer of
8 administration of the health benefit program to the Department
9 of Central Management Services.

10 The Department of Healthcare and Family Services, or any
11 successor agency designated to procure healthcare contracts
12 pursuant to this Act, is authorized to establish funds,
13 separate accounts provided by any bank or banks as defined by
14 the Illinois Banking Act, or separate accounts provided by any
15 savings and loan association or associations as defined by the
16 Illinois Savings and Loan Act of 1985 to be held by the
17 Director, outside the State treasury, for the purpose of
18 receiving the transfer of moneys from the Teacher Health
19 Insurance Security Fund. The Department may promulgate rules
20 further defining the methodology for the transfers. Any
21 interest earned by moneys in the funds or accounts shall inure
22 to the Teacher Health Insurance Security Fund. The transferred
23 moneys, and interest accrued thereon, shall be used exclusively
24 for transfers to administrative service organizations or their
25 financial institutions for payments of claims to claimants and
26 providers under the self-insurance health plan. The

1 transferred moneys, and interest accrued thereon, shall not be
2 used for any other purpose including, but not limited to,
3 reimbursement of administration fees due the administrative
4 service organization pursuant to its contract or contracts with
5 the Department.

6 (g) Contract for benefits. The Director shall by contract,
7 self-insurance, or otherwise make available the program of
8 health benefits for TRS benefit recipients and their TRS
9 dependent beneficiaries that is provided for in this Section.
10 The contract or other arrangement for the provision of these
11 health benefits shall be on terms deemed by the Director to be
12 in the best interest of the State of Illinois and the TRS
13 benefit recipients based on, but not limited to, such criteria
14 as administrative cost, service capabilities of the carrier or
15 other contractor, and the costs of the benefits.

16 (g-5) Committee. A Teacher Retirement Insurance Program
17 Committee shall be established, to consist of 10 persons
18 appointed by the Governor.

19 The Committee shall convene at least 4 times each year, and
20 shall consider and make recommendations on issues affecting the
21 program of health benefits provided under this Section.
22 Recommendations of the Committee shall be based on a consensus
23 of the members of the Committee.

24 If the Teacher Health Insurance Security Fund experiences a
25 deficit balance based upon the contribution and subsidy rates
26 established in this Section and Section 6.6 for Fiscal Year

1 2008 or thereafter, the Committee shall make recommendations
2 for adjustments to the funding sources established under these
3 Sections.

4 (h) Continuation of program. It is the intention of the
5 General Assembly that the program of health benefits provided
6 under this Section be maintained on an ongoing, affordable
7 basis.

8 The program of health benefits provided under this Section
9 may be amended by the State and is not intended to be a pension
10 or retirement benefit subject to protection under Article XIII,
11 Section 5 of the Illinois Constitution.

12 (i) Repeal. (Blank).

13 (Source: P.A. 95-632, eff. 9-25-07.)

14 (5 ILCS 375/10) (from Ch. 127, par. 530)

15 Sec. 10. Payments by State; premiums.

16 (a) The State shall pay the cost of basic non-contributory
17 group life insurance and, subject to member paid contributions
18 set by the Department or required by this Section, the basic
19 program of group health benefits on each eligible member,
20 except a member, not otherwise covered by this Act, who has
21 retired as a participating member under Article 2 of the
22 Illinois Pension Code but is ineligible for the retirement
23 annuity under Section 2-119 of the Illinois Pension Code, and
24 part of each eligible member's and retired member's premiums
25 for health insurance coverage for enrolled dependents as

1 provided by Section 9. The State shall pay the cost of the
2 basic program of group health benefits only after benefits are
3 reduced by the amount of benefits covered by Medicare for all
4 members and dependents who are eligible for benefits under
5 Social Security or the Railroad Retirement system or who had
6 sufficient Medicare-covered government employment, except that
7 such reduction in benefits shall apply only to those members
8 and dependents who (1) first become eligible for such Medicare
9 coverage on or after July 1, 1992; or (2) are Medicare-eligible
10 members or dependents of a local government unit which began
11 participation in the program on or after July 1, 1992; or (3)
12 remain eligible for, but no longer receive Medicare coverage
13 which they had been receiving on or after July 1, 1992. The
14 Department may determine the aggregate level of the State's
15 contribution on the basis of actual cost of medical services
16 adjusted for age, sex or geographic or other demographic
17 characteristics 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 and
22 would be an annuitant but for the fact that he or she was made
23 ineligible to participate in the State Universities Retirement
24 System by clause (4) of subsection (a) of Section 15-107 of the
25 Illinois Pension Code shall not be greater than the cost of
26 participation that would otherwise apply to that dependent or

1 survivor if he or she were the dependent or survivor of an
2 annuitant under the State Universities Retirement System.

3 (a-1) Beginning January 1, 1998, for each person who
4 becomes a new SERS annuitant and participates in the basic
5 program of group health benefits, the State shall contribute
6 toward the cost of the annuitant's coverage under the basic
7 program of group health benefits an amount equal to 5% of that
8 cost for each full year of creditable service upon which the
9 annuitant's retirement annuity is based, up to a maximum of
10 100% for an annuitant with 20 or more years of creditable
11 service. The remainder of the cost of a new SERS annuitant's
12 coverage under the basic program of group health benefits shall
13 be the responsibility of the annuitant. In the case of a new
14 SERS annuitant who has elected to receive an alternative
15 retirement cancellation payment under Section 14-108.5 of the
16 Illinois Pension Code in lieu of an annuity, for the purposes
17 of this subsection the annuitant shall be deemed to be
18 receiving a retirement annuity based on the number of years of
19 creditable service that the annuitant had established at the
20 time of his or her termination of service under SERS.

21 (a-2) Beginning January 1, 1998, for each person who
22 becomes a new SERS survivor and participates in the basic
23 program of group health benefits, the State shall contribute
24 toward the cost of the survivor's coverage under the basic
25 program of group health benefits an amount equal to 5% of that
26 cost for each full year of the deceased employee's or deceased

1 annuitant's creditable service in the State Employees'
2 Retirement System of Illinois on the date of death, up to a
3 maximum of 100% for a survivor of an employee or annuitant with
4 20 or more years of creditable service. The remainder of the
5 cost of the new SERS survivor's coverage under the basic
6 program of group health benefits shall be the responsibility of
7 the survivor. In the case of a new SERS survivor who was the
8 dependent of an annuitant who elected to receive an alternative
9 retirement cancellation payment under Section 14-108.5 of the
10 Illinois Pension Code in lieu of an annuity, for the purposes
11 of this subsection the deceased annuitant's creditable service
12 shall be determined as of the date of termination of service
13 rather than the date of death.

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

25 (a-4) (Blank).

26 (a-5) Beginning January 1, 1998, for each person who

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

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

1 (a-7) Beginning July 1, 1998, for each person who becomes a
2 new TRS State survivor and participates in the basic program of
3 group health benefits, the State shall contribute toward the
4 cost of the survivor's coverage under the basic program of
5 group health benefits an amount equal to 5% of that cost for
6 each full year of the deceased employee's or deceased
7 annuitant's creditable service as a teacher as defined in
8 paragraph (2), (3), or (5) of Section 16-106 of the Illinois
9 Pension Code on the date of death, up to a maximum of 100%;
10 except that the State contribution shall be 12.5% per year
11 (rather than 5%) for each full year of the deceased employee's
12 or deceased annuitant's creditable service as a regional
13 superintendent or assistant regional superintendent of
14 schools. The remainder of the cost of the new TRS State
15 survivor's coverage under the basic program of group health
16 benefits shall be the responsibility of the survivor.

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

1 (a-9) No later than May 1 of each calendar year, the
2 Director of Central Management Services shall certify in
3 writing to the Executive Secretary of the State Employees'
4 Retirement System of Illinois the amounts of the Medicare
5 supplement health care premiums and the amounts of the health
6 care premiums for all other retirees who are not Medicare
7 eligible.

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

10 The Director of Central Management Services shall provide
11 to the Executive Secretary of the State Employees' Retirement
12 System of Illinois such information, statistics, and other data
13 as he or she may require to review the premium amounts
14 certified by the Director of Central Management Services.

15 The Department of Healthcare and Family Services, or any
16 successor agency designated to procure healthcare contracts
17 pursuant to this Act, is authorized to establish funds,
18 separate accounts provided by any bank or banks as defined by
19 the Illinois Banking Act, or separate accounts provided by any
20 savings and loan association or associations as defined by the
21 Illinois Savings and Loan Act of 1985 to be held by the
22 Director, outside the State treasury, for the purpose of
23 receiving the transfer of moneys from the Local Government
24 Health Insurance Reserve Fund. The Department may promulgate
25 rules further defining the methodology for the transfers. Any
26 interest earned by moneys in the funds or accounts shall inure

1 to the Local Government Health Insurance Reserve Fund. The
2 transferred moneys, and interest accrued thereon, shall be used
3 exclusively for transfers to administrative service
4 organizations or their financial institutions for payments of
5 claims to claimants and providers under the self-insurance
6 health plan. The transferred moneys, and interest accrued
7 thereon, shall not be used for any other purpose including, but
8 not limited to, reimbursement of administration fees due the
9 administrative service organization pursuant to its contract
10 or contracts with the Department.

11 (b) State employees who become eligible for this program on
12 or after January 1, 1980 in positions normally requiring actual
13 performance of duty not less than 1/2 of a normal work period
14 but not equal to that of a normal work period, shall be given
15 the option of participating in the available program. If the
16 employee elects coverage, the State shall contribute on behalf
17 of such employee to the cost of the employee's benefit and any
18 applicable dependent supplement, that sum which bears the same
19 percentage as that percentage of time the employee regularly
20 works when compared to normal work period.

21 (c) The basic non-contributory coverage from the basic
22 program of group health benefits shall be continued for each
23 employee not in pay status or on active service by reason of
24 (1) leave of absence due to illness or injury, (2) authorized
25 educational leave of absence or sabbatical leave, or (3)
26 military leave ~~with pay and benefits~~. This coverage shall

1 continue until expiration of authorized leave and return to
2 active service, but not to exceed 24 months for leaves under
3 item (1) or (2). This 24-month limitation and the requirement
4 of returning to active service shall not apply to persons
5 receiving ordinary or accidental disability benefits or
6 retirement benefits through the appropriate State retirement
7 system or benefits under the Workers' Compensation or
8 Occupational Disease Act.

9 (d) The basic group life insurance coverage shall continue,
10 with full State contribution, where such person is (1) absent
11 from active service by reason of disability arising from any
12 cause other than self-inflicted, (2) on authorized educational
13 leave of absence or sabbatical leave, or (3) on military leave
14 ~~with pay and benefits.~~

15 (e) Where the person is in non-pay status for a period in
16 excess of 30 days or on leave of absence, other than by reason
17 of disability, educational or sabbatical leave, or military
18 leave ~~with pay and benefits~~, such person may continue coverage
19 only by making personal payment equal to the amount normally
20 contributed by the State on such person's behalf. Such payments
21 and coverage may be continued: (1) until such time as the
22 person returns to a status eligible for coverage at State
23 expense, but not to exceed 24 months or, (2) until such
24 person's employment or annuitant status with the State is
25 terminated, ~~or (3) for a maximum period of 4 years for members~~
26 ~~on military leave with pay and benefits and military leave~~

1 ~~without pay and benefits~~ (exclusive of any additional service
2 imposed pursuant to law).

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

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

17 (h) Those persons occupying positions with any department
18 as a result of emergency appointments pursuant to Section 8b.8
19 of the Personnel Code who are not considered employees under
20 this Act shall be given the option of participating in the
21 programs of group life insurance, health benefits and other
22 employee benefits. Such persons electing coverage may
23 participate only by making payment equal to the amount normally
24 contributed by the State for similarly situated employees. Such
25 amounts shall be determined by the Director. Such payments and
26 coverage may be continued until such time as the person becomes

1 an employee pursuant to this Act or such person's appointment
2 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 participate,
7 a unit of local government must agree to enroll all of its
8 employees, who may select coverage under either the State group
9 health benefits plan or a health maintenance organization that
10 has contracted with the State to be available as a health care
11 provider for employees as defined in this Act. A unit of local
12 government must remit the entire cost of providing coverage
13 under the State group health benefits plan or, for coverage
14 under a health maintenance organization, an amount determined
15 by the Director based on an analysis of the sex, age,
16 geographic location, or other relevant demographic variables
17 for its employees, except that the unit of local government
18 shall not be required to enroll those of its employees who are
19 covered spouses or dependents under this plan or another group
20 policy or plan providing health benefits as long as (1) an
21 appropriate official from the unit of local government attests
22 that each employee not enrolled is a covered spouse or
23 dependent under this plan or another group policy or plan, and
24 (2) at least 50% of the employees are enrolled and the unit of
25 local government remits the entire cost of providing coverage
26 to those employees, except that a participating school district

1 must have enrolled at least 50% of its full-time employees who
2 have not waived coverage under the district's group health plan
3 by participating in a component of the district's cafeteria
4 plan. A participating school district is not required to enroll
5 a full-time employee who has waived coverage under the
6 district's health plan, provided that an appropriate official
7 from the participating school district attests that the
8 full-time employee has waived coverage by participating in a
9 component of the district's cafeteria plan. For the purposes of
10 this subsection, "participating school district" includes a
11 unit of local government whose primary purpose is education as
12 defined by the Department's rules.

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

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

1 (1) In the first year of coverage, the rates shall be
2 equal to the amount normally charged to State employees for
3 elected optional coverages or for enrolled dependents
4 coverages or other contributory coverages, or contributed
5 by the State for basic insurance coverages on behalf of its
6 employees, adjusted for differences between State
7 employees and employees of the local government in age,
8 sex, geographic location or other relevant demographic
9 variables, plus an amount sufficient to pay for the
10 additional administrative costs of providing coverage to
11 employees of the unit of local government and their
12 dependents.

13 (2) In subsequent years, a further adjustment shall be
14 made to reflect the actual prior years' claims experience
15 of the employees of the unit of local government.

16 In the case of coverage of local government employees under
17 a health maintenance organization, the Director shall annually
18 determine for each participating unit of local government the
19 maximum monthly amount the unit may contribute toward that
20 coverage, based on an analysis of (i) the age, sex, geographic
21 location, and other relevant demographic variables of the
22 unit's employees and (ii) the cost to cover those employees
23 under the State group health benefits plan. The Director may
24 similarly determine the maximum monthly amount each unit of
25 local government may contribute toward coverage of its
26 employees' dependents under a health maintenance organization.

1 Monthly payments by the unit of local government or its
2 employees for group health benefits plan or health maintenance
3 organization coverage shall be deposited in the Local
4 Government Health Insurance Reserve Fund.

5 The Local Government Health Insurance Reserve Fund is
6 hereby created as a nonappropriated trust fund to be held
7 outside the State Treasury, with the State Treasurer as
8 custodian. The Local Government Health Insurance Reserve Fund
9 shall be a continuing fund not subject to fiscal year
10 limitations. The Local Government Health Insurance Reserve
11 Fund is not subject to administrative charges or charge-backs,
12 including but not limited to those authorized under Section 8h
13 of the State Finance Act. All revenues arising from the
14 administration of the health benefits program established
15 under this Section shall be deposited into the Local Government
16 Health Insurance Reserve Fund. Any interest earned on moneys in
17 the Local Government Health Insurance Reserve Fund shall be
18 deposited into the Fund. All expenditures from this Fund shall
19 be used for payments for health care benefits for local
20 government and rehabilitation facility employees, annuitants,
21 and dependents, and to reimburse the Department or its
22 administrative service organization for all expenses incurred
23 in the administration of benefits. No other State funds may be
24 used for these purposes.

25 A local government employer's participation or desire to
26 participate in a program created under this subsection shall

1 not limit that employer's duty to bargain with the
2 representative of any collective bargaining unit of its
3 employees.

4 (j) Any rehabilitation facility within the State of
5 Illinois may apply to the Director to have its employees,
6 annuitants, and their eligible dependents provided group
7 health coverage under this Act on a non-insured basis. To
8 participate, a rehabilitation facility must agree to enroll all
9 of its employees and remit the entire cost of providing such
10 coverage for its employees, except that the rehabilitation
11 facility shall not be required to enroll those of its employees
12 who are covered spouses or dependents under this plan or
13 another group policy or plan providing health benefits as long
14 as (1) an appropriate official from the rehabilitation facility
15 attests that each employee not enrolled is a covered spouse or
16 dependent under this plan or another group policy or plan, and
17 (2) at least 50% of the employees are enrolled and the
18 rehabilitation facility remits the entire cost of providing
19 coverage to those employees. Employees of a participating
20 rehabilitation facility who are not enrolled due to coverage
21 under another group health policy or plan may enroll in the
22 event of a qualifying change in status, special enrollment,
23 special circumstance as defined by the Director, or during the
24 annual Benefit Choice Period. A participating rehabilitation
25 facility may also elect to cover its annuitants. Dependent
26 coverage shall be offered on an optional basis, with the costs

1 paid by the rehabilitation facility, its employees, or some
2 combination of the 2 as determined by the rehabilitation
3 facility. The rehabilitation facility shall be responsible for
4 timely collection and transmission of dependent premiums.

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

7 (1) In the first year of coverage, the rates shall be
8 equal to the amount normally charged to State employees for
9 elected optional coverages or for enrolled dependents
10 coverages or other contributory coverages on behalf of its
11 employees, adjusted for differences between State
12 employees and employees of the rehabilitation facility in
13 age, sex, geographic location or other relevant
14 demographic variables, plus an amount sufficient to pay for
15 the additional administrative costs of providing coverage
16 to employees of the rehabilitation facility and their
17 dependents.

18 (2) In subsequent years, a further adjustment shall be
19 made to reflect the actual prior years' claims experience
20 of the employees of the rehabilitation facility.

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

24 (k) Any domestic violence shelter or service within the
25 State of Illinois may apply to the Director to have its
26 employees, annuitants, and their dependents provided group

1 health coverage under this Act on a non-insured basis. To
2 participate, a domestic violence shelter or service must agree
3 to enroll all of its employees and pay the entire cost of
4 providing such coverage for its employees. The domestic
5 violence shelter shall not be required to enroll those of its
6 employees who are covered spouses or dependents under this plan
7 or another group policy or plan providing health benefits as
8 long as (1) an appropriate official from the domestic violence
9 shelter attests that each employee not enrolled is a covered
10 spouse or dependent under this plan or another group policy or
11 plan and (2) at least 50% of the employees are enrolled and the
12 domestic violence shelter remits the entire cost of providing
13 coverage to those employees. Employees of a participating
14 domestic violence shelter who are not enrolled due to coverage
15 under another group health policy or plan may enroll in the
16 event of a qualifying change in status, special enrollment, or
17 special circumstance as defined by the Director or during the
18 annual Benefit Choice Period. A participating domestic
19 violence shelter may also elect to cover its annuitants.
20 Dependent coverage shall be offered on an optional basis, with
21 employees, or some combination of the 2 as determined by the
22 domestic violence shelter or service. The domestic violence
23 shelter or service shall be responsible for timely collection
24 and transmission of dependent premiums.

25 The Director shall annually determine rates of payment,
26 subject to the following constraints:

1 (1) In the first year of coverage, the rates shall be
2 equal to the amount normally charged to State employees for
3 elected optional coverages or for enrolled dependents
4 coverages or other contributory coverages on behalf of its
5 employees, adjusted for differences between State
6 employees and employees of the domestic violence shelter or
7 service in age, sex, geographic location or other relevant
8 demographic variables, plus an amount sufficient to pay for
9 the additional administrative costs of providing coverage
10 to employees of the domestic violence shelter or service
11 and their dependents.

12 (2) In subsequent years, a further adjustment shall be
13 made to reflect the actual prior years' claims experience
14 of the employees of the domestic violence shelter or
15 service.

16 Monthly payments by the domestic violence shelter or
17 service or its employees for group health insurance shall be
18 deposited in the Local Government Health Insurance Reserve
19 Fund.

20 (1) A public community college or entity organized pursuant
21 to the Public Community College Act may apply to the Director
22 initially to have only annuitants not covered prior to July 1,
23 1992 by the district's health plan provided health coverage
24 under this Act on a non-insured basis. The community college
25 must execute a 2-year contract to participate in the Local
26 Government Health Plan. Any annuitant may enroll in the event

1 of a qualifying change in status, special enrollment, special
2 circumstance as defined by the Director, or during the annual
3 Benefit Choice Period.

4 The Director shall annually determine monthly rates of
5 payment subject to the following constraints: for those
6 community colleges with annuitants only enrolled, first year
7 rates shall be equal to the average cost to cover claims for a
8 State member adjusted for demographics, Medicare
9 participation, and other factors; and in the second year, a
10 further adjustment of rates shall be made to reflect the actual
11 first year's claims experience of the covered annuitants.

12 (l-5) The provisions of subsection (l) become inoperative
13 on July 1, 1999.

14 (m) The Director shall adopt any rules deemed necessary for
15 implementation of this amendatory Act of 1989 (Public Act
16 86-978).

17 (n) Any child advocacy center within the State of Illinois
18 may apply to the Director to have its employees, annuitants,
19 and their dependents provided group health coverage under this
20 Act on a non-insured basis. To participate, a child advocacy
21 center must agree to enroll all of its employees and pay the
22 entire cost of providing coverage for its employees. The child
23 advocacy center shall not be required to enroll those of its
24 employees who are covered spouses or dependents under this plan
25 or another group policy or plan providing health benefits as
26 long as (1) an appropriate official from the child advocacy

1 center attests that each employee not enrolled is a covered
2 spouse or dependent under this plan or another group policy or
3 plan and (2) at least 50% of the employees are enrolled and the
4 child advocacy center remits the entire cost of providing
5 coverage to those employees. Employees of a participating child
6 advocacy center who are not enrolled due to coverage under
7 another group health policy or plan may enroll in the event of
8 a qualifying change in status, special enrollment, or special
9 circumstance as defined by the Director or during the annual
10 Benefit Choice Period. A participating child advocacy center
11 may also elect to cover its annuitants. Dependent coverage
12 shall be offered on an optional basis, with the costs paid by
13 the child advocacy center, its employees, or some combination
14 of the 2 as determined by the child advocacy center. The child
15 advocacy center shall be responsible for timely collection and
16 transmission of dependent premiums.

17 The Director shall annually determine rates of payment,
18 subject to the following constraints:

19 (1) In the first year of coverage, the rates shall be
20 equal to the amount normally charged to State employees for
21 elected optional coverages or for enrolled dependents
22 coverages or other contributory coverages on behalf of its
23 employees, adjusted for differences between State
24 employees and employees of the child advocacy center in
25 age, sex, geographic location, or other relevant
26 demographic variables, plus an amount sufficient to pay for

1 the additional administrative costs of providing coverage
2 to employees of the child advocacy center and their
3 dependents.

4 (2) In subsequent years, a further adjustment shall be
5 made to reflect the actual prior years' claims experience
6 of the employees of the child advocacy center.

7 Monthly payments by the child advocacy center or its
8 employees for group health insurance shall be deposited into
9 the Local Government Health Insurance Reserve Fund.

10 (Source: P.A. 95-331, eff. 8-21-07; 95-632, eff. 9-25-07;
11 95-707, eff. 1-11-08; 96-756, eff. 1-1-10; 96-1232, eff.
12 7-23-10.)

13 Section 99. Effective date. This Act takes effect upon
14 becoming law.