

1 AN ACT concerning insurance.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Comprehensive Health Insurance Plan Act is
5 amended by changing Section 2 as follows:

6 (215 ILCS 105/2) (from Ch. 73, par. 1302)

7 Sec. 2. Definitions. As used in this Act, unless the
8 context otherwise requires:

9 "Plan administrator" means the insurer or third party
10 administrator designated under Section 5 of this Act.

11 "Benefits plan" means the coverage to be offered by the
12 Plan to eligible persons and federally eligible individuals
13 pursuant to this Act.

14 "Board" means the Illinois Comprehensive Health Insurance
15 Board.

16 "Church plan" has the same meaning given that term in the
17 federal Health Insurance Portability and Accountability Act of
18 1996.

19 "Continuation coverage" means continuation of coverage
20 under a group health plan or other health insurance coverage
21 for former employees or dependents of former employees that
22 would otherwise have terminated under the terms of that
23 coverage pursuant to any continuation provisions under federal

1 or State law, including the Consolidated Omnibus Budget
2 Reconciliation Act of 1985 (COBRA), as amended, Sections 367.2,
3 367e, and 367e.1 of the Illinois Insurance Code, or any other
4 similar requirement in another State.

5 "Covered person" means a person who is and continues to
6 remain eligible for Plan coverage and is covered under one of
7 the benefit plans offered by the Plan.

8 "Creditable coverage" means, with respect to a federally
9 eligible individual, coverage of the individual under any of
10 the following:

11 (A) A group health plan.

12 (B) Health insurance coverage (including group health
13 insurance coverage).

14 (C) Medicare.

15 (D) Medical assistance.

16 (E) Chapter 55 of title 10, United States Code.

17 (F) A medical care program of the Indian Health Service
18 or of a tribal organization.

19 (G) A state health benefits risk pool.

20 (H) A health plan offered under Chapter 89 of title 5,
21 United States Code.

22 (I) A public health plan (as defined in regulations
23 consistent with Section 104 of the Health Care Portability
24 and Accountability Act of 1996 that may be promulgated by
25 the Secretary of the U.S. Department of Health and Human
26 Services).

1 (J) A health benefit plan under Section 5(e) of the
2 Peace Corps Act (22 U.S.C. 2504(e)).

3 (K) Any other qualifying coverage required by the
4 federal Health Insurance Portability and Accountability
5 Act of 1996, as it may be amended, or regulations under
6 that Act.

7 "Creditable coverage" does not include coverage consisting
8 solely of coverage of excepted benefits, as defined in Section
9 2791(c) of title XXVII of the Public Health Service Act (42
10 U.S.C. 300 gg-91), nor does it include any period of coverage
11 under any of items (A) through (K) that occurred before a break
12 of more than 90 days or, if the individual has been certified
13 as eligible pursuant to the federal Trade Act of 2002, a break
14 of more than 63 days during all of which the individual was not
15 covered under any of items (A) through (K) above.

16 Any period that an individual is in a waiting period for
17 any coverage under a group health plan (or for group health
18 insurance coverage) or is in an affiliation period under the
19 terms of health insurance coverage offered by a health
20 maintenance organization shall not be taken into account in
21 determining if there has been a break of more than 90 days in
22 any creditable coverage.

23 "Department" means the Illinois Department of Insurance.

24 "Dependent" means an Illinois resident: who is a spouse; or
25 who is claimed as a dependent by the principal insured for
26 purposes of filing a federal income tax return and resides in

1 the principal insured's household, and is a resident unmarried
2 child under the age of 19 years; or who is an unmarried child
3 who also is a full-time student under the age of 23 years and
4 who is financially dependent upon the principal insured; or who
5 is a child of any age and who is disabled and financially
6 dependent upon the principal insured.

7 "Direct Illinois premiums" means, for Illinois business,
8 an insurer's direct premium income for the kinds of business
9 described in clause (b) of Class 1 or clause (a) of Class 2 of
10 Section 4 of the Illinois Insurance Code, and direct premium
11 income of a health maintenance organization or a voluntary
12 health services plan, except it shall not include credit health
13 insurance as defined in Article IX 1/2 of the Illinois
14 Insurance Code.

15 "Director" means the Director of the Illinois Department of
16 Insurance.

17 "Effective date of medical assistance" means the date that
18 eligibility for medical assistance for a person is approved by
19 the Department of Human Services or the Department of
20 Healthcare and Family Services, except when the Department of
21 Human Services or the Department of Healthcare and Family
22 Services determines eligibility retroactively. In such
23 circumstances, the effective date of the medical assistance is
24 the date the Department of Human Services or the Department of
25 Healthcare and Family Services determines the person to be
26 eligible for medical assistance. As it pertains to Medicare,

1 the effective date is 24 months after the entitlement date as
2 approved by the Social Security Administration, except when
3 eligibility is made retroactive to a prior date. In such
4 circumstances, the effective date of Medicare is the date on
5 the Notice of Award letter issued by the Social Security
6 Administration.

7 "Eligible person" means a resident of this State who
8 qualifies for Plan coverage under Section 7 of this Act.

9 "Employee" means a resident of this State who is employed
10 by an employer or has entered into the employment of or works
11 under contract or service of an employer including the
12 officers, managers and employees of subsidiary or affiliated
13 corporations and the individual proprietors, partners and
14 employees of affiliated individuals and firms when the business
15 of the subsidiary or affiliated corporations, firms or
16 individuals is controlled by a common employer through stock
17 ownership, contract, or otherwise.

18 "Employer" means any individual, partnership, association,
19 corporation, business trust, or any person or group of persons
20 acting directly or indirectly in the interest of an employer in
21 relation to an employee, for which one or more persons is
22 gainfully employed.

23 "Family" coverage means the coverage provided by the Plan
24 for the covered person and his or her eligible dependents who
25 also are covered persons.

26 "Federally eligible individual" means an individual

1 resident of this State:

2 (1) (A) for whom, as of the date on which the individual
3 seeks Plan coverage under Section 15 of this Act, the
4 aggregate of the periods of creditable coverage is 18 or
5 more months or, if the individual has been certified as
6 eligible pursuant to the federal Trade Act of 2002, 3 or
7 more months, and (B) whose most recent prior creditable
8 coverage was under group health insurance coverage offered
9 by a health insurance issuer, a group health plan, a
10 governmental plan, or a church plan (or health insurance
11 coverage offered in connection with any such plans) or any
12 other type of creditable coverage that may be required by
13 the federal Health Insurance Portability and
14 Accountability Act of 1996, as it may be amended, or the
15 regulations under that Act;

16 (2) who is not eligible for coverage under (A) a group
17 health plan (other than an individual who has been
18 certified as eligible pursuant to the federal Trade Act of
19 2002), (B) part A or part B of Medicare due to age (other
20 than an individual who has been certified as eligible
21 pursuant to the federal Trade Act of 2002), or (C) medical
22 assistance, and does not have other health insurance
23 coverage (other than an individual who has been certified
24 as eligible pursuant to the federal Trade Act of 2002);

25 (3) with respect to whom (other than an individual who
26 has been certified as eligible pursuant to the federal

1 Trade Act of 2002) the most recent coverage within the
2 coverage period described in paragraph (1)(A) of this
3 definition was not terminated based upon a factor relating
4 to nonpayment of premiums or fraud;

5 (4) if the individual (other than an individual who has
6 been certified as eligible pursuant to the federal Trade
7 Act of 2002) had been offered the option of continuation
8 coverage under a COBRA continuation provision or under a
9 similar State program, who elected such coverage; and

10 (5) who, if the individual elected such continuation
11 coverage, has exhausted such continuation coverage under
12 such provision or program.

13 However, an individual who has been certified as eligible
14 pursuant to the federal Trade Act of 2002 shall not be required
15 to elect continuation coverage under a COBRA continuation
16 provision or under a similar state program.

17 "Group health insurance coverage" means, in connection
18 with a group health plan, health insurance coverage offered in
19 connection with that plan.

20 "Group health plan" has the same meaning given that term in
21 the federal Health Insurance Portability and Accountability
22 Act of 1996.

23 "Governmental plan" has the same meaning given that term in
24 the federal Health Insurance Portability and Accountability
25 Act of 1996.

26 "Health insurance coverage" means benefits consisting of

1 medical care (provided directly, through insurance or
2 reimbursement, or otherwise and including items and services
3 paid for as medical care) under any hospital and medical
4 expense-incurred policy, certificate, or contract provided by
5 an insurer, non-profit health care service plan contract,
6 health maintenance organization or other subscriber contract,
7 or any other health care plan or arrangement that pays for or
8 furnishes medical or health care services whether by insurance
9 or otherwise. Health insurance coverage shall not include short
10 term, accident only, disability income, hospital confinement
11 or fixed indemnity, dental only, vision only, limited benefit,
12 or credit insurance, coverage issued as a supplement to
13 liability insurance, insurance arising out of a workers'
14 compensation or similar law, automobile medical-payment
15 insurance, or insurance under which benefits are payable with
16 or without regard to fault and which is statutorily required to
17 be contained in any liability insurance policy or equivalent
18 self-insurance.

19 "Health insurance issuer" means an insurance company,
20 insurance service, or insurance organization (including a
21 health maintenance organization and a voluntary health
22 services plan) that is authorized to transact health insurance
23 business in this State. Such term does not include a group
24 health plan.

25 "Health Maintenance Organization" means an organization as
26 defined in the Health Maintenance Organization Act.

1 "Hospice" means a program as defined in and licensed under
2 the Hospice Program Licensing Act.

3 "Hospital" means a duly licensed institution as defined in
4 the Hospital Licensing Act, an institution that meets all
5 comparable conditions and requirements in effect in the state
6 in which it is located, or the University of Illinois Hospital
7 as defined in the University of Illinois Hospital Act.

8 "Individual health insurance coverage" means health
9 insurance coverage offered to individuals in the individual
10 market, but does not include short-term, limited-duration
11 insurance.

12 "Insured" means any individual resident of this State who
13 is eligible to receive benefits from any insurer (including
14 health insurance coverage offered in connection with a group
15 health plan) or health insurance issuer as defined in this
16 Section.

17 "Insurer" means any insurance company authorized to
18 transact health insurance business in this State and any
19 corporation that provides medical services and is organized
20 under the Voluntary Health Services Plans Act or the Health
21 Maintenance Organization Act.

22 "Medical assistance" means the State medical assistance or
23 medical assistance no grant (MANG) programs provided under
24 Title XIX of the Social Security Act and Articles V (Medical
25 Assistance) and VI (General Assistance) of the Illinois Public
26 Aid Code (or any successor program) or under any similar

1 program of health care benefits in a state other than Illinois.

2 "Medically necessary" means that a service, drug, or supply
3 is necessary and appropriate for the diagnosis or treatment of
4 an illness or injury in accord with generally accepted
5 standards of medical practice at the time the service, drug, or
6 supply is provided. When specifically applied to a confinement
7 it further means that the diagnosis or treatment of the covered
8 person's medical symptoms or condition cannot be safely
9 provided to that person as an outpatient. A service, drug, or
10 supply shall not be medically necessary if it: (i) is
11 investigational, experimental, or for research purposes; or
12 (ii) is provided solely for the convenience of the patient, the
13 patient's family, physician, hospital, or any other provider;
14 or (iii) exceeds in scope, duration, or intensity that level of
15 care that is needed to provide safe, adequate, and appropriate
16 diagnosis or treatment; or (iv) could have been omitted without
17 adversely affecting the covered person's condition or the
18 quality of medical care; or (v) involves the use of a medical
19 device, drug, or substance not formally approved by the United
20 States Food and Drug Administration.

21 "Medical care" means the ordinary and usual professional
22 services rendered by a physician or other specified provider
23 during a professional visit for treatment of an illness or
24 injury.

25 "Medicare" means coverage under both Part A and Part B of
26 Title XVIII of the Social Security Act, 42 U.S.C. Sec. 1395, et

1 seq.

2 "Minimum premium plan" means an arrangement whereby a
3 specified amount of health care claims is self-funded, but the
4 insurance company assumes the risk that claims will exceed that
5 amount.

6 "Participating transplant center" means a hospital
7 designated by the Board as a preferred or exclusive provider of
8 services for one or more specified human organ or tissue
9 transplants for which the hospital has signed an agreement with
10 the Board to accept a transplant payment allowance for all
11 expenses related to the transplant during a transplant benefit
12 period.

13 "Physician" means a person licensed to practice medicine
14 pursuant to the Medical Practice Act of 1987.

15 "Plan" means the Comprehensive Health Insurance Plan
16 established by this Act.

17 "Plan of operation" means the plan of operation of the
18 Plan, including articles, bylaws and operating rules, adopted
19 by the board pursuant to this Act.

20 "Provider" means any hospital, skilled nursing facility,
21 hospice, home health agency, physician, registered pharmacist
22 acting within the scope of that registration, or any other
23 person or entity licensed in Illinois to furnish medical care.

24 "Qualified high risk pool" has the same meaning given that
25 term in the federal Health Insurance Portability and
26 Accountability Act of 1996.

1 "Resident" means a person who is and continues to be
2 legally domiciled and physically residing on a permanent and
3 full-time basis in a place of permanent habitation in this
4 State that remains that person's principal residence and from
5 which that person is absent only for temporary or transitory
6 purpose.

7 "Skilled nursing facility" means a facility or that portion
8 of a facility that is licensed by the Illinois Department of
9 Public Health under the Nursing Home Care Act or a comparable
10 licensing authority in another state to provide skilled nursing
11 care.

12 "Stop-loss coverage" means an arrangement whereby an
13 insurer insures against the risk that any one claim will exceed
14 a specific dollar amount or that the entire loss of a
15 self-insurance plan will exceed a specific amount.

16 "Third party administrator" means an administrator as
17 defined in Section 511.101 of the Illinois Insurance Code who
18 is licensed under Article XXXI 1/4 of that Code.

19 (Source: P.A. 95-965, eff. 9-23-08.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.