



Sen. William R. Haine

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1 AMENDMENT TO SENATE BILL 1556

2 AMENDMENT NO. _____. Amend Senate Bill 1556 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Employees Group Insurance Act of 1971
5 is amended by changing Sections 3 and 8 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

1 administration executed with the Department.

2 (b) "Annuitant" means (1) an employee who retires, or has
3 retired, on or after January 1, 1966 on an immediate annuity
4 under the provisions of Articles 2, 14 (including an employee
5 who has elected to receive an alternative retirement
6 cancellation payment under Section 14-108.5 of the Illinois
7 Pension Code in lieu of an annuity), 15 (including an employee
8 who has retired under the optional retirement program
9 established under Section 15-158.2), paragraphs (2), (3), or
10 (5) of Section 16-106, or Article 18 of the Illinois Pension
11 Code; (2) any person who was receiving group insurance coverage
12 under this Act as of March 31, 1978 by reason of his status as
13 an annuitant, even though the annuity in relation to which such
14 coverage was provided is a proportional annuity based on less
15 than the minimum period of service required for a retirement
16 annuity in the system involved; (3) any person not otherwise
17 covered by this Act who has retired as a participating member
18 under Article 2 of the Illinois Pension Code but is ineligible
19 for the retirement annuity under Section 2-119 of the Illinois
20 Pension Code; (4) the spouse of any person who is receiving a
21 retirement annuity under Article 18 of the Illinois Pension
22 Code and who is covered under a group health insurance program
23 sponsored by a governmental employer other than the State of
24 Illinois and who has irrevocably elected to waive his or her
25 coverage under this Act and to have his or her spouse
26 considered as the "annuitant" under this Act and not as a

1 "dependent"; or (5) an employee who retires, or has retired,
2 from a qualified position, as determined according to rules
3 promulgated by the Director, under a qualified local
4 government, a qualified rehabilitation facility, a qualified
5 domestic violence shelter or service, or a qualified child
6 advocacy center. (For definition of "retired employee", see (p)
7 post).

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

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

25 (b-7) "New TRS State annuitant" means a person who, on or
26 after July 1, 1998, becomes an annuitant, as defined in

1 subsection (b), by virtue of beginning to receive a retirement
2 annuity under Article 16 of the Illinois Pension Code based on
3 service as a teacher as defined in paragraph (2), (3), or (5)
4 of Section 16-106 of that Code, and is eligible to participate
5 in the basic program of group health benefits provided for
6 annuitants under this Act.

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

13 (d) "Compensation" means salary or wages payable on a
14 regular payroll by the State Treasurer on a warrant of the
15 State Comptroller out of any State, trust or federal fund, or
16 by the Governor of the State through a disbursing officer of
17 the State out of a trust or out of federal funds, or by any
18 Department out of State, trust, federal or other funds held by
19 the State Treasurer or the Department, to any person for
20 personal services currently performed, and ordinary or
21 accidental disability benefits under Articles 2, 14, 15
22 (including ordinary or accidental disability benefits under
23 the optional retirement program established under Section
24 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
25 Article 18 of the Illinois Pension Code, for disability
26 incurred after January 1, 1966, or benefits payable under the

1 Workers' Compensation or Occupational Diseases Act or benefits
2 payable under a sick pay plan established in accordance with
3 Section 36 of the State Finance Act. "Compensation" also means
4 salary or wages paid to an employee of any qualified local
5 government, qualified rehabilitation facility, qualified
6 domestic violence shelter or service, or qualified child
7 advocacy center.

8 (e) "Commission" means the State Employees Group Insurance
9 Advisory Commission authorized by this Act. Commencing July 1,
10 1984, "Commission" as used in this Act means the Commission on
11 Government Forecasting and Accountability as established by
12 the Legislative Commission Reorganization Act of 1984.

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

21 (g) "Department" means any department, institution, board,
22 commission, officer, court or any agency of the State
23 government receiving appropriations and having power to
24 certify payrolls to the Comptroller authorizing payments of
25 salary and wages against such appropriations as are made by the
26 General Assembly from any State fund, or against trust funds

1 held by the State Treasurer and includes boards of trustees of
2 the retirement systems created by Articles 2, 14, 15, 16 and 18
3 of the Illinois Pension Code. "Department" also includes the
4 Illinois Comprehensive Health Insurance Board, the Board of
5 Examiners established under the Illinois Public Accounting
6 Act, and the Illinois Finance Authority.

7 (h) "Dependent", when the term is used in the context of
8 the health and life plan, means a member's spouse and any child
9 (1) from birth to age 26 including an adopted child, a child
10 who lives with the member from the time of the filing of a
11 petition for adoption until entry of an order of adoption, a
12 stepchild or adjudicated child, or a child who lives with the
13 member if such member is a court appointed guardian of the
14 child or (2) age 19 or over who is mentally or physically
15 disabled from a cause originating prior to the age of 19 (age
16 26 if enrolled as an adult child dependent). For the health
17 plan only, the term "dependent" also includes (1) any person
18 enrolled prior to the effective date of this Section who is
19 dependent upon the member to the extent that the member may
20 claim such person as a dependent for income tax deduction
21 purposes and (2) any person who has received after June 30,
22 2000 an organ transplant and who is financially dependent upon
23 the member and eligible to be claimed as a dependent for income
24 tax purposes. A member requesting to cover any dependent must
25 provide documentation as requested by the Department of Central
26 Management Services and file with the Department any and all

1 forms required by the Department.

2 (i) "Director" means the Director of the Illinois
3 Department of Central Management Services or of any successor
4 agency designated to administer this Act.

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

8 (k) "Employee" means and includes each officer or employee
9 in the service of a department who (1) receives his
10 compensation for service rendered to the department on a
11 warrant issued pursuant to a payroll certified by a department
12 or on a warrant or check issued and drawn by a department upon
13 a trust, federal or other fund or on a warrant issued pursuant
14 to a payroll certified by an elected or duly appointed officer
15 of the State or who receives payment of the performance of
16 personal services on a warrant issued pursuant to a payroll
17 certified by a Department and drawn by the Comptroller upon the
18 State Treasurer against appropriations made by the General
19 Assembly from any fund or against trust funds held by the State
20 Treasurer, and (2) is employed full-time or part-time in a
21 position normally requiring actual performance of duty during
22 not less than 1/2 of a normal work period, as established by
23 the Director in cooperation with each department, except that
24 persons elected by popular vote will be considered employees
25 during the entire term for which they are elected regardless of
26 hours devoted to the service of the State, and (3) except that

1 "employee" does not include any person who is not eligible by
2 reason of such person's employment to participate in one of the
3 State retirement systems under Articles 2, 14, 15 (either the
4 regular Article 15 system or the optional retirement program
5 established under Section 15-158.2) or 18, or under paragraph
6 (2), (3), or (5) of Section 16-106, of the Illinois Pension
7 Code, but such term does include persons who are employed
8 during the 6 month qualifying period under Article 14 of the
9 Illinois Pension Code. Such term also includes any person who
10 (1) after January 1, 1966, is receiving ordinary or accidental
11 disability benefits under Articles 2, 14, 15 (including
12 ordinary or accidental disability benefits under the optional
13 retirement program established under Section 15-158.2),
14 paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of
15 the Illinois Pension Code, for disability incurred after
16 January 1, 1966, (2) receives total permanent or total
17 temporary disability under the Workers' Compensation Act or
18 Occupational Disease Act as a result of injuries sustained or
19 illness contracted in the course of employment with the State
20 of Illinois, or (3) is not otherwise covered under this Act and
21 has 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.
24 However, a person who satisfies the criteria of the foregoing
25 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 is also an "employee" for the purposes of
3 this Act. "Employee" also includes any person receiving or
4 eligible for benefits under a sick pay plan established in
5 accordance with Section 36 of the State Finance Act. "Employee"
6 also includes (i) each officer or employee in the service of a
7 qualified local government, including persons appointed as
8 trustees of sanitary districts regardless of hours devoted to
9 the service of the sanitary district, (ii) each employee in the
10 service of a qualified rehabilitation facility, (iii) each
11 full-time employee in the service of a qualified domestic
12 violence shelter or service, and (iv) each full-time employee
13 in the service of a qualified child advocacy center, as
14 determined according to rules promulgated by the Director.

15 (1) "Member" means an employee, annuitant, retired
16 employee or survivor. In the case of an annuitant or retired
17 employee who first becomes an annuitant or retired employee on
18 or after the effective date of this amendatory Act of the 97th
19 General Assembly, the individual must meet the minimum vesting
20 requirements of the applicable retirement system in order to be
21 eligible for group insurance benefits under that system. In the
22 case of a survivor who first becomes a survivor on or after the
23 effective date of this amendatory Act of the 97th General
24 Assembly, the deceased employee, annuitant, or retired
25 employee upon whom the annuity is based must have been eligible
26 to participate in the group insurance system under the

1 applicable retirement system in order for the survivor to be
2 eligible for group insurance benefits under that system.

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

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

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

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

20 (q) "Survivor" means a person receiving an annuity as a
21 survivor of an employee or of an annuitant. "Survivor" also
22 includes: (1) the surviving dependent of a person who satisfies
23 the definition of "employee" except that such person is made
24 ineligible to participate in the State Universities Retirement
25 System by clause (4) of subsection (a) of Section 15-107 of the
26 Illinois Pension Code; (2) the surviving dependent of any

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

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

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

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

18 (q-5) "New SERS survivor" means a survivor, as defined in
19 subsection (q), whose annuity is paid under Article 14 of the
20 Illinois Pension Code and is based on the death of (i) an
21 employee whose death occurs on or after January 1, 1998, or
22 (ii) a new SERS annuitant as defined in subsection (b-5). "New
23 SERS survivor" includes the surviving dependent of a person who
24 was an annuitant under this Act by virtue of receiving an
25 alternative retirement cancellation payment under Section
26 14-108.5 of the Illinois Pension Code.

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

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

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

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

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

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

1 (u) "Qualified domestic violence shelter or service" means
2 any Illinois domestic violence shelter or service and its
3 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; and

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

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

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

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

25 (2) is a TRS benefit recipient's: (A) spouse, (B)
26 dependent parent who is receiving at least half of his or

1 her support from the TRS benefit recipient, or (C) natural,
2 step, adjudicated, or adopted child who is (i) under age
3 26, (ii) was, on January 1, 1996, participating as a
4 dependent beneficiary in the health insurance program
5 offered under Article 16 of the Illinois Pension Code, or
6 (iii) age 19 or over who is mentally or physically disabled
7 from a cause originating prior to the age of 19 (age 26 if
8 enrolled as an adult child).

9 "TRS dependent beneficiary" does not include, as indicated
10 under paragraph (2) of this subsection (w), a dependent of the
11 survivor of a TRS benefit recipient who first becomes a
12 dependent of a survivor of a TRS benefit recipient on or after
13 the effective date of this amendatory Act of the 97th General
14 Assembly unless that dependent would have been eligible for
15 coverage as a dependent of the deceased TRS benefit recipient
16 upon whom the survivor benefit is based.

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

22 (y) (Blank).

23 (z) "Community college benefit recipient" means a person
24 who:

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

26 (2) is receiving a monthly survivor's annuity or

1 retirement annuity under Article 15 of the Illinois Pension
2 Code; and

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

16 (aa) "Community college dependent beneficiary" means a
17 person who:

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

20 (2) is a community college benefit recipient's: (A)
21 spouse, (B) dependent parent who is receiving at least half
22 of his or her support from the community college benefit
23 recipient, or (C) natural, step, adjudicated, or adopted
24 child who is (i) under age 26, or (ii) age 19 or over and
25 mentally or physically disabled from a cause originating
26 prior to the age of 19 (age 26 if enrolled as an adult

1 child).

2 "Community college dependent beneficiary" does not
3 include, as indicated under paragraph (2) of this subsection
4 (aa), a dependent of the survivor of a community college
5 benefit recipient who first becomes a dependent of a survivor
6 of a community college benefit recipient on or after the
7 effective date of this amendatory Act of the 97th General
8 Assembly unless that dependent would have been eligible for
9 coverage as a dependent of the deceased community college
10 benefit recipient upon whom the survivor annuity is based.

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

17 (Source: P.A. 95-331, eff. 8-21-07; 95-632, eff. 9-25-07;
18 96-756, eff. 1-1-10; 96-1519, eff. 2-4-11.)

19 (5 ILCS 375/8) (from Ch. 127, par. 528)

20 Sec. 8. Eligibility.

21 (a) Each employee ~~member~~ eligible under the provisions of
22 this Act and any rules and regulations promulgated and adopted
23 hereunder by the Director shall become immediately eligible and
24 covered for all benefits available under the programs.
25 Employees ~~Members~~ electing coverage for eligible dependents

1 shall have the coverage effective immediately, provided that
2 the election is properly filed in accordance with required
3 filing dates and procedures specified by the Director,
4 including the completion and submission of all documentation
5 and forms required by the Director.

6 (1) Every member originally eligible to elect
7 dependent coverage, but not electing it during the original
8 eligibility period, may subsequently obtain dependent
9 coverage only in the event of a qualifying change in
10 status, special enrollment, special circumstance as
11 defined by the Director, or during the annual Benefit
12 Choice Period.

13 (2) Members described above being transferred from
14 previous coverage towards which the State has been
15 contributing shall be transferred regardless of
16 preexisting conditions, waiting periods, or other
17 requirements that might jeopardize claim payments to which
18 they would otherwise have been entitled.

19 (3) Eligible and covered members that are eligible for
20 coverage as dependents except for the fact of being members
21 shall be transferred to, and covered under, dependent
22 status regardless of preexisting conditions, waiting
23 periods, or other requirements that might jeopardize claim
24 payments to which they would otherwise have been entitled
25 upon cessation of member status and the election of
26 dependent coverage by a member eligible to elect that

1 coverage.

2 (b) New employees shall be immediately insured for the
3 basic group life insurance and covered by the program of health
4 benefits on the first day of active State service. Optional
5 life insurance coverage one to 4 times the basic amount, if
6 elected during the relevant eligibility period, will become
7 effective on the date of employment. Optional life insurance
8 coverage exceeding 4 times the basic amount and all life
9 insurance amounts applied for after the eligibility period will
10 be effective, subject to satisfactory evidence of insurability
11 when applicable, or other necessary qualifications, pursuant
12 to the requirements of the applicable benefit program, unless
13 there is a change in status that would confer new eligibility
14 for change of enrollment under rules established supplementing
15 this Act, in which event application must be made within the
16 new eligibility period.

17 (c) As to the group health benefits program contracted to
18 begin or continue after June 30, 1973, each annuitant,
19 survivor, and retired employee shall become immediately
20 eligible ~~and covered~~ for all benefits available under that
21 program. Each annuitant, survivor, and retired employee shall
22 have coverage effective immediately, provided that the
23 election is properly filed in accordance with the required
24 filing dates and procedures specified by the Director,
25 including the completion and submission of all documentation
26 and forms required by the Director. Annuitants, survivors, and

1 retired ~~Retired~~ employees may elect coverage for eligible
2 dependents and shall have the coverage effective immediately,
3 provided that the election is properly filed in accordance with
4 required filing dates and procedures specified by the Director,
5 except that, for a survivor, the dependent sought to be added
6 on or after the effective date of this amendatory Act of the
7 97th General Assembly must have been eligible for coverage as a
8 dependent under the deceased member upon whom the survivor's
9 annuity is based in order to be eligible for coverage under the
10 survivor.

11 Except as otherwise provided in this Act, where husband and
12 wife are both eligible members, each shall be enrolled as a
13 member and coverage on their eligible dependent children, if
14 any, may be under the enrollment and election of either.

15 Regardless of other provisions herein regarding late
16 enrollment or other qualifications, as appropriate, the
17 Director may periodically authorize open enrollment periods
18 for each of the benefit programs at which time each member may
19 elect enrollment or change of enrollment without regard to age,
20 sex, health, or other qualification under the conditions as may
21 be prescribed in rules and regulations supplementing this Act.
22 Special open enrollment periods may be declared by the Director
23 for certain members only when special circumstances occur that
24 affect only those members.

25 (d) Beginning with fiscal year 2003 and for all subsequent
26 years, eligible members may elect not to participate in the

1 program of health benefits as defined in this Act. The election
2 must be made during the annual benefit choice period, subject
3 to the conditions in this subsection.

4 (1) Members must furnish proof of health benefit
5 coverage, either comprehensive major medical coverage or
6 comprehensive managed care plan, from a source other than
7 the Department of Central Management Services in order to
8 elect not to participate in the program.

9 (2) Members may re-enroll in the Department of Central
10 Management Services program of health benefits upon
11 showing a qualifying change in status, as defined in the
12 U.S. Internal Revenue Code, without evidence of
13 insurability and with no limitations on coverage for
14 pre-existing conditions, provided that there was not a
15 break in coverage of more than 63 days.

16 (3) Members may also re-enroll in the program of health
17 benefits during any annual benefit choice period, without
18 evidence of insurability.

19 (4) Members who elect not to participate in the program
20 of health benefits shall be furnished a written explanation
21 of the requirements and limitations for the election not to
22 participate in the program and for re-enrolling in the
23 program. The explanation shall also be included in the
24 annual benefit choice options booklets furnished to
25 members.

26 (d-5) Beginning July 1, 2005, the Director may establish a

1 program of financial incentives to encourage annuitants
2 receiving a retirement annuity from the State Employees
3 Retirement System, but who are not eligible for benefits under
4 the federal Medicare health insurance program (Title XVIII of
5 the Social Security Act, as added by Public Law 89-97) to elect
6 not to participate in the program of health benefits provided
7 under this Act. The election by an annuitant not to participate
8 under this program must be made in accordance with the
9 requirements set forth under subsection (d). The financial
10 incentives provided to these annuitants under the program may
11 not exceed \$150 per month for each annuitant electing not to
12 participate in the program of health benefits provided under
13 this Act.

14 (e) Notwithstanding any other provision of this Act or the
15 rules adopted under this Act, if a person participating in the
16 program of health benefits as the dependent spouse of an
17 eligible member becomes an annuitant, the person may elect, at
18 the time of becoming an annuitant or during any subsequent
19 annual benefit choice period, to continue participation as a
20 dependent rather than as an eligible member for as long as the
21 person continues to be an eligible dependent.

22 An eligible member who has elected to participate as a
23 dependent may re-enroll in the program of health benefits as an
24 eligible member (i) during any subsequent annual benefit choice
25 period or (ii) upon showing a qualifying change in status, as
26 defined in the U.S. Internal Revenue Code, without evidence of

1 insurability and with no limitations on coverage for
2 pre-existing conditions.

3 A person who elects to participate in the program of health
4 benefits as a dependent rather than as an eligible member shall
5 be furnished a written explanation of the consequences of
6 electing to participate as a dependent and the conditions and
7 procedures for re-enrolling as an eligible member. The
8 explanation shall also be included in the annual benefit choice
9 options booklet furnished to members.

10 (Source: P.A. 94-95, eff. 7-1-05; 94-109, eff. 7-1-05; 95-331,
11 eff. 8-21-07.)".