



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB4319

by Rep. Stephanie A. Kifowit

SYNOPSIS AS INTRODUCED:

215 ILCS 5/356z.24 new	
215 ILCS 125/5-3	from Ch. 111 1/2, par. 1411.2
215 ILCS 130/4003	from Ch. 73, par. 1504-3
215 ILCS 165/10	from Ch. 32, par. 604

Amends the Illinois Insurance Code. Provides that individual or group policies of accident and health insurance amended, delivered, issued, or renewed in this State after the effective date of the amendatory Act that provides coverage for in-home dialysis treatments must also provide coverage for regular ultrasound screenings for the purpose of checking for infection. Makes conforming changes in the Health Maintenance Organization Act, Limited Health Service Organization Act, and the Voluntary Health Services Plans Act.

LRB099 14771 MLM 38919 b

1 AN ACT concerning regulation.

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

4 Section 5. The Illinois Insurance Code is amended by adding
5 Section 356z.24 as follows:

6 (215 ILCS 5/356z.24 new)

7 Sec. 356z.24. Dialysis ultrasound coverage. An individual
8 or group policy of accident and health insurance amended,
9 delivered, issued, or renewed in this State after the effective
10 date of this amendatory Act of the 99th General Assembly that
11 provides coverage for in-home dialysis treatments shall also
12 provide coverage for regular ultrasound screenings for the
13 purpose of checking for infection.

14 Section 10. The Health Maintenance Organization Act is
15 amended by changing Section 5-3 as follows:

16 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

17 Sec. 5-3. Insurance Code provisions.

18 (a) Health Maintenance Organizations shall be subject to
19 the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,
20 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154,
21 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 355.3,

1 355b, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4,
2 356z.5, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12,
3 356z.13, 356z.14, 356z.15, 356z.17, 356z.18, 356z.19, 356z.21,
4 356z.22, 356z.24, 364.01, 367.2, 367.2-5, 367i, 368a, 368b,
5 368c, 368d, 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A,
6 408, 408.2, 409, 412, 444, and 444.1, paragraph (c) of
7 subsection (2) of Section 367, and Articles IIA, VIII 1/2, XII,
8 XII 1/2, XIII, XIII 1/2, XXV, and XXVI of the Illinois
9 Insurance Code.

10 (b) For purposes of the Illinois Insurance Code, except for
11 Sections 444 and 444.1 and Articles XIII and XIII 1/2, Health
12 Maintenance Organizations in the following categories are
13 deemed to be "domestic companies":

14 (1) a corporation authorized under the Dental Service
15 Plan Act or the Voluntary Health Services Plans Act;

16 (2) a corporation organized under the laws of this
17 State; or

18 (3) a corporation organized under the laws of another
19 state, 30% or more of the enrollees of which are residents
20 of this State, except a corporation subject to
21 substantially the same requirements in its state of
22 organization as is a "domestic company" under Article VIII
23 1/2 of the Illinois Insurance Code.

24 (c) In considering the merger, consolidation, or other
25 acquisition of control of a Health Maintenance Organization
26 pursuant to Article VIII 1/2 of the Illinois Insurance Code,

1 (1) the Director shall give primary consideration to
2 the continuation of benefits to enrollees and the financial
3 conditions of the acquired Health Maintenance Organization
4 after the merger, consolidation, or other acquisition of
5 control takes effect;

6 (2) (i) the criteria specified in subsection (1) (b) of
7 Section 131.8 of the Illinois Insurance Code shall not
8 apply and (ii) the Director, in making his determination
9 with respect to the merger, consolidation, or other
10 acquisition of control, need not take into account the
11 effect on competition of the merger, consolidation, or
12 other acquisition of control;

13 (3) the Director shall have the power to require the
14 following information:

15 (A) certification by an independent actuary of the
16 adequacy of the reserves of the Health Maintenance
17 Organization sought to be acquired;

18 (B) pro forma financial statements reflecting the
19 combined balance sheets of the acquiring company and
20 the Health Maintenance Organization sought to be
21 acquired as of the end of the preceding year and as of
22 a date 90 days prior to the acquisition, as well as pro
23 forma financial statements reflecting projected
24 combined operation for a period of 2 years;

25 (C) a pro forma business plan detailing an
26 acquiring party's plans with respect to the operation

1 of the Health Maintenance Organization sought to be
2 acquired for a period of not less than 3 years; and

3 (D) such other information as the Director shall
4 require.

5 (d) The provisions of Article VIII 1/2 of the Illinois
6 Insurance Code and this Section 5-3 shall apply to the sale by
7 any health maintenance organization of greater than 10% of its
8 enrollee population (including without limitation the health
9 maintenance organization's right, title, and interest in and to
10 its health care certificates).

11 (e) In considering any management contract or service
12 agreement subject to Section 141.1 of the Illinois Insurance
13 Code, the Director (i) shall, in addition to the criteria
14 specified in Section 141.2 of the Illinois Insurance Code, take
15 into account the effect of the management contract or service
16 agreement on the continuation of benefits to enrollees and the
17 financial condition of the health maintenance organization to
18 be managed or serviced, and (ii) need not take into account the
19 effect of the management contract or service agreement on
20 competition.

21 (f) Except for small employer groups as defined in the
22 Small Employer Rating, Renewability and Portability Health
23 Insurance Act and except for medicare supplement policies as
24 defined in Section 363 of the Illinois Insurance Code, a Health
25 Maintenance Organization may by contract agree with a group or
26 other enrollment unit to effect refunds or charge additional

1 premiums under the following terms and conditions:

2 (i) the amount of, and other terms and conditions with
3 respect to, the refund or additional premium are set forth
4 in the group or enrollment unit contract agreed in advance
5 of the period for which a refund is to be paid or
6 additional premium is to be charged (which period shall not
7 be less than one year); and

8 (ii) the amount of the refund or additional premium
9 shall not exceed 20% of the Health Maintenance
10 Organization's profitable or unprofitable experience with
11 respect to the group or other enrollment unit for the
12 period (and, for purposes of a refund or additional
13 premium, the profitable or unprofitable experience shall
14 be calculated taking into account a pro rata share of the
15 Health Maintenance Organization's administrative and
16 marketing expenses, but shall not include any refund to be
17 made or additional premium to be paid pursuant to this
18 subsection (f)). The Health Maintenance Organization and
19 the group or enrollment unit may agree that the profitable
20 or unprofitable experience may be calculated taking into
21 account the refund period and the immediately preceding 2
22 plan years.

23 The Health Maintenance Organization shall include a
24 statement in the evidence of coverage issued to each enrollee
25 describing the possibility of a refund or additional premium,
26 and upon request of any group or enrollment unit, provide to

1 the group or enrollment unit a description of the method used
2 to calculate (1) the Health Maintenance Organization's
3 profitable experience with respect to the group or enrollment
4 unit and the resulting refund to the group or enrollment unit
5 or (2) the Health Maintenance Organization's unprofitable
6 experience with respect to the group or enrollment unit and the
7 resulting additional premium to be paid by the group or
8 enrollment unit.

9 In no event shall the Illinois Health Maintenance
10 Organization Guaranty Association be liable to pay any
11 contractual obligation of an insolvent organization to pay any
12 refund authorized under this Section.

13 (g) Rulemaking authority to implement Public Act 95-1045,
14 if any, is conditioned on the rules being adopted in accordance
15 with all provisions of the Illinois Administrative Procedure
16 Act and all rules and procedures of the Joint Committee on
17 Administrative Rules; any purported rule not so adopted, for
18 whatever reason, is unauthorized.

19 (Source: P.A. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-437,
20 eff. 8-18-11; 97-486, eff. 1-1-12; 97-592, eff. 1-1-12; 97-805,
21 eff. 1-1-13; 97-813, eff. 7-13-12; 98-189, eff. 1-1-14;
22 98-1091, eff. 1-1-15.)

23 Section 15. The Limited Health Service Organization Act is
24 amended by changing Section 4003 as follows:

1 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)
2 Sec. 4003. Illinois Insurance Code provisions. Limited
3 health service organizations shall be subject to the provisions
4 of Sections 133, 134, 136, 137, 139, 140, 141.1, 141.2, 141.3,
5 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6,
6 154.7, 154.8, 155.04, 155.37, 355.2, 355.3, 355b, 356v,
7 356z.10, 356z.21, 356z.22, 356z.24, 368a, 401, 401.1, 402, 403,
8 403A, 408, 408.2, 409, 412, 444, and 444.1 and Articles IIA,
9 VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of the
10 Illinois Insurance Code. For purposes of the Illinois Insurance
11 Code, except for Sections 444 and 444.1 and Articles XIII and
12 XIII 1/2, limited health service organizations in the following
13 categories are deemed to be domestic companies:

- 14 (1) a corporation under the laws of this State; or
15 (2) a corporation organized under the laws of another
16 state, 30% of more of the enrollees of which are residents
17 of this State, except a corporation subject to
18 substantially the same requirements in its state of
19 organization as is a domestic company under Article VIII
20 1/2 of the Illinois Insurance Code.

21 (Source: P.A. 97-486, eff. 1-1-12; 97-592, 1-1-12; 97-805, eff.
22 1-1-13; 97-813, eff. 7-13-12; 98-189, eff. 1-1-14; 98-1091,
23 eff. 1-1-15.)

24 Section 20. The Voluntary Health Services Plans Act is
25 amended by changing Section 10 as follows:

1 (215 ILCS 165/10) (from Ch. 32, par. 604)

2 Sec. 10. Application of Insurance Code provisions. Health
3 services plan corporations and all persons interested therein
4 or dealing therewith shall be subject to the provisions of
5 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,
6 143, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3, 355b, 356g,
7 356g.5, 356g.5-1, 356r, 356t, 356u, 356v, 356w, 356x, 356y,
8 356z.1, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9,
9 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18,
10 356z.19, 356z.21, 356z.22, 356z.24, 364.01, 367.2, 368a, 401,
11 401.1, 402, 403, 403A, 408, 408.2, and 412, and paragraphs (7)
12 and (15) of Section 367 of the Illinois Insurance Code.

13 Rulemaking authority to implement Public Act 95-1045, if
14 any, is conditioned on the rules being adopted in accordance
15 with all provisions of the Illinois Administrative Procedure
16 Act and all rules and procedures of the Joint Committee on
17 Administrative Rules; any purported rule not so adopted, for
18 whatever reason, is unauthorized.

19 (Source: P.A. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-486,
20 eff. 1-1-12; 97-592, eff. 1-1-12; 97-805, eff. 1-1-13; 97-813,
21 eff. 7-13-12; 98-189, eff. 1-1-14; 98-1091, eff. 1-1-15.)