



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

SB2314

Introduced 1/27/2016, by Sen. Sue Rezin

SYNOPSIS AS INTRODUCED:

5 ILCS 375/3	from Ch. 127, par. 523
5 ILCS 375/5	from Ch. 127, par. 525
5 ILCS 375/8	from Ch. 127, par. 528
5 ILCS 375/10	from Ch. 127, par. 530

Amends the State Employees Group Insurance Act of 1971. Provides that State benefit recipients are eligible for the basic program of health benefits, but are not eligible for group life insurance benefits or other optional coverages or benefits available to employees. Provides that the term "State benefit recipient" means a person in the service of a department who: (1) is not a member; (2) receives salary or wages for personal service rendered to the department; and (3) is employed in a position normally requiring actual performance of duty during not less than 30 hours per week. Provides that the term "State benefit recipient" does not include any person deemed to be an independent contractor or any person who is employed by any State-contracted vendor and is performing services pursuant to the contract between the vendor and the State.

LRB099 16031 HLH 40349 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning State government.

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, 5, 8, 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) (Blank).

2 (b-6) (Blank).

3 (b-7) (Blank).

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

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

1 salary or wages paid to an employee of any qualified local
2 government, qualified rehabilitation facility, qualified
3 domestic violence shelter or service, or qualified child
4 advocacy center.

5 (e) "Commission" means the State Employees Group Insurance
6 Advisory Commission authorized by this Act. Commencing July 1,
7 1984, "Commission" as used in this Act means the Commission on
8 Government Forecasting and Accountability as established by
9 the Legislative Commission Reorganization Act of 1984.

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

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

1 Illinois Comprehensive Health Insurance Board, the Board of
2 Examiners established under the Illinois Public Accounting
3 Act, and the Illinois Finance Authority.

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

25 (i) "Director" means the Director of the Illinois
26 Department of Central Management Services.

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

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

1 established under Section 15-158.2) or 18, or under paragraph
2 (2), (3), or (5) of Section 16-106, of the Illinois Pension
3 Code, but such term does include persons who are employed
4 during the 6 month qualifying period under Article 14 of the
5 Illinois Pension Code. Such term also includes any person who
6 (1) after January 1, 1966, is receiving ordinary or accidental
7 disability benefits under Articles 2, 14, 15 (including
8 ordinary or accidental disability benefits under the optional
9 retirement program established under Section 15-158.2),
10 paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of
11 the Illinois Pension Code, for disability incurred after
12 January 1, 1966, (2) receives total permanent or total
13 temporary disability under the Workers' Compensation Act or
14 Occupational Disease Act as a result of injuries sustained or
15 illness contracted in the course of employment with the State
16 of Illinois, or (3) is not otherwise covered under this Act and
17 has retired as a participating member under Article 2 of the
18 Illinois Pension Code but is ineligible for the retirement
19 annuity under Section 2-119 of the Illinois Pension Code.
20 However, a person who satisfies the criteria of the foregoing
21 definition of "employee" except that such person is made
22 ineligible to participate in the State Universities Retirement
23 System by clause (4) of subsection (a) of Section 15-107 of the
24 Illinois Pension Code is also an "employee" for the purposes of
25 this Act. "Employee" also includes any person receiving or
26 eligible for benefits under a sick pay plan established in

1 accordance with Section 36 of the State Finance Act. "Employee"
2 also includes (i) each officer or employee in the service of a
3 qualified local government, including persons appointed as
4 trustees of sanitary districts regardless of hours devoted to
5 the service of the sanitary district, (ii) each employee in the
6 service of a qualified rehabilitation facility, (iii) each
7 full-time employee in the service of a qualified domestic
8 violence shelter or service, and (iv) each full-time employee
9 in the service of a qualified child advocacy center, as
10 determined according to rules promulgated by the Director.

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

1 health benefits and not for the purposes of enrollment in any
2 group life insurance benefits or optional coverages or
3 benefits.

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

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

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

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

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

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

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

14 (q-2.1) "State benefit recipient" means a person in the
15 service of a department who: (1) is not a member, as defined in
16 this Section; (2) receives salary or wages for personal service
17 rendered to the department; and (3) is employed in a position
18 normally requiring actual performance of duty during not less
19 than 30 hours per week, except that "state benefit recipient"
20 does not include any person deemed to be an independent
21 contractor or any person who is employed by any
22 State-contracted vendor and is performing services pursuant to
23 the contract between the vendor and the State.

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

26 (q-4) "TRS" means the Teachers' Retirement System of the

1 State of Illinois, created under Article 16 of the Illinois
2 Pension Code.

3 (q-5) (Blank).

4 (q-6) (Blank).

5 (q-7) (Blank).

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

9 (s) "Unit of local government" means any county,
10 municipality, township, school district (including a
11 combination of school districts under the Intergovernmental
12 Cooperation Act), special district or other unit, designated as
13 a unit of local government by law, which exercises limited
14 governmental powers or powers in respect to limited
15 governmental subjects, any not-for-profit association with a
16 membership that primarily includes townships and township
17 officials, that has duties that include provision of research
18 service, dissemination of information, and other acts for the
19 purpose of improving township government, and that is funded
20 wholly or partly in accordance with Section 85-15 of the
21 Township Code; any not-for-profit corporation or association,
22 with a membership consisting primarily of municipalities, that
23 operates its own utility system, and provides research,
24 training, dissemination of information, or other acts to
25 promote cooperation between and among municipalities that
26 provide utility services and for the advancement of the goals

1 and purposes of its membership; the Southern Illinois
2 Collegiate Common Market, which is a consortium of higher
3 education institutions in Southern Illinois; the Illinois
4 Association of Park Districts; and any hospital provider that
5 is owned by a county that has 100 or fewer hospital beds and
6 has not already joined the program. "Qualified local
7 government" means a unit of local government approved by the
8 Director and participating in a program created under
9 subsection (i) of Section 10 of this Act.

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

20 (u) "Qualified domestic violence shelter or service" means
21 any Illinois domestic violence shelter or service and its
22 administrative offices funded by the Department of Human
23 Services (as successor to the Illinois Department of Public
24 Aid), approved by the Director and participating in a program
25 created under subsection (k) of Section 10.

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

1 (1) is not a "member" as defined in this Section; and
2 (2) is receiving a monthly benefit or retirement
3 annuity under Article 16 of the Illinois Pension Code; and
4 (3) either (i) has at least 8 years of creditable
5 service under Article 16 of the Illinois Pension Code, or
6 (ii) was enrolled in the health insurance program offered
7 under that Article on January 1, 1996, or (iii) is the
8 survivor of a benefit recipient who had at least 8 years of
9 creditable service under Article 16 of the Illinois Pension
10 Code or was enrolled in the health insurance program
11 offered under that Article on the effective date of this
12 amendatory Act of 1995, or (iv) is a recipient or survivor
13 of a recipient of a disability benefit under Article 16 of
14 the Illinois Pension Code.

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

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

18 (2) is a TRS benefit recipient's: (A) spouse, (B)
19 dependent parent who is receiving at least half of his or
20 her support from the TRS benefit recipient, or (C) natural,
21 step, adjudicated, or adopted child who is (i) under age
22 26, (ii) was, on January 1, 1996, participating as a
23 dependent beneficiary in the health insurance program
24 offered under Article 16 of the Illinois Pension Code, or
25 (iii) age 19 or over who has a mental or physical
26 disability from a cause originating prior to the age of 19

1 (age 26 if enrolled as an adult child).

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

10 (x) "Military leave" refers to individuals in basic
11 training for reserves, special/advanced training, annual
12 training, emergency call up, activation by the President of the
13 United States, or any other training or duty in service to the
14 United States Armed Forces.

15 (y) (Blank).

16 (z) "Community college benefit recipient" means a person
17 who:

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

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

22 (3) either (i) was a full-time employee of a community
23 college district or an association of community college
24 boards created under the Public Community College Act
25 (other than an employee whose last employer under Article
26 15 of the Illinois Pension Code was a community college

1 district subject to Article VII of the Public Community
2 College Act) and was eligible to participate in a group
3 health benefit plan as an employee during the time of
4 employment with a community college district (other than a
5 community college district subject to Article VII of the
6 Public Community College Act) or an association of
7 community college boards, or (ii) is the survivor of a
8 person described in item (i).

9 (aa) "Community college dependent beneficiary" means a
10 person who:

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

13 (2) is a community college benefit recipient's: (A)
14 spouse, (B) dependent parent who is receiving at least half
15 of his or her support from the community college benefit
16 recipient, or (C) natural, step, adjudicated, or adopted
17 child who is (i) under age 26, or (ii) age 19 or over and
18 has a mental or physical disability from a cause
19 originating prior to the age of 19 (age 26 if enrolled as
20 an adult child).

21 "Community college dependent beneficiary" does not
22 include, as indicated under paragraph (2) of this subsection
23 (aa), a dependent of the survivor of a community college
24 benefit recipient who first becomes a dependent of a survivor
25 of a community college benefit recipient on or after the
26 effective date of this amendatory Act of the 97th General

1 Assembly unless that dependent would have been eligible for
2 coverage as a dependent of the deceased community college
3 benefit recipient upon whom the survivor annuity is based.

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

10 (Source: P.A. 98-488, eff. 8-16-13; 99-143, eff. 7-27-15.)

11 (5 ILCS 375/5) (from Ch. 127, par. 525)

12 Sec. 5. Employee benefits; declaration of State policy. The
13 General Assembly declares that it is the policy of the State
14 and in the best interest of the State to assure quality
15 benefits to members and their dependents under this Act. The
16 implementation of this policy depends upon, among other things,
17 stability and continuity of coverage, care, and services under
18 benefit programs for members and their dependents.
19 Specifically, but without limitation, members should have
20 continued access, on substantially similar terms and
21 conditions, to trusted family health care providers with whom
22 they have developed long-term relationships through a benefit
23 program under this Act. Therefore, the Director must administer
24 this Act consistent with that State policy, but may consider
25 affordability, cost of coverage and care, and competition among

1 health insurers and providers. All contracts for provision of
2 employee benefits, including those portions of any proposed
3 collective bargaining agreement that would require
4 implementation through contracts entered into under this Act,
5 are subject to the following requirements:

6 (i) By April 1 of each year, the Director must report
7 and provide information to the Commission concerning the
8 status of the employee benefits program to be offered for
9 the next fiscal year. Information includes, but is not
10 limited to, documents, reports of negotiations, bid
11 invitations, requests for proposals, specifications,
12 copies of proposed and final contracts or agreements, and
13 any other materials concerning contracts or agreements for
14 the employee benefits program. By the first of each month
15 thereafter, the Director must provide updated, and any new,
16 information to the Commission until the employee benefits
17 program for the next fiscal year is determined. In addition
18 to these monthly reporting requirements, at any time the
19 Commission makes a written request, the Director must
20 promptly, but in no event later than 5 business days after
21 receipt of the request, provide to the Commission any
22 additional requested information in the possession of the
23 Director concerning employee benefits programs. The
24 Commission may waive any of the reporting requirements of
25 this item (i) upon the written request by the Director. Any
26 waiver granted under this item (i) must be in writing.

1 Nothing in this item is intended to abrogate any
2 attorney-client privilege.

3 (ii) Within 30 days after notice of the awarding or
4 letting of a contract has appeared in the Illinois
5 Procurement Bulletin in accordance with subsection (b) of
6 Section 15-25 of the Illinois Procurement Code, the
7 Commission may request in writing from the Director and the
8 Director shall promptly, but in no event later than 5
9 business days after receipt of the request, provide to the
10 Commission information in the possession of the Director
11 concerning the proposed contract. Nothing in this item is
12 intended to waive or abrogate any privilege or right of
13 confidentiality authorized by law.

14 (iii) Except as otherwise provided in this item (iii),
15 no contract subject to this Section may be entered into
16 until the 30-day period described in item (ii) has expired,
17 unless the Director requests in writing that the Commission
18 waive the period and the Commission grants the waiver in
19 writing. This item (iii) does not apply to any contract
20 entered into after the effective date of this amendatory
21 Act of the 98th General Assembly and through January 1,
22 2014 to provide a program of group health benefits for
23 Medicare-primary members and their Medicare-primary
24 dependents that is comparable in stability and continuity
25 of coverage, care, and services to the program of health
26 benefits offered to other members and their dependents

1 under this Act.

2 (iv) If the Director seeks to make any substantive
3 modification to any provision of a proposed contract after
4 it is submitted to the Commission in accordance with item
5 (ii), the modified contract shall be subject to the
6 requirements of items (ii) and (iii) unless the Commission
7 agrees, in writing, to a waiver of those requirements with
8 respect to the modified contract.

9 (v) By the date of the beginning of the annual benefit
10 choice period, the Director must transmit to the Commission
11 a copy of each final contract or agreement for the employee
12 benefits program to be offered for the next fiscal year.
13 The annual benefit choice period for an employee benefits
14 program must begin on May 1 of the fiscal year preceding
15 the year for which the program is to be offered. If,
16 however, in any such preceding fiscal year collective
17 bargaining over employee benefit programs for the next
18 fiscal year remains pending on April 15, the beginning date
19 of the annual benefit choice period shall be not later than
20 15 days after ratification of the collective bargaining
21 agreement.

22 (vi) The Director must provide the reports,
23 information, and contracts required under items (i), (ii),
24 (iv), and (v) by electronic or other means satisfactory to
25 the Commission. Reports, information, and contracts in the
26 possession of the Commission pursuant to items (i), (ii),

1 (iv), and (v) are exempt from disclosure by the Commission
2 and its members and employees under the Freedom of
3 Information Act. Reports, information, and contracts
4 received by the Commission pursuant to items (i), (ii),
5 (iv), and (v) must be kept confidential by and may not be
6 disclosed or used by the Commission or its members or
7 employees if such disclosure or use could compromise the
8 fairness or integrity of the procurement, bidding, or
9 contract process. Commission meetings, or portions of
10 Commission meetings, in which reports, information, and
11 contracts received by the Commission pursuant to items (i),
12 (ii), (iv), and (v) are discussed must be closed if
13 disclosure or use of the report or information could
14 compromise the fairness or integrity of the procurement,
15 bidding, or contract process.

16 All contracts entered into under this Section are subject
17 to appropriation and shall comply with Section 20-60(b) of the
18 Illinois Procurement Code (30 ILCS 500/20-60(b)).

19 The Director shall contract or otherwise make available
20 group life insurance, ~~health benefits~~ and other employee
21 benefits to eligible members and, where elected, their eligible
22 dependents. The Director shall contract or otherwise make
23 available health benefits to eligible State benefit
24 recipients, members, and, where elected, their eligible
25 dependents. Any contract or, if applicable, contracts or other
26 arrangement for provision of benefits shall be on terms

1 consistent with State policy and based on, but not limited to,
2 such criteria as administrative cost, service capabilities of
3 the carrier or other contractor and premiums, fees or charges
4 as related to benefits.

5 Notwithstanding any other provisions of this Act, by
6 January 1, 2014, the Department of Central Management Services,
7 in consultation with and subject to the approval of the Chief
8 Procurement Officer, shall contract or make otherwise
9 available a program of group health benefits for
10 Medicare-primary members and their Medicare-primary
11 dependents. The Director may procure a single contract or
12 multiple contracts that provide a program of group health
13 benefits that is comparable in stability and continuity of
14 coverage, care, and services to the program of health benefits
15 offered to other members and their dependents under this Act.
16 The initial procurement of a contract or contracts under this
17 paragraph is not subject to the provisions of the Illinois
18 Procurement Code, except for Sections 20-60, 20-65, 20-70, and
19 20-160 and Article 50 of that Code, provided that the Chief
20 Procurement Officer may, in writing with justification, waive
21 any certification required under Article 50.

22 The Director may prepare and issue specifications for group
23 life insurance, health benefits, other employee benefits and
24 administrative services for the purpose of receiving proposals
25 from interested parties.

26 The Director is authorized to execute a contract, or

1 contracts, for the programs of group life insurance, health
2 benefits, other employee benefits and administrative services
3 authorized by this Act (including, without limitation,
4 prescription drug benefits). All of the benefits provided under
5 this Act may be included in one or more contracts, or the
6 benefits may be classified into different types with each type
7 included under one or more similar contracts with the same or
8 different companies.

9 The term of any contract may not extend beyond 5 fiscal
10 years. Upon recommendation of the Commission, the Director may
11 exercise renewal options of the same contract for up to a
12 period of 5 years. Any increases in premiums, fees or charges
13 requested by a contractor whose contract may be renewed
14 pursuant to a renewal option contained therein, must be
15 justified on the basis of (1) audited experience data, (2)
16 increases in the costs of health care services provided under
17 the contract, (3) contractor performance, (4) increases in
18 contractor responsibilities, or (5) any combination thereof.

19 Any contractor shall agree to abide by all requirements of
20 this Act and Rules and Regulations promulgated and adopted
21 thereto; to submit such information and data as may from time
22 to time be deemed necessary by the Director for effective
23 administration of the provisions of this Act and the programs
24 established hereunder, and to fully cooperate in any audit.

25 (Source: P.A. 98-19, eff. 6-10-13.)

1 (5 ILCS 375/8) (from Ch. 127, par. 528)

2 Sec. 8. Eligibility.

3 (a) Each employee eligible under the provisions of this Act
4 and any rules and regulations promulgated and adopted hereunder
5 by the Director shall become immediately eligible and covered
6 for all benefits available under the programs. Employees
7 electing coverage for eligible dependents shall have the
8 coverage effective immediately, provided that the election is
9 properly filed in accordance with required filing dates and
10 procedures specified by the Director, including the completion
11 and submission of all documentation and forms required by the
12 Director.

13 (1) Every member originally eligible to elect
14 dependent coverage, but not electing it during the original
15 eligibility period, may subsequently obtain dependent
16 coverage only in the event of a qualifying change in
17 status, special enrollment, special circumstance as
18 defined by the Director, or during the annual Benefit
19 Choice Period.

20 (2) Members described above being transferred from
21 previous coverage towards which the State has been
22 contributing shall be transferred regardless of
23 preexisting conditions, waiting periods, or other
24 requirements that might jeopardize claim payments to which
25 they would otherwise have been entitled.

26 (3) Eligible and covered members that are eligible for

1 coverage as dependents except for the fact of being members
2 shall be transferred to, and covered under, dependent
3 status regardless of preexisting conditions, waiting
4 periods, or other requirements that might jeopardize claim
5 payments to which they would otherwise have been entitled
6 upon cessation of member status and the election of
7 dependent coverage by a member eligible to elect that
8 coverage.

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

24 (c) As to the group health benefits program contracted to
25 begin or continue after June 30, 1973, each annuitant,
26 survivor, and retired employee shall become immediately

1 eligible for all benefits available under that program. Each
2 annuitant, survivor, and retired employee shall have coverage
3 effective immediately, provided that the election is properly
4 filed in accordance with the required filing dates and
5 procedures specified by the Director, including the completion
6 and submission of all documentation and forms required by the
7 Director. Annuitants, survivors, and retired employees may
8 elect coverage for eligible dependents and shall have the
9 coverage effective immediately, provided that the election is
10 properly filed in accordance with required filing dates and
11 procedures specified by the Director, except that, for a
12 survivor, the dependent sought to be added on or after the
13 effective date of this amendatory Act of the 97th General
14 Assembly must have been eligible for coverage as a dependent
15 under the deceased member upon whom the survivor's annuity is
16 based in order to be eligible for coverage under the survivor.

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

21 Regardless of other provisions herein regarding late
22 enrollment or other qualifications, as appropriate, the
23 Director may periodically authorize open enrollment periods
24 for each of the benefit programs at which time each member may
25 elect enrollment or change of enrollment without regard to age,
26 sex, health, or other qualification under the conditions as may

1 be prescribed in rules and regulations supplementing this Act.
2 Special open enrollment periods may be declared by the Director
3 for certain members only when special circumstances occur that
4 affect only those members.

5 (d) Beginning with fiscal year 2003 and for all subsequent
6 years, eligible members may elect not to participate in the
7 program of health benefits as defined in this Act. The election
8 must be made during the annual benefit choice period, subject
9 to the conditions in this subsection.

10 (1) Members must furnish proof of health benefit
11 coverage, either comprehensive major medical coverage or
12 comprehensive managed care plan, from a source other than
13 the Department of Central Management Services in order to
14 elect not to participate in the program.

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

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

25 (4) Members who elect not to participate in the program
26 of health benefits shall be furnished a written explanation

1 of the requirements and limitations for the election not to
2 participate in the program and for re-enrolling in the
3 program. The explanation shall also be included in the
4 annual benefit choice options booklets furnished to
5 members.

6 (d-5) Beginning July 1, 2005, the Director may establish a
7 program of financial incentives to encourage annuitants
8 receiving a retirement annuity, but who are not eligible for
9 benefits under the federal Medicare health insurance program
10 (Title XVIII of the Social Security Act, as added by Public Law
11 89-97) to elect not to participate in the program of health
12 benefits provided under this Act. The election by an annuitant
13 not to participate under this program must be made in
14 accordance with the requirements set forth under subsection
15 (d). The financial incentives provided to these annuitants
16 under the program may not exceed \$150 per month for each
17 annuitant electing not to participate in the program of health
18 benefits provided under this Act.

19 (d-6) Beginning July 1, 2013, the Director may establish a
20 program of financial incentives to encourage annuitants with 20
21 or more years of creditable service but who are not eligible
22 for benefits under the federal Medicare health insurance
23 program (Title XVIII of the Social Security Act, as added by
24 Public Law 89-97) to elect not to participate in the program of
25 health benefits provided under this Act. The election by an
26 annuitant not to participate under this program must be made in

1 accordance with the requirements set forth under subsection
2 (d). The program established under this subsection (d-6) may
3 include a prorated incentive for annuitants with fewer than 20
4 years of creditable service, as determined by the Director. The
5 financial incentives provided to these annuitants under this
6 program may not exceed \$500 per month for each annuitant
7 electing not to participate in the program of health benefits
8 provided under this Act.

9 (e) Notwithstanding any other provision of this Act or the
10 rules adopted under this Act, if a person participating in the
11 program of health benefits as the dependent spouse of an
12 eligible member becomes an annuitant, the person may elect, at
13 the time of becoming an annuitant or during any subsequent
14 annual benefit choice period, to continue participation as a
15 dependent rather than as an eligible member for as long as the
16 person continues to be an eligible dependent. In order to be
17 eligible to make such an election, the person must have been
18 enrolled as a dependent under the program of health benefits
19 for no less than one year prior to becoming an annuitant.

20 An eligible member who has elected to participate as a
21 dependent may re-enroll in the program of health benefits as an
22 eligible member (i) during any subsequent annual benefit choice
23 period or (ii) upon showing a qualifying change in status, as
24 defined in the U.S. Internal Revenue Code, without evidence of
25 insurability and with no limitations on coverage for
26 pre-existing conditions.

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

8 (f) State benefit recipients shall be eligible to enroll in
9 the program of health benefits on the first day of active State
10 service. State benefit recipients who were not eligible to
11 enroll in the program of health benefits immediately prior to
12 the effective date of this amendatory Act of the 99th General
13 Assembly, but who became eligible to enroll in the program of
14 health benefits as a result of this amendatory Act of the 99th
15 General Assembly, may elect to participate in coverage in
16 accordance with procedures specified by the Director or during
17 any annual benefit choice period. Notwithstanding any other
18 provision of this Act, State benefit recipients shall be
19 eligible only for the program of health benefits and shall not
20 be eligible for group life insurance benefits or other optional
21 coverages or benefits available to employees.

22 (Source: P.A. 97-668, eff. 1-13-12; 98-19, eff. 6-10-13.)

23 (5 ILCS 375/10) (from Ch. 127, par. 530)

24 Sec. 10. Contributions by the State and members.

25 (a) The State shall pay the cost of basic non-contributory

1 group life insurance and, subject to member paid contributions
2 set by the Department or required by this Section and except as
3 provided in this Section, the basic program of group health
4 benefits on each eligible member, except a member, not
5 otherwise covered by this Act, who has retired as a
6 participating member under Article 2 of the Illinois Pension
7 Code but is ineligible for the retirement annuity under Section
8 2-119 of the Illinois Pension Code, and part of each eligible
9 member's and retired member's premiums for health insurance
10 coverage for enrolled dependents as provided by Section 9. The
11 State shall pay the cost of the basic program of group health
12 benefits only after benefits are reduced by the amount of
13 benefits covered by Medicare for all members and dependents who
14 are eligible for benefits under Social Security or the Railroad
15 Retirement system or who had sufficient Medicare-covered
16 government employment, except that such reduction in benefits
17 shall apply only to those members and dependents who (1) first
18 become eligible for such Medicare coverage on or after July 1,
19 1992; or (2) are Medicare-eligible members or dependents of a
20 local government unit which began participation in the program
21 on or after July 1, 1992; or (3) remain eligible for, but no
22 longer receive Medicare coverage which they had been receiving
23 on or after July 1, 1992. The Department may determine the
24 aggregate level of the State's contribution on the basis of
25 actual cost of medical services adjusted for age, sex or
26 geographic or other demographic characteristics which affect

1 the costs of such programs.

2 The cost of participation in the basic program of group
3 health benefits for the dependent or survivor of a living or
4 deceased retired employee who was formerly employed by the
5 University of Illinois in the Cooperative Extension Service and
6 would be an annuitant but for the fact that he or she was made
7 ineligible to participate in the State Universities Retirement
8 System by clause (4) of subsection (a) of Section 15-107 of the
9 Illinois Pension Code shall not be greater than the cost of
10 participation that would otherwise apply to that dependent or
11 survivor if he or she were the dependent or survivor of an
12 annuitant under the State Universities Retirement System.

13 (a-1) (Blank).

14 (a-2) (Blank).

15 (a-3) (Blank).

16 (a-4) (Blank).

17 (a-5) (Blank).

18 (a-6) (Blank).

19 (a-7) (Blank).

20 (a-8) Any annuitant, survivor, or retired employee may
21 waive or terminate coverage in the program of group health
22 benefits. Any such annuitant, survivor, or retired employee who
23 has waived or terminated coverage may enroll or re-enroll in
24 the program of group health benefits only during the annual
25 benefit choice period, as determined by the Director; except
26 that in the event of termination of coverage due to nonpayment

1 of premiums, the annuitant, survivor, or retired employee may
2 not re-enroll in the program.

3 (a-8.5) Beginning on the effective date of this amendatory
4 Act of the 97th General Assembly, the Director of Central
5 Management Services shall, on an annual basis, determine the
6 amount that the State shall contribute toward the basic program
7 of group health benefits on behalf of annuitants (including
8 individuals who (i) participated in the General Assembly
9 Retirement System, the State Employees' Retirement System of
10 Illinois, the State Universities Retirement System, the
11 Teachers' Retirement System of the State of Illinois, or the
12 Judges Retirement System of Illinois and (ii) qualify as
13 annuitants under subsection (b) of Section 3 of this Act),
14 survivors (including individuals who (i) receive an annuity as
15 a survivor of an individual who participated in the General
16 Assembly Retirement System, the State Employees' Retirement
17 System of Illinois, the State Universities Retirement System,
18 the Teachers' Retirement System of the State of Illinois, or
19 the Judges Retirement System of Illinois and (ii) qualify as
20 survivors under subsection (q) of Section 3 of this Act), and
21 retired employees (as defined in subsection (p) of Section 3 of
22 this Act). The remainder of the cost of coverage for each
23 annuitant, survivor, or retired employee, as determined by the
24 Director of Central Management Services, shall be the
25 responsibility of that annuitant, survivor, or retired
26 employee.

1 Contributions required of annuitants, survivors, and
2 retired employees shall be the same for all retirement systems
3 and shall also be based on whether an individual has made an
4 election under Section 15-135.1 of the Illinois Pension Code.
5 Contributions may be based on annuitants', survivors', or
6 retired employees' Medicare eligibility, but may not be based
7 on Social Security eligibility.

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

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

17 The Director of Central Management Services shall provide
18 to the Executive Secretary of the State Employees' Retirement
19 System of Illinois such information, statistics, and other data
20 as he or she may require to review the premium amounts
21 certified by the Director of Central Management Services.

22 The Department of Central Management Services, or any
23 successor agency designated to procure healthcare contracts
24 pursuant to this Act, is authorized to establish funds,
25 separate accounts provided by any bank or banks as defined by
26 the Illinois Banking Act, or separate accounts provided by any

1 savings and loan association or associations as defined by the
2 Illinois Savings and Loan Act of 1985 to be held by the
3 Director, outside the State treasury, for the purpose of
4 receiving the transfer of moneys from the Local Government
5 Health Insurance Reserve Fund. The Department may promulgate
6 rules further defining the methodology for the transfers. Any
7 interest earned by moneys in the funds or accounts shall inure
8 to the Local Government Health Insurance Reserve Fund. The
9 transferred moneys, and interest accrued thereon, shall be used
10 exclusively for transfers to administrative service
11 organizations or their financial institutions for payments of
12 claims to claimants and providers under the self-insurance
13 health plan. The transferred moneys, and interest accrued
14 thereon, shall not be used for any other purpose including, but
15 not limited to, reimbursement of administration fees due the
16 administrative service organization pursuant to its contract
17 or contracts with the Department.

18 (b) State employees who become eligible for this program on
19 or after January 1, 1980 in positions normally requiring actual
20 performance of duty not less than 1/2 of a normal work period
21 but not equal to at least 30 hours per week ~~that of a normal~~
22 ~~work period~~, shall be given the option of participating in the
23 available program. If the employee elects coverage, the State
24 shall contribute on behalf of such employee to the cost of the
25 employee's benefit and any applicable dependent supplement,
26 that sum which bears the same percentage as that percentage of

1 time the employee regularly works when compared to normal work
2 period.

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

16 (c-1) Notwithstanding any other provision of law, a State
17 benefit recipient electing to participate in the program of
18 health benefits shall be required to pay the entire premium of
19 the coverage that has been elected, including the entire
20 premium of any coverage elected for eligible dependents of the
21 State benefit recipient.

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

1 (e) Where the person is in non-pay status for a period in
2 excess of 30 days or on leave of absence, other than by reason
3 of disability, educational or sabbatical leave, or military
4 leave, such person may continue coverage only by making
5 personal payment equal to the amount normally contributed by
6 the State on such person's behalf. Such payments and coverage
7 may be continued: (1) until such time as the person returns to
8 a status eligible for coverage at State expense, but not to
9 exceed 24 months or (2) until such person's employment or
10 annuitant status with the State is terminated (exclusive of any
11 additional service imposed pursuant to law).

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

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

26 (h) Those persons occupying positions with any department

1 as a result of emergency appointments pursuant to Section 8b.8
2 of the Personnel Code who are not considered employees under
3 this Act shall be given the option of participating in the
4 programs of group life insurance, health benefits and other
5 employee benefits. Such persons electing coverage may
6 participate only by making payment equal to the amount normally
7 contributed by the State for similarly situated employees. Such
8 amounts shall be determined by the Director. Such payments and
9 coverage may be continued until such time as the person becomes
10 an employee pursuant to this Act or such person's appointment
11 is terminated.

12 (i) Any unit of local government within the State of
13 Illinois may apply to the Director to have its employees,
14 annuitants, and their dependents provided group health
15 coverage under this Act on a non-insured basis. To participate,
16 a unit of local government must agree to enroll all of its
17 employees, who may select coverage under either the State group
18 health benefits plan or a health maintenance organization that
19 has contracted with the State to be available as a health care
20 provider for employees as defined in this Act. A unit of local
21 government must remit the entire cost of providing coverage
22 under the State group health benefits plan or, for coverage
23 under a health maintenance organization, an amount determined
24 by the Director based on an analysis of the sex, age,
25 geographic location, or other relevant demographic variables
26 for its employees, except that the unit of local government

1 shall not be required to enroll those of its employees who are
2 covered spouses or dependents under this plan or another group
3 policy or plan providing health benefits as long as (1) an
4 appropriate official from the unit of local government attests
5 that each employee not enrolled is a covered spouse or
6 dependent under this plan or another group policy or plan, and
7 (2) at least 50% of the employees are enrolled and the unit of
8 local government remits the entire cost of providing coverage
9 to those employees, except that a participating school district
10 must have enrolled at least 50% of its full-time employees who
11 have not waived coverage under the district's group health plan
12 by participating in a component of the district's cafeteria
13 plan. A participating school district is not required to enroll
14 a full-time employee who has waived coverage under the
15 district's health plan, provided that an appropriate official
16 from the participating school district attests that the
17 full-time employee has waived coverage by participating in a
18 component of the district's cafeteria plan. For the purposes of
19 this subsection, "participating school district" includes a
20 unit of local government whose primary purpose is education as
21 defined by the Department's rules.

22 Employees of a participating unit of local government who
23 are not enrolled due to coverage under another group health
24 policy or plan may enroll in the event of a qualifying change
25 in status, special enrollment, special circumstance as defined
26 by the Director, or during the annual Benefit Choice Period. A

1 participating unit of local government may also elect to cover
2 its annuitants. Dependent coverage shall be offered on an
3 optional basis, with the costs paid by the unit of local
4 government, its employees, or some combination of the two as
5 determined by the unit of local government. The unit of local
6 government shall be responsible for timely collection and
7 transmission of dependent premiums.

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

10 (1) In the first year of coverage, the rates shall be
11 equal to the amount normally charged to State employees for
12 elected optional coverages or for enrolled dependents
13 coverages or other contributory coverages, or contributed
14 by the State for basic insurance coverages on behalf of its
15 employees, adjusted for differences between State
16 employees and employees of the local government in age,
17 sex, geographic location or other relevant demographic
18 variables, plus an amount sufficient to pay for the
19 additional administrative costs of providing coverage to
20 employees of the unit of local government and their
21 dependents.

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

25 In the case of coverage of local government employees under
26 a health maintenance organization, the Director shall annually

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

10 Monthly payments by the unit of local government or its
11 employees for group health benefits plan or health maintenance
12 organization coverage shall be deposited in the Local
13 Government Health Insurance Reserve Fund.

14 The Local Government Health Insurance Reserve Fund is
15 hereby created as a nonappropriated trust fund to be held
16 outside the State Treasury, with the State Treasurer as
17 custodian. The Local Government Health Insurance Reserve Fund
18 shall be a continuing fund not subject to fiscal year
19 limitations. The Local Government Health Insurance Reserve
20 Fund is not subject to administrative charges or charge-backs,
21 including but not limited to those authorized under Section 8h
22 of the State Finance Act. All revenues arising from the
23 administration of the health benefits program established
24 under this Section shall be deposited into the Local Government
25 Health Insurance Reserve Fund. Any interest earned on moneys in
26 the Local Government Health Insurance Reserve Fund shall be

1 deposited into the Fund. All expenditures from this Fund shall
2 be used for payments for health care benefits for local
3 government and rehabilitation facility employees, annuitants,
4 and dependents, and to reimburse the Department or its
5 administrative service organization for all expenses incurred
6 in the administration of benefits. No other State funds may be
7 used for these purposes.

8 A local government employer's participation or desire to
9 participate in a program created under this subsection shall
10 not limit that employer's duty to bargain with the
11 representative of any collective bargaining unit of its
12 employees.

13 (j) Any rehabilitation facility within the State of
14 Illinois may apply to the Director to have its employees,
15 annuitants, and their eligible dependents provided group
16 health coverage under this Act on a non-insured basis. To
17 participate, a rehabilitation facility must agree to enroll all
18 of its employees and remit the entire cost of providing such
19 coverage for its employees, except that the rehabilitation
20 facility shall not be required to enroll those of its employees
21 who are covered spouses or dependents under this plan or
22 another group policy or plan providing health benefits as long
23 as (1) an appropriate official from the rehabilitation facility
24 attests that each employee not enrolled is a covered spouse or
25 dependent under this plan or another group policy or plan, and
26 (2) at least 50% of the employees are enrolled and the

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

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

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

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

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

7 (k) Any domestic violence shelter or service within the
8 State of Illinois may apply to the Director to have its
9 employees, annuitants, and their dependents provided group
10 health coverage under this Act on a non-insured basis. To
11 participate, a domestic violence shelter or service must agree
12 to enroll all of its employees and pay the entire cost of
13 providing such coverage for its employees. The domestic
14 violence shelter shall not be required to enroll those of its
15 employees who are covered spouses or dependents under this plan
16 or another group policy or plan providing health benefits as
17 long as (1) an appropriate official from the domestic violence
18 shelter attests that each employee not enrolled is a covered
19 spouse or dependent under this plan or another group policy or
20 plan and (2) at least 50% of the employees are enrolled and the
21 domestic violence shelter remits the entire cost of providing
22 coverage to those employees. Employees of a participating
23 domestic violence shelter who are not enrolled due to coverage
24 under another group health policy or plan may enroll in the
25 event of a qualifying change in status, special enrollment, or
26 special circumstance as defined by the Director or during the

1 annual Benefit Choice Period. A participating domestic
2 violence shelter may also elect to cover its annuitants.
3 Dependent coverage shall be offered on an optional basis, with
4 employees, or some combination of the 2 as determined by the
5 domestic violence shelter or service. The domestic violence
6 shelter or service shall be responsible for timely collection
7 and transmission of dependent premiums.

8 The Director shall annually determine rates of payment,
9 subject to the following constraints:

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

21 (2) In subsequent years, a further adjustment shall be
22 made to reflect the actual prior years' claims experience
23 of the employees of the domestic violence shelter or
24 service.

25 Monthly payments by the domestic violence shelter or
26 service or its employees for group health insurance shall be

1 deposited in the Local Government Health Insurance Reserve
2 Fund.

3 (1) A public community college or entity organized pursuant
4 to the Public Community College Act may apply to the Director
5 initially to have only annuitants not covered prior to July 1,
6 1992 by the district's health plan provided health coverage
7 under this Act on a non-insured basis. The community college
8 must execute a 2-year contract to participate in the Local
9 Government Health Plan. Any annuitant may enroll in the event
10 of a qualifying change in status, special enrollment, special
11 circumstance as defined by the Director, or during the annual
12 Benefit Choice Period.

13 The Director shall annually determine monthly rates of
14 payment subject to the following constraints: for those
15 community colleges with annuitants only enrolled, first year
16 rates shall be equal to the average cost to cover claims for a
17 State member adjusted for demographics, Medicare
18 participation, and other factors; and in the second year, a
19 further adjustment of rates shall be made to reflect the actual
20 first year's claims experience of the covered annuitants.

21 (1-5) The provisions of subsection (1) become inoperative
22 on July 1, 1999.

23 (m) The Director shall adopt any rules deemed necessary for
24 implementation of this amendatory Act of 1989 (Public Act
25 86-978).

26 (n) Any child advocacy center within the State of Illinois

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

26 The Director shall annually determine rates of payment,

1 subject to the following constraints:

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

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

19 (Source: P.A. 97-695, eff. 7-1-12; 98-488, eff. 8-16-13.)