

1 AN ACT concerning health services.

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
5 1971 is amended by changing Section 6.11 as follows:

6 (5 ILCS 375/6.11)

7 Sec. 6.11. Required health benefits. The program of
8 health benefits shall provide the post-mastectomy care
9 benefits required to be covered by a policy of accident and
10 health insurance under Section 356t of the Illinois Insurance
11 Code. The program of health benefits shall provide the
12 coverage required under Sections 356u, 356w, and 356x,
13 356z.2, and 356z.3 of the Illinois Insurance Code.

14 (Source: P.A. 90-7, eff. 6-10-97; 90-655, eff. 7-30-98;
15 90-741, eff. 1-1-99.)

16 Section 10. The Counties Code is amended by changing
17 Section 5-1069.3 as follows:

18 (55 ILCS 5/5-1069.3)

19 Sec. 5-1069.3. Required health benefits. If a county,
20 including a home rule county, is a self-insurer for purposes
21 of providing health insurance coverage for its employees, the
22 coverage shall include coverage for the post-mastectomy care
23 benefits required to be covered by a policy of accident and
24 health insurance under Section 356t and the coverage required
25 under Sections 356u, 356w, and 356x, 356z.2, and 356z.3 of
26 the Illinois Insurance Code. The requirement that health
27 benefits be covered as provided in this Section is an
28 exclusive power and function of the State and is a denial and
29 limitation under Article VII, Section 6, subsection (h) of

1 the Illinois Constitution. A home rule county to which this
2 Section applies must comply with every provision of this
3 Section.

4 (Source: P.A. 90-7, eff. 6-10-97; 90-741, eff. 1-1-99.)

5 Section 15. The Illinois Municipal Code is amended by
6 changing Section 10-4-2.3 as follows:

7 (65 ILCS 5/10-4-2.3)

8 Sec. 10-4-2.3. Required health benefits. If a
9 municipality, including a home rule municipality, is a
10 self-insurer for purposes of providing health insurance
11 coverage for its employees, the coverage shall include
12 coverage for the post-mastectomy care benefits required to be
13 covered by a policy of accident and health insurance under
14 Section 356t and the coverage required under Sections 356u,
15 356w, and 356x, 356z.2, and 356z.3 of the Illinois Insurance
16 Code. The requirement that health benefits be covered as
17 provided in this is an exclusive power and function of the
18 State and is a denial and limitation under Article VII,
19 Section 6, subsection (h) of the Illinois Constitution. A
20 home rule municipality to which this Section applies must
21 comply with every provision of this Section.

22 (Source: P.A. 90-7, eff. 6-10-97; 90-741, eff. 1-1-99.)

23 Section 20. The School Code is amended by changing
24 Section 10-22.3f as follows:

25 (105 ILCS 5/10-22.3f)

26 Sec. 10-22.3f. Required health benefits. Insurance
27 protection and benefits for employees shall provide the
28 post-mastectomy care benefits required to be covered by a
29 policy of accident and health insurance under Section 356t
30 and the coverage required under Sections 356u, 356w, and

1 356x, 356z.2, and 356z.3 of the Illinois Insurance Code.
2 (Source: P.A. 90-7, eff. 6-10-97; 90-741, eff. 1-1-99.)

3 Section 25. The Hospital Licensing Act is amended by
4 adding Section 11.4 as follows:

5 (210 ILCS 85/11.4 new)

6 Sec. 11.4. Uniform standards of obstetrical care
7 regardless of source of or ability to pay.

8 (a) A hospital may not promulgate policies or implement
9 practices that determine differing standards of obstetrical
10 care based upon a patient's source of payment or ability to
11 pay for medical services.

12 (b) A hospital shall develop a written policy statement
13 reflecting the requirements of subsection (a) and shall post
14 written notices of this policy in the obstetrical admitting
15 areas of the hospital by July 1, 2001. Notices posted
16 pursuant to this Section shall be posted in the predominant
17 language or languages spoken in the hospital's service area.

18 Section 30. The Illinois Insurance Code is amended by
19 adding Sections 356z.2 and 356z.3 as follows:

20 (215 ILCS 5/356z.2 new)

21 Sec. 356z.2. Epidural anesthesia services. A group or
22 individual policy of accident and health insurance or managed
23 care plan amended, delivered, issued, or renewed after the
24 effective date of this amendatory Act of the 92nd General
25 Assembly that provides coverage for hospital or medical
26 expenses must provide coverage for reimbursement to medical
27 providers for epidural anesthesia services when ordered by
28 the attending practitioner at the time of delivery.

29 (215 ILCS 5/356z.3 new)

1 Sec. 356z.3. Prescription nutritional supplements. A
 2 group or individual policy of accident and health insurance
 3 or managed care plan amended, delivered, issued, or renewed
 4 after the effective date of this amendatory Act of the 92nd
 5 General Assembly that provides coverage for prescription
 6 drugs must provide coverage for reimbursement for medically
 7 appropriate prescription nutritional supplements when ordered
 8 by a physician licensed to practice medicine in all its
 9 branches and the insured suffers from a condition that
 10 prevents him or her from taking sufficient oral nourishment
 11 to sustain life.

12 Section 35. The Health Maintenance Organization Act is
 13 amended by changing Section 5-3 as follows:

14 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

15 Sec. 5-3. Insurance Code provisions.

16 (a) Health Maintenance Organizations shall be subject to
 17 the provisions of Sections 133, 134, 137, 140, 141.1, 141.2,
 18 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5,
 19 154.6, 154.7, 154.8, 155.04, 355.2, 356m, 356v, 356w, 356x,
 20 356y, 356z.2, 356z.3, 367i, 368a, 401, 401.1, 402, 403, 403A,
 21 408, 408.2, 409, 412, 444, and 444.1, paragraph (c) of
 22 subsection (2) of Section 367, and Articles IIA, VIII 1/2,
 23 XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of the Illinois
 24 Insurance Code.

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

29 (1) a corporation authorized under the Dental
 30 Service Plan Act or the Voluntary Health Services Plans
 31 Act;

32 (2) a corporation organized under the laws of this

1 State; or

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

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

11 (1) the Director shall give primary consideration
12 to the continuation of benefits to enrollees and the
13 financial conditions of the acquired Health Maintenance
14 Organization after the merger, consolidation, or other
15 acquisition of control takes effect;

16 (2)(i) the criteria specified in subsection (1)(b)
17 of Section 131.8 of the Illinois Insurance Code shall not
18 apply and (ii) the Director, in making his determination
19 with respect to the merger, consolidation, or other
20 acquisition of control, need not take into account the
21 effect on competition of the merger, consolidation, or
22 other acquisition of control;

23 (3) the Director shall have the power to require
24 the following information:

25 (A) certification by an independent actuary of
26 the adequacy of the reserves of the Health
27 Maintenance Organization sought to be acquired;

28 (B) pro forma financial statements reflecting
29 the combined balance sheets of the acquiring company
30 and the Health Maintenance Organization sought to be
31 acquired as of the end of the preceding year and as
32 of a date 90 days prior to the acquisition, as well
33 as pro forma financial statements reflecting
34 projected combined operation for a period of 2

1 years;

2 (C) a pro forma business plan detailing an
3 acquiring party's plans with respect to the
4 operation of the Health Maintenance Organization
5 sought to be acquired for a period of not less than
6 3 years; and

7 (D) such other information as the Director
8 shall require.

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

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

25 (f) Except for small employer groups as defined in the
26 Small Employer Rating, Renewability and Portability Health
27 Insurance Act and except for medicare supplement policies as
28 defined in Section 363 of the Illinois Insurance Code, a
29 Health Maintenance Organization may by contract agree with a
30 group or other enrollment unit to effect refunds or charge
31 additional premiums under the following terms and conditions:

32 (i) the amount of, and other terms and conditions
33 with respect to, the refund or additional premium are set
34 forth in the group or enrollment unit contract agreed in

1 advance of the period for which a refund is to be paid or
2 additional premium is to be charged (which period shall
3 not be less than one year); and

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

19 The Health Maintenance Organization shall include a
20 statement in the evidence of coverage issued to each enrollee
21 describing the possibility of a refund or additional premium,
22 and upon request of any group or enrollment unit, provide to
23 the group or enrollment unit a description of the method used
24 to calculate (1) the Health Maintenance Organization's
25 profitable experience with respect to the group or enrollment
26 unit and the resulting refund to the group or enrollment unit
27 or (2) the Health Maintenance Organization's unprofitable
28 experience with respect to the group or enrollment unit and
29 the resulting additional premium to be paid by the group or
30 enrollment unit.

31 In no event shall the Illinois Health Maintenance
32 Organization Guaranty Association be liable to pay any
33 contractual obligation of an insolvent organization to pay
34 any refund authorized under this Section.

1 (Source: P.A. 90-25, eff. 1-1-98; 90-177, eff. 7-23-97;
 2 90-372, eff. 7-1-98; 90-583, eff. 5-29-98; 90-655, eff.
 3 7-30-98; 90-741, eff. 1-1-99; 91-357, eff. 7-29-99; 91-406,
 4 eff. 1-1-00; 91-549, eff. 8-14-99; 91-605, eff. 12-14-99;
 5 91-788, eff. 6-9-00.)

6 Section 40. The Voluntary Health Services Plans Act is
 7 amended by changing Section 10 as follows:

8 (215 ILCS 165/10) (from Ch. 32, par. 604)

9 Sec. 10. Application of Insurance Code provisions.
 10 Health services plan corporations and all persons interested
 11 therein or dealing therewith shall be subject to the
 12 provisions of Articles IIA and XII 1/2 and Sections 3.1, 133,
 13 140, 143, 143c, 149, 354, 355.2, 356r, 356t, 356u, 356v,
 14 356w, 356x, 356y, 356z.2, 356z.3, 367.2, 368a, 401, 401.1,
 15 402, 403, 403A, 408, 408.2, and 412, and paragraphs (7) and
 16 (15) of Section 367 of the Illinois Insurance Code.

17 (Source: P.A. 90-7, eff. 6-10-97; 90-25, eff. 1-1-98; 90-655,
 18 eff. 7-30-98; 90-741, eff. 1-1-99; 91-406, eff. 1-1-00;
 19 91-549, eff. 8-14-99; 91-605, eff. 12-14-99; 91-788, eff.
 20 6-9-00.)

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