

1 AN ACT in relation to the children's health insurance
2 program.

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

5 Section 5. The Children's Health Insurance Program Act
6 is amended by changing Section 25 as follows:

7 (215 ILCS 106/25)

8 (Section scheduled to be repealed on July 1, 2002)

9 Sec. 25. Health benefits for children.

10 (a) The Department shall, subject to appropriation,
11 provide health benefits coverage to eligible children by:

12 (1) Subsidizing the cost of privately sponsored
13 health insurance, including employer based health
14 insurance, to assist families to take advantage of
15 available privately sponsored health insurance for their
16 eligible children; and

17 (2) Purchasing or providing health care benefits
18 for eligible children. The health benefits provided
19 under this subdivision (a)(2) shall, subject to
20 appropriation and without regard to any applicable cost
21 sharing under Section 30, be identical to the benefits
22 provided for children under the State's approved plan
23 under Title XIX of the Social Security Act. Providers
24 under this subdivision (a)(2) shall be subject to
25 approval by the Department to provide health care under
26 the Illinois Public Aid Code and shall be reimbursed at
27 the same rate as providers under the State's approved
28 plan under Title XIX of the Social Security Act. In
29 addition, providers may retain co-payments when
30 determined appropriate by the Department.

31 (b) The subsidization provided pursuant to subdivision

1 (a)(1) shall be credited to the family member of the eligible
2 child who pays for the coverage on behalf of the eligible
3 child.

4 (c) The Department is prohibited from denying coverage
5 to a child who is enrolled in a privately sponsored health
6 insurance plan pursuant to subdivision (a)(1) because the
7 plan does not meet federal benchmarking standards or cost
8 sharing and contribution requirements. To be eligible for
9 inclusion in the Program, the plan shall contain
10 comprehensive major medical coverage which shall consist of
11 physician and hospital inpatient services. The Department is
12 prohibited from denying coverage to a child who is enrolled
13 in a privately sponsored health insurance plan pursuant to
14 subdivision (a)(1) because the plan offers benefits in
15 addition to physician and hospital inpatient services.

16 (d) The total dollar amount of subsidizing coverage per
17 child per month pursuant to subdivision (a)(1) shall be equal
18 to the average dollar payments, less premiums incurred, per
19 child per month pursuant to subdivision (a)(2). The
20 Department shall set this amount prospectively based upon the
21 prior fiscal year's experience adjusted for incurred but not
22 reported claims and estimated increases or decreases in the
23 cost of medical care. Payments obligated before July 1,
24 1999, will be computed using State Fiscal Year 1996 payments
25 for children eligible for Medical Assistance and income
26 assistance under the Aid to Families with Dependent Children
27 Program, with appropriate adjustments for cost and
28 utilization changes through January 1, 1999. The Department
29 is prohibited from providing a subsidy pursuant to
30 subdivision (a)(1) that is more than the individual's monthly
31 portion of the premium.

32 (e) An eligible child may obtain immediate coverage
33 under this Program only once during a medical visit. If
34 coverage lapses, re-enrollment shall be completed in advance

1 of the next covered medical visit and the first month's
2 required premium shall be paid in advance of any covered
3 medical visit.

4 (f) In order to accelerate and facilitate the
5 development of networks to deliver services to children in
6 areas outside counties with populations in excess of
7 3,000,000, in the event less than 25% of the eligible
8 children in a county or contiguous counties has enrolled with
9 a Health Maintenance Organization pursuant to Section 5-11 of
10 the Illinois Public Aid Code, the Department may develop and
11 implement demonstration projects to create alternative
12 networks designed to enhance enrollment and participation in
13 the program. The Department shall prescribe by rule the
14 criteria, standards, and procedures for effecting
15 demonstration projects under this Section.

16 (Source: P.A. 90-736, eff. 8-12-98.)

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.