

1 AN ACT concerning state employee health benefits.

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 3 and adding Section 6.14
6 as follows:

7 (5 ILCS 375/3) (from Ch. 127, par. 523)

8 Sec. 3. Definitions. Unless the context otherwise
9 requires, the following words and phrases as used in this Act
10 shall have the following meanings. The Department may define
11 these and other words and phrases separately for the purpose
12 of implementing specific programs providing benefits under
13 this Act.

14 (a) "Administrative service organization" means any
15 person, firm or corporation experienced in the handling of
16 claims which is fully qualified, financially sound and
17 capable of meeting the service requirements of a contract of
18 administration executed with the Department.

19 (b) "Annuitant" means (1) an employee who retires, or
20 has retired, on or after January 1, 1966 on an immediate
21 annuity under the provisions of Articles 2, 14, 15 (including
22 an employee who has retired under the optional retirement
23 program established under Section 15-158.2), paragraphs (2),
24 (3), or (5) of Section 16-106, or Article 18 of the Illinois
25 Pension Code; (2) any person who was receiving group
26 insurance coverage under this Act as of March 31, 1978 by
27 reason of his status as an annuitant, even though the annuity
28 in relation to which such coverage was provided is a
29 proportional annuity based on less than the minimum period of
30 service required for a retirement annuity in the system
31 involved; (3) any person not otherwise covered by this Act

1 who has retired as a participating member under Article 2 of
2 the Illinois Pension Code but is ineligible for the
3 retirement annuity under Section 2-119 of the Illinois
4 Pension Code; (4) the spouse of any person who is receiving a
5 retirement annuity under Article 18 of the Illinois Pension
6 Code and who is covered under a group health insurance
7 program sponsored by a governmental employer other than the
8 State of Illinois and who has irrevocably elected to waive
9 his or her coverage under this Act and to have his or her
10 spouse considered as the "annuitant" under this Act and not
11 as a "dependent"; or (5) an employee who retires, or has
12 retired, from a qualified position, as determined according
13 to rules promulgated by the Director, under a qualified local
14 government or a qualified rehabilitation facility or a
15 qualified domestic violence shelter or service. (For
16 definition of "retired employee", see (p) post).

17 (b-5) "New SERS annuitant" means a person who, on or
18 after January 1, 1998, becomes an annuitant, as defined in
19 subsection (b), by virtue of beginning to receive a
20 retirement annuity under Article 14 of the Illinois Pension
21 Code, and is eligible to participate in the basic program of
22 group health benefits provided for annuitants under this Act.

23 (b-6) "New SURS annuitant" means a person who (1) on or
24 after January 1, 1998, becomes an annuitant, as defined in
25 subsection (b), by virtue of beginning to receive a
26 retirement annuity under Article 15 of the Illinois Pension
27 Code, (2) has not made the election authorized under Section
28 15-135.1 of the Illinois Pension Code, and (3) is eligible to
29 participate in the basic program of group health benefits
30 provided for annuitants under this Act.

31 (b-7) "New TRS State annuitant" means a person who, on
32 or after July 1, 1998, becomes an annuitant, as defined in
33 subsection (b), by virtue of beginning to receive a
34 retirement annuity under Article 16 of the Illinois Pension

1 Code based on service as a teacher as defined in paragraph
2 (2), (3), or (5) of Section 16-106 of that Code, and is
3 eligible to participate in the basic program of group health
4 benefits provided for annuitants under this Act.

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

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

32 (e) "Commission" means the State Employees Group
33 Insurance Advisory Commission authorized by this Act.
34 Commencing July 1, 1984, "Commission" as used in this Act

1 means the Illinois Economic and Fiscal Commission as
2 established by the Legislative Commission Reorganization Act
3 of 1984.

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

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

25 (h) "Dependent", when the term is used in the context of
26 the health and life plan, means a member's spouse and any
27 unmarried child (1) from birth to age 19 including an adopted
28 child, a child who lives with the member from the time of the
29 filing of a petition for adoption until entry of an order of
30 adoption, a stepchild or recognized child who lives with the
31 member in a parent-child relationship, or a child who lives
32 with the member if such member is a court appointed guardian
33 of the child, or (2) age 19 to 23 enrolled as a full-time
34 student in any accredited school, financially dependent upon

1 the member, and eligible to be claimed as a dependent for
2 income tax purposes, or (3) age 19 or over who is mentally or
3 physically handicapped. For the health plan only, the term
4 "dependent" also includes any person enrolled prior to the
5 effective date of this Section who is dependent upon the
6 member to the extent that the member may claim such person as
7 a dependent for income tax deduction purposes; no other such
8 person may be enrolled. For the health plan only, the term
9 "dependent" also includes any person who has received after
10 June 30, 2000 an organ transplant and who is financially
11 dependent upon the member and eligible to be claimed as a
12 dependent for income tax purposes.

13 (i) "Director" means the Director of the Illinois
14 Department of Central Management Services.

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

18 (k) "Employee" means and includes each officer or
19 employee in the service of a department who (1) receives his
20 compensation for service rendered to the department on a
21 warrant issued pursuant to a payroll certified by a
22 department or on a warrant or check issued and drawn by a
23 department upon a trust, federal or other fund or on a
24 warrant issued pursuant to a payroll certified by an elected
25 or duly appointed officer of the State or who receives
26 payment of the performance of personal services on a warrant
27 issued pursuant to a payroll certified by a Department and
28 drawn by the Comptroller upon the State Treasurer against
29 appropriations made by the General Assembly from any fund or
30 against trust funds held by the State Treasurer, and (2) is
31 employed full-time or part-time in a position normally
32 requiring actual performance of duty during not less than 1/2
33 of a normal work period, as established by the Director in
34 cooperation with each department, except that persons elected

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

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

10 (l) "Member" means an employee, annuitant, retired
11 employee or survivor.

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

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

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

21 (p) "Retired employee" means any person who would be an
22 annuitant as that term is defined herein but for the fact
23 that such person retired prior to January 1, 1966. Such term
24 also includes any person formerly employed by the University
25 of Illinois in the Cooperative Extension Service who would be
26 an annuitant but for the fact that such person was made
27 ineligible to participate in the State Universities
28 Retirement System by clause (4) of subsection (a) of Section
29 15-107 of the Illinois Pension Code.

30 (q) "Survivor" means a person receiving an annuity as a
31 survivor of an employee or of an annuitant. "Survivor" also
32 includes: (1) the surviving dependent of a person who
33 satisfies the definition of "employee" except that such
34 person is made ineligible to participate in the State

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

9 (q-5) "New SERS survivor" means a survivor, as defined
10 in subsection (q), whose annuity is paid under Article 14 of
11 the Illinois Pension Code and is based on the death of (i) an
12 employee whose death occurs on or after January 1, 1998, or
13 (ii) a new SERS annuitant as defined in subsection (b-5).

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

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

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

29 (s) "Unit of local government" means any county,
30 municipality, township, school district, special district or
31 other unit, designated as a unit of local government by law,
32 which exercises limited governmental powers or powers in
33 respect to limited governmental subjects, any not-for-profit
34 association with a membership that primarily includes

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

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

29 (u) "Qualified domestic violence shelter or service"
30 means any Illinois domestic violence shelter or service and
31 its administrative offices funded by the Department of Human
32 Services (as successor to the Illinois Department of Public
33 Aid), approved by the Director and participating in a program
34 created under subsection (k) of Section 10.

- 1 (v) "TRS benefit recipient" means a person who:
- 2 (1) is not a "member" as defined in this Section;
- 3 and
- 4 (2) is receiving a monthly benefit or retirement
- 5 annuity under Article 16 of the Illinois Pension Code;
- 6 and
- 7 (3) either (i) has at least 8 years of creditable
- 8 service under Article 16 of the Illinois Pension Code, or
- 9 (ii) was enrolled in the health insurance program offered
- 10 under that Article on January 1, 1996, or (iii) is the
- 11 survivor of a benefit recipient who had at least 8 years
- 12 of creditable service under Article 16 of the Illinois
- 13 Pension Code or was enrolled in the health insurance
- 14 program offered under that Article on the effective date
- 15 of this amendatory Act of 1995, or (iv) is a recipient or
- 16 survivor of a recipient of a disability benefit under
- 17 Article 16 of the Illinois Pension Code.
- 18 (w) "TRS dependent beneficiary" means a person who:
- 19 (1) is not a "member" or "dependent" as defined in
- 20 this Section; and
- 21 (2) is a TRS benefit recipient's: (A) spouse, (B)
- 22 dependent parent who is receiving at least half of his or
- 23 her support from the TRS benefit recipient, or (C)
- 24 unmarried natural or adopted child who is (i) under age
- 25 19, or (ii) enrolled as a full-time student in an
- 26 accredited school, financially dependent upon the TRS
- 27 benefit recipient, eligible to be claimed as a dependent
- 28 for income tax purposes, and either is under age 24 or
- 29 was, on January 1, 1996, participating as a dependent
- 30 beneficiary in the health insurance program offered under
- 31 Article 16 of the Illinois Pension Code, or (iii) age 19
- 32 or over who is mentally or physically handicapped.
- 33 (x) "Military leave with pay and benefits" refers to
- 34 individuals in basic training for reserves, special/advanced

1 training, annual training, emergency call up, or activation
2 by the President of the United States with approved pay and
3 benefits.

4 (y) "Military leave without pay and benefits" refers to
5 individuals who enlist for active duty in a regular component
6 of the U.S. Armed Forces or other duty not specified or
7 authorized under military leave with pay and benefits.

8 (z) "Community college benefit recipient" means a person
9 who:

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

12 (2) is receiving a monthly survivor's annuity or
13 retirement annuity under Article 15 of the Illinois
14 Pension Code; and

15 (3) either (i) was a full-time employee of a
16 community college district or an association of community
17 college boards created under the Public Community College
18 Act (other than an employee whose last employer under
19 Article 15 of the Illinois Pension Code was a community
20 college district subject to Article VII of the Public
21 Community College Act) and was eligible to participate in
22 a group health benefit plan as an employee during the
23 time of employment with a community college district
24 (other than a community college district subject to
25 Article VII of the Public Community College Act) or an
26 association of community college boards, or (ii) is the
27 survivor of a person described in item (i).

28 (aa) "Community college dependent beneficiary" means a
29 person who:

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

32 (2) is a community college benefit recipient's: (A)
33 spouse, (B) dependent parent who is receiving at least
34 half of his or her support from the community college

1 benefit recipient, or (C) unmarried natural or adopted
2 child who is (i) under age 19, or (ii) enrolled as a
3 full-time student in an accredited school, financially
4 dependent upon the community college benefit recipient,
5 eligible to be claimed as a dependent for income tax
6 purposes and under age 23, or (iii) age 19 or over and
7 mentally or physically handicapped.

8 (Source: P.A. 90-14, eff. 7-1-97; 90-65, eff. 7-7-97; 90-448,
9 eff. 8-16-97; 90-497, eff. 8-18-97; 90-511, eff. 8-22-97;
10 90-582, eff. 5-27-98; 90-655, eff. 7-30-98; 91-390, eff.
11 7-30-99; 91-395, eff. 7-30-99; 91-617, eff, 8-19-99; revised
12 10-19-99.)

13 (5 ILCS 375/6.14 new)

14 Sec. 6.14. Organ donor costs. With respect to organ
15 transplants occurring after June 30, 2000 when both a donor
16 and donee are members of the same family and are both covered
17 by the program of health benefits, the program of health
18 benefits shall pay 100% of the donor's expenses without the
19 imposition of any deductible or copayment.

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