

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, and  
13 356z.1 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, and 356z.1 of the  
26 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, and 356z.1 of the Illinois Insurance Code.  
16 The requirement that health benefits be covered as provided  
17 in this is an exclusive power and function of the State and  
18 is a denial and limitation under Article VII, Section 6,  
19 subsection (h) of the Illinois Constitution. A home rule  
20 municipality to which this Section applies must comply with  
21 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, and 356z.1 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 Section 356z.1 as follows:

20 (215 ILCS 5/356z.1 new)

21 Sec. 356z.1. Birth control coverage. 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 prescribed drugs approved  
26 by the federal Food and Drug Administration for the treatment  
27 of impotence must also provide coverage for prescribed drugs  
28 approved by the federal Food and Drug Administration for the  
29 prevention of pregnancy on the same terms and conditions that  
30 are generally applicable to coverage for other prescribed

1 drugs approved by the federal Food and Drug Administration.

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

4 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

5 Sec. 5-3. Insurance Code provisions.

6 (a) Health Maintenance Organizations shall be subject to  
7 the provisions of Sections 133, 134, 137, 140, 141.1, 141.2,  
8 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5,  
9 154.6, 154.7, 154.8, 155.04, 355.2, 356m, 356v, 356w, 356x,  
10 356y, 356z.1, 367i, 368a, 401, 401.1, 402, 403, 403A, 408,  
11 408.2, 409, 412, 444, and 444.1, paragraph (c) of subsection  
12 (2) of Section 367, and Articles IIA, VIII 1/2, XII, XII 1/2,  
13 XIII, XIII 1/2, XXV, and XXVI of the Illinois Insurance Code.

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

18 (1) a corporation authorized under the Dental  
19 Service Plan Act or the Voluntary Health Services Plans  
20 Act;

21 (2) a corporation organized under the laws of this  
22 State; or

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

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

32 (1) the Director shall give primary consideration

1 to the continuation of benefits to enrollees and the  
2 financial conditions of the acquired Health Maintenance  
3 Organization after the merger, consolidation, or other  
4 acquisition of control takes effect;

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

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

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

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

25 (C) a pro forma business plan detailing an  
26 acquiring party's plans with respect to the  
27 operation of the Health Maintenance Organization  
28 sought to be acquired for a period of not less than  
29 3 years; and

30 (D) such other information as the Director  
31 shall require.

32 (d) The provisions of Article VIII 1/2 of the Illinois  
33 Insurance Code and this Section 5-3 shall apply to the sale  
34 by any health maintenance organization of greater than 10% of

1 its enrollee population (including without limitation the  
2 health maintenance organization's right, title, and interest  
3 in and to its health care certificates).

4 (e) In considering any management contract or service  
5 agreement subject to Section 141.1 of the Illinois Insurance  
6 Code, the Director (i) shall, in addition to the criteria  
7 specified in Section 141.2 of the Illinois Insurance Code,  
8 take into account the effect of the management contract or  
9 service agreement on the continuation of benefits to  
10 enrollees and the financial condition of the health  
11 maintenance organization to be managed or serviced, and (ii)  
12 need not take into account the effect of the management  
13 contract or service agreement on competition.

14 (f) Except for small employer groups as defined in the  
15 Small Employer Rating, Renewability and Portability Health  
16 Insurance Act and except for medicare supplement policies as  
17 defined in Section 363 of the Illinois Insurance Code, a  
18 Health Maintenance Organization may by contract agree with a  
19 group or other enrollment unit to effect refunds or charge  
20 additional premiums under the following terms and conditions:

21 (i) the amount of, and other terms and conditions  
22 with respect to, the refund or additional premium are set  
23 forth in the group or enrollment unit contract agreed in  
24 advance of the period for which a refund is to be paid or  
25 additional premium is to be charged (which period shall  
26 not be less than one year); and

27 (ii) the amount of the refund or additional premium  
28 shall not exceed 20% of the Health Maintenance  
29 Organization's profitable or unprofitable experience with  
30 respect to the group or other enrollment unit for the  
31 period (and, for purposes of a refund or additional  
32 premium, the profitable or unprofitable experience shall  
33 be calculated taking into account a pro rata share of the  
34 Health Maintenance Organization's administrative and

1 marketing expenses, but shall not include any refund to  
2 be made or additional premium to be paid pursuant to this  
3 subsection (f)). The Health Maintenance Organization and  
4 the group or enrollment unit may agree that the  
5 profitable or unprofitable experience may be calculated  
6 taking into account the refund period and the immediately  
7 preceding 2 plan years.

8 The Health Maintenance Organization shall include a  
9 statement in the evidence of coverage issued to each enrollee  
10 describing the possibility of a refund or additional premium,  
11 and upon request of any group or enrollment unit, provide to  
12 the group or enrollment unit a description of the method used  
13 to calculate (1) the Health Maintenance Organization's  
14 profitable experience with respect to the group or enrollment  
15 unit and the resulting refund to the group or enrollment unit  
16 or (2) the Health Maintenance Organization's unprofitable  
17 experience with respect to the group or enrollment unit and  
18 the resulting additional premium to be paid by the group or  
19 enrollment unit.

20 In no event shall the Illinois Health Maintenance  
21 Organization Guaranty Association be liable to pay any  
22 contractual obligation of an insolvent organization to pay  
23 any refund authorized under this Section.

24 (Source: P.A. 90-25, eff. 1-1-98; 90-177, eff. 7-23-97;  
25 90-372, eff. 7-1-98; 90-583, eff. 5-29-98; 90-655, eff.  
26 7-30-98; 90-741, eff. 1-1-99; 91-357, eff. 7-29-99; 91-406,  
27 eff. 1-1-00; 91-549, eff. 8-14-99; 91-605, eff. 12-14-99;  
28 91-788, eff. 6-9-00.)

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

31 (215 ILCS 165/10) (from Ch. 32, par. 604)

32 Sec. 10. Application of Insurance Code provisions.

1 Health services plan corporations and all persons interested  
2 therein or dealing therewith shall be subject to the  
3 provisions of Articles IIA and XII 1/2 and Sections 3.1, 133,  
4 140, 143, 143c, 149, 354, 355.2, 356r, 356t, 356u, 356v,  
5 356w, 356x, 356y, 356z.1, 367.2, 368a, 401, 401.1, 402, 403,  
6 403A, 408, 408.2, and 412, and paragraphs (7) and (15) of  
7 Section 367 of the Illinois Insurance Code.

8 (Source: P.A. 90-7, eff. 6-10-97; 90-25, eff. 1-1-98; 90-655,  
9 eff. 7-30-98; 90-741, eff. 1-1-99; 91-406, eff. 1-1-00;  
10 91-549, eff. 8-14-99; 91-605, eff. 12-14-99; 91-788, eff.  
11 6-9-00.)

12 Section 45. The Illinois Public Aid Code is amended by  
13 adding Section 5-16.7a as follows:

14 (305 ILCS 5/5-16.7a new)

15 Sec. 5-16.7a. Reimbursement for epidural anesthesia  
16 services. The Department shall provide reimbursement to  
17 medical providers for epidural anesthesia services when  
18 ordered by the attending practitioner at the time of  
19 delivery.

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