

1 AN ACT concerning insurance.

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

4 Section 5. The Children's Health Insurance Program Act
5 is amended by changing Sections 20, 25, and 97 as follows:

6 (215 ILCS 106/20)

7 (Section scheduled to be repealed on July 1, 2002)

8 Sec. 20. Eligibility.

9 (a) To be eligible for this Program, a person must be a
10 person who has a child eligible under this Act and who is
11 eligible under a waiver of federal requirements pursuant to
12 an application made pursuant to subdivision (a)(1) of Section
13 40 of this Act or who is a child who:

14 (1) is a child who is not eligible for medical
15 assistance;

16 (2) is a child whose annual household income, as
17 determined by the Department, is above 133% of the
18 federal poverty level and at or below 185% of the federal
19 poverty level;

20 (3) is a resident of the State of Illinois; and

21 (4) is a child who is either a United States
22 citizen or included in one of the following categories of
23 non-citizens:

24 (A) unmarried dependent children of either a
25 United States Veteran honorably discharged or a
26 person on active military duty;

27 (B) refugees under Section 207 of the
28 Immigration and Nationality Act;

29 (C) asylees under Section 208 of the
30 Immigration and Nationality Act;

31 (D) persons for whom deportation has been

1 withheld under Section 243(h) of the Immigration
2 and Nationality Act;

3 (E) persons granted conditional entry under
4 Section 203(a)(7) of the Immigration and Nationality
5 Act as in effect prior to April 1, 1980;

6 (F) persons lawfully admitted for permanent
7 residence under the Immigration and Nationality Act;
8 and

9 (G) parolees, for at least one year, under
10 Section 212(d)(5) of the Immigration and Nationality
11 Act.

12 Those children who are in the categories set forth in
13 subdivisions (4)(F) and (4)(G) of this subsection, who enter
14 the United States on or after August 22, 1996, shall not be
15 eligible for 5 years beginning on the date the child entered
16 the United States.

17 (b) A child who is determined to be eligible for
18 assistance shall remain eligible for 12 months, provided the
19 child maintains his or her residence in the State, has not
20 yet attained 19 years of age, and is not excluded pursuant to
21 subsection (c). Eligibility shall be re-determined by the
22 Department at least annually.

23 (c) A child shall not be eligible for coverage under
24 this Program if:

25 (1) the premium required pursuant to Section 30 of
26 this Act has not been paid. If the required premiums are
27 not paid the liability of the Program shall be limited to
28 benefits incurred under the Program for the time period
29 for which premiums had been paid. If the required
30 monthly premium is not paid, the child shall be
31 ineligible for re-enrollment for a minimum period of 3
32 months. Re-enrollment shall be completed prior to the
33 next covered medical visit and the first month's required
34 premium shall be paid in advance of the next covered

1 medical visit. The Department shall promulgate rules
2 regarding grace periods, notice requirements, and hearing
3 procedures pursuant to this subsection;

4 (2) the child is an inmate of a public institution
5 or a patient in an institution for mental diseases; or

6 (3) the child is a member of a family that is
7 eligible for health benefits covered under the State of
8 Illinois health benefits plan on the basis of a member's
9 employment with a public agency.

10 (d) A child may be determined to be eligible for
11 coverage under this Program if the child's family medical
12 expenses, as itemized on Schedule A, Form 1040 of the
13 Department of the Treasury Internal Revenue Service tax
14 returns of the previous year, allow the child's annual
15 household income to fall within the range defined in
16 subsection (a) of this Section. The deduction shall be
17 locked-in until the child attains 19 years of age. Income
18 eligibility shall be redetermined according to subsection (b)
19 of this Section.

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

21 (215 ILCS 106/25)

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

23 Sec. 25. Health benefits for children.

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

26 (1) Subsidizing the cost of privately or publicly
27 sponsored health insurance, including employer based
28 health insurance, to assist families to take advantage of
29 available privately sponsored health insurance for their
30 eligible children; and

31 (2) Purchasing or providing health care benefits
32 for eligible children. The health benefits provided
33 under this subdivision (a)(2) shall, subject to

1 appropriation and without regard to any applicable cost
2 sharing under Section 30, be identical to the benefits
3 provided for children under the State's approved plan
4 under Title XIX of the Social Security Act. Providers
5 under this subdivision (a)(2) shall be subject to
6 approval by the Department to provide health care under
7 the Illinois Public Aid Code and shall be reimbursed at
8 the same rate as providers under the State's approved
9 plan under Title XIX of the Social Security Act. In
10 addition, providers may retain co-payments when
11 determined appropriate by the Department.

12 (b) The subsidization provided pursuant to subdivision
13 (a)(1) shall be credited to the family of the eligible child.

14 (c) The Department is prohibited from denying coverage
15 to a child who is enrolled in a privately sponsored health
16 insurance plan pursuant to subdivision (a)(1) because the
17 plan does not meet federal benchmarking standards or cost
18 sharing and contribution requirements. To be eligible for
19 inclusion in the Program, the plan shall contain
20 comprehensive major medical coverage which shall consist of
21 physician and hospital inpatient services. The Department is
22 prohibited from denying coverage to a child who is enrolled
23 in a privately sponsored health insurance plan pursuant to
24 subdivision (a)(1) because the plan offers benefits in
25 addition to physician and hospital inpatient services.

26 (d) The total dollar amount of subsidizing coverage per
27 child per month pursuant to subdivision (a)(1) shall be equal
28 to the average dollar payments, less premiums incurred, per
29 child per month pursuant to subdivision (a)(2). The
30 Department shall set this amount prospectively based upon the
31 prior fiscal year's experience adjusted for incurred but not
32 reported claims and estimated increases or decreases in the
33 cost of medical care. Payments obligated before July 1,
34 1999, will be computed using State Fiscal Year 1996 payments

1 for children eligible for Medical Assistance and income
2 assistance under the Aid to Families with Dependent Children
3 Program, with appropriate adjustments for cost and
4 utilization changes through January 1, 1999. The Department
5 is prohibited from providing a subsidy pursuant to
6 subdivision (a)(1) that is more than the individual's monthly
7 portion of the premium.

8 (e) An eligible child may obtain immediate coverage
9 under this Program only once during a medical visit. If
10 coverage lapses, re-enrollment shall be completed in advance
11 of the next covered medical visit and the first month's
12 required premium shall be paid in advance of any covered
13 medical visit.

14 (f) In order to accelerate and facilitate the
15 development of networks to deliver services to children in
16 areas outside counties with populations in excess of
17 3,000,000, in the event less than 25% of the eligible
18 children in a county or contiguous counties has enrolled with
19 a Health Maintenance Organization pursuant to Section 5-11 of
20 the Illinois Public Aid Code, the Department may develop and
21 implement demonstration projects to create alternative
22 networks designed to enhance enrollment and participation in
23 the program. The Department shall prescribe by rule the
24 criteria, standards, and procedures for effecting
25 demonstration projects under this Section.

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

27 (215 ILCS 106/97)

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

29 Sec. 97. Repealer. This Act is repealed on July 1, 2003
30 2002.

31 (Source: P.A. 90-736, eff. 8-12-98; 91-712, eff. 7-1-00.)

32 Section 99. Effective date. This Act takes effect upon

1 becoming law.