

1 AN ACT concerning insurance coverage relating to breast  
2 cancer risks.

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

5 Section 5. The State Employees Group Insurance Act of  
6 1971 is amended by changing Section 6.11 as follows:

7 (5 ILCS 375/6.11)

8 Sec. 6.11. Required health benefits. The program of  
9 health benefits shall provide the post-mastectomy care  
10 benefits required to be covered by a policy of accident and  
11 health insurance under Section 356t of the Illinois Insurance  
12 Code. The program of health benefits shall provide the  
13 coverage required under Sections 356u, 356w, and 356x, and  
14 356z.1 of the Illinois Insurance Code.

15 (Source: P.A. 90-7, eff. 6-10-97; 90-655, eff. 7-30-98;  
16 90-741, eff. 1-1-99.)

17 Section 10. The State Mandates Act is amended by adding  
18 Section 8.25 as follows:

19 (30 ILCS 805/8.25 new)

20 Sec. 8.25. Exempt mandate. Notwithstanding Sections 6  
21 and 8 of this Act, no reimbursement by the State is required  
22 for the implementation of any mandate created by this  
23 amendatory Act of the 92nd General Assembly.

24 Section 15. The Counties Code is amended by changing  
25 Section 5-1069.3 as follows:

26 (55 ILCS 5/5-1069.3)

27 Sec. 5-1069.3. Required health benefits. If a county,

1 including a home rule county, is a self-insurer for purposes  
2 of providing health insurance coverage for its employees, the  
3 coverage shall include coverage for the post-mastectomy care  
4 benefits required to be covered by a policy of accident and  
5 health insurance under Section 356t and the coverage required  
6 under Sections 356u, 356w, and 356x, and 356z.1 of the  
7 Illinois Insurance Code. The requirement that health  
8 benefits be covered as provided in this Section is an  
9 exclusive power and function of the State and is a denial and  
10 limitation under Article VII, Section 6, subsection (h) of  
11 the Illinois Constitution. A home rule county to which this  
12 Section applies must comply with every provision of this  
13 Section.

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

15 Section 20. The Illinois Municipal Code is amended by  
16 changing Section 10-4-2.3 as follows:

17 (65 ILCS 5/10-4-2.3)

18 Sec. 10-4-2.3. Required health benefits. If a  
19 municipality, including a home rule municipality, is a  
20 self-insurer for purposes of providing health insurance  
21 coverage for its employees, the coverage shall include  
22 coverage for the post-mastectomy care benefits required to be  
23 covered by a policy of accident and health insurance under  
24 Section 356t and the coverage required under Sections 356u,  
25 356w, and 356x, and 356z.1 of the Illinois Insurance Code.  
26 The requirement that health benefits be covered as provided  
27 in this is an exclusive power and function of the State and  
28 is a denial and limitation under Article VII, Section 6,  
29 subsection (h) of the Illinois Constitution. A home rule  
30 municipality to which this Section applies must comply with  
31 every provision of this Section.

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

1 Section 25. The Illinois Insurance Code is amended by  
2 adding Section 356z.1 as follows:

3 (215 ILCS 5/356z.1 new)

4 Sec. 356z.1. Breast cancer family history; survivor;  
5 coverage. After the effective date of this amendatory Act of  
6 the 92nd General Assembly, an issuer of a group or individual  
7 policy of accident and health insurance may not cancel  
8 coverage, deny coverage, refuse to renew coverage, or include  
9 in any group or individual policy any exception or exclusion  
10 of benefits solely because the insured or proposed insured is  
11 a survivor of breast cancer or has a family history of breast  
12 cancer, or both.

13 Section 30. The Health Maintenance Organization Act is  
14 amended by changing Section 5-3 as follows:

15 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

16 Sec. 5-3. Insurance Code provisions.

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

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

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

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

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

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

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

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

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

1           projected combined operation for a period of 2  
2           years;

3           (C) a pro forma business plan detailing an  
4           acquiring party's plans with respect to the  
5           operation of the Health Maintenance Organization  
6           sought to be acquired for a period of not less than  
7           3 years; and

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

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

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

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

33                  (i) the amount of, and other terms and conditions  
34                  with respect to, the refund or additional premium are set

1       forth in the group or enrollment unit contract agreed in  
2       advance of the period for which a refund is to be paid or  
3       additional premium is to be charged (which period shall  
4       not be less than one year); and

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

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

32       In no event shall the Illinois Health Maintenance  
33       Organization Guaranty Association be liable to pay any  
34       contractual obligation of an insolvent organization to pay

1 any refund authorized under this Section.

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

7 Section 35. The Voluntary Health Services Plans Act is  
8 amended by changing Section 10 as follows:

9 (215 ILCS 165/10) (from Ch. 32, par. 604)

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

18 (Source: P.A. 90-7, eff. 6-10-97; 90-25, eff. 1-1-98; 90-655,  
19 eff. 7-30-98; 90-741, eff. 1-1-99; 91-406, eff. 1-1-00;  
20 91-549, eff. 8-14-99; 91-605, eff. 12-14-99; 91-788, eff.  
21 6-9-00.)