

1 AN ACT concerning health coverage under State employee  
2 programs.

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 Sections 2, 3, 10, 13.2, and 15  
7 as follows:

8 (5 ILCS 375/2) (from Ch. 127, par. 522)

9 Sec. 2. Purpose. The purpose of this Act is to provide a  
10 program of group life insurance, a program of health benefits  
11 and other employee benefits for persons in the service of the  
12 State of Illinois, employees of local governments, employees  
13 of rehabilitation facilities and employees of domestic  
14 violence shelters and services, and certain of their  
15 dependents. It is also the purpose of this Act to provide a  
16 program of health benefits (i) for certain benefit recipients  
17 of the Teachers' Retirement System of the State of Illinois  
18 and their dependent beneficiaries and (ii) for certain  
19 eligible retired community college employees and their  
20 dependent beneficiaries. It is also the purpose of this Act  
21 to provide a program of health benefits for employees of  
22 qualified not-for-profit agencies and their dependents.

23 (Source: P.A. 89-25, eff. 6-21-95; 90-497, eff. 8-18-97.)

24 (5 ILCS 375/3) (from Ch. 127, par. 523)

25 Sec. 3. Definitions. Unless the context otherwise  
26 requires, the following words and phrases as used in this Act  
27 shall have the following meanings. The Department may define  
28 these and other words and phrases separately for the purpose  
29 of implementing specific programs providing benefits under  
30 this Act.

1 (a) "Administrative service organization" means any  
2 person, firm or corporation experienced in the handling of  
3 claims which is fully qualified, financially sound and  
4 capable of meeting the service requirements of a contract of  
5 administration executed with the Department.

6 (b) "Annuitant" means (1) an employee who retires, or  
7 has retired, on or after January 1, 1966 on an immediate  
8 annuity under the provisions of Articles 2, 14, 15 (including  
9 an employee who has retired under the optional retirement  
10 program established under Section 15-158.2), paragraphs (2),  
11 (3), or (5) of Section 16-106, or Article 18 of the Illinois  
12 Pension Code; (2) any person who was receiving group  
13 insurance coverage under this Act as of March 31, 1978 by  
14 reason of his status as an annuitant, even though the annuity  
15 in relation to which such coverage was provided is a  
16 proportional annuity based on less than the minimum period of  
17 service required for a retirement annuity in the system  
18 involved; (3) any person not otherwise covered by this Act  
19 who has retired as a participating member under Article 2 of  
20 the Illinois Pension Code but is ineligible for the  
21 retirement annuity under Section 2-119 of the Illinois  
22 Pension Code; (4) the spouse of any person who is receiving a  
23 retirement annuity under Article 18 of the Illinois Pension  
24 Code and who is covered under a group health insurance  
25 program sponsored by a governmental employer other than the  
26 State of Illinois and who has irrevocably elected to waive  
27 his or her coverage under this Act and to have his or her  
28 spouse considered as the "annuitant" under this Act and not  
29 as a "dependent"; ~~or~~ (5) an employee who retires, or has  
30 retired, from a qualified position, as determined according  
31 to rules promulgated by the Director, under a qualified local  
32 government or a qualified rehabilitation facility or a  
33 qualified domestic violence shelter or service; or (6) an  
34 employee who retires, or has retired, from a qualified

1 position, as determined according to rules promulgated by the  
2 Director, with a qualified not-for-profit agency. (For  
3 definition of "retired employee", see (p) post).

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

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

18 (b-7) "New TRS State annuitant" means a person who, on  
19 or after July 1, 1998, becomes an annuitant, as defined in  
20 subsection (b), by virtue of beginning to receive a  
21 retirement annuity under Article 16 of the Illinois Pension  
22 Code based on service as a teacher as defined in paragraph  
23 (2), (3), or (5) of Section 16-106 of that Code, and is  
24 eligible to participate in the basic program of group health  
25 benefits provided for annuitants under this Act.

26 (c) "Carrier" means (1) an insurance company, a  
27 corporation organized under the Limited Health Service  
28 Organization Act or the Voluntary Health Services Plan Act, a  
29 partnership, or other nongovernmental organization, which is  
30 authorized to do group life or group health insurance  
31 business in Illinois, or (2) the State of Illinois as a  
32 self-insurer.

33 (d) "Compensation" means salary or wages payable on a  
34 regular payroll by the State Treasurer on a warrant of the

1 State Comptroller out of any State, trust or federal fund, or  
2 by the Governor of the State through a disbursing officer of  
3 the State out of a trust or out of federal funds, or by any  
4 Department out of State, trust, federal or other funds held  
5 by the State Treasurer or the Department, to any person for  
6 personal services currently performed, and ordinary or  
7 accidental disability benefits under Articles 2, 14, 15  
8 (including ordinary or accidental disability benefits under  
9 the optional retirement program established under Section  
10 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or  
11 Article 18 of the Illinois Pension Code, for disability  
12 incurred after January 1, 1966, or benefits payable under the  
13 Workers' Compensation or Occupational Diseases Act or  
14 benefits payable under a sick pay plan established in  
15 accordance with Section 36 of the State Finance Act.  
16 "Compensation" also means salary or wages paid to an employee  
17 of any qualified local government or qualified rehabilitation  
18 facility or a qualified domestic violence shelter or service.  
19 "Compensation" also means salary or wages paid to an employee  
20 of a qualified not-for-profit agency.

21 (e) "Commission" means the State Employees Group  
22 Insurance Advisory Commission authorized by this Act.  
23 Commencing July 1, 1984, "Commission" as used in this Act  
24 means the Illinois Economic and Fiscal Commission as  
25 established by the Legislative Commission Reorganization Act  
26 of 1984.

27 (f) "Contributory", when referred to as contributory  
28 coverage, shall mean optional coverages or benefits elected  
29 by the member toward the cost of which such member makes  
30 contribution, or which are funded in whole or in part through  
31 the acceptance of a reduction in earnings or the foregoing of  
32 an increase in earnings by an employee, as distinguished from  
33 noncontributory coverage or benefits which are paid entirely  
34 by the State of Illinois without reduction of the member's

1 salary.

2 (g) "Department" means any department, institution,  
3 board, commission, officer, court or any agency of the State  
4 government receiving appropriations and having power to  
5 certify payrolls to the Comptroller authorizing payments of  
6 salary and wages against such appropriations as are made by  
7 the General Assembly from any State fund, or against trust  
8 funds held by the State Treasurer and includes boards of  
9 trustees of the retirement systems created by Articles 2, 14,  
10 15, 16 and 18 of the Illinois Pension Code. "Department"  
11 also includes the Illinois Comprehensive Health Insurance  
12 Board, the Board of Examiners established under the Illinois  
13 Public Accounting Act, and the Illinois Rural Bond Bank.

14 (h) "Dependent", when the term is used in the context of  
15 the health and life plan, means a member's spouse and any  
16 unmarried child (1) from birth to age 19 including an adopted  
17 child, a child who lives with the member from the time of the  
18 filing of a petition for adoption until entry of an order of  
19 adoption, a stepchild or recognized child who lives with the  
20 member in a parent-child relationship, or a child who lives  
21 with the member if such member is a court appointed guardian  
22 of the child, or (2) age 19 to 23 enrolled as a full-time  
23 student in any accredited school, financially dependent upon  
24 the member, and eligible to be claimed as a dependent for  
25 income tax purposes, or (3) age 19 or over who is mentally or  
26 physically handicapped. For the health plan only, the term  
27 "dependent" also includes any person enrolled prior to the  
28 effective date of this Section who is dependent upon the  
29 member to the extent that the member may claim such person as  
30 a dependent for income tax deduction purposes; no other such  
31 person may be enrolled. For the health plan only, the term  
32 "dependent" also includes any person who has received after  
33 June 30, 2000 an organ transplant and who is financially  
34 dependent upon the member and eligible to be claimed as a

1 dependent for income tax purposes.

2 (i) "Director" means the Director of the Illinois  
3 Department of Central Management Services.

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

7 (k) "Employee" means and includes each officer or  
8 employee in the service of a department who (1) receives his  
9 compensation for service rendered to the department on a  
10 warrant issued pursuant to a payroll certified by a  
11 department or on a warrant or check issued and drawn by a  
12 department upon a trust, federal or other fund or on a  
13 warrant issued pursuant to a payroll certified by an elected  
14 or duly appointed officer of the State or who receives  
15 payment of the performance of personal services on a warrant  
16 issued pursuant to a payroll certified by a Department and  
17 drawn by the Comptroller upon the State Treasurer against  
18 appropriations made by the General Assembly from any fund or  
19 against trust funds held by the State Treasurer, and (2) is  
20 employed full-time or part-time in a position normally  
21 requiring actual performance of duty during not less than 1/2  
22 of a normal work period, as established by the Director in  
23 cooperation with each department, except that persons elected  
24 by popular vote will be considered employees during the  
25 entire term for which they are elected regardless of hours  
26 devoted to the service of the State, and (3) except that  
27 "employee" does not include any person who is not eligible by  
28 reason of such person's employment to participate in one of  
29 the State retirement systems under Articles 2, 14, 15 (either  
30 the regular Article 15 system or the optional retirement  
31 program established under Section 15-158.2) or 18, or under  
32 paragraph (2), (3), or (5) of Section 16-106, of the Illinois  
33 Pension Code, but such term does include persons who are  
34 employed during the 6 month qualifying period under Article

1 14 of the Illinois Pension Code. Such term also includes any  
2 person who (1) after January 1, 1966, is receiving ordinary  
3 or accidental disability benefits under Articles 2, 14, 15  
4 (including ordinary or accidental disability benefits under  
5 the optional retirement program established under Section  
6 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or  
7 Article 18 of the Illinois Pension Code, for disability  
8 incurred after January 1, 1966, (2) receives total permanent  
9 or total temporary disability under the Workers' Compensation  
10 Act or Occupational Disease Act as a result of injuries  
11 sustained or illness contracted in the course of employment  
12 with the State of Illinois, or (3) is not otherwise covered  
13 under this Act and has retired as a participating member  
14 under Article 2 of the Illinois Pension Code but is  
15 ineligible for the retirement annuity under Section 2-119 of  
16 the Illinois Pension Code. However, a person who satisfies  
17 the criteria of the foregoing definition of "employee" except  
18 that such person is made ineligible to participate in the  
19 State Universities Retirement System by clause (4) of  
20 subsection (a) of Section 15-107 of the Illinois Pension Code  
21 is also an "employee" for the purposes of this Act.  
22 "Employee" also includes any person receiving or eligible for  
23 benefits under a sick pay plan established in accordance with  
24 Section 36 of the State Finance Act. "Employee" also includes  
25 each officer or employee in the service of a qualified local  
26 government, including persons appointed as trustees of  
27 sanitary districts regardless of hours devoted to the service  
28 of the sanitary district, and each employee in the service of  
29 a qualified rehabilitation facility and each full-time  
30 employee in the service of a qualified domestic violence  
31 shelter or service, as determined according to rules  
32 promulgated by the Director. "Employee" also includes a  
33 full-time employee in the service of a qualified  
34 not-for-profit agency, as determined according to rules

1 promulgated by the Director.

2 (l) "Member" means an employee, annuitant, retired  
3 employee or survivor.

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

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

10 (o) "Health plan" means a health benefits program  
11 offered by the State of Illinois for persons eligible for the  
12 plan.

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

22 (q) "Survivor" means a person receiving an annuity as a  
23 survivor of an employee or of an annuitant. "Survivor" also  
24 includes: (1) the surviving dependent of a person who  
25 satisfies the definition of "employee" except that such  
26 person is made ineligible to participate in the State  
27 Universities Retirement System by clause (4) of subsection  
28 (a) of Section 15-107 of the Illinois Pension Code; and (2)  
29 the surviving dependent of any person formerly employed by  
30 the University of Illinois in the Cooperative Extension  
31 Service who would be an annuitant except for the fact that  
32 such person was made ineligible to participate in the State  
33 Universities Retirement System by clause (4) of subsection  
34 (a) of Section 15-107 of the Illinois Pension Code.



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

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

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

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

21 (s) "Unit of local government" means any county,  
22 municipality, township, school district (including a  
23 combination of school districts under the Intergovernmental  
24 Cooperation Act), special district or other unit, designated  
25 as a unit of local government by law, which exercises limited  
26 governmental powers or powers in respect to limited  
27 governmental subjects, any not-for-profit association with a  
28 membership that primarily includes townships and township  
29 officials, that has duties that include provision of research  
30 service, dissemination of information, and other acts for the  
31 purpose of improving township government, and that is funded  
32 wholly or partly in accordance with Section 85-15 of the  
33 Township Code; any not-for-profit corporation or association,  
34 with a membership consisting primarily of municipalities,

1 that operates its own utility system, and provides research,  
2 training, dissemination of information, or other acts to  
3 promote cooperation between and among municipalities that  
4 provide utility services and for the advancement of the goals  
5 and purposes of its membership; the Southern Illinois  
6 Collegiate Common Market, which is a consortium of higher  
7 education institutions in Southern Illinois; and the Illinois  
8 Association of Park Districts. "Qualified local government"  
9 means a unit of local government approved by the Director and  
10 participating in a program created under subsection (i) of  
11 Section 10 of this Act.

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

22 (u) "Qualified domestic violence shelter or service"  
23 means any Illinois domestic violence shelter or service and  
24 its administrative offices funded by the Department of Human  
25 Services (as successor to the Illinois Department of Public  
26 Aid), approved by the Director and participating in a program  
27 created under subsection (k) of Section 10.

28 (v) "TRS benefit recipient" means a person who:  
29 (1) is not a "member" as defined in this Section;  
30 and  
31 (2) is receiving a monthly benefit or retirement  
32 annuity under Article 16 of the Illinois Pension Code;  
33 and  
34 (3) either (i) has at least 8 years of creditable

1 service under Article 16 of the Illinois Pension Code, or  
2 (ii) was enrolled in the health insurance program offered  
3 under that Article on January 1, 1996, or (iii) is the  
4 survivor of a benefit recipient who had at least 8 years  
5 of creditable service under Article 16 of the Illinois  
6 Pension Code or was enrolled in the health insurance  
7 program offered under that Article on the effective date  
8 of this amendatory Act of 1995, or (iv) is a recipient or  
9 survivor of a recipient of a disability benefit under  
10 Article 16 of the Illinois Pension Code.

11 (w) "TRS dependent beneficiary" means a person who:

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

14 (2) is a TRS benefit recipient's: (A) spouse, (B)  
15 dependent parent who is receiving at least half of his or  
16 her support from the TRS benefit recipient, or (C)  
17 unmarried natural or adopted child who is (i) under age  
18 19, or (ii) enrolled as a full-time student in an  
19 accredited school, financially dependent upon the TRS  
20 benefit recipient, eligible to be claimed as a dependent  
21 for income tax purposes, and either is under age 24 or  
22 was, on January 1, 1996, participating as a dependent  
23 beneficiary in the health insurance program offered under  
24 Article 16 of the Illinois Pension Code, or (iii) age 19  
25 or over who is mentally or physically handicapped.

26 (x) "Military leave with pay and benefits" refers to  
27 individuals in basic training for reserves, special/advanced  
28 training, annual training, emergency call up, or activation  
29 by the President of the United States with approved pay and  
30 benefits.

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

1 (z) "Community college benefit recipient" means a person  
2 who:

3 (1) is not a "member" as defined in this Section;  
4 and

5 (2) is receiving a monthly survivor's annuity or  
6 retirement annuity under Article 15 of the Illinois  
7 Pension Code; and

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

21 (aa) "Community college dependent beneficiary" means a  
22 person who:

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

25 (2) is a community college benefit recipient's: (A)  
26 spouse, (B) dependent parent who is receiving at least  
27 half of his or her support from the community college  
28 benefit recipient, or (C) unmarried natural or adopted  
29 child who is (i) under age 19, or (ii) enrolled as a  
30 full-time student in an accredited school, financially  
31 dependent upon the community college benefit recipient,  
32 eligible to be claimed as a dependent for income tax  
33 purposes and under age 23, or (iii) age 19 or over and  
34 mentally or physically handicapped.

1        (bb) "Qualified not-for-profit agency" means a private  
 2        not-for-profit agency situated in Illinois and designated by  
 3        the Governor to administer the federal Protection and  
 4        Advocacy System for people with disabilities in Illinois,  
 5        approved by the Director and participating in a program  
 6        created under subsection (k-5) of Section 10.

7        (Source: P.A. 91-390, eff. 7-30-99; 91-395, eff. 7-30-99;  
 8        91-617, eff. 8-19-99; 92-16, eff. 6-28-01; 92-186, eff.  
 9        1-1-02; 92-204, eff. 8-1-01; revised 9-19-01.)

10        (5 ILCS 375/10) (from Ch. 127, par. 530)

11        Sec. 10. Payments by State; premiums.

12        (a) The State shall pay the cost of basic  
 13        non-contributory group life insurance and, subject to member  
 14        paid contributions set by the Department or required by this  
 15        Section, the basic program of group health benefits on each  
 16        eligible member, except a member, not otherwise covered by  
 17        this Act, who has retired as a participating member under  
 18        Article 2 of the Illinois Pension Code but is ineligible for  
 19        the retirement annuity under Section 2-119 of the Illinois  
 20        Pension Code, and part of each eligible member's and retired  
 21        member's premiums for health insurance coverage for enrolled  
 22        dependents as provided by Section 9. The State shall pay the  
 23        cost of the basic program of group health benefits only after  
 24        benefits are reduced by the amount of benefits covered by  
 25        Medicare for all members and dependents who are eligible for  
 26        benefits under Social Security or the Railroad Retirement  
 27        system or who had sufficient Medicare-covered government  
 28        employment, except that such reduction in benefits shall  
 29        apply only to those members and dependents who (1) first  
 30        become eligible for such Medicare coverage on or after July  
 31        1, 1992; or (2) are Medicare-eligible members or dependents  
 32        of a local government unit which began participation in the  
 33        program on or after July 1, 1992; or (3) remain eligible for,

1 but no longer receive Medicare coverage which they had been  
2 receiving on or after July 1, 1992. The Department may  
3 determine the aggregate level of the State's contribution on  
4 the basis of actual cost of medical services adjusted for  
5 age, sex or geographic or other demographic characteristics  
6 which affect the costs of such programs.

7 The cost of participation in the basic program of group  
8 health benefits for the dependent or survivor of a living or  
9 deceased retired employee who was formerly employed by the  
10 University of Illinois in the Cooperative Extension Service  
11 and would be an annuitant but for the fact that he or she was  
12 made ineligible to participate in the State Universities  
13 Retirement System by clause (4) of subsection (a) of Section  
14 15-107 of the Illinois Pension Code shall not be greater than  
15 the cost of participation that would otherwise apply to that  
16 dependent or survivor if he or she were the dependent or  
17 survivor of an annuitant under the State Universities  
18 Retirement System.

19 (a-1) Beginning January 1, 1998, for each person who  
20 becomes a new SERS annuitant and participates in the basic  
21 program of group health benefits, the State shall contribute  
22 toward the cost of the annuitant's coverage under the basic  
23 program of group health benefits an amount equal to 5% of  
24 that cost for each full year of creditable service upon which  
25 the annuitant's retirement annuity is based, up to a maximum  
26 of 100% for an annuitant with 20 or more years of creditable  
27 service. The remainder of the cost of a new SERS annuitant's  
28 coverage under the basic program of group health benefits  
29 shall be the responsibility of the annuitant.

30 (a-2) Beginning January 1, 1998, for each person who  
31 becomes a new SERS survivor and participates in the basic  
32 program of group health benefits, the State shall contribute  
33 toward the cost of the survivor's coverage under the basic  
34 program of group health benefits an amount equal to 5% of

1 that cost for each full year of the deceased employee's or  
2 deceased annuitant's creditable service in the State  
3 Employees' Retirement System of Illinois on the date of  
4 death, up to a maximum of 100% for a survivor of an employee  
5 or annuitant with 20 or more years of creditable service.  
6 The remainder of the cost of the new SERS survivor's coverage  
7 under the basic program of group health benefits shall be the  
8 responsibility of the survivor.

9 (a-3) Beginning January 1, 1998, for each person who  
10 becomes a new SURS annuitant and participates in the basic  
11 program of group health benefits, the State shall contribute  
12 toward the cost of the annuitant's coverage under the basic  
13 program of group health benefits an amount equal to 5% of  
14 that cost for each full year of creditable service upon which  
15 the annuitant's retirement annuity is based, up to a maximum  
16 of 100% for an annuitant with 20 or more years of creditable  
17 service. The remainder of the cost of a new SURS annuitant's  
18 coverage under the basic program of group health benefits  
19 shall be the responsibility of the annuitant.

20 (a-4) (Blank).

21 (a-5) Beginning January 1, 1998, for each person who  
22 becomes a new SURS survivor and participates in the basic  
23 program of group health benefits, the State shall contribute  
24 toward the cost of the survivor's coverage under the basic  
25 program of group health benefits an amount equal to 5% of  
26 that cost for each full year of the deceased employee's or  
27 deceased annuitant's creditable service in the State  
28 Universities Retirement System on the date of death, up to a  
29 maximum of 100% for a survivor of an employee or annuitant  
30 with 20 or more years of creditable service. The remainder  
31 of the cost of the new SURS survivor's coverage under the  
32 basic program of group health benefits shall be the  
33 responsibility of the survivor.

34 (a-6) Beginning July 1, 1998, for each person who

1 becomes a new TRS State annuitant and participates in the  
2 basic program of group health benefits, the State shall  
3 contribute toward the cost of the annuitant's coverage under  
4 the basic program of group health benefits an amount equal to  
5 5% of that cost for each full year of creditable service as a  
6 teacher as defined in paragraph (2), (3), or (5) of Section  
7 16-106 of the Illinois Pension Code upon which the  
8 annuitant's retirement annuity is based, up to a maximum of  
9 100%; except that the State contribution shall be 12.5% per  
10 year (rather than 5%) for each full year of creditable  
11 service as a regional superintendent or assistant regional  
12 superintendent of schools. The remainder of the cost of a  
13 new TRS State annuitant's coverage under the basic program of  
14 group health benefits shall be the responsibility of the  
15 annuitant.

16 (a-7) Beginning July 1, 1998, for each person who  
17 becomes a new TRS State survivor and participates in the  
18 basic program of group health benefits, the State shall  
19 contribute toward the cost of the survivor's coverage under  
20 the basic program of group health benefits an amount equal to  
21 5% of that cost for each full year of the deceased employee's  
22 or deceased annuitant's creditable service as a teacher as  
23 defined in paragraph (2), (3), or (5) of Section 16-106 of  
24 the Illinois Pension Code on the date of death, up to a  
25 maximum of 100%; except that the State contribution shall be  
26 12.5% per year (rather than 5%) for each full year of the  
27 deceased employee's or deceased annuitant's creditable  
28 service as a regional superintendent or assistant regional  
29 superintendent of schools. The remainder of the cost of the  
30 new TRS State survivor's coverage under the basic program of  
31 group health benefits shall be the responsibility of the  
32 survivor.

33 (a-8) A new SERS annuitant, new SERS survivor, new SERS  
34 annuitant, new SERS survivor, new TRS State annuitant, or new



1 TRS State survivor may waive or terminate coverage in the  
2 program of group health benefits. Any such annuitant or  
3 survivor who has waived or terminated coverage may enroll or  
4 re-enroll in the program of group health benefits only during  
5 the annual benefit choice period, as determined by the  
6 Director; except that in the event of termination of coverage  
7 due to nonpayment of premiums, the annuitant or survivor may  
8 not re-enroll in the program.

9 (a-9) No later than May 1 of each calendar year, the  
10 Director of Central Management Services shall certify in  
11 writing to the Executive Secretary of the State Employees'  
12 Retirement System of Illinois the amounts of the Medicare  
13 supplement health care premiums and the amounts of the health  
14 care premiums for all other retirees who are not Medicare  
15 eligible.

16 A separate calculation of the premiums based upon the  
17 actual cost of each health care plan shall be so certified.

18 The Director of Central Management Services shall provide  
19 to the Executive Secretary of the State Employees' Retirement  
20 System of Illinois such information, statistics, and other  
21 data as he or she may require to review the premium amounts  
22 certified by the Director of Central Management Services.

23 (b) State employees who become eligible for this program  
24 on or after January 1, 1980 in positions normally requiring  
25 actual performance of duty not less than 1/2 of a normal work  
26 period but not equal to that of a normal work period, shall  
27 be given the option of participating in the available  
28 program. If the employee elects coverage, the State shall  
29 contribute on behalf of such employee to the cost of the  
30 employee's benefit and any applicable dependent supplement,  
31 that sum which bears the same percentage as that percentage  
32 of time the employee regularly works when compared to normal  
33 work period.

34 (c) The basic non-contributory coverage from the basic

1 program of group health benefits shall be continued for each  
2 employee not in pay status or on active service by reason of  
3 (1) leave of absence due to illness or injury, (2) authorized  
4 educational leave of absence or sabbatical leave, or (3)  
5 military leave with pay and benefits. This coverage shall  
6 continue until expiration of authorized leave and return to  
7 active service, but not to exceed 24 months for leaves under  
8 item (1) or (2). This 24-month limitation and the requirement  
9 of returning to active service shall not apply to persons  
10 receiving ordinary or accidental disability benefits or  
11 retirement benefits through the appropriate State retirement  
12 system or benefits under the Workers' Compensation or  
13 Occupational Disease Act.

14 (d) The basic group life insurance coverage shall  
15 continue, with full State contribution, where such person is  
16 (1) absent from active service by reason of disability  
17 arising from any cause other than self-inflicted, (2) on  
18 authorized educational leave of absence or sabbatical leave,  
19 or (3) on military leave with pay and benefits.

20 (e) Where the person is in non-pay status for a period  
21 in excess of 30 days or on leave of absence, other than by  
22 reason of disability, educational or sabbatical leave, or  
23 military leave with pay and benefits, such person may  
24 continue coverage only by making personal payment equal to  
25 the amount normally contributed by the State on such person's  
26 behalf. Such payments and coverage may be continued: (1)  
27 until such time as the person returns to a status eligible  
28 for coverage at State expense, but not to exceed 24 months,  
29 (2) until such person's employment or annuitant status with  
30 the State is terminated, or (3) for a maximum period of 4  
31 years for members on military leave with pay and benefits and  
32 military leave without pay and benefits (exclusive of any  
33 additional service imposed pursuant to law).

34 (f) The Department shall establish by rule the extent

1 to which other employee benefits will continue for persons in  
2 non-pay status or who are not in active service.

3 (g) The State shall not pay the cost of the basic  
4 non-contributory group life insurance, program of health  
5 benefits and other employee benefits for members who are  
6 survivors as defined by paragraphs (1) and (2) of subsection  
7 (q) of Section 3 of this Act. The costs of benefits for  
8 these survivors shall be paid by the survivors or by the  
9 University of Illinois Cooperative Extension Service, or any  
10 combination thereof. However, the State shall pay the amount  
11 of the reduction in the cost of participation, if any,  
12 resulting from the amendment to subsection (a) made by this  
13 amendatory Act of the 91st General Assembly.

14 (h) Those persons occupying positions with any  
15 department as a result of emergency appointments pursuant to  
16 Section 8b.8 of the Personnel Code who are not considered  
17 employees under this Act shall be given the option of  
18 participating in the programs of group life insurance, health  
19 benefits and other employee benefits. Such persons electing  
20 coverage may participate only by making payment equal to the  
21 amount normally contributed by the State for similarly  
22 situated employees. Such amounts shall be determined by the  
23 Director. Such payments and coverage may be continued until  
24 such time as the person becomes an employee pursuant to this  
25 Act or such person's appointment is terminated.

26 (i) Any unit of local government within the State of  
27 Illinois may apply to the Director to have its employees,  
28 annuitants, and their dependents provided group health  
29 coverage under this Act on a non-insured basis. To  
30 participate, a unit of local government must agree to enroll  
31 all of its employees, who may select coverage under either  
32 the State group health benefits plan or a health maintenance  
33 organization that has contracted with the State to be  
34 available as a health care provider for employees as defined

1 in this Act. A unit of local government must remit the  
2 entire cost of providing coverage under the State group  
3 health benefits plan or, for coverage under a health  
4 maintenance organization, an amount determined by the  
5 Director based on an analysis of the sex, age, geographic  
6 location, or other relevant demographic variables for its  
7 employees, except that the unit of local government shall not  
8 be required to enroll those of its employees who are covered  
9 spouses or dependents under this plan or another group policy  
10 or plan providing health benefits as long as (1) an  
11 appropriate official from the unit of local government  
12 attests that each employee not enrolled is a covered spouse  
13 or dependent under this plan or another group policy or plan,  
14 and (2) at least 85% of the employees are enrolled and the  
15 unit of local government remits the entire cost of providing  
16 coverage to those employees, except that a participating  
17 school district must have enrolled at least 85% of its  
18 full-time employees who have not waived coverage under the  
19 district's group health plan by participating in a component  
20 of the district's cafeteria plan. A participating school  
21 district is not required to enroll a full-time employee who  
22 has waived coverage under the district's health plan,  
23 provided that an appropriate official from the participating  
24 school district attests that the full-time employee has  
25 waived coverage by participating in a component of the  
26 district's cafeteria plan. For the purposes of this  
27 subsection, "participating school district" includes a unit  
28 of local government whose primary purpose is education as  
29 defined by the Department's rules.

30 Employees of a participating unit of local government who  
31 are not enrolled due to coverage under another group health  
32 policy or plan may enroll in the event of a qualifying change  
33 in status, special enrollment, special circumstance as  
34 defined by the Director, or during the annual Benefit Choice

1 Period. A participating unit of local government may also  
2 elect to cover its annuitants. Dependent coverage shall be  
3 offered on an optional basis, with the costs paid by the unit  
4 of local government, its employees, or some combination of  
5 the two as determined by the unit of local government. The  
6 unit of local government shall be responsible for timely  
7 collection and transmission of dependent premiums.

8 The Director shall annually determine monthly rates of  
9 payment, subject to the following constraints:

10 (1) In the first year of coverage, the rates shall  
11 be equal to the amount normally charged to State  
12 employees for elected optional coverages or for enrolled  
13 dependents coverages or other contributory coverages, or  
14 contributed by the State for basic insurance coverages on  
15 behalf of its employees, adjusted for differences between  
16 State employees and employees of the local government in  
17 age, sex, geographic location or other relevant  
18 demographic variables, plus an amount sufficient to pay  
19 for the additional administrative costs of providing  
20 coverage to employees of the unit of local government and  
21 their dependents.

22 (2) In subsequent years, a further adjustment shall  
23 be made to reflect the actual prior years' claims  
24 experience of the employees of the unit of local  
25 government.

26 In the case of coverage of local government employees  
27 under a health maintenance organization, the Director shall  
28 annually determine for each participating unit of local  
29 government the maximum monthly amount the unit may contribute  
30 toward that coverage, based on an analysis of (i) the age,  
31 sex, geographic location, and other relevant demographic  
32 variables of the unit's employees and (ii) the cost to cover  
33 those employees under the State group health benefits plan.  
34 The Director may similarly determine the maximum monthly

1 amount each unit of local government may contribute toward  
2 coverage of its employees' dependents under a health  
3 maintenance organization.

4 Monthly payments by the unit of local government or its  
5 employees for group health benefits plan or health  
6 maintenance organization coverage shall be deposited in the  
7 Local Government Health Insurance Reserve Fund. The Local  
8 Government Health Insurance Reserve Fund shall be a  
9 continuing fund not subject to fiscal year limitations. All  
10 expenditures from this fund shall be used for payments for  
11 health care benefits for local government, domestic violence  
12 shelter or service, and rehabilitation facility employees,  
13 annuitants, and dependents, and to reimburse the Department  
14 or its administrative service organization for all expenses  
15 incurred in the administration of benefits. No other State  
16 funds may be used for these purposes.

17 A local government employer's participation or desire to  
18 participate in a program created under this subsection shall  
19 not limit that employer's duty to bargain with the  
20 representative of any collective bargaining unit of its  
21 employees.

22 (j) Any rehabilitation facility within the State of  
23 Illinois may apply to the Director to have its employees,  
24 annuitants, and their eligible dependents provided group  
25 health coverage under this Act on a non-insured basis. To  
26 participate, a rehabilitation facility must agree to enroll  
27 all of its employees and remit the entire cost of providing  
28 such coverage for its employees, except that the  
29 rehabilitation facility shall not be required to enroll those  
30 of its employees who are covered spouses or dependents under  
31 this plan or another group policy or plan providing health  
32 benefits as long as (1) an appropriate official from the  
33 rehabilitation facility attests that each employee not  
34 enrolled is a covered spouse or dependent under this plan or

1 another group policy or plan, and (2) at least 85% of the  
2 employees are enrolled and the rehabilitation facility remits  
3 the entire cost of providing coverage to those employees.  
4 Employees of a participating rehabilitation facility who are  
5 not enrolled due to coverage under another group health  
6 policy or plan may enroll in the event of a qualifying change  
7 in status, special enrollment, special circumstance as  
8 defined by the Director, or during the annual Benefit Choice  
9 Period. A participating rehabilitation facility may also  
10 elect to cover its annuitants. Dependent coverage shall be  
11 offered on an optional basis, with the costs paid by the  
12 rehabilitation facility, its employees, or some combination  
13 of the 2 as determined by the rehabilitation facility. The  
14 rehabilitation facility shall be responsible for timely  
15 collection and transmission of dependent premiums.

16 The Director shall annually determine quarterly rates of  
17 payment, subject to the following constraints:

18 (1) In the first year of coverage, the rates shall  
19 be equal to the amount normally charged to State  
20 employees for elected optional coverages or for enrolled  
21 dependents coverages or other contributory coverages on  
22 behalf of its employees, adjusted for differences between  
23 State employees and employees of the rehabilitation  
24 facility in age, sex, geographic location or other  
25 relevant demographic variables, plus an amount sufficient  
26 to pay for the additional administrative costs of  
27 providing coverage to employees of the rehabilitation  
28 facility and their dependents.

29 (2) In subsequent years, a further adjustment shall  
30 be made to reflect the actual prior years' claims  
31 experience of the employees of the rehabilitation  
32 facility.

33 Monthly payments by the rehabilitation facility or its  
34 employees for group health benefits shall be deposited in the

1 Local Government Health Insurance Reserve Fund.

2 (k) Any domestic violence shelter or service within the  
3 State of Illinois may apply to the Director to have its  
4 employees, annuitants, and their dependents provided group  
5 health coverage under this Act on a non-insured basis. To  
6 participate, a domestic violence shelter or service must  
7 agree to enroll all of its employees and pay the entire cost  
8 of providing such coverage for its employees. A  
9 participating domestic violence shelter may also elect to  
10 cover its annuitants. Dependent coverage shall be offered on  
11 an optional basis, with the costs paid by the domestic  
12 violence shelter or service, its employees, or some  
13 combination of the 2 as determined by the domestic violence  
14 shelter or service. The domestic violence shelter or service  
15 shall be responsible for timely collection and transmission  
16 of dependent premiums.

17 The Director shall annually determine rates of payment,  
18 subject to the following constraints:

19 (1) In the first year of coverage, the rates shall  
20 be equal to the amount normally charged to State  
21 employees for elected optional coverages or for enrolled  
22 dependents coverages or other contributory coverages on  
23 behalf of its employees, adjusted for differences between  
24 State employees and employees of the domestic violence  
25 shelter or service in age, sex, geographic location or  
26 other relevant demographic variables, plus an amount  
27 sufficient to pay for the additional administrative costs  
28 of providing coverage to employees of the domestic  
29 violence shelter or service and their dependents.

30 (2) In subsequent years, a further adjustment shall  
31 be made to reflect the actual prior years' claims  
32 experience of the employees of the domestic violence  
33 shelter or service.

34 Monthly payments by the domestic violence shelter or



1 service or its employees for group health insurance shall be  
2 deposited in the Local Government Health Insurance Reserve  
3 Fund.

4 (k-5) Any qualified not-for-profit agency within the  
5 State of Illinois may apply to the Director to have its  
6 employees, annuitants, and their dependents provided group  
7 health coverage under this Act on a non-insured basis. To  
8 participate, a qualified not-for-profit agency must agree to  
9 enroll all of its employees and pay the entire cost of  
10 providing such coverage for its employees. A participating  
11 qualified not-for-profit agency may also elect to cover its  
12 annuitants. Dependent coverage shall be offered on an  
13 optional basis, with the costs paid by the qualified  
14 not-for-profit agency, its employees, or some combination of  
15 the 2 as determined by the qualified not-for-profit agency.  
16 The qualified not-for-profit agency shall be responsible for  
17 timely collection and transmission of dependent premiums.

18 The Director shall annually determine rates of payment,  
19 subject to the following constraints:

20 (1) In the first year of coverage, the rates shall  
21 be equal to the amount normally charged to State  
22 employees for elected optional coverages or for enrolled  
23 dependents coverages or other contributory coverages on  
24 behalf of its employees, adjusted for differences between  
25 State employees and employees of the qualified  
26 not-for-profit agency in age, sex, geographic location,  
27 or other relevant demographic variables, plus an amount  
28 sufficient to pay for the additional administrative costs  
29 of providing coverage to employees of the qualified  
30 not-for-profit agency and their dependents.

31 (2) In subsequent years, a further adjustment shall  
32 be made to reflect the actual prior years' claims  
33 experience of the employees of the qualified  
34 not-for-profit agency.

1       Monthly payments by the qualified not-for-profit agency  
2       for group health insurance shall be deposited into the  
3       Qualified Not-For-Profit Agency Health Insurance Reserve  
4       Fund. The Qualified Not-For-Profit Agency Health Insurance  
5       Reserve Fund shall be a continuing fund not subject to fiscal  
6       year limitations. All expenditures from this fund shall be  
7       used for payments for health care benefits for employees of  
8       qualified not-for-profit agencies and their annuitants and  
9       dependents and to reimburse the Department or its  
10       administrative service organization for all expenses incurred  
11       in the administration of benefits. No other State funds may  
12       be used for these purposes.

13       (1) A public community college or entity organized  
14       pursuant to the Public Community College Act may apply to the  
15       Director initially to have only annuitants not covered prior  
16       to July 1, 1992 by the district's health plan provided health  
17       coverage under this Act on a non-insured basis. The  
18       community college must execute a 2-year contract to  
19       participate in the Local Government Health Plan. Any  
20       annuitant may enroll in the event of a qualifying change in  
21       status, special enrollment, special circumstance as defined  
22       by the Director, or during the annual Benefit Choice Period.

23       The Director shall annually determine monthly rates of  
24       payment subject to the following constraints: for those  
25       community colleges with annuitants only enrolled, first year  
26       rates shall be equal to the average cost to cover claims for  
27       a State member adjusted for demographics, Medicare  
28       participation, and other factors; and in the second year, a  
29       further adjustment of rates shall be made to reflect the  
30       actual first year's claims experience of the covered  
31       annuitants.

32       (1-5) The provisions of subsection (1) become  
33       inoperative on July 1, 1999.

34       (m) The Director shall adopt any rules deemed necessary

1 for implementation of this amendatory Act of 1989 (Public Act  
2 86-978).

3 (Source: P.A. 91-280, eff. 7-23-99; 91-311; eff. 7-29-99;  
4 91-357, eff. 7-29-99; 91-390, eff. 7-30-99; 91-395, eff.  
5 7-30-99; 91-617, eff. 8-19-99; 92-16, eff. 6-28-01.)

6 (5 ILCS 375/13.2) (from Ch. 127, par. 533.2)

7 Sec. 13.2. Insurance reserve funds; investments. All  
8 amounts held in the Health Insurance Reserve Fund, the Group  
9 Insurance Premium Fund, the Qualified Not-For-Profit Agency  
10 Health Insurance Reserve Fund, and the Local Government  
11 Health Insurance Reserve Fund shall be invested, at interest,  
12 by the State Treasurer. The investments shall be subject to  
13 terms, conditions, and limitations imposed by the laws of  
14 Illinois on State funds. All income derived from the  
15 investments shall accrue and be deposited to the respective  
16 funds no less frequently than quarterly. The Health  
17 Insurance Reserve Fund, the Qualified Not-For-Profit Agency  
18 Health Insurance Reserve Fund, and the Local Government  
19 Health Insurance Reserve Fund shall be administered by the  
20 Director.

21 (Source: P.A. 91-390, eff. 7-30-99.)

22 (5 ILCS 375/15) (from Ch. 127, par. 535)

23 Sec. 15. Administration; rules; audit; review.

24 (a) The Director shall administer this Act and shall  
25 prescribe such rules and regulations as are necessary to give  
26 full effect to the purposes of this Act.

27 (b) These rules may fix reasonable standards for the  
28 group life and group health programs and other benefit  
29 programs offered under this Act, and for the contractors  
30 providing them.

31 (c) These rules shall specify that covered and optional  
32 medical services of the program are services provided within

1 the scope of their licenses by practitioners in all  
2 categories licensed under the Medical Practice Act of 1987  
3 and shall provide that all eligible persons be fully informed  
4 of this specification.

5 (d) These rules shall establish eligibility requirements  
6 for members and dependents as may be necessary to supplement  
7 or clarify requirements contained in this Act.

8 (e) Each affected department of the State, the State  
9 Universities Retirement System, the Teachers' Retirement  
10 System, and each qualified local government, rehabilitation  
11 facility, ~~or~~ domestic violence shelter or service, or  
12 qualified not-for-profit agency shall keep such records, make  
13 such certifications, and furnish the Director such  
14 information as may be necessary for the administration of  
15 this Act, including information concerning number and total  
16 amounts of payroll of employees of the department who are  
17 paid from trust funds or federal funds.

18 (f) Each member, each community college benefit  
19 recipient to whom this Act applies, and each TRS benefit  
20 recipient to whom this Act applies shall furnish the  
21 Director, in such form as may be required, any information  
22 that may be necessary to enroll such member or benefit  
23 recipient and, if applicable, his or her dependents or  
24 dependent beneficiaries under the programs or plan, including  
25 such data as may be required to allow the Director to  
26 accumulate statistics on data normally considered in  
27 actuarial studies of employee groups. Information about  
28 community college benefit recipients and community college  
29 dependent beneficiaries shall be furnished through the State  
30 Universities Retirement System. Information about TRS  
31 benefit recipients and TRS dependent beneficiaries shall be  
32 furnished through the Teachers' Retirement System.

33 (g) There shall be audits and reports on the programs  
34 authorized and established by this Act prepared by the

1 Director with the assistance of a qualified, independent  
2 accounting firm. The reports shall provide information on  
3 the experience, and administrative effectiveness and adequacy  
4 of the program including, when applicable, recommendations on  
5 up-grading of benefits and improvement of the program.

6 (h) Any final order, decision or other determination  
7 made, issued or executed by the Director under the provisions  
8 of this Act whereby any contractor or person is aggrieved  
9 shall be subject to review in accordance with the provisions  
10 of the Administrative Review Law and all amendments and  
11 modifications thereof, and the rules adopted pursuant  
12 thereto, shall apply to and govern all proceedings for the  
13 judicial review of final administrative decisions of the  
14 Director.

15 (Source: P.A. 90-497, eff. 8-18-97; 91-390, eff. 7-30-99.)

16 Section 10. The State Finance Act is amended by changing  
17 Section 25 as follows:

18 (30 ILCS 105/25) (from Ch. 127, par. 161)

19 Sec. 25. Fiscal year limitations.

20 (a) All appropriations shall be available for  
21 expenditure for the fiscal year or for a lesser period if the  
22 Act making that appropriation so specifies. A deficiency or  
23 emergency appropriation shall be available for expenditure  
24 only through June 30 of the year when the Act making that  
25 appropriation is enacted unless that Act otherwise provides.

26 (b) Outstanding liabilities as of June 30, payable from  
27 appropriations which have otherwise expired, may be paid out  
28 of the expiring appropriations during the 2-month period  
29 ending at the close of business on August 31. Any service  
30 involving professional or artistic skills or any personal  
31 services by an employee whose compensation is subject to  
32 income tax withholding must be performed as of June 30 of the

1 fiscal year in order to be considered an "outstanding  
2 liability as of June 30" that is thereby eligible for payment  
3 out of the expiring appropriation.

4 However, payment of tuition reimbursement claims under  
5 Section 14-7.03 or 18-3 of the School Code may be made by the  
6 State Board of Education from its appropriations for those  
7 respective purposes for any fiscal year, even though the  
8 claims reimbursed by the payment may be claims attributable  
9 to a prior fiscal year, and payments may be made at the  
10 direction of the State Superintendent of Education from the  
11 fund from which the appropriation is made without regard to  
12 any fiscal year limitations.

13 Medical payments may be made by the Department of  
14 Veterans' Affairs from its appropriations for those purposes  
15 for any fiscal year, without regard to the fact that the  
16 medical services being compensated for by such payment may  
17 have been rendered in a prior fiscal year.

18 Medical payments may be made by the Department of Public  
19 Aid and child care payments may be made by the Department of  
20 Human Services (as successor to the Department of Public Aid)  
21 from appropriations for those purposes for any fiscal year,  
22 without regard to the fact that the medical or child care  
23 services being compensated for by such payment may have been  
24 rendered in a prior fiscal year; and payments may be made at  
25 the direction of the Department of Central Management  
26 Services from the Health Insurance Reserve Fund, the  
27 Qualified Not-For-Profit Agency Health Insurance Reserve  
28 Fund, and the Local Government Health Insurance Reserve Fund  
29 without regard to any fiscal year limitations.

30 Additionally, payments may be made by the Department of  
31 Human Services from its appropriations, or any other State  
32 agency from its appropriations with the approval of the  
33 Department of Human Services, from the Immigration Reform and  
34 Control Fund for purposes authorized pursuant to the

1 Immigration Reform and Control Act of 1986, without regard to  
2 any fiscal year limitations.

3 (c) Further, payments may be made by the Department of  
4 Public Health and the Department of Human Services (acting as  
5 successor to the Department of Public Health under the  
6 Department of Human Services Act) from their respective  
7 appropriations for grants for medical care to or on behalf of  
8 persons suffering from chronic renal disease, persons  
9 suffering from hemophilia, rape victims, and premature and  
10 high-mortality risk infants and their mothers and for grants  
11 for supplemental food supplies provided under the United  
12 States Department of Agriculture Women, Infants and Children  
13 Nutrition Program, for any fiscal year without regard to the  
14 fact that the services being compensated for by such payment  
15 may have been rendered in a prior fiscal year.

16 (d) The Department of Public Health and the Department  
17 of Human Services (acting as successor to the Department of  
18 Public Health under the Department of Human Services Act)  
19 shall each annually submit to the State Comptroller, Senate  
20 President, Senate Minority Leader, Speaker of the House,  
21 House Minority Leader, and the respective Chairmen and  
22 Minority Spokesmen of the Appropriations Committees of the  
23 Senate and the House, on or before December 31, a report of  
24 fiscal year funds used to pay for services provided in any  
25 prior fiscal year. This report shall document by program or  
26 service category those expenditures from the most recently  
27 completed fiscal year used to pay for services provided in  
28 prior fiscal years.

29 (e) The Department of Public Aid and the Department of  
30 Human Services (acting as successor to the Department of  
31 Public Aid) shall each annually submit to the State  
32 Comptroller, Senate President, Senate Minority Leader,  
33 Speaker of the House, House Minority Leader, the respective  
34 Chairmen and Minority Spokesmen of the Appropriations

1 Committees of the Senate and the House, on or before November  
2 30, a report that shall document by program or service  
3 category those expenditures from the most recently completed  
4 fiscal year used to pay for (i) services provided in prior  
5 fiscal years and (ii) services for which claims were received  
6 in prior fiscal years.

7 (f) The Department of Human Services (as successor to  
8 the Department of Public Aid) shall annually submit to the  
9 State Comptroller, Senate President, Senate Minority Leader,  
10 Speaker of the House, House Minority Leader, and the  
11 respective Chairmen and Minority Spokesmen of the  
12 Appropriations Committees of the Senate and the House, on or  
13 before December 31, a report of fiscal year funds used to pay  
14 for services (other than medical care) provided in any prior  
15 fiscal year. This report shall document by program or  
16 service category those expenditures from the most recently  
17 completed fiscal year used to pay for services provided in  
18 prior fiscal years.

19 (g) In addition, each annual report required to be  
20 submitted by the Department of Public Aid under subsection  
21 (e) shall include the following information with respect to  
22 the State's Medicaid program:

23 (1) Explanations of the exact causes of the  
24 variance between the previous year's estimated and actual  
25 liabilities.

26 (2) Factors affecting the Department of Public  
27 Aid's liabilities, including but not limited to numbers  
28 of aid recipients, levels of medical service utilization  
29 by aid recipients, and inflation in the cost of medical  
30 services.

31 (3) The results of the Department's efforts to  
32 combat fraud and abuse.

33 (h) As provided in Section 4 of the General Assembly  
34 Compensation Act, any utility bill for service provided to a



1 General Assembly member's district office for a period  
2 including portions of 2 consecutive fiscal years may be paid  
3 from funds appropriated for such expenditure in either fiscal  
4 year.

5 (i) An agency which administers a fund classified by the  
6 Comptroller as an internal service fund may issue rules for:

7 (1) billing user agencies in advance based on  
8 estimated charges for goods or services;

9 (2) issuing credits during the subsequent fiscal  
10 year for all user agency payments received during the  
11 prior fiscal year which were in excess of the final  
12 amounts owed by the user agency for that period; and

13 (3) issuing catch-up billings to user agencies  
14 during the subsequent fiscal year for amounts remaining  
15 due when payments received from the user agency during  
16 the prior fiscal year were less than the total amount  
17 owed for that period.

18 User agencies are authorized to reimburse internal service  
19 funds for catch-up billings by vouchers drawn against their  
20 respective appropriations for the fiscal year in which the  
21 catch-up billing was issued.

22 (Source: P.A. 89-235, eff. 8-4-95; 89-507, eff. 7-1-97;  
23 89-511, eff. 1-1-97; 90-14, eff. 7-1-97; 90-168, eff.  
24 7-23-97.)

25 Section 99. Effective date. This Act takes effect upon  
26 becoming law.