

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; Illinois Insurance
9 Code requirements. The program of health benefits shall
10 provide the post-mastectomy care benefits required to be
11 covered by a policy of accident and health insurance under
12 Section 356t of the Illinois Insurance Code. The program of
13 health benefits shall provide the coverage required under
14 Sections 356u, 356w, and 356x, and 356z.2 of the Illinois
15 Insurance Code. The program of health benefits must comply
16 with Section 155.37 of the Illinois Insurance Code.

17 (Source: P.A. 92-440, eff. 8-17-01.)

18 Section 10. The State Mandates Act is amended by adding
19 Section 8.26 as follows:

20 (30 ILCS 805/8.26 new)

21 Sec. 8.26. Exempt mandate. Notwithstanding Sections 6
22 and 8 of this Act, no reimbursement by the State is required
23 for the implementation of any mandate created by this
24 amendatory Act of the 92nd General Assembly.

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

27 (55 ILCS 5/5-1069.3)

1 Sec. 5-1069.3. Required health benefits. If a county,
2 including a home rule county, is a self-insurer for purposes
3 of providing health insurance coverage for its employees, the
4 coverage shall include coverage for the post-mastectomy care
5 benefits required to be covered by a policy of accident and
6 health insurance under Section 356t and the coverage required
7 under Sections 356u, 356w, and 356x, and 356z.1 of the
8 Illinois Insurance Code. The requirement that health
9 benefits be covered as provided in this Section is an
10 exclusive power and function of the State and is a denial and
11 limitation under Article VII, Section 6, subsection (h) of
12 the Illinois Constitution. A home rule county to which this
13 Section applies must comply with every provision of this
14 Section.

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

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

18 (65 ILCS 5/10-4-2.3)

19 Sec. 10-4-2.3. Required health benefits. If a
20 municipality, including a home rule municipality, is a
21 self-insurer for purposes of providing health insurance
22 coverage for its employees, the coverage shall include
23 coverage for the post-mastectomy care benefits required to be
24 covered by a policy of accident and health insurance under
25 Section 356t and the coverage required under Sections 356u,
26 356w, and 356x, and 356z.2 of the Illinois Insurance Code.
27 The requirement that health benefits be covered as provided
28 in this is an exclusive power and function of the State and
29 is a denial and limitation under Article VII, Section 6,
30 subsection (h) of the Illinois Constitution. A home rule
31 municipality to which this Section applies must comply with
32 every provision of this Section.

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

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

4 (215 ILCS 5/356z.2 new)

5 Sec. 356z.2. Breast cancer family history; survivor;
6 coverage. After the effective date of this amendatory Act of
7 the 92nd General Assembly, an issuer of a group or individual
8 policy of accident and health insurance may not cancel
9 coverage, deny coverage, refuse to renew coverage, or include
10 in any group or individual policy any exception or exclusion
11 of benefits solely because the insured or proposed insured is
12 a survivor of breast cancer or has a family history of breast
13 cancer, or both.

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

16 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

17 Sec. 5-3. Insurance Code provisions.

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

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

30 (1) a corporation authorized under the Dental

1 Service Plan Act or the Voluntary Health Services Plans
2 Act;

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

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

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

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

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

26 (3) the Director shall have the power to require
27 the following information:

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

31 (B) pro forma financial statements reflecting
32 the combined balance sheets of the acquiring company
33 and the Health Maintenance Organization sought to be
34 acquired as of the end of the preceding year and as

1 of a date 90 days prior to the acquisition, as well
2 as pro forma financial statements reflecting
3 projected combined operation for a period of 2
4 years;

5 (C) a pro forma business plan detailing an
6 acquiring party's plans with respect to the
7 operation of the Health Maintenance Organization
8 sought to be acquired for a period of not less than
9 3 years; and

10 (D) such other information as the Director
11 shall require.

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

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

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

1 (i) the amount of, and other terms and conditions
2 with respect to, the refund or additional premium are set
3 forth in the group or enrollment unit contract agreed in
4 advance of the period for which a refund is to be paid or
5 additional premium is to be charged (which period shall
6 not be less than one year); and

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

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

34 In no event shall the Illinois Health Maintenance

1 Organization Guaranty Association be liable to pay any
2 contractual obligation of an insolvent organization to pay
3 any refund authorized under this Section.

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

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

11 (215 ILCS 165/10) (from Ch. 32, par. 604)

12 Sec. 10. Application of Insurance Code provisions.
13 Health services plan corporations and all persons interested
14 therein or dealing therewith shall be subject to the
15 provisions of Articles IIA and XII 1/2 and Sections 3.1, 133,
16 140, 143, 143c, 149, 155.37, 354, 355.2, 356r, 356t, 356u,
17 356v, 356w, 356x, 356y, 356z.1, 356z.2, 367.2, 368a, 401,
18 401.1, 402, 403, 403A, 408, 408.2, and 412, and paragraphs
19 (7) and (15) of Section 367 of the Illinois Insurance Code.

20 (Source: P.A. 91-406, eff. 1-1-00; 91-549, eff. 8-14-99;
21 91-605, eff. 12-14-99; 91-788, eff. 6-9-00; 92-130, eff.
22 7-20-01; 92-440, eff. 8-17-01; revised 9-12-01.)