



Sen. Laura M. Murphy

**Filed: 3/11/2025**

10400SB0126sam001

LRB104 07411 BAB 23438 a

1 AMENDMENT TO SENATE BILL 126

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 126 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The State Employees Group Insurance Act of  
5 1971 is amended by changing Section 6.11 and by renumbering  
6 and changing 6.11D as added by Public Act 103-975 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 356g, 356g.5, 356g.5-1, 356m, 356q, 356u, 356u.10,  
15 356w, 356x, 356z.2, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8,  
16 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15,

1 356z.17, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30, 356z.32,  
2 356z.33, 356z.36, 356z.40, 356z.41, 356z.45, 356z.46, 356z.47,  
3 356z.51, 356z.53, 356z.54, 356z.55, 356z.56, 356z.57, 356z.59,  
4 356z.60, 356z.61, 356z.62, 356z.64, 356z.67, 356z.68, ~~and~~  
5 356z.70, ~~and~~ 356z.71, 356z.74, 356z.76, 356z.77, and 356z.80  
6 of the Illinois Insurance Code. The program of health benefits  
7 must comply with Sections 155.22a, 155.37, 355b, 356z.19,  
8 370c, and 370c.1 and Article XXXIIB of the Illinois Insurance  
9 Code. The program of health benefits shall provide the  
10 coverage required under Section 356m of the Illinois Insurance  
11 Code and, for the employees of the State Employee Group  
12 Insurance Program only, the coverage as also provided in  
13 Section 6.11B of this Act. The Department of Insurance shall  
14 enforce the requirements of this Section with respect to  
15 Sections 370c and 370c.1 of the Illinois Insurance Code; all  
16 other requirements of this Section shall be enforced by the  
17 Department of Central Management Services.

18 Rulemaking authority to implement Public Act 95-1045, if  
19 any, is conditioned on the rules being adopted in accordance  
20 with all provisions of the Illinois Administrative Procedure  
21 Act and all rules and procedures of the Joint Committee on  
22 Administrative Rules; any purported rule not so adopted, for  
23 whatever reason, is unauthorized.

24 (Source: P.A. 102-30, eff. 1-1-22; 102-103, eff. 1-1-22;  
25 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-642, eff.  
26 1-1-22; 102-665, eff. 10-8-21; 102-731, eff. 1-1-23; 102-768,

1 eff. 1-1-24; 102-804, eff. 1-1-23; 102-813, eff. 5-13-22;  
2 102-816, eff. 1-1-23; 102-860, eff. 1-1-23; 102-1093, eff.  
3 1-1-23; 102-1117, eff. 1-13-23; 103-8, eff. 1-1-24; 103-84,  
4 eff. 1-1-24; 103-91, eff. 1-1-24; 103-420, eff. 1-1-24;  
5 103-445, eff. 1-1-24; 103-535, eff. 8-11-23; 103-551, eff.  
6 8-11-23; 103-605, eff. 7-1-24; 103-718, eff. 7-19-24; 103-751,  
7 eff. 8-2-24; 103-870, eff. 1-1-25; 103-914, eff. 1-1-25;  
8 103-918, eff. 1-1-25; 103-951, eff. 1-1-25; 103-1024, eff.  
9 1-1-25; revised 11-26-24.)

10 (5 ILCS 375/6.11E)

11 Sec. 6.11E ~~6.11D~~. Coverage for treatments to slow the  
12 progression of Alzheimer's disease and related dementias.  
13 Beginning on July 1, 2025, the State Employees Group Insurance  
14 Program shall provide coverage for all medically necessary  
15 FDA-approved treatments or medications prescribed to slow the  
16 progression of Alzheimer's disease or another related  
17 dementia, as determined by a physician licensed to practice  
18 medicine in all its branches. Coverage for all FDA-approved  
19 treatments or medications prescribed to slow the progression  
20 of Alzheimer's disease or another related dementia shall not  
21 be subject to step therapy. Any diagnostic testing necessary  
22 for a physician to determine appropriate use of these  
23 treatments or medications shall be covered by the State  
24 Employees Group Insurance Program. This Section is repealed on  
25 July 1, 2027.

1 (Source: P.A. 103-975, eff. 1-1-25; revised 12-1-24.)

2 Section 10. The Counties Code is amended by changing  
3 Section 5-1069.3 as follows:

4 (55 ILCS 5/5-1069.3)

5 Sec. 5-1069.3. Required health benefits. If a county,  
6 including a home rule county, is a self-insurer for purposes  
7 of providing health insurance coverage for its employees, the  
8 coverage shall include coverage for the post-mastectomy care  
9 benefits required to be covered by a policy of accident and  
10 health insurance under Section 356t and the coverage required  
11 under Sections 356g, 356g.5, 356g.5-1, 356m, 356q, 356u,  
12 356u.10, 356w, 356x, 356z.4, 356z.4a, 356z.6, 356z.8, 356z.9,  
13 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.22,  
14 356z.25, 356z.26, 356z.29, 356z.30, 356z.32, 356z.33, 356z.36,  
15 356z.40, 356z.41, 356z.45, 356z.46, 356z.47, 356z.48, 356z.51,  
16 356z.53, 356z.54, 356z.56, 356z.57, 356z.59, 356z.60, 356z.61,  
17 356z.62, 356z.64, 356z.67, 356z.68, ~~and~~ 356z.70, ~~and~~ 356z.71, and  
18 356z.74, 356z.77, and 356z.80 of the Illinois Insurance Code.  
19 The coverage shall comply with Sections 155.22a, 355b,  
20 356z.19, and 370c of the Illinois Insurance Code. The  
21 Department of Insurance shall enforce the requirements of this  
22 Section. The requirement that health benefits be covered as  
23 provided in this Section is an exclusive power and function of  
24 the State and is a denial and limitation under Article VII,

1 Section 6, subsection (h) of the Illinois Constitution. A home  
2 rule county to which this Section applies must comply with  
3 every provision of this Section.

4 Rulemaking authority to implement Public Act 95-1045, if  
5 any, is conditioned on the rules being adopted in accordance  
6 with all provisions of the Illinois Administrative Procedure  
7 Act and all rules and procedures of the Joint Committee on  
8 Administrative Rules; any purported rule not so adopted, for  
9 whatever reason, is unauthorized.

10 (Source: P.A. 102-30, eff. 1-1-22; 102-103, eff. 1-1-22;  
11 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.  
12 1-1-22; 102-642, eff. 1-1-22; 102-665, eff. 10-8-21; 102-731,  
13 eff. 1-1-23; 102-804, eff. 1-1-23; 102-813, eff. 5-13-22;  
14 102-816, eff. 1-1-23; 102-860, eff. 1-1-23; 102-1093, eff.  
15 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91,  
16 eff. 1-1-24; 103-420, eff. 1-1-24; 103-445, eff. 1-1-24;  
17 103-535, eff. 8-11-23; 103-551, eff. 8-11-23; 103-605, eff.  
18 7-1-24; 103-718, eff. 7-19-24; 103-751, eff. 8-2-24; 103-914,  
19 eff. 1-1-25; 103-918, eff. 1-1-25; 103-1024, eff. 1-1-25;  
20 revised 11-26-24.)

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

23 (65 ILCS 5/10-4-2.3)

24 Sec. 10-4-2.3. Required health benefits. If a

1 municipality, including a home rule municipality, is a  
2 self-insurer for purposes of providing health insurance  
3 coverage for its employees, the coverage shall include  
4 coverage for the post-mastectomy care benefits required to be  
5 covered by a policy of accident and health insurance under  
6 Section 356t and the coverage required under Sections 356g,  
7 356g.5, 356g.5-1, 356m, 356q, 356u, 356u.10, 356w, 356x,  
8 356z.4, 356z.4a, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11,  
9 356z.12, 356z.13, 356z.14, 356z.15, 356z.22, 356z.25, 356z.26,  
10 356z.29, 356z.30, 356z.32, 356z.33, 356z.36, 356z.40, 356z.41,  
11 356z.45, 356z.46, 356z.47, 356z.48, 356z.51, 356z.53, 356z.54,  
12 356z.56, 356z.57, 356z.59, 356z.60, 356z.61, 356z.62, 356z.64,  
13 356z.67, 356z.68, ~~and~~ 356z.70, ~~and~~ 356z.71, 356z.74, 356z.77,  
14 and 356z.80 of the Illinois Insurance Code. The coverage shall  
15 comply with Sections 155.22a, 355b, 356z.19, and 370c of the  
16 Illinois Insurance Code. The Department of Insurance shall  
17 enforce the requirements of this Section. The requirement that  
18 health benefits be covered as provided in this is an exclusive  
19 power and function of the State and is a denial and limitation  
20 under Article VII, Section 6, subsection (h) of the Illinois  
21 Constitution. A home rule municipality to which this Section  
22 applies must comply with every provision of this Section.

23 Rulemaking authority to implement Public Act 95-1045, if  
24 any, is conditioned on the rules being adopted in accordance  
25 with all provisions of the Illinois Administrative Procedure  
26 Act and all rules and procedures of the Joint Committee on

1 Administrative Rules; any purported rule not so adopted, for  
2 whatever reason, is unauthorized.

3 (Source: P.A. 102-30, eff. 1-1-22; 102-103, eff. 1-1-22;  
4 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.  
5 1-1-22; 102-642, eff. 1-1-22; 102-665, eff. 10-8-21; 102-731,  
6 eff. 1-1-23; 102-804, eff. 1-1-23; 102-813, eff. 5-13-22;  
7 102-816, eff. 1-1-23; 102-860, eff. 1-1-23; 102-1093, eff.  
8 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91,  
9 eff. 1-1-24; 103-420, eff. 1-1-24; 103-445, eff. 1-1-24;  
10 103-535, eff. 8-11-23; 103-551, eff. 8-11-23; 103-605, eff.  
11 7-1-24; 103-718, eff. 7-19-24; 103-751, eff. 8-2-24; 103-914,  
12 eff. 1-1-25; 103-918, eff. 1-1-25; 103-1024, eff. 1-1-25;  
13 revised 11-26-24.)

14 Section 20. The School Code is amended by changing Section  
15 10-22.3f as follows:

16 (105 ILCS 5/10-22.3f)

17 Sec. 10-22.3f. Required health benefits. Insurance  
18 protection and benefits for employees shall provide the  
19 post-mastectomy care benefits required to be covered by a  
20 policy of accident and health insurance under Section 356t and  
21 the coverage required under Sections 356g, 356g.5, 356g.5-1,  
22 356m, 356q, 356u, 356u.10, 356w, 356x, 356z.4, 356z.4a,  
23 356z.6, 356z.8, 356z.9, 356z.11, 356z.12, 356z.13, 356z.14,  
24 356z.15, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30, 356z.32,

1 356z.33, 356z.36, 356z.40, 356z.41, 356z.45, 356z.46, 356z.47,  
2 356z.51, 356z.53, 356z.54, 356z.56, 356z.57, 356z.59, 356z.60,  
3 356z.61, 356z.62, 356z.64, 356z.67, 356z.68, ~~and~~ 356z.70, ~~and~~  
4 356z.71, 356z.74, 356z.77, and 356z.80 of the Illinois  
5 Insurance Code. Insurance policies shall comply with Section  
6 356z.19 of the Illinois Insurance Code. The coverage shall  
7 comply with Sections 155.22a, 355b, and 370c of the Illinois  
8 Insurance Code. The Department of Insurance shall enforce the  
9 requirements of this Section.

10 Rulemaking authority to implement Public Act 95-1045, if  
11 any, is conditioned on the rules being adopted in accordance  
12 with all provisions of the Illinois Administrative Procedure  
13 Act and all rules and procedures of the Joint Committee on  
14 Administrative Rules; any purported rule not so adopted, for  
15 whatever reason, is unauthorized.

16 (Source: P.A. 102-30, eff. 1-1-22; 102-103, eff. 1-1-22;  
17 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-642, eff.  
18 1-1-22; 102-665, eff. 10-8-21; 102-731, eff. 1-1-23; 102-804,  
19 eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff. 1-1-23;  
20 102-860, eff. 1-1-23; 102-1093, eff. 1-1-23; 102-1117, eff.  
21 1-13-23; 103-84, eff. 1-1-24; 103-91, eff. 1-1-24; 103-420,  
22 eff. 1-1-24; 103-445, eff. 1-1-24; 103-535, eff. 8-11-23;  
23 103-551, eff. 8-11-23; 103-605, eff. 7-1-24; 103-718, eff.  
24 7-19-24; 103-751, eff. 8-2-24; 103-914, eff. 1-1-25; 103-918,  
25 eff. 1-1-25; 103-1024, eff. 1-1-25; revised 11-26-24.)

1 Section 25. The Illinois Insurance Code is amended by  
2 adding Section 356z.80 as follows:

3 (215 ILCS 5/356z.80 new)

4 Sec. 356z.80. Coverage for treatments to slow the  
5 progression of Alzheimer's disease and related dementias.

6 (a) A group or individual policy of accident and health  
7 insurance or a managed care plan that is amended, delivered,  
8 issued, or renewed on or after January 1, 2027 shall provide  
9 coverage for all medically necessary diagnostic testing and  
10 U.S. Food and Drug Administration-approved treatments or  
11 medications prescribed to slow the progression of Alzheimer's  
12 disease or another related dementia, in accordance with the  
13 U.S. Food and Drug Administration label, as determined by a  
14 physician licensed to practice medicine in all its branches.  
15 Coverage of U.S. Food and Drug Administration-approved  
16 treatments or medications prescribed to slow the progression  
17 of Alzheimer's disease or another related dementia pursuant to  
18 this Section shall not be subject to step therapy.

19 (b) Nothing in this Section prohibits a group or  
20 individual policy of accident and health insurance or managed  
21 care plan, by contract, written policy, procedure, or any  
22 other agreement or course of conduct, from requiring a  
23 pharmacist to effect substitutions of prescription drugs  
24 consistent with Section 19.5 of the Pharmacy Practice Act,  
25 under which a pharmacist may substitute an interchangeable

1 biologic for a prescribed biologic product, and Section 25 of  
2 the Pharmacy Practice Act, under which a pharmacist may select  
3 a generic drug determined to be therapeutically equivalent by  
4 the United States Food and Drug Administration and in  
5 accordance with the Illinois Food, Drug and Cosmetic Act.

6 (c) The coverage required under this Section shall not  
7 apply to managed care plans that are under contract with the  
8 Department of Healthcare and Family Services.

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

11 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

12 (Text of Section before amendment by P.A. 103-808)

13 Sec. 5-3. Insurance Code provisions.

14 (a) Health Maintenance Organizations shall be subject to  
15 the provisions of Sections 133, 134, 136, 137, 139, 140,  
16 141.1, 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151,  
17 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a,  
18 155.49, 352c, 355.2, 355.3, 355.6, 355b, 355c, 356f, 356g.5-1,  
19 356m, 356q, 356u.10, 356v, 356w, 356x, 356z.2, 356z.3a,  
20 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10,  
21 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17, 356z.18,  
22 356z.19, 356z.20, 356z.21, 356z.22, 356z.23, 356z.24, 356z.25,  
23 356z.26, 356z.28, 356z.29, 356z.30, 356z.31, 356z.32, 356z.33,  
24 356z.34, 356z.35, 356z.36, 356z.37, 356z.38, 356z.39, 356z.40,

1 356z.40a, 356z.41, 356z.44, 356z.45, 356z.46, 356z.47,  
2 356z.48, 356z.49, 356z.50, 356z.51, 356z.53, 356z.54, 356z.55,  
3 356z.56, 356z.57, 356z.58, 356z.59, 356z.60, 356z.61, 356z.62,  
4 356z.63, 356z.64, 356z.65, 356z.66, 356z.67, 356z.68, 356z.69,  
5 356z.70, 356z.71, 356z.72, 356z.73, 356z.74, 356z.75, 356z.77,  
6 356z.80, 364, 364.01, 364.3, 367.2, 367.2-5, 367i, 368a, 368b,  
7 368c, 368d, 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A,  
8 408, 408.2, 409, 412, 444, and 444.1, paragraph (c) of  
9 subsection (2) of Section 367, and Articles IIA, VIII 1/2,  
10 XII, XII 1/2, XIII, XIII 1/2, XXV, XXVI, and XXXIIB of the  
11 Illinois Insurance Code.

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

16 (1) a corporation authorized under the Dental Service  
17 Plan Act or the Voluntary Health Services Plans Act;

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

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

26 (c) In considering the merger, consolidation, or other

1 acquisition of control of a Health Maintenance Organization  
2 pursuant to Article VIII 1/2 of the Illinois Insurance Code,

3 (1) the Director shall give primary consideration to  
4 the continuation of benefits to enrollees and the  
5 financial conditions of the acquired Health Maintenance  
6 Organization after the merger, consolidation, or other  
7 acquisition of control takes effect;

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

15 (3) the Director shall have the power to require the  
16 following information:

17 (A) certification by an independent actuary of the  
18 adequacy of the reserves of the Health Maintenance  
19 Organization sought to be acquired;

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

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

5 (D) such other information as the Director shall  
6 require.

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

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

23 (f) Except for small employer groups as defined in the  
24 Small Employer Rating, Renewability and Portability Health  
25 Insurance Act and except for medicare supplement policies as  
26 defined in Section 363 of the Illinois Insurance Code, a

1 Health Maintenance Organization may by contract agree with a  
2 group or other enrollment unit to effect refunds or charge  
3 additional premiums under the following terms and conditions:

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

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

25 The Health Maintenance Organization shall include a  
26 statement in the evidence of coverage issued to each enrollee

1 describing the possibility of a refund or additional premium,  
2 and upon request of any group or enrollment unit, provide to  
3 the group or enrollment unit a description of the method used  
4 to calculate (1) the Health Maintenance Organization's  
5 profitable experience with respect to the group or enrollment  
6 unit and the resulting refund to the group or enrollment unit  
7 or (2) the Health Maintenance Organization's unprofitable  
8 experience with respect to the group or enrollment unit and  
9 the resulting additional premium to be paid by the group or  
10 enrollment unit.

11 In no event shall the Illinois Health Maintenance  
12 Organization Guaranty Association be liable to pay any  
13 contractual obligation of an insolvent organization to pay any  
14 refund authorized under this Section.

15 (g) Rulemaking authority to implement Public Act 95-1045,  
16 if any, is conditioned on the rules being adopted in  
17 accordance with all provisions of the Illinois Administrative  
18 Procedure Act and all rules and procedures of the Joint  
19 Committee on Administrative Rules; any purported rule not so  
20 adopted, for whatever reason, is unauthorized.

21 (Source: P.A. 102-30, eff. 1-1-22; 102-34, eff. 6-25-21;  
22 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.  
23 1-1-22; 102-589, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665,  
24 eff. 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22;  
25 102-804, eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff.  
26 1-1-23; 102-860, eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093,

1 eff. 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24;  
2 103-91, eff. 1-1-24; 103-123, eff. 1-1-24; 103-154, eff.  
3 6-30-23; 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445,  
4 eff. 1-1-24; 103-551, eff. 8-11-23; 103-605, eff. 7-1-24;  
5 103-618, eff. 1-1-25; 103-649, eff. 1-1-25; 103-656, eff.  
6 1-1-25; 103-700, eff. 1-1-25; 103-718, eff. 7-19-24; 103-751,  
7 eff. 8-2-24; 103-753, eff. 8-2-24; 103-758, eff. 1-1-25;  
8 103-777, eff. 8-2-24; 103-914, eff. 1-1-25; 103-918, eff.  
9 1-1-25; 103-1024, eff. 1-1-25; revised 9-26-24.)

10 (Text of Section after amendment by P.A. 103-808)

11 Sec. 5-3. Insurance Code provisions.

12 (a) Health Maintenance Organizations shall be subject to  
13 the provisions of Sections 133, 134, 136, 137, 139, 140,  
14 141.1, 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151,  
15 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a,  
16 155.49, 352c, 355.2, 355.3, 355.6, 355b, 355c, 356f, 356g,  
17 356g.5-1, 356m, 356q, 356u.10, 356v, 356w, 356x, 356z.2,  
18 356z.3a, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9,  
19 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17,  
20 356z.18, 356z.19, 356z.20, 356z.21, 356z.22, 356z.23, 356z.24,  
21 356z.25, 356z.26, 356z.28, 356z.29, 356z.30, 356z.31, 356z.32,  
22 356z.33, 356z.34, 356z.35, 356z.36, 356z.37, 356z.38, 356z.39,  
23 356z.40, 356z.40a, 356z.41, 356z.44, 356z.45, 356z.46,  
24 356z.47, 356z.48, 356z.49, 356z.50, 356z.51, 356z.53, 356z.54,  
25 356z.55, 356z.56, 356z.57, 356z.58, 356z.59, 356z.60, 356z.61,

1 356z.62, 356z.63, 356z.64, 356z.65, 356z.66, 356z.67, 356z.68,  
2 356z.69, 356z.70, 356z.71, 356z.72, 356z.73, 356z.74, 356z.75,  
3 356z.77, 356z.80, 364, 364.01, 364.3, 367.2, 367.2-5, 367i,  
4 368a, 368b, 368c, 368d, 368e, 370c, 370c.1, 401, 401.1, 402,  
5 403, 403A, 408, 408.2, 409, 412, 444, and 444.1, paragraph (c)  
6 of subsection (2) of Section 367, and Articles IIA, VIII 1/2,  
7 XII, XII 1/2, XIII, XIII 1/2, XXV, XXVI, and XXXIIB of the  
8 Illinois Insurance Code.

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

13 (1) a corporation authorized under the Dental Service  
14 Plan Act or the Voluntary Health Services Plans Act;

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

17 (3) a corporation organized under the laws of another  
18 state, 30% or more of the enrollees of which are residents  
19 of this State, except a corporation subject to  
20 substantially the same requirements in its state of  
21 organization as is a "domestic company" under Article VIII  
22 1/2 of the Illinois Insurance Code.

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

26 (1) the Director shall give primary consideration to

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

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

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

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

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

24 (C) a pro forma business plan detailing an  
25 acquiring party's plans with respect to the operation  
26 of the Health Maintenance Organization sought to be

1           acquired for a period of not less than 3 years; and

2                   (D) such other information as the Director shall  
3           require.

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

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

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

1 (i) the amount of, and other terms and conditions with  
2 respect to, the refund or additional premium are set forth  
3 in the group or enrollment unit contract agreed in advance  
4 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 be  
16 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 profitable  
19 or unprofitable experience may be calculated taking into  
20 account the refund period and the immediately preceding 2  
21 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

1 to calculate (1) the Health Maintenance Organization's  
2 profitable experience with respect to the group or enrollment  
3 unit and the resulting refund to the group or enrollment unit  
4 or (2) the Health Maintenance Organization's unprofitable  
5 experience with respect to the group or enrollment unit and  
6 the resulting additional premium to be paid by the group or  
7 enrollment unit.

8 In no event shall the Illinois Health Maintenance  
9 Organization Guaranty Association be liable to pay any  
10 contractual obligation of an insolvent organization to pay any  
11 refund authorized under this Section.

12 (g) Rulemaking authority to implement Public Act 95-1045,  
13 if any, is conditioned on the rules being adopted in  
14 accordance with all provisions of the Illinois Administrative  
15 Procedure Act and all rules and procedures of the Joint  
16 Committee on Administrative Rules; any purported rule not so  
17 adopted, for whatever reason, is unauthorized.

18 (Source: P.A. 102-30, eff. 1-1-22; 102-34, eff. 6-25-21;  
19 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.  
20 1-1-22; 102-589, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665,  
21 eff. 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22;  
22 102-804, eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff.  
23 1-1-23; 102-860, eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093,  
24 eff. 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24;  
25 103-91, eff. 1-1-24; 103-123, eff. 1-1-24; 103-154, eff.  
26 6-30-23; 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445,

1 eff. 1-1-24; 103-551, eff. 8-11-23; 103-605, eff. 7-1-24;  
2 103-618, eff. 1-1-25; 103-649, eff. 1-1-25; 103-656, eff.  
3 1-1-25; 103-700, eff. 1-1-25; 103-718, eff. 7-19-24; 103-751,  
4 eff. 8-2-24; 103-753, eff. 8-2-24; 103-758, eff. 1-1-25;  
5 103-777, eff. 8-2-24; 103-808, eff. 1-1-26; 103-914, eff.  
6 1-1-25; 103-918, eff. 1-1-25; 103-1024, eff. 1-1-25; revised  
7 11-26-24.)

8 Section 35. The Limited Health Service Organization Act is  
9 amended by changing Section 4003 as follows:

10 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

11 Sec. 4003. Illinois Insurance Code provisions. Limited  
12 health service organizations shall be subject to the  
13 provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,  
14 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151, 152, 153,  
15 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.37, 155.49, 352c,  
16 355.2, 355.3, 355b, 355d, 356m, 356q, 356v, 356z.4, 356z.4a,  
17 356z.10, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.32,  
18 356z.33, 356z.41, 356z.46, 356z.47, 356z.51, 356z.53, 356z.54,  
19 356z.57, 356z.59, 356z.61, 356z.64, 356z.67, 356z.68, 356z.71,  
20 356z.73, 356z.74, 356z.75, 356z.80, 364.3, 368a, 401, 401.1,  
21 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1 and  
22 Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and  
23 XXVI of the Illinois Insurance Code. Nothing in this Section  
24 shall require a limited health care plan to cover any service

1 that is not a limited health service. For purposes of the  
2 Illinois Insurance Code, except for Sections 444 and 444.1 and  
3 Articles XIII and XIII 1/2, limited health service  
4 organizations in the following categories are deemed to be  
5 domestic companies:

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

7 (2) a corporation organized under the laws of another  
8 state, 30% or more of the enrollees of which are residents  
9 of this State, except a corporation subject to  
10 substantially the same requirements in its state of  
11 organization as is a domestic company under Article VIII  
12 1/2 of the Illinois Insurance Code.

13 (Source: P.A. 102-30, eff. 1-1-22; 102-203, eff. 1-1-22;  
14 102-306, eff. 1-1-22; 102-642, eff. 1-1-22; 102-731, eff.  
15 1-1-23; 102-775, eff. 5-13-22; 102-813, eff. 5-13-22; 102-816,  
16 eff. 1-1-23; 102-860, eff. 1-1-23; 102-1093, eff. 1-1-23;  
17 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91, eff.  
18 1-1-24; 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445,  
19 eff. 1-1-24; 103-605, eff. 7-1-24; 103-649, eff. 1-1-25;  
20 103-656, eff. 1-1-25; 103-700, eff. 1-1-25; 103-718, eff.  
21 7-19-24; 103-751, eff. 8-2-24; 103-758, eff. 1-1-25; 103-832,  
22 eff. 1-1-25; 103-1024, eff. 1-1-25; revised 11-26-24.)

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

1 (215 ILCS 165/10) (from Ch. 32, par. 604)

2 Sec. 10. Application of Insurance Code provisions. Health  
3 services plan corporations and all persons interested therein  
4 or dealing therewith shall be subject to the provisions of  
5 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,  
6 143, 143.31, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3,  
7 355b, 355d, 356g, 356g.5, 356g.5-1, 356m, 356q, 356r, 356t,  
8 356u, 356u.10, 356v, 356w, 356x, 356y, 356z.1, 356z.2,  
9 356z.3a, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9,  
10 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18,  
11 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30,  
12 356z.32, 356z.32a, 356z.33, 356z.40, 356z.41, 356z.46,  
13 356z.47, 356z.51, 356z.53, 356z.54, 356z.56, 356z.57, 356z.59,  
14 356z.60, 356z.61, 356z.62, 356z.64, 356z.67, 356z.68, 356z.71,  
15 356z.72, 356z.74, 356z.75, 356z.77, 356z.80, 364.01, 364.3,  
16 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412,  
17 and paragraphs (7) and (15) of Section 367 of the Illinois  
18 Insurance Code.

19 Rulemaking authority to implement Public Act 95-1045, if  
20 any, is conditioned on the rules being adopted in accordance  
21 with all provisions of the Illinois Administrative Procedure  
22 Act and all rules and procedures of the Joint Committee on  
23 Administrative Rules; any purported rule not so adopted, for  
24 whatever reason, is unauthorized.

25 (Source: P.A. 102-30, eff. 1-1-22; 102-203, eff. 1-1-22;  
26 102-306, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665, eff.

1 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22; 102-804,  
2 eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff. 1-1-23;  
3 102-860, eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093, eff.  
4 1-1-23; 102-1117, eff. 1-13-23; 103-84, eff. 1-1-24; 103-91,  
5 eff. 1-1-24; 103-420, eff. 1-1-24; 103-445, eff. 1-1-24;  
6 103-551, eff. 8-11-23; 103-605, eff. 7-1-24; 103-656, eff.  
7 1-1-25; 103-718, eff. 7-19-24; 103-751, eff. 8-2-24; 103-753,  
8 eff. 8-2-24; 103-758, eff. 1-1-25; 103-832, eff. 1-1-25;  
9 103-914, eff. 1-1-25; 103-918, eff. 1-1-25; 103-1024, eff.  
10 1-1-25; revised 11-26-24.)

11 Section 95. No acceleration or delay. Where this Act makes  
12 changes in a statute that is represented in this Act by text  
13 that is not yet or no longer in effect (for example, a Section  
14 represented by multiple versions), the use of that text does  
15 not accelerate or delay the taking effect of (i) the changes  
16 made by this Act or (ii) provisions derived from any other  
17 Public Act.

18 Section 99. Effective date. This Act takes effect upon  
19 becoming law, except that the changes to Section 6.11 of the  
20 State Employees Group Insurance Act of 1971 take effect on  
21 July 1, 2027."