

Synopsis: This bill expands comprehensive health coverage to all Illinois residents using a single-payer statewide insurance system. Doctors and hospitals remain private, and patients retain their choice of physician and hospital. The bill combines savings from reduced administration with current federal funds and spending by individuals and businesses to expand coverage without spending any more than the state, its residents and its businesses are spending currently. Provisions are made to control costs so benefits are sustainable.

A BILL

To provide a single, universal, comprehensive health insurance benefit for all residents of Illinois, and for other purposes.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF ILLINOIS, REPRESENTED IN THE GENERAL ASSEMBLY:

Section 1. Short Title; Table of Contents.

(1) SHORT TITLE. – This Act may be cited as the Health Care for All Illinois Act.

(2) TABLE OF CONTENTS. – The table of contents of this Act is as follows:

a. TITLE I – ELIGIBILITY AND BENEFITS

i. Section 101. Eligibility and Registration.

1. IN GENERAL.

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3. PRESUMPTION.

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b. TITLE II – FINANCES

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1. ESTABLISHMENT OF THE ILLINOIS HEALTH SERVICES TRUST.

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iv. Section 204. Payment for Prescription Medications, Medical Supplies, and Medically Necessary Assistive Equipment

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 - a. Regional Directors.
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- iv. Section 304. Role of the IHS At Large.
 1. Single and simple method for licensing and credentialing across all regions.
 2. Single and uniform system for accreditation of laboratories, hospitals, and procedural systems.
 3. To provide for public education on health related issues.
 4. To establish minimum standards of care for each region and locale.
 5. To create guidelines for difficult ethical issues.
 6. Statewide network of electronic medical records and electronic billing.
 7. Statewide emergency medical response program for manmade and natural disasters.
 8. Pursue grants and funding of pre- and post-graduate education of health care professionals.
 9. Provide funds, education, and support of all health related and dietary concerns of all public assistance programs and public schools.
- v. Section 305. Patients Rights.
- vi. Section 306. Compensation.

d. TITLE IV – ADDITIONAL PROVISIONS

- i. Section 401. Intent.
 1. It is the intent of this Act to provide universal access to health care for all individuals within the State of Illinois, to promote and improve the health of all its citizens, and to contain costs to make the delivery of this care affordable.
 2. Should legislation of this kind be enacted on a federal level, it is the intent of this Act to become a part of a nationwide system.
- ii. Section 402. Incorporation of other federal programs.
- iii. Section 403. Public health and prevention.

e. TITLE V – EFFECTIVE DATE

- i. Section 501. Effective Date.

1. Except as otherwise specifically outline, this Act shall take effect on July 1, 2008

Section 2. Definitions and Terms.

In this Act:

- (1) IHS (Illinois Health Services) Program. – The terms “IHS Program” and “Program” mean the program of benefits provided under this Act.
- (2) IHS Governing Board. – The term “IHS Governing Board” means such Board established under Section 301.
- (3) Regional Office. – The term “regional office” means a regional office established under Section 201
- (4) Secretary. – The term “Secretary” means, in relation to the Program, the Secretary appointed under Section 303

TITLE 1 – ELIGIBILITY AND BENEFITS

Section 101. Eligibility and Registration.

- (1) IN GENERAL. – All individuals residing in the State of Illinois are covered under the IHS Program and shall receive a card with a unique number in the mail. An individual’s social security number shall not be used for purposes of registration under this section.
- (2) REGISTRATION. – Individuals and families shall receive a IHS Insurance Card in the mail after filling out a IHS application form at a health care provider. Such application form shall be no more than 2 pages long.
- (3) PRESUMPTION. – Individuals who present themselves for covered services from a participating provider shall be presumed to be eligible for benefits under this Act, but shall complete an application for benefits in order to receive a IHS Insurance Card and have payment made for such benefits.

Section 102. Benefits and Portability.

- (1) IN GENERAL. – The health coverage benefits under this Act cover all medically necessary services, including –
 - a. primary care and prevention;
 - b. specialty care (other than what is deemed elective cosmetic);
 - c. inpatient care;
 - d. outpatient care;
 - e. emergency care;
 - f. prescription drugs;
 - g. durable medical equipment;
 - h. long term care;
 - i. mental health services;
 - j. the full scope of dental services (other than elective cosmetic dentistry);
 - k. substance abuse treatment services;
 - l. chiropractic services; and

- m. basic vision care and vision correction.
- (2) PORTABILITY. – Such benefits are available through any licensed health care provider anywhere in the State of Illinois that is legally qualified to provide the benefits and for emergency care anywhere in the United States.
- (3) COST-SHARING. – No deductibles, co-payments, coinsurance, or other cost sharing shall be imposed with respect to covered benefits except for those goods or services that exceed what is defined by the Governing Board as basic covered benefits.

Section 103. Qualification of Participating Providers

- (1) IN GENERAL. – Health care delivery facilities must meet regional and State quality and licensing guidelines as a condition of participation under such program, including guidelines regarding safe staffing and quality of care.
- (2) LICENSURE REQUIREMENTS. – Participating health care providers must be licensed as recognized by the Illinois Board of Medical Examiners and meet the quality standards for their area of care. No health care provider whose license is under suspension or been revoked may be a participating provider.
- (3) PARTICIPATION OF HEALTH MAINTENANCE ORGANIZATIONS. – Health maintenance organizations that actually deliver care in their own facilities and employ clinicians on a salaried basis may participate in the program.
- (4) FREEDOM OF CHOICE. – Patients shall have free choice of participating eligible providers, hospitals, and inpatient care facilities.

Section 104. Prohibition Against Duplicating Coverage.

- (1) IN GENERAL. – It is unlawful for a private health insurer to sell health insurance coverage that duplicates the benefits provided under this Act.
- (2) CONSTRUCTION. – Nothing in this Act shall be construed as prohibiting the sale of health insurance coverage for any additional benefits not covered by this Act.

TITLE II – FINANCES

Section 201. Budgeting Process.

- (1) ESTABLISHMENT OF THE ILLINOIS HEALTH SERVICES TRUST. – To carry out this Act, the State of Illinois hereby authorizes the establishment of the Illinois Health Services Trust (IHST), whose sole purpose is to provide the financing reserve for the purposes outlined in this Act. Specifically, the Trust shall provide –
 - a. The funds for the general operating budget of the IHS.
 - b. Reimbursement for those benefits outlined in Section 102.
 - c. Education and primary preventive services.
 - d. Capital expenditures for construction or renovation of health care facilities or major equipment purchases deemed necessary throughout the state and approved by the Governing Board.
 - e. The support of professional education.

- f. Re-education and job placement of those who have lost their jobs as a result of this transition, limited to the first 5 years.
- (2) OTHER FUNDING. – The General Assembly or the Governor’s Office of the State of Illinois as authorized may, from time to time, provide funds to the IHST but may not remove or borrow funds from the Trust without the expressed approval from the Governing Board in the form of a 2/3 vote and a simple majority of the general electorate in the form of a ballot issue.
- (3) OVERSIGHT. – The IHST shall be administered by the Governing Board as outlined in Title II under the oversight of the State Legislature.
- (4) FUNDING. – Funding of the IHST shall include but is not limited to –
- a. Funds appropriated as outlined by the General Assembly on a yearly basis.
 - b. A progressive set of graduated income contributions which would roughly replicate the percentages paid by individuals, business, and government currently (i.e. 20 percent, 20 percent, 60 percent respectively).
 - c. All federal monies which are designated for health care.
 - i. This would include but not be limited to all monies designated for Medicaid.
 - ii. The IHS shall be authorized to negotiate with the federal government for funding of Medicare recipients.
 - d. Grants and contributions both public and private.
 - e. Any other tax revenues designated by the General Assembly.
 - f. Any other funds specifically ear-marked for health care or health care education, such as settlements from litigation, etc.
- (5) ADMINISTRATION LIMITS. – The total overhead and administrative portion of the IHS budget may not exceed 12 percent of the total operating budget for the first 2 years, 8 percent for the following 2 years, and 5 percent per year thereafter.
- (6) PAYMENT TO HEALTH CARE PROVIDERS AND HEALTH DELIVERY SYSTEMS. – The IHS shall pay all health care providers and health delivery systems as outlined in Section 102 Paragraph (1) on a fee-for-service basis.
- a. The IHS shall provide a simple and uniform fee schedule for all clinicians with reimbursement for both clinical and procedural charges based on the ICD-9 or its current update.
 - b. All health delivery systems shall be reimbursed with those fees set by the Governing Board that follow the current DRG system as outlined by federal Medicare guidelines for both outpatient surgery and inpatient hospitalization, short term rehabilitation and long term care services, both at home or institutionally.
 - c. The IHS may not adjust or attach modifiers to discriminate against or for health care providers and/or health care delivery systems based upon race, religion, ethnicity, gender, country of origin, color, sexual orientation, profit or non-profit, public or privately sponsored.
 - d. The Governing Board may make upward modifying adjustments to the fee schedule to encourage providers or institutions to practice in specific areas determined to be a shortage area or an area of high need.

(7) REGIONAL DISTRICTS AND BILLING. – The IHS shall be divided into regional districts for the purposes of local administration, billing processing, and medical directorship, as well as oversight of programs that are specific to each region’s needs.

- a. The Governing Board may elect to establish their own regional billing offices or to sub-contract out to current insurance companies for the necessary personnel and infrastructure to implement the claims and billing process only.
- b. Claims billing from all providers must be submitted electronically and in compliance with current state and federal privacy laws within 5 years of passage of this Act.
- c. Electronic claims and billing must be uniform across the state without regard to region.
- d. The Governing Board shall make a good faith effort to create and implement a statewide uniform system of electronic medical records that is in compliance with current state and federal privacy laws within 7 years or less of the passage of this Act.
- e. Payments to providers must be paid in a timely fashion as outlined under current state and federal law.
- f. Providers who accept payment from the IHS for services rendered may not balance bill any patient for covered services.
- g. Providers, hospitals, and institutions may elect to participate fully, partially, or not at all in the IHS.
- h. All providers that participate in the IHS must fully disclose with informed consent any service provided to patients that is not a covered benefit of the IHS for which they intend to charge for services.
- i. If full disclosure and informed consent is not obtained, the provider or institution may not collect or sue for services rendered.
- j. Any provider that participates in the IHS, whether partially or fully, may not discriminate against any patient that is covered under the IHS.

Section 202. Payment for Long Term Care.

- (1) IN GENERAL. – The Governing Board shall at its discretion or as directed by the General Assembly establish funding for long term care services including in-home, nursing home, and community-based care.]

Section 203. Mental Health Services.

- (1) IN GENERAL. – The Program shall provide coverage for all medically necessary mental health care on the same basis as the coverage for other conditions.
- (2) FAVORING COMMUNITY-BASED CARE. – The IHS Program shall cover supportive residences, occupational therapy, and ongoing mental health and counseling services outside the hospital for patients with serious mental illness. In all cases the highest quality and most effective care shall be delivered, and, for some individuals, this may mean institutional care.]

Section 204. Payment for Prescription Medications, Medical Supplies, and Medically Necessary Assistive Equipment.

(1) PRESCRIPTION DRUG AND DURABLE MEDICAL GOODS FORMULARY.

- a. IN GENERAL. – The IHS shall establish a single prescription drug formulary and list of approved durable medical goods and supplies.
- b. PHARMACEUTICAL AND DURABLE MEDICAL GOODS COMMITTEE. The Governing Board shall by itself or by a committee of health profession related individuals appointed by the Governing Board meet on a quarterly basis to discuss, reverse, add to or remove items from the formulary according to sound medical practice (called the Pharmaceutical and Durable Medical Goods Committee).
- c. The Pharmaceutical and Durable Medical Goods committee shall be appointed the task of negotiating the prices of pharmaceuticals and durable medical goods with suppliers or manufacturers on an open bid competitive basis. Prices shall be reviewed, negotiated or re-negotiated on no less than a yearly basis.
- d. The Pharmaceutical and Durable Medical Goods committee shall establish a process of open forum to the public for the purposes of grievance and petition from suppliers, provider groups, and the public regarding the formulary on no less than a twice yearly basis.
- e. To support local business and local economies, all pharmaceutical and durable medical goods must be dispensed through privately owned and operated retailers , whether for or not for profit.
- f. It is expressly forbidden for the IHS or its designated appointees to distribute or dispense to patients pharmaceutical or durable medical goods through a central clearinghouse or mail-in pharmacy benefits manager.
- g. The Pharmaceutical and Durable Medical Goods committee shall be authorized to establish or subcontract out to regional clearinghouses where pharmaceutical and durable medical goods can be ordered from by local retail pharmacy and durable medical goods vendors.
- h. Pharmacy and durable medical goods vendors are expressly forbidden from purchasing at wholesale and marking up prices for re-sale any pharmaceutical or durable medical goods that is a covered benefit as outlined by the Governing Board.
- i. Pharmacy and durable medical goods vendors shall be paid a dispensing and handling fee that is fair and reasonable based upon sound business principles for each dispensing transaction and pro-rated according to the item dispensed.
- j. All pharmacy and durable medical goods vendors must be licensed to distribute medical goods through the regulations as outlined by the Governing Board.
- k. Exceptions to the Pharmacy and Durable Medical Goods regulations:
 - l. The Pharmacy and Durable Medical Goods committee may, at its discretion, determine that certain drugs or durable medical goods may be deemed necessary but have some component of convenience or niceties

that go beyond what is considered basic care. Those items may be assigned a flat rate of coverage and the patient may be allowed to purchase at their own expense above and beyond the flat rate of coverage. An example of this would be prescription eyewear where the IHS provides \$100 per year for glasses or contacts and anything beyond that, such as designer frames, may be purchased at the patient's expense for the difference owed after the \$100.

I. PHARMACY AND DURABLE MEDICAL GOODS
OVERSIGHT. – All decisions and determinations of the Pharmacy and Durable Medical Goods committee must be presented to and approved by the Governing Board on a yearly basis.

TITLE III – ADMINISTRATION

Section 301. Creation of the IHS and the Governing Board.

(1) IN GENERAL. – By passage of this Act, the legislature hereby creates the Illinois Health Services Program and the Illinois Health Services Governing Board, along with the necessary funding for its establishment.

Section 302. Definition of the Illinois Health Services Governing Board.

(1) The Illinois Health Services Program shall be the administrative body that oversees and implements those provisions outlined in this Act and any other forthcoming health related provisions and regulations outlined by the IHS Governing Board, the State Legislature, or ballot issues of the general electorate.

Section 303. Role of the Illinois Health Services Governing Board.

(1) The Illinois Health Services Governing Board shall be the body that oversees and provides administrative direction for the IHS. The decisions of the Governing Board shall be determined to be final in regards to administration and implementation of the provisions of this Act and any other subsequent healthcare related provisions of law unless otherwise specified by the courts or the State Legislature.

(2) The Illinois Health Services Governing Board shall consist of individuals, one from each state senatorial district. That individual shall be appointed by that district's state senator and shall serve for as long as that senator remains in office and wants the individual in that appointment. Only that senator may appoint or remove that appointee from his or her position. It is the intent of this Act that the appointing senator should choose someone who is familiar with and has experience in the healthcare industry.

(3) Secretary of the Illinois Health Services Program.

a. The Governor of the State of Illinois shall appoint one individual to be the chief administrator of the IHS, who shall be referred to as the Secretary of the IHS. The Secretary shall serve for as long as the Governor remains in office and wants the individual in that appointment.

b. The role of the Secretary of the IHS is to administrate and implement in a supervisory capacity those provisions outlined in this Act and any

further provisions as directed by the Governing Board or the State Legislature. The Secretary shall also preside over the Governing Board but may not vote except in the case of a tie.

c. The Secretary may appoint one regional director for each of the regions. That individual shall serve for as long as the Secretary remains in office and wants the individual in that appointment.

Section 304. The role of the IHS at large.

(1) The role of the IHS is to implement the provisions of this Act previously stated and, but not limited to, the following unless otherwise outlined by the courts or the State Legislature:

- a. To create a single and simple method for licensing and credentialing across all regions.
- b. To create a single and uniform system for accreditation of laboratories, hospitals, and procedural centers.
- c. To provide for public education on health related issues.
- d. To establish minimal standards of care for each region and locale.
- e. To create guidelines for difficult ethical issues.
- g. To provide funding to help implement a statewide network of electronic medical records and electronic billing as outlined previously.
- h. To provide a statewide emergency medical response program for manmade and natural disasters.
- i. To pursue grants and funding for pre- and post-graduate education of health care professionals.
- j. To provide funds, education, and support of health care and dietary related concerns of all public assistance programs and public schools.
- k. To provide administrative oversight for any other health related program or state agency that the State Legislature deems appropriate to fall under the direction of the IHS.

Section 305. Patients Rights.

(1) The IHS shall do everything within its power to protect the rights and privacy of the patients that it serves in accordance with all current state and federal statutes.

(2) With the development of the electronic medical records, patients have the right and option of keeping any portion of their medical records separate from the electronic medical records.

(3) Patients have the right to access their medical records upon demand.

Section 306. Compensation.

(1) Compensation of the Secretary of the IHS, regional directors, members of the Governing Board, and subsequent employees shall be compensated in accordance with the current pay scale for state employees and as deemed professionally appropriate by the State Legislature and reviewed in accordance with all other state employees.

TITLE IV – ADDITIONAL PROVISIONS

Section 401. Intent.

- (1) It is the intent of this Act to provide universal access to health care for all individuals within the State of Illinois, to promote and improve the health of all its citizens, and to contain costs to make the delivery of this care affordable.
- (2) Should legislation of this kind be enacted on a federal level, it is the intent of this Act to become a part of a nationwide system.

Section 402. Incorporation of other federal programs.

- (1) This Act empowers the IHS to contract with the federal government to provide health services to entities such as but not limited to the Department of Veterans Affairs and the Indian Health Services as long as such contracts are not detrimental to the good of the overall system.

Section 403. Public health and prevention.

- (1) It is the intent of this Act that the emphasis of the IHS at all times is to stress the importance of good public health through treatment and prevention of diseases.

TITLE V – EFFECTIVE DATE

Section 501. Effective Date

- (1) Except as otherwise specifically outline, this Act shall take effect on July 1, 2008.