

215 ILCS 125/4-12 Changes in Rate Methodology and Benefits, Material Modifications.

Sec. 4-12. Changes in Rate Methodology and Benefits, Material Modifications.

A health maintenance organization shall file with the Director, prior to use, a notice of any change in rate methodology, or benefits and of any material modification of any matter or document furnished pursuant to Section 2-1, together with such supporting documents as are necessary to fully explain the change or modification.

- (a) Contract modifications described in subsections (c)(5), (c)(6) and (c)(7) of Section 2-1 shall include all form agreements between the organization and enrollees, providers, administrators of services and insurers of health maintenance organizations.
- (b) Material transactions or series of transactions other than those described in subsection (a) of this Section, the total annual value of which exceeds the greater of \$100,000 or 5% of net earned subscription revenue for the most current twelve month period as determined from filed financial statements.
- (c) Any agreement between the organization and an insurer shall be subject to the provisions of the laws of this State regarding reinsurance as provided in Article XI of the Illinois Insurance Code. All reinsurance agreements must be filed. Approval of the Director is required for all agreements except the following: individual stop loss, aggregate excess, hospitalization benefits or out-of-area of the participating providers unless 20% or more of the organization's total risk is reinsured, in which case all reinsurance agreements require approval.

(Source: P.A. 86-620.)