



State & Local Compliance Update

USI EMPLOYEE BENEFITS

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Illinois Mandates Fertility Benefits & Dependent Coverage for Parents

The Illinois legislature enacted two new laws impacting certain health benefits plans. These provisions take effect for policies issued, amended, delivered or renewed in Illinois on or after January 1, 2026.

Briefly, these Illinois benefit mandates:

- Broaden benefits related to infertility treatment, and
- Expand dependent coverage to include the tax dependent parent (or stepparent) of the insured.

These provisions apply to fully insured group health plans issued in Illinois. ERISA covered self-funded health plans are not required to comply.

Additional details follow.

MANDATORY FERTILITY BENEFITS – PUBLIC ACT 103-0751

The State of Illinois passed legislation broadening mandatory coverage of infertility. The new law provides that no group policy of accident and health insurance that provides pregnancy-related benefits may be issued, amended, delivered, or renewed in Illinois on or after January 1, 2026, unless the policy contains coverage for the diagnosis and treatment of infertility, including specified procedures. Covered plans must also include coverage for the procedures necessary to screen or diagnose a fertilized egg before implantation.¹

¹ 215 ILCS 5/356(m)(5-a) No group policy of accident and health insurance that provides pregnancy-related benefits may be issued, amended, delivered, or renewed in this State on or after January 1, 2026 unless the policy contains coverage for the diagnosis and treatment of infertility, including, but not limited to, in vitro fertilization, uterine embryo lavage, embryo transfer, artificial insemination, gamete intrafallopian tube transfer, zygote intrafallopian tube transfer, surgical sperm extraction procedures, and low tubal ovum transfer. The coverage required shall include procedures necessary to screen or diagnose a fertilized egg before implantation, including, but not limited to, preimplantation genetic testing for aneuploidy, preimplantation genetic testing for chromosome structural rearrangements, and preimplantation genetic testing for monogenic or single gene disorders.

This Illinois state insurance mandate applies only to fully insured group health plans that are situated in Illinois. It does not extend to self-funded health plans governed by ERISA.

However, since the law also amended the County, Municipal, and School Codes, the mandates also apply to non-ERISA self-funded group health plans sponsored by Illinois state or local governmental entities as well as public schools.²

Additionally, any group policy that covers more than 25 employees that is amended, delivered, issued, or renewed on or after January 1, 2026, shall provide, for individuals 45 years of age and older, coverage for an annual menopause health visit without any cost-sharing applied to the insured member.³

DEPENDENT PARENT & STEPPARENT COVERAGE – PUBLIC ACT 103-0700

The Illinois Insurance Code was amended so that a group or individual policy of accident and health insurance issued, amended, delivered, or renewed after January 1, 2026, which provides dependent coverage, shall make that dependent coverage available to the parent or stepparent of the insured if the parent or stepparent:

- meets the definition of a qualifying relative under 26 U.S.C. 152(d)⁴; and
- lives or resides within the accident and health insurance policy's service area.

The expanded definition does not apply to specialized health care service plans, Medicare supplement insurance, hospital-only policies, accident-only policies, or specified disease insurance policies that reimburse for hospital, medical, or surgical expenses.

Generally, to satisfy the definition of a “qualifying relative” the parent or stepparent must have:

1. gross income for the calendar year in which such taxable year begins that is less than \$5,200 for 2025 (*as indexed for inflation*);⁵ and
2. the taxpayer (the primary insured) provide over one-half of the individual's support for the calendar year in which such taxable year begins.

This Illinois state insurance mandate applies only to fully insured group health plans that are situated in Illinois. It does not extend to self-funded health plans governed by ERISA.

² The procedures “are not required to be covered by any policy or plan that is issued to or by a religious institution or organization or to or by an entity sponsored by a religious institution or organization that finds the procedures required to be covered under this Section to violate its religious and moral teachings and beliefs.” (215 ILCS 5/356m(e))

³ The provision has an exception if the coverage should interfere with a plan being considered a qualified high-deductible health plan by the Internal Revenue Service, application of a deductible will be permitted.

⁴ 26 U.S.C. 152(d) (1) In general.--The term “qualifying relative” means, with respect to any taxpayer for any taxable year, an individual: (A) who bears a relationship to the taxpayer described in paragraph (2), (B) whose gross income for the calendar year in which such taxable year begins is less than the exemption amount (as defined in section 151(d)), (C) with respect to whom the taxpayer provides over one-half of the individual's support for the calendar year in which such taxable year begins, and (D) who is not a qualifying child of such taxpayer or of any other taxpayer for any taxable year beginning in the calendar year in which such taxable year begins.

⁵ [Section 151\(d\)](#)

EMPLOYER NEXT STEPS

Carriers issuing and renewing group health plan policies in Illinois should be making the necessary changes to the plan designs to comply with the law.

Self-funded non-ERISA plans employers should work with their TPAs and stop loss carriers to comply with new fertility requirements.

If applicable, employers should amend plan documents to make sure to include dependent parent/stepparent eligibility language.

RESOURCES

- For Public Act 103-0751/SB0773 103rd General Assembly 2023-24, visit [Illinois General Assembly – Full Text of SB0773](#)
- For Public Act 103-0700/HB5258 103rd General Assembly 2023-24, visit [Illinois General Assembly – Full Text of HB5258](#)

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