



# State & Local Compliance Update

## USI EMPLOYEE BENEFITS

March 25, 2026

## New Illinois Laws Effective in 2026

A few notable laws are going into effect in Illinois related to commuter benefits and mandated medical benefits.

Additional details follow.

### **COMMUTER BENEFITS (HB 3094 / PUBLIC ACT 104-0272)**

Effective January 1, 2026, the Transportation Benefits Program Act ("TBPA") has been expanded to include part-time employees for both eligibility to participate in the employer's commuter benefit plan and inclusion in the employee count to determine employer applicability under the law. Historically, the TBPA only applied to Illinois employers with at least 50 full-time employees located in certain counties and townships and full-time employees who averaged at least 35 hours of service per week. All employees, except workers in the construction industry subject to a collective bargaining agreement, are now eligible for pre-tax commuter benefits after completing 120 days of employment and subject to the rules and jurisdiction of the Regional Transportation Authority ("RTA").

### **AMENDMENTS TO THE ILLINOIS INSURANCE CODE ("IIC")**

Several new mandated benefits are going into effect in connection with 2026 renewals. These provisions generally apply to fully insured health plans issued in Illinois. Insured health plans issued in other states and ERISA-covered self-funded health plans are not required to comply. However, if these amendments also modified the County, Municipal and School Codes, they also apply to self-funded group health plans sponsored by Illinois state and local government entities, including public schools.

Notable amendments:

*Did not modify the County, Municipal and School Codes:*

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- Menopausal Symptoms – Expands coverage of hormone treatments for menopausal symptoms when medically necessary, instead of being limited to only symptoms related to a hysterectomy.

- Wigs and Scalp Prostheses – Require coverage of one wig or scalp prosthesis at least once every 12 months when hair loss is due to alopecia, chemotherapy, or radiation treatment for cancer or other conditions.
- Generic Drugs – Require coverage of the temporary substitution of brand-name eligible prescription drugs due to a supply issue until the generic drug version is available where the patient’s dosage cannot be adjusted to allow for a different drug option.
- Prescription Inhalers – Limit the amount charged, without deductible requirements, to a maximum of \$25 per 30-day supply and \$50 within 30 days for all covered prescription inhalers.
- Colonoscopies – Require coverage for medically necessary colonoscopies without cost-sharing unless providing the coverage would disqualify a high-deductible health plan for health savings account eligibility.<sup>1</sup>

*Did modify the County, Municipal and School Codes:*

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- Molecular Breast Imagery (“MBI”) and Magnetic Resonance Imaging (“MRI”) – Require coverage for medically necessary MBIs and MRIs, regardless of the patient’s gender.

## EMPLOYER NEXT STEPS

Covered employers should extend transportation benefits to part-time employees and include part-time employees in the count to determine employer applicability under the law.

Carriers issuing and renewing group health plan policies in Illinois should have already made the necessary changes to the plan designs to comply with the law. Communication should be distributed by the carriers to the plan sponsors on the effects, if any, these amendments may have on their plans.

Self-funded governmental employers should work with their TPAs and stop loss carriers to comply with these new requirements. If necessary, plan documents should be updated to include these amendments.

## RESOURCES

- For the amendment to the TBPA concerning Commuter Benefits: <https://www.ilga.gov/Legislation/PublicActs/View/104-0272>.
- For the amendment to the IIC concerning Menopausal Symptoms: <https://www.ilga.gov/Legislation/PublicActs/View/103-0703>.
- For the amendment to the IIC concerning Wigs and Scalp Prostheses: <https://www.ilga.gov/Legislation/PublicActs/View/103-0753>.
- For the amendment to the IIC concerning Generic Drugs: <https://www.ilga.gov/Legislation/PublicActs/View/103-0758>.
- For the amendment to the IIC concerning Prescription Inhalers: <https://www.ilga.gov/Legislation/PublicActs/View/103-0951>.

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<sup>1</sup> Although the ACA requires non-grandfathered medical plans to cover preventive colonoscopies with no cost-sharing, this rule expands coverage to diagnostic colonoscopies recommended by a physician for patients with symptoms or an existing condition.

- For the amendment to the IIC concerning Colonoscopies:  
<https://www.ilga.gov/Legislation/PublicActs/View/103-0800>.
- For the amendment to the IIC concerning MBIs and MRIs:  
<https://www.ilga.gov/Legislation/PublicActs/View/103-0808>.

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