



State Universities Annuitants Association

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Mini Briefing

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This week, Sunday, September 13, started out with the headlines “Governor Rauner Threatens to Halt Health Insurance Payments to Providers for State Workers”. The next day the headlines were “Health-care Payments Stopped for State Employees’ Self-insured Plans” which caused accelerated concern throughout the State for not only currently working but now especially retirees.

First, as stated in our last correspondence, the College Insurance Plan (CIP)* and the Teachers Retirement Insurance Plan (TRIP)** are not involved in this health insurance funding. So again, if you retired from a community college or a school district you are not included in this round of health insurance problems. In fact the good news is that due to legislation signed into law this summer, both CIP and TRIP will receive its funding from the State as provided by the Illinois Statutes.

The State Employee Group Benefits provides health, dental and life insurance for current and certain former elected state officials, judges, current State employees, retirees, survivors (not Medicare age eligible) and many others. The State’s universities current employees and retirees fall under the benefits of this group plan. This is the plan that is causing havoc – the one people are most concerned about.

For the past several years doctors, hospitals, dentists, etc. have been receiving payments for services in arrears. That said, the doctors, hospitals, dentists, etc. are also receiving interest on the delayed payments.

Fortunately, no one has been denied services that we know of due to the State’s inability to pay the healthcare claims – whether recent or in arrears. We do know of some who live outside of Illinois who are being billed for the full cost of the service. Usually this can be reconciled.

At this time, the Medicare Advantage Program (TRAIL)*** is continuing to be paid.

Many do not understand what a self-insured health plan is. So for the sake of those a short definition is provided:

The State of Illinois operates its own health plan rather than purchasing a fully-insured plan from a private insurance carrier. Doing this allows the State to save the profit margin that an insurance company adds to its premium for a fully-insured plan. In doing this it also exposes the State to much

larger risk in the event that more claims than expected must be paid or in Illinois' case, not enough money in the coffers or an impasse on the State Budget negotiations.

Two main costs are fixed costs and variable costs:

- Fixed costs are administrative fees, any stop-loss premiums and any other set fees charged per employee. These costs are billed monthly by the carrier which is based on plan enrollment.
- Variable costs are payment of health care claims. These costs naturally vary from one month to another based on the health care use of those insured.

Until the Fiscal Year 2016 State Budget is passed, the Illinois Department of Central Management Services (CMS) does not have the legal authority to pay claims through the State's self-insured plans – Quality Care, Coventry Health Care Open Access Plan and Health Link OAP. But even though the State is six months behind on current payments, the health insurance for state employees, university employees, retirees and dependents will continue unchanged.

And due to the budget impasse, CMS does not have the authority to spend the health insurance premiums from those who are currently working.

It will be most likely up to each managed-care provider as to how they respond to the continuing Budget Impasse since these companies receive fixed premiums payments. But so far nothing has changed.

SUAA will continue to monitor this and keep everyone up to date on any changes taking place that could affect you.

Coming up is the **Medicare Advantage Plan (TRAIL)** enrollment for Medicare age eligible retirees.

- Open enrollment for January 2016 is October 15 – November 16, 2015
- Seminars will begin October 13th and run through October 30th.
- Retirees and survivors who became eligible for the TRAIL Medicare Advantage Program over this past year should have received a letter printed on canary yellow payer by mid-September. You (and your spouse) had to turn 65 by September 30th, 2015 to be eligible.
- All currently enrolled TRAIL members along with newly eligible for the program will be mailed an Open Enrollment Kit during the first week of October.
- For more information go to the CMS website
<http://www.illinois.gov/cms/Employees/benefits/trail/Pages/default.aspx>

*College Insurance Program (CIP) – health insurance plan providing benefits for annuitants receiving a monthly benefit or annuity from the State Universities Retirement System (SURS) who prior to retiring, were an employee of an Illinois community college.

**Teachers' Retirement Insurance Program (TRIP) – health insurance plan providing benefits for annuitants receiving a monthly benefit or annuity from the Teachers Retirement System (TRS) who prior to retiring, were an employee of an Illinois school district.

***Medicare Advantage Program (TRAIL) – this is a type of Medicare offered by the State of Illinois. The State contracts with Medicare to provide you with all of your Medicare Part A and Part B benefits. This plan is for people who are Medicare age eligible and their dependents. The medical providers include both Health Maintenance Organizations (HMO) and a Preferred Provider Organization (PPO). The State’s HMO providers are Health Alliance MAPD, Coventry Advantra, Humana Benefit Plan and Humana Health Plan. Many of these are only available in certain counties. However, the PPO plan provided by UnitedHealthcare is available in all Illinois counties and throughout the United States.

If you are a retired resident living outside of Illinois, your TRAIL choice is UnitedHealthcare only.

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