

# UNIVERSITY OF ILLINOIS SYSTEM

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President  
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## **Report on State of Illinois Employee Group Health Insurance**

At your request, a task force was convened to examine the University's State of Illinois provided group insurance plan in light of expected changes in employee health care benefits and premiums being proposed by the state. Specifically, you asked us to report on the following:

- 1) History of the State Employees Group Insurance Act and how negotiating with the State AFSCME group has evolved.
- 2) An analysis of the current cost landscape, including historical employee premiums by plan.
- 3) Any comparable benefit premium cost information for other Big10 schools.
- 4) Any projected future costs for employee premiums based on information provided through reliable sources.
- 5) Projected impact of new salary bands for employee premiums.
- 6) Examine possible alternatives to the State of Illinois group insurance plan.

Each of these six tasks is responded to in the following separate sections of this report. The report concludes with an Appendix that contains a series of questions and comments posed by attendees of the on-campus information sessions, and those questions received subsequently, with answers provided by the task force based on the information and facts known to date.

## **Background**

As more fully detailed in the Task #1 response, all eligible state employees, including University employees, are required to participate in the State Employees Group Insurance Program (SEGIP) as provided for in the State Employee Group Insurance Act of 1971. SEGIP is administered through the Illinois Department of Central Management Services (CMS), an executive branch department of the state government. Earlier in the year, we became aware of possible significant adjustments being proposed by the state through CMS to employee health care plans and premiums.

The state historically has paid the majority of the employer's (University's) share of employee health care costs through payments to the health care providers. However, in recent years the state has fallen significantly in arrears in making those payments. As of Fiscal Year 2016 year end, state payments to health care providers were running sixteen to nineteen months in arrears.

Over the past two decades, the cost of quality health care has increased dramatically. In Fiscal Year 2016, the price indices for health care related costs were three times greater than the consumer price index for the Midwest region. For Fiscal Year 2016, the total employer/state share of health insurance benefit costs for University employees was \$525 million, a 14% increase over Fiscal Year 2015 costs. For each participant (all state employees and dependents) in the SEGIP, the projected annual health insurance liability for Fiscal Year 2017 is approximately \$8,200 versus approximately \$5,500 in Fiscal Year 2008.

## **Process**

The task force had an initial meeting and allocated responsibility for each numbered item above to members of the task force. On-campus “healthcare information sessions” were conducted in June and July 2016 to provide background and context, as well as to present possible changes to the health plans and premiums, highlighting the potential impact on University employees and their dependents. Each presentation was followed by an open session for input and questions from attendees. The presentation used at these workshops was fully vetted by CMS and subject to legal review to assure the status of the AFSCME negotiations was accurately reported. Questions posed by attendees during the sessions and received via email were answered to the extent there was subject matter information available. Those questions and answers are found at Appendix A.

As reported in the Task #6 response, due to the state budget impasse and significant reductions in the University’s annual appropriations, the ideas and options presented herein may not be financially or legally feasible and should not be interpreted as an alternative to SEGIP. The task force has not quantified the financial impact on the University nor determined the statutory implications of identified ideas and options. Accordingly, the ideas and options presented under Task #6 do not constitute formal recommendations on the part of the task force.

## **Steps Going Forward**

Any actual changes to the health plans and premiums are still unknown. As further described in Task #1, the University should continue to monitor the litigation and negotiations between the state and AFSCME to determine the final timing and extent of any adjustment to health care for employees.

To pursue any of the ideas or options presented herein, the University may want to engage a consultant(s) for 1) formal plan/program design and documentation, 2) cost analysis using experience data (if available) and 3) legal and statutory compliance. Retaining consultants would be subject to the state’s existing procurement regulations.

## **Conclusion**

Health care costs continue to grow at a rate substantially faster than inflation and are a substantial burden on the state and its employees, including University employees. Quality, affordable health care will continue to be foremost among the concerns of University employees and their families. Because of the state budget impasse, substantial reductions in the University’s annual

appropriations and continued financial uncertainty, any mitigation strategies must be considered carefully.

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**Task Item #1 - History of the State Employees Group Insurance Act of 1971  
and how negotiating with the American Federation of State, County  
and Municipal Employees (“AFSCME”) group has evolved**

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In Brief

In accordance with the State Employees Group Insurance Act of 1971, University employees participate in the State Employees Group Insurance Program. The State of Illinois bargains with the State’s AFSCME union as the sole union with which the State’s Central Management Services (“CMS”) negotiates employee benefits. CMS has historically extended the bargained program of benefits to non-bargained state employees. After negotiations are complete, the resulting rules and cost structure must also be approved by the State Joint Committee on Administrative Rules (“JCAR”). By Illinois statute, a “Benefit Choice” open enrollment period occurs every year in May with changes effective July 1<sup>st</sup>. The University has no role in, nor control over, the design, costs, eligibility, or other aspects of the insurance program. However, this arrangement has generally been advantageous to University employees, resulting in a low cost program of comprehensive insurance benefits. Including University employees in the state plans also creates a larger overall population of covered individuals, which helps lower the state’s per employee per month cost.

History

CMS regularly modifies the State Employee Group Insurance Program (“SEGIP”). The state’s contracts with insurance companies and other program vendors are generally in place for five years with an option for five years of extension. The state generally negotiates the total premiums and other costs annually with these vendors. The state’s AFSCME contract, which typically determines the employees’ share of costs, as well as certain benefits and coverages, is often a four-year contract, but most recently was for three years (2012 – 2015). The historical CMS practice has been to extend the program of insurance benefits that is negotiated by the state AFSCME group to cover University employees, whether or not represented in one of the U of I bargaining units.

In some years, SEGIP modifications have resulted in increased employee health insurance costs (See Task Item #2). In other cases, the modifications resulted in improved employee insurance benefits. In either case; however, the University plays no role in the decision to make these cost and/or benefit changes. By the same token, the University strictly followed all of these various cost and benefit changes as they applied to bargaining unit and non-bargaining unit personnel. Indeed, in terms of bargaining unit personnel, the CMS-mandated changes were made regardless of whether a particular unit was in the midst of a collective bargaining agreement or engaged in negotiations for a successor collective bargaining agreement. We have asserted in bargaining and in defending unfair labor practice claims that the statutory and historical structure have put the CMS decisions out of the University’s control and, when bargaining, we have consistently not incorporated union proposals to enhance health benefits beyond what CMS has provided noting some of this relevant background:

Most employees of the State of Illinois receive health insurance coverage pursuant to the State Employees Group Insurance Program. The Bureau of Benefits within CMS is responsible for the administration of the Group Insurance Program for State employees. A single health insurance

program for all Illinois employees is authorized by the State Employee Group Insurance Act of 1971 (“Act”). 5 ILCS 375/1 *et seq.*

The Act gives CMS wide discretion in determining the type of plans and level of benefits that will be offered to State employees. In designing the Program, CMS is required to do the following:

- (1) to provide a reasonable relationship between the benefits to be included and the expected distribution of expenses of each such type to be incurred by the covered members and dependents;
- (2) to specify, as covered benefits and as optional benefits, the medical services of practitioners in all categories licensed under the Medical Practice Act of 1987;
- (3) to include reasonable controls, which may include deductible and co-insurance provisions, applicable to some or all of the benefits, or a coordination of benefits provision, to prevent or minimize unnecessary utilization of the various hospital, surgical and medical expenses to be provided and to provide reasonable assurance of stability to the program, and
- (4) to provide benefits to the extent possible to members throughout the State, wherever located, on an equitable basis. 5 ILCS 375/6(a).

On the other hand, the Act requires CMS to include certain benefits as part of the Group Insurance Program. For example, CMS is required by law to offer State employees a program that covers certain cancer treatment drugs, *see* 5 ILCS 375/6.4, post-parturition care, *see* 5 ILCS 375/6.7, post-mastectomy care benefits, *see* 5 ILCS 375/6.11, and medically necessary physical and occupational therapy when ordered for the treatment of autoimmune diseases. *See* 5 ILCS 375/65.11A.

### Cost and Eligibility

In terms of cost, CMS is authorized to set the level of employee contributions, based on the actual cost of services, adjusted for age, sex, or the geographical or demographic characteristics that affect the costs of the state mandated health insurance benefit. *See* 5 ILCS 375/9(a). Once the employee contributions have been established, employees are “responsible for [their] portion of the premiums, charges or other fees for all elected coverages or benefits, which shall be paid by a reduction in earnings or the foregoing of an increase in earnings by an employee.” *Id.* The State of Illinois itself then pays the remainder of the health insurance premium costs for the employees’ participation. *See* 5 ILCS 375/10(a). Both the employee and State share of the premium cost are “deposited in the [State’s] Health Insurance Reserve Fund.” 5 ILCS 375/9(a).

According to the State of Illinois Employees’ Benefits Handbook, only certain State employees are eligible to participate in the Group Insurance Program. These include individuals who work at least 50% of a normal work period and are paid a salary through the Comptroller’s Office or a local university payroll, and are eligible to participate in one of several State retirement systems. The Benefits Handbook clarifies that full-time university faculty (*i.e.*, those working greater than or equal to 9 months of the year) are eligible to participate in the Group Insurance

Program. Certain part-time faculty who are hired to work for 4.5 continuous months are also eligible for insurance, but only if their contract is 100%.

### Participation

Eligible University employees have historically participated in the State Employees Group Insurance Program. A series of University rules and regulations summarize the terms of that participation. For example, the University's "NESSIE" website states in relevant part:

"Employees of the University of Illinois receive a variety of **State of Illinois**, as well as **University** specific benefits. The **State of Illinois** benefits are provided by the Group Insurance Act of 1971, which gives the State's Department of Central Management Services (CMS) the authority and responsibility to design, administer, negotiate and/or contract for benefits. Any change in these benefits is decided upon by CMS and becomes effective for all State of Illinois employees. These benefits include:

- Health
- Health for Part-Time Employees
- Dental
- Vision
- Life
- Accidental Death and Dismemberment
- Flexible Spending Accounts

More information about State benefits is available in the [State of Illinois Employees Benefits Handbook](#). This handbook is updated approximately every five years. For the most up to date rates and contact information, be sure to consult the current annual supplement, the [FY 2017 Benefit Choice Options booklet](#) (July 1, 2016 through June 30, 2017). For information on the documentation needed for dependent enrollment in benefits, view [Dependent Documentation Requirements and Deadlines](#).

Each year, the University holds an open enrollment period, typically during the month of May, called Benefit Choice. Any change in State or University benefits is implemented at this time and becomes effective the following July 1. Changes to benefits plans can typically be made only during Benefit Choice or when experiencing a qualifying event. Some plans allow enrollments and changes at any time of the year."

Similar language is contained in Section 12.01 of the *University of Illinois Policy and Rules for Civil Service Staff*<sup>1</sup>:

"Eligible employees will be provided the following insurance coverage and the opportunity to purchase dependent insurance coverage in accordance with the State Employees Group Insurance Act of 1971 (5 ILCS 375/1 *et seq.*):

Health Insurance - Medical, Dental, Vision

<sup>1</sup> <https://nessie.uihr.uillinois.edu/pdf/policy/rules/pr12r01.pdf>

## Term Life Insurance

Group insurance benefits and employee costs are established by the State of Illinois Department of Central Management Services, and are subject to annual modification.

For detailed eligibility and benefits information, employees should consult plan handbooks or contact University Payroll & Benefits offices at the Urbana, Springfield, and Chicago campuses.”

Based on these provisions, the University plays no role in the design, selection of vendors, or implementation of the State Employees Group Insurance Program for eligible University employees. For example, the University has no control over or input regarding the determination of employee premium costs. Nor does the University have any control over or input regarding the specific benefits or terms of the Group Health Insurance Program, including, for example, the amount of deductibles, co-pays and out-of-pocket maximums.

## Recent Events

The State of Illinois and the state’s AFSCME union have been in protracted negotiations since early 2015. In January 2016, Governor Bruce Rauner’s administration sought a ruling from the Illinois Labor Relations Board (“ILRB”) to declare the negotiations with AFSCME at impasse. The state believed the ILRB would agree that an impasse exists. AFSCME believed there was no impasse, in part because previous administrations had bargained into the summer or fall (resulting in multiple Benefit Choice periods) and never before declared an impasse. In September 2016, the ILRB’s Administrative Law Judge (“ALJ”) issued a partial recommendation<sup>2</sup>, but declined to make a determination on the impasse with respect to health insurance. The ALJ recommended the State and AFSCME continue to negotiate. However, on December 5, 2016, the ILRB issued a written ruling that an impasse exists.

In June 2016, what we knew about each parties’ position was based on public statements<sup>3</sup>. The state proposed doubling employees’ monthly health insurance premiums if employees wish to stay in their current SEGIP healthcare plan. The state also proposed adding new healthcare plan options that would have lower (than double) monthly premiums, but would have higher deductibles and higher out-of-pocket costs.

With the release of the ALJ’s report in September 2016, there was more information about the proposals from both parties. The following table provides a brief overview of the proposals.

<sup>2</sup> Administrative Law Judge’s Recommended Decision and Order

<https://www.illinois.gov/ilrb/decisions/decisionorders/Documents/S-CB-16-017rdo.pdf>

<sup>3</sup> AFSCME’s March-June 2015 Bargaining Bulletin:

<https://drive.google.com/file/d/0B4Bi-iePG1O6TW9BVkpEdDBxWVv/view?pref=2&pli=1>

Governor Rauner’s January 15, 2016 letter to state employees:

[http://files.sj-r.com/media/news/Governor\\_Rauner\\_Letter\\_to\\_State\\_Employees.pdf](http://files.sj-r.com/media/news/Governor_Rauner_Letter_to_State_Employees.pdf)

State of Illinois	AFSCME
<ul style="list-style-type: none"> <li>• No change in cost for first year</li> <li>• Adjust premiums based on annual liability, up to 10% per year</li> <li>• Private exchange with choice of platinum, gold, and silver plans               <ul style="list-style-type: none"> <li>- Platinum: double premium/current plan choice</li> <li>- Silver: current premium/reduced benefit (i.e., higher copays, deductibles, and out-of-pocket)</li> </ul> </li> <li>• Four new premium tiers for employees with salary greater than \$100,000 (i.e., larger cost increases)</li> </ul>	<ul style="list-style-type: none"> <li>• No change in cost for first year</li> <li>• 5% premium increase all other years of contract</li> <li>• Increase deductibles by \$25 per year</li> <li>• Benefit adjustments:               <ul style="list-style-type: none"> <li>- Improve reimbursement for eyeglasses</li> <li>- Include oral surgery</li> <li>- Remove restriction on orthodontia treatment for adults</li> </ul> </li> <li>• No retroactive increases</li> <li>• Same plan design</li> </ul>

Both the state and AFSCME had the opportunity to file exception briefs based on any disagreement with the ALJ’s Recommended Decision and Order. Both also had the opportunity to respond to each other’s exceptions. The ILRB considered all of this information in discussion at its November 2016 meeting, where it determined that AFSCME and the state are at an impasse in the negotiations. AFSCME had asked the state to restart negotiations, and indicated that it was appealing the ILRB ruling to the state appellate court in Chicago. Therefore, these issues may not be resolved for many months.

Although actual changes are still unknown at this time, and are subject to ongoing negotiations and further legal proceedings, future changes might include additional plan choices and/or some level of cost increase (potentially up to double the monthly premiums for current plans) to employees.

#### Possible Retroactive Premium Increase

In April 2016, CMS sent a mailer to employees’ homes that contained the following notice about plan rates and the impact of the state’s negotiations.

#### **“Special Notice Regarding 2017 Plan Year Rates**

The premium levels listed in this benefits flyer are for FY 2016 (July 1, 2015 – June 30, 2016). Personnel should be aware that these premiums may be subject to an increase, pending the outcome of an ongoing legal dispute between the State and AFSCME and that this premium increase may be applied retroactively to July 1, 2016. In other words, once the legal dispute is resolved, a higher premium likely will apply – not only going forward, but also for the period from July 1, 2016, to the date of the increase. For bargaining unit employees, your Union has the full details regarding the State’s proposal. Unless another manner of retroactive payment of the premiums owed is negotiated with your Union, the increased premium difference owed for the period from July 1, 2016, through the date of the increase will be deducted on a pro rata basis out of the paychecks remaining in the

fiscal year. This means that there will be two deductions for health insurance from an employee's paycheck once the increase has been set: one deduction at the new rate and a second deduction to make up what is owed for the prior period (i.e., the difference between the prior rate and the new rate). By electing coverage under this group health plan, an employee is consenting to all such payroll deductions. Employees represented by unions that have already ratified their agreements will not have any premium increases applied retroactively. Those employees represented by unions that have not yet ratified agreements should contact their union representatives to determine whether such increases may be applied retroactively."

Collecting as yet unknown premium increases retroactively from employees' pay would be an unprecedented action by the state, which could cause a financial hardship for many employees. The University [notified employees on May 4, 2016](#) that it had asked the state to reconsider its position to collect retroactive premiums and instead only begin charging any new premiums after employees could consider the full range of new plans and any associated new costs.

**Task Item #2 – An analysis of the current cost landscape, including historical employee premiums by plan**

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The accompanying two exhibits respond to this task item. The first exhibit “Employee Only Monthly Premium FY06 – FY17” reports monthly premiums by salary band from FY06 to date for both managed care (HMO/OAP) options and Quality Care (Cigna) health insurance plans and the prior year’s percentage increases. The exhibit also contains “Dependent Premiums FY06 – FY17” reporting premiums for one dependent and two or more dependents by plan. Significant increases in employee premiums were experienced in FY10 and FY14.

The second exhibit “FY17 Monthly/Annual Cost of Health Insurance” reports the current employee and dependent premiums for health insurance by salary band and the related state costs.

**Employee-Only Monthly Premiums FY06 - FY17**

<b>Managed Care Plans (HMOs and OAPs) - Premium Costs by Salary Range</b>						
<b>Year</b>	<b>\$30,200 and Below *</b>	<b>\$30,201 - \$45,600</b>	<b>\$45,601 - \$60,700</b>	<b>\$60,701 - \$75,900</b>	<b>\$75,901 - \$100,000</b>	<b>\$100,001 and Above **</b>
FY2006	\$27.00	\$32.00	\$34.50	\$37.00	\$39.50	\$39.50
FY2007	\$31.00	\$36.00	\$38.50	\$41.00	\$43.50	\$43.50
FY2008	\$35.00	\$40.00	\$42.50	\$45.00	\$47.50	\$47.50
FY2009	\$41.00	\$46.00	\$48.50	\$51.00	\$53.50	\$53.50
FY2010	\$47.00	\$52.00	\$54.50	\$57.00	\$59.50	\$59.50
FY2011	\$47.00	\$52.00	\$54.50	\$57.00	\$59.50	\$59.50
FY2012	\$47.00	\$52.00	\$54.50	\$57.00	\$59.50	\$59.50
FY2013	\$47.00	\$52.00	\$54.50	\$57.00	\$59.50	\$59.50
FY2014	\$68.00	\$86.00	\$103.00	\$119.00	\$137.00	\$186.00
FY2015	\$68.00	\$86.00	\$103.00	\$119.00	\$137.00	\$186.00
FY2016	\$68.00	\$86.00	\$103.00	\$119.00	\$137.00	\$186.00
FY2017 ***	\$68.00	\$86.00	\$103.00	\$119.00	\$137.00	\$186.00

<b>Managed Care Plans (HMOs and OAPs) - Percent Increases Compared to Previous Year</b>						
<b>Year</b>	<b>\$30,200 and Below *</b>	<b>\$30,201 - \$45,600</b>	<b>\$45,601 - \$60,700</b>	<b>\$60,701 - \$75,900</b>	<b>\$75,901 - \$100,000</b>	<b>\$100,001 and Above **</b>
FY2007	15%	13%	12%	11%	10%	10%
FY2008	13%	11%	10%	10%	9%	9%
FY2009	17%	15%	14%	13%	13%	13%
FY2010	15%	13%	12%	12%	11%	11%
FY2011	0%	0%	0%	0%	0%	0%
FY2012	0%	0%	0%	0%	0%	0%
FY2013	0%	0%	0%	0%	0%	0%
FY2014	45%	65%	89%	109%	130%	213%
FY2015	0%	0%	0%	0%	0%	0%
FY2016	0%	0%	0%	0%	0%	0%
FY2017 ***	0%	0%	0%	0%	0%	0%

\* Lowest salary band cap: FY07 \$28,600 | FY10 \$29,500 | FY11 \$29,800

\*\* Current highest salary band did not exist until FY14.

\*\*\* FY2017 based on May 2016 Benefit Choice; subject to change based on ILRB decision on impasse.

## Employee-Only Monthly Premiums FY06 - FY17

Quality Care Health Plan (PPO) - Premium Costs by Salary Range						
Year	\$30,200 and Below *	\$30,201 - \$45,600	\$45,601 - \$60,700	\$60,701 - \$75,900	\$75,901 - \$100,000	\$100,001 and Above **
FY2006	\$46.00	\$51.00	\$53.50	\$56.00	\$58.50	\$58.50
FY2007	\$54.00	\$59.00	\$61.50	\$64.00	\$66.50	\$66.50
FY2008	\$60.00	\$65.00	\$67.50	\$70.00	\$72.50	\$72.50
FY2009	\$66.00	\$71.00	\$73.50	\$76.00	\$78.50	\$78.50
FY2010	\$72.00	\$77.00	\$79.50	\$82.00	\$84.50	\$84.50
FY2011	\$72.00	\$77.00	\$79.50	\$82.00	\$84.50	\$84.50
FY2012	\$72.00	\$77.00	\$79.50	\$82.00	\$84.50	\$84.50
FY2013	\$72.00	\$77.00	\$79.50	\$82.00	\$84.50	\$84.50
FY2014	\$93.00	\$111.00	\$127.00	\$144.00	\$162.00	\$211.00
FY2015	\$93.00	\$111.00	\$127.00	\$144.00	\$162.00	\$211.00
FY2016	\$93.00	\$111.00	\$127.00	\$144.00	\$162.00	\$211.00
FY2017 ***	\$93.00	\$111.00	\$127.00	\$144.00	\$162.00	\$211.00

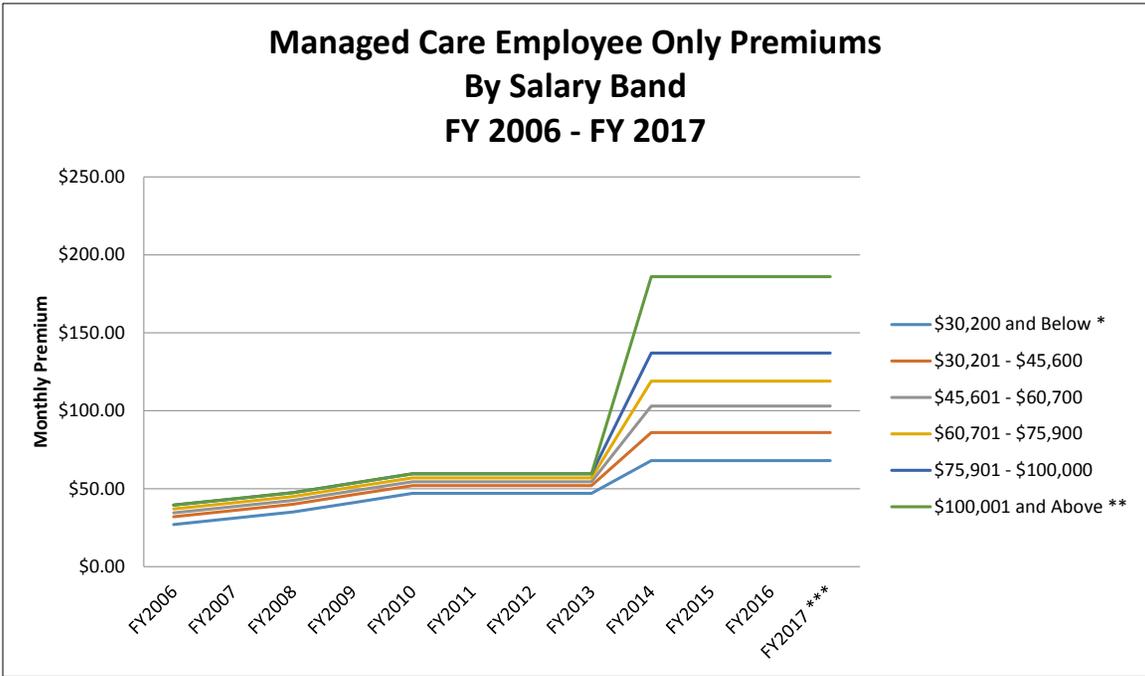
Quality Care Health Plan (PPO) - Percent Increases Compared to Previous Year						
Year	\$30,200 and Below *	\$30,201 - \$45,600	\$45,601 - \$60,700	\$60,701 - \$75,900	\$75,901 - \$100,000	\$100,001 and Above **
FY2007	17%	16%	15%	14%	14%	14%
FY2008	11%	10%	10%	9%	9%	9%
FY2009	10%	9%	9%	9%	8%	8%
FY2010	9%	8%	8%	8%	8%	8%
FY2011	0%	0%	0%	0%	0%	0%
FY2012	0%	0%	0%	0%	0%	0%
FY2013	0%	0%	0%	0%	0%	0%
FY2014	29%	44%	60%	76%	92%	150%
FY2015	0%	0%	0%	0%	0%	0%
FY2016	0%	0%	0%	0%	0%	0%
FY2017 ***	0%	0%	0%	0%	0%	0%

\* Lowest salary band cap: FY07 \$28,600 | FY10 \$29,500 | FY11 \$29,800

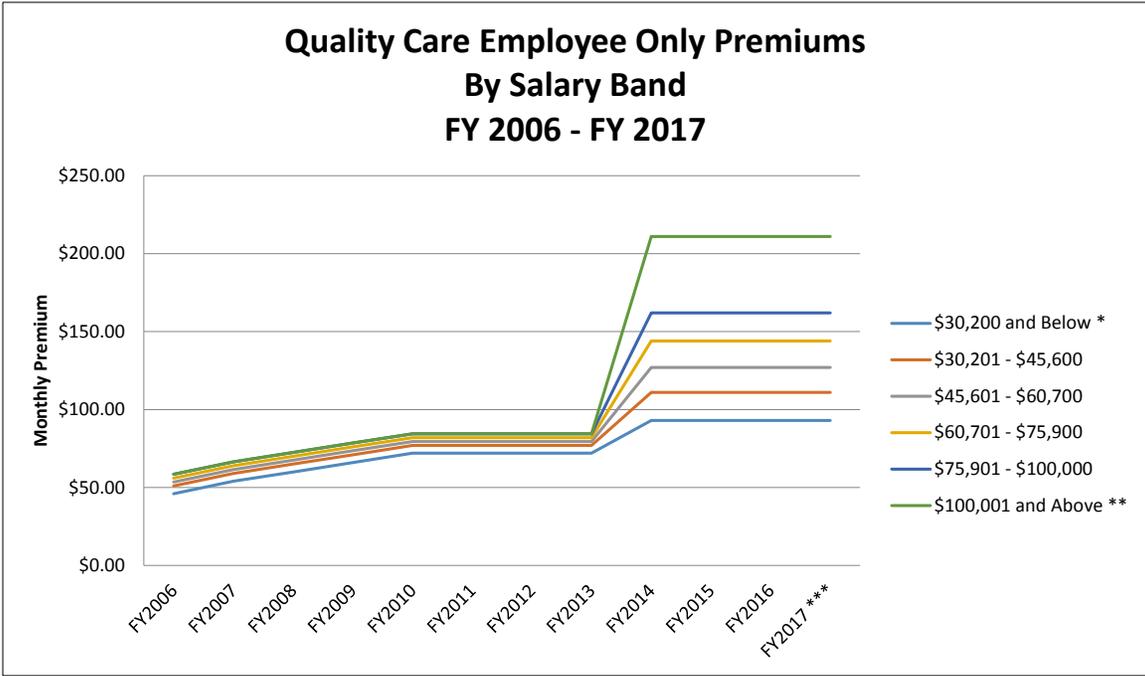
\*\* Current highest salary band did not exist until FY14.

\*\*\* FY2017 based on May 2016 Benefit Choice; subject to change based on ILRB decision on impasse.

### Managed Care Employee Only Premiums By Salary Band FY 2006 - FY 2017



### Quality Care Employee Only Premiums By Salary Band FY 2006 - FY 2017



\* Lowest salary band cap: FY07 \$28,600 | FY10 \$29,500 | FY11 \$29,800

\*\* Current highest salary band did not exist until FY14.

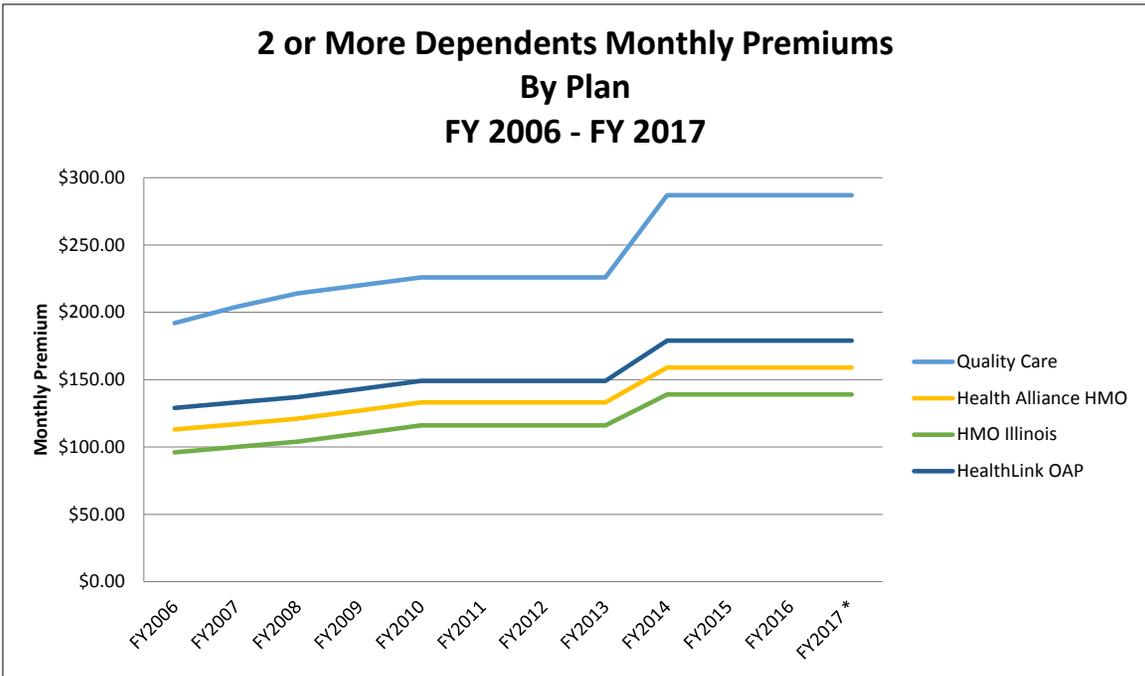
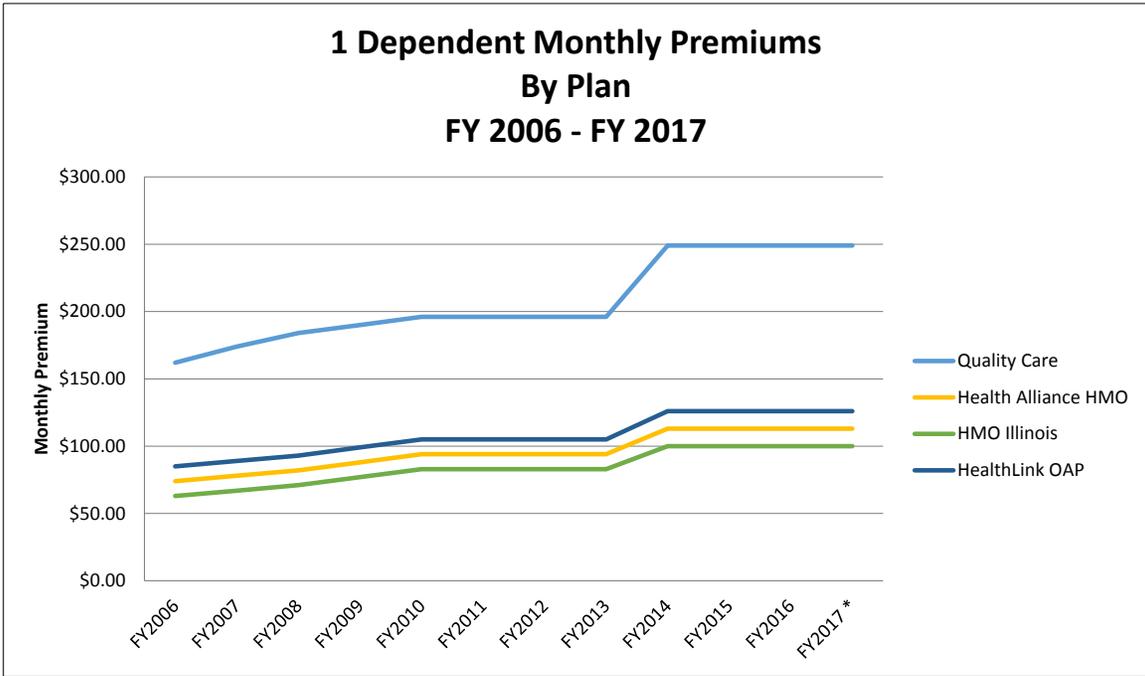
\*\*\* FY2017 based on May 2016 Benefit Choice; subject to change based on ILRB decision on impasse.

## Dependent Monthly Premiums FY06 - FY17

Cost for One Dependent												
Year	Quality Care	Blue Advantage HMO	Coventry HMO	Health Alliance HMO	Health Alliance IL	HMO Illinois	HealthLink OAP	Coventry OAP	OSF/Humana Benefit Plan	OSF/Humana Winnebago	Personal Care HMO	UniCare HMO
FY2006	\$162.00			\$74.00	\$83.00	\$63.00	\$85.00		\$72.00	\$87.00	\$72.00	\$62.00
FY2007	\$174.00			\$78.00	\$87.00	\$67.00	\$89.00		\$76.00	\$91.00	\$76.00	\$66.00
FY2008	\$184.00			\$82.00	\$91.00	\$71.00	\$93.00		\$80.00	\$95.00	\$80.00	\$70.00
FY2009	\$190.00			\$88.00	\$97.00	\$77.00	\$99.00		\$86.00	\$101.00	\$86.00	\$76.00
FY2010	\$196.00			\$94.00	\$103.00	\$83.00	\$105.00		\$92.00	\$107.00	\$92.00	\$82.00
FY2011	\$196.00			\$94.00	\$103.00	\$83.00	\$105.00		\$92.00	\$107.00	\$92.00	
FY2012	\$196.00	\$80.00	\$92.00	\$94.00	\$103.00	\$83.00	\$105.00	\$92.00				
FY2013	\$196.00	\$80.00	\$92.00	\$94.00		\$83.00	\$105.00	\$92.00				
FY2014	\$249.00	\$96.00	\$111.00	\$113.00		\$100.00	\$126.00	\$111.00				
FY2015	\$249.00	\$96.00	\$111.00	\$113.00		\$100.00	\$126.00	\$111.00				
FY2016	\$249.00	\$96.00	\$111.00	\$113.00		\$100.00	\$126.00	\$111.00				
FY2017 *	\$249.00	\$96.00	\$111.00	\$113.00		\$100.00	\$126.00	\$111.00				

Cost for Two or More Dependents												
Year	Quality Care	Blue Advantage HMO	Coventry HMO	Health Alliance HMO	Health Alliance IL	HMO Illinois	HealthLink OAP	Coventry OAP	OSF/Humana Benefit Plan	OSF/Humana Winnebago	Personal Care HMO	UniCare HMO
FY2006	\$192.00			\$113.00	\$125.00	\$96.00	\$129.00		\$110.00	\$132.00	\$110.00	\$93.00
FY2007	\$204.00			\$117.00	\$129.00	\$100.00	\$133.00		\$114.00	\$136.00	\$114.00	\$97.00
FY2008	\$214.00			\$121.00	\$133.00	\$104.00	\$137.00		\$118.00	\$140.00	\$118.00	\$101.00
FY2009	\$220.00			\$127.00	\$139.00	\$110.00	\$143.00		\$124.00	\$146.00	\$124.00	\$107.00
FY2010	\$226.00			\$133.00	\$145.00	\$116.00	\$149.00		\$130.00	\$152.00	\$130.00	\$113.00
FY2011	\$226.00			\$133.00	\$145.00	\$116.00	\$149.00		\$130.00	\$152.00	\$130.00	
FY2012	\$226.00	\$110.00	\$130.00	\$133.00	\$145.00	\$116.00	\$149.00	\$130.00				
FY2013	\$226.00	\$110.00	\$130.00	\$133.00		\$116.00	\$149.00	\$130.00				
FY2014	\$287.00	\$132.00	\$156.00	\$159.00		\$139.00	\$179.00	\$156.00				
FY2015	\$287.00	\$132.00	\$156.00	\$159.00		\$139.00	\$179.00	\$156.00				
FY2016	\$287.00	\$132.00	\$156.00	\$159.00		\$139.00	\$179.00	\$156.00				
FY2017 *	\$287.00	\$132.00	\$156.00	\$159.00		\$139.00	\$179.00	\$156.00				

\* FY2017 based on May 2016 Benefit Choice; subject to change based on ILRB decision on impasse.



NOTE: Other plans included in data have only existed during certain periods of this timeline. All plans, including those not visualized above, show comparable cost trends.

\* FY2017 based on May 2016 Benefit Choice; subject to change based on ILRB decision on impasse.

# FY17 Monthly Cost of Health Insurance

Quality Care Health Plan (QCHP)												
	Employee Coverage - \$995.94				One Dependent - \$1,079.30				Two or More Dependents- \$1,522.44			
Annual Salary Range	Employee Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %
\$30,200 or Less	\$93.00	9%	\$902.94	91%								
\$30,201 - \$45,600	\$111.00	11%	\$884.94	89%								
\$45,601 - \$60,700	\$127.00	13%	\$868.94	87%	\$249.00	23%	\$830.30	77%	\$287.00	19%	\$1,235.44	81%
\$60,701 - \$75,900	\$144.00	14%	\$851.94	86%								
\$75,901 - \$100,000	\$162.00	16%	\$833.94	84%								
\$100,001 and Over	\$211.00	21%	\$784.94	79%								

Health Alliance HMO												
	Employee Coverage - \$834.46				One Dependent - \$707.48				Two or More Dependents- \$1,270.54			
Annual Salary Range	Employee Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %
\$30,200 or Less	\$68.00	8%	\$766.46	92%								
\$30,201 - \$45,600	\$86.00	10%	\$748.46	90%								
\$45,601 - \$60,700	\$103.00	12%	\$731.46	88%	\$113.00	16%	\$594.48	84%	\$159.00	13%	\$1,111.54	87%
\$60,701 - \$75,900	\$119.00	14%	\$715.46	86%								
\$75,901 - \$100,000	\$137.00	16%	\$697.46	84%								
\$100,001 and Over	\$186.00	22%	\$648.46	78%								

HMO Illinois												
	Employee Coverage - \$745.78				One Dependent - \$633.00				Two or More Dependents- \$1,142.84			
Annual Salary Range	Employee Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %
\$30,200 or Less	\$68.00	9%	\$677.78	91%								
\$30,201 - \$45,600	\$86.00	12%	\$659.78	88%								
\$45,601 - \$60,700	\$103.00	14%	\$642.78	86%	\$100.00	16%	\$533.00	84%	\$139.00	12%	\$1,003.84	88%
\$60,701 - \$75,900	\$119.00	16%	\$626.78	84%								
\$75,901 - \$100,000	\$137.00	18%	\$608.78	82%								
\$100,001 and Over	\$186.00	25%	\$559.78	75%								

BlueAdvantage HMO												
	Employee Coverage - \$723.10				One Dependent - \$613.92				Two or More Dependents- \$1,110.18			
Annual Salary Range	Employee Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %
\$30,200 or Less	\$68.00	9%	\$655.10	91%								
\$30,201 - \$45,600	\$86.00	12%	\$637.10	88%								
\$45,601 - \$60,700	\$103.00	14%	\$620.10	86%	\$96.00	16%	\$517.92	84%	\$132.00	12%	\$978.18	88%
\$60,701 - \$75,900	\$119.00	16%	\$604.10	84%								
\$75,901 - \$100,000	\$137.00	19%	\$586.10	81%								
\$100,001 and Over	\$186.00	26%	\$537.10	74%								

## FY17 Monthly Cost of Health Insurance

<i>Coventry HMO</i>												
	Employee Coverage - \$815.62				One Dependent - \$691.64				Two or More Dependents- \$1,243.40			
Annual Salary Range	Employee Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %
\$30,200 or Less	\$68.00	8%	\$747.62	92%								
\$30,201 - \$45,600	\$86.00	11%	\$729.62	89%								
\$45,601 - \$60,700	\$103.00	13%	\$712.62	87%	\$111.00	16%	\$580.64	84%	\$156.00	13%	\$1,087.40	87%
\$60,701 - \$75,900	\$119.00	15%	\$696.62	85%								
\$75,901 - \$100,000	\$137.00	17%	\$678.62	83%								
\$100,001 and Over	\$186.00	23%	\$629.62	77%								

<i>Coventry Health Care OAP</i>												
	Employee Coverage - \$811.70				One Dependent - \$691.64				Two or More Dependents- \$1,263.54			
Annual Salary Range	Employee Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %
\$30,200 or Less	\$68.00	8%	\$743.70	92%								
\$30,201 - \$45,600	\$86.00	11%	\$725.70	89%								
\$45,601 - \$60,700	\$103.00	13%	\$708.70	87%	\$111.00	16%	\$580.64	84%	\$156.00	12%	\$1,107.54	88%
\$60,701 - \$75,900	\$119.00	15%	\$692.70	85%								
\$75,901 - \$100,000	\$137.00	17%	\$674.70	83%								
\$100,001 and Over	\$186.00	23%	\$625.70	77%								

<i>HealthLink OAP</i>												
	Employee Coverage - \$918.20				One Dependent - \$781.12				Two or More Dependents- \$1,417.82			
Annual Salary Range	Employee Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %
\$30,200 or Less	\$68.00	7%	\$850.20	93%								
\$30,201 - \$45,600	\$86.00	9%	\$832.20	91%								
\$45,601 - \$60,700	\$103.00	11%	\$815.20	89%	\$126.00	16%	\$655.12	84%	\$179.00	13%	\$1,238.82	87%
\$60,701 - \$75,900	\$119.00	13%	\$799.20	87%								
\$75,901 - \$100,000	\$137.00	15%	\$781.20	85%								
\$100,001 and Over	\$186.00	20%	\$732.20	80%								

## FY17 Annual Cost of Health Insurance

Quality Care Health Plan (QCHP)												
	Employee Coverage - \$11,951.28				One Dependent - \$12,951.60				Two or More Dependents- \$18,269.28			
Annual Salary Range	Employee Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %
\$30,200 or Less	\$1,116.00	9%	\$10,835.28	91%								
\$30,201 - \$45,600	\$1,332.00	11%	\$10,619.28	89%								
\$45,601 - \$60,700	\$1,524.00	13%	\$10,427.28	87%	\$2,988.00	23%	\$9,963.60	77%	\$3,444.00	19%	\$14,825.28	81%
\$60,701 - \$75,900	\$1,728.00	14%	\$10,223.28	86%								
\$75,901 - \$100,000	\$1,944.00	16%	\$10,007.28	84%								
\$100,001 and Over	\$2,532.00	21%	\$9,419.28	79%								

Health Alliance HMO												
	Employee Coverage - \$10,013.52				One Dependent - \$8,489.76				Two or More Dependents- \$15,246.48			
Annual Salary Range	Employee Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %
\$30,200 or Less	\$816.00	8%	\$9,197.52	92%								
\$30,201 - \$45,600	\$1,032.00	10%	\$8,981.52	90%								
\$45,601 - \$60,700	\$1,236.00	12%	\$8,777.52	88%	\$1,356.00	16%	\$7,133.76	84%	\$1,908.00	13%	\$13,338.48	87%
\$60,701 - \$75,900	\$1,428.00	14%	\$8,585.52	86%								
\$75,901 - \$100,000	\$1,644.00	16%	\$8,369.52	84%								
\$100,001 and Over	\$2,232.00	22%	\$7,781.52	78%								

HMO Illinois												
	Employee Coverage - \$8,949.36				One Dependent - \$7,596.00				Two or More Dependents- \$13,714.08			
Annual Salary Range	Employee Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %
\$30,200 or Less	\$816.00	9%	\$8,133.36	91%								
\$30,201 - \$45,600	\$1,032.00	12%	\$7,917.36	88%								
\$45,601 - \$60,700	\$1,236.00	14%	\$7,713.36	86%	\$1,200.00	16%	\$6,396.00	84%	\$1,668.00	12%	\$12,046.08	88%
\$60,701 - \$75,900	\$1,428.00	16%	\$7,521.36	84%								
\$75,901 - \$100,000	\$1,644.00	18%	\$7,305.36	82%								
\$100,001 and Over	\$2,232.00	25%	\$6,717.36	75%								

BlueAdvantage HMO												
	Employee Coverage - \$8,677.20				One Dependent - \$7,367.04				Two or More Dependents- \$13,322.16			
Annual Salary Range	Employee Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %
\$30,200 or Less	\$816.00	9%	\$7,861.20	91%								
\$30,201 - \$45,600	\$1,032.00	12%	\$7,645.20	88%								
\$45,601 - \$60,700	\$1,236.00	14%	\$7,441.20	86%	\$1,152.00	16%	\$6,215.04	84%	\$1,584.00	12%	\$11,738.16	88%
\$60,701 - \$75,900	\$1,428.00	16%	\$7,249.20	84%								
\$75,901 - \$100,000	\$1,644.00	19%	\$7,033.20	81%								
\$100,001 and Over	\$2,232.00	26%	\$6,445.20	74%								

## FY17 Annual Cost of Health Insurance

Coventry HMO												
Annual Salary Range	Employee Coverage - \$9,787.44				One Dependent - \$8,299.68				Two or More Dependents- \$14,920.80			
	Employee Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %
\$30,200 or Less	\$816.00	8%	\$8,971.44	92%								
\$30,201 - \$45,600	\$1,032.00	11%	\$8,755.44	89%								
\$45,601 - \$60,700	\$1,236.00	13%	\$8,551.44	87%	\$1,332.00	16%	\$6,967.68	84%	\$1,872.00	13%	\$13,048.80	87%
\$60,701 - \$75,900	\$1,428.00	15%	\$8,359.44	85%								
\$75,901 - \$100,000	\$1,644.00	17%	\$8,143.44	83%								
\$100,001 and Over	\$2,232.00	23%	\$7,555.44	77%								

Coventry Health Care OAP												
Annual Salary Range	Employee Coverage - \$9,740.40				One Dependent - \$8,299.68				Two or More Dependents- \$15,162.48			
	Employee Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %
\$30,200 or Less	\$816.00	8%	\$8,924.40	92%								
\$30,201 - \$45,600	\$1,032.00	11%	\$8,708.40	89%								
\$45,601 - \$60,700	\$1,236.00	13%	\$8,504.40	87%	\$1,332.00	16%	\$6,967.68	84%	\$1,872.00	12%	\$13,290.48	88%
\$60,701 - \$75,900	\$1,428.00	15%	\$8,312.40	85%								
\$75,901 - \$100,000	\$1,644.00	17%	\$8,096.40	83%								
\$100,001 and Over	\$2,232.00	23%	\$7,508.40	77%								

HealthLink OAP												
Annual Salary Range	Employee Coverage - \$11,018.40				One Dependent - \$9,373.44				Two or More Dependents- \$17,013.84			
	Employee Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %	Emp Cost	Emp %	State Cost	State %
\$30,200 or Less	\$816.00	7%	\$10,202.40	93%								
\$30,201 - \$45,600	\$1,032.00	9%	\$9,986.40	91%								
\$45,601 - \$60,700	\$1,236.00	11%	\$9,782.40	89%	\$1,512.00	16%	\$7,861.44	84%	\$2,148.00	13%	\$14,865.84	87%
\$60,701 - \$75,900	\$1,428.00	13%	\$9,590.40	87%								
\$75,901 - \$100,000	\$1,644.00	15%	\$9,374.40	85%								
\$100,001 and Over	\$2,232.00	20%	\$8,786.40	80%								

**Task Item #3 – Comparable benefit premium cost information for other Big Ten schools**

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For the University of Illinois (and other Illinois public higher education institutions), the majority of the “employer” share of health care costs is paid directly by the state. In contrast, for other Big Ten institutions, the employer share of health care premiums is paid primarily by the institution, although funding may be from various sources, including that institution’s state funds.

At the University of Illinois, these state payments represents a value of approximately \$550 million annually for employee healthcare benefits. Since Fiscal Year 2002, the University of Illinois has annually contributed approximately \$24 million, sourced from its annual appropriation, toward the employer share of health care costs. Another approximately \$73 million annually is collected from assessed funds (i.e., grants, gifts) and paid to the state for the employer portion of insurance costs for employees who are paid from sponsored programs.

A detailed comparative of benefit premium costs among the Big Ten institutions is beyond the scope of this examination due to the wide variety in number and types of healthcare plans, as well as differences in eligibility, types of coverage, deductibles, and out of pocket expenses. These significant differences in plan designs are evident in the varying Total Premium Costs shown below. For the purposes of making a direct comparison, the following criteria were used:

1. Comparison of 2016 plan year premium rates.
2. Comparison of Employee-Only coverage premiums.
3. In cases where multiple different plan choices were offered, the plan that has the highest number of enrolled employees was selected for comparison.
4. Plans must include medical insurance and prescription drug coverage.

The following tables compare the current healthcare premium cost sharing between the employee and the peer institution employer. Because the SEGIP and many Big Ten peers have plan cost structures that vary by salary, the comparison is shown both for an employee earning \$45,000 and an employee earning \$100,000.

**Health Plan Premium Comparison for \$45,000 Annual Salary**  
 Rank Order - Smallest to Largest by Employee Percent of Premium

<b>University</b>	<b>Employee Cost</b>	<b>Employee Percent Cost Share of Total Premium</b>	<b>Total Premium Cost</b>
Iowa*	\$0	0%	\$534
Michigan State** (staff)	\$0	0%	\$381
Michigan*	\$42	8%	\$536
Wisconsin*	\$83	10%	\$836
Illinois*	\$86	10%	\$834
Penn State	\$68	13%	\$531

Ohio State*	\$72	13%	\$557
Minnesota*	\$82	13%	\$631
Michigan State* (faculty, academic staff and executive management)	\$53	14%	\$381
Rutgers**	\$94	14%	\$673
Northwestern*	\$74	14%	\$515
Maryland*	\$65	15%	\$432
Purdue	\$125	21%	\$587
Indiana*	\$167	22%	\$749
Nebraska*	\$132	29%	\$456

\*Denotes institution with a hospital/medical center. \*\*Michigan State and Rutgers operate clinics, but not a hospital.

**Health Plan Premium Comparison for \$100,000 Annual Salary**  
Rank Order- Smallest to Largest by Employee Percent of Premium

University	Employee Cost	Employee Percent Cost Share of Total Premium	Total Premium Cost
Iowa*	\$0	0%	\$534
Michigan State** (staff)	\$0	0%	\$381
Wisconsin*	\$83	10%	\$836
Michigan*	\$55	10%	\$536
Minnesota*	\$82	13%	\$631
Michigan State* (faculty, academic staff and executive management)	\$53	14%	\$381
Maryland*	\$65	15%	\$432
Ohio State*	\$88	16%	\$557
Illinois*	\$137	16%	\$834
Purdue	\$125	21%	\$587
Northwestern*	\$119	23%	\$515
Penn State*	\$151	28%	\$531
Nebraska*	\$132	29%	\$456
Indiana*	\$235	31%	\$749
Rutgers**	\$236	35%	\$673

\*Denotes institution with a hospital/medical center. \*\*Michigan State and Rutgers operate clinics, but not a hospital.

As can be seen above, University of Illinois employees pay less (in the lower third to lower half, depending on salary) in terms of percent cost share for health coverage than do employees at many Big Ten institutions. It should be noted that at institutions where employees pay 0% toward the

monthly cost of health coverage, there is often a trade-off with higher deductibles and out-of-pocket costs. Thus, at the present time the University of Illinois is competitive within the Big Ten at current plan rates.

While not specific to the Big Ten, a [2016 survey](#)<sup>4</sup> of 331 public and private higher education institutions conducted by the College and University Professionals Association for Human Resources (CUPA-HR) found that the average annual total healthcare premium across all types of plans offered was \$7,059 for employee-only coverage and \$19,584 for employee plus family coverage. By comparison, the annual total healthcare premium under Illinois' SEGIP ranges from \$8,677 to \$11,951 (depending on plan choice) for employee-only coverage, and ranges from \$13,322 to \$18,269 (depending on plan choice) for employee plus two or more dependents.

<sup>4</sup> <http://blog.cupahr.org/2016/08/workplace-wellness-way/>

**Task Item #4** – Projected future costs for employee premiums based on information provided through reliable sources

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Future costs for employee premiums, are not known at this time. These costs are subject to the state’s ongoing negotiations with its AFSCME bargaining unit and the Illinois Labor Relations Board proceedings. The detailed positions of the State and AFSCME in bargaining and litigation are fluid and subject to rulings, interpretation, possible further refinement, and appeals. The information known about cost proposals comes from each parties’ public statements<sup>5</sup>, as well as the *Administrative Law Judge’s Recommended Decision and Order*<sup>6</sup>. See Task Item #1, Recent Events.

Part of the state’s proposal included design changes to the state health plan structure that would resemble plans in the public healthcare marketplace. In the public marketplace, each health insurance plan is assigned a metallic level, which refers to the plan’s actuarial value – the percentage of total average costs (including premiums, copays, deductibles, and all other costs) that a health insurance plan covers within a given year, as illustrated in the table below. For each metallic level, there are corresponding percentages of total costs covered by the insurance plan. Costs that are not covered by the insurance plan are typically borne by the participating employee; although, some “not covered” costs may be subject to cost-sharing between an employer and employee. A “bronze” level plan would typically have the lowest premium and highest out-of-pocket costs; whereas, a “platinum” level plan would have the highest premium and lowest out-of-pocket costs.

Metallic Level	Total Average Costs Covered by the Insurance Plan	Total Average Costs Not Covered by the Insurance Plan
Platinum	90%	10%
Gold	80%	20%
Silver	70%	30%
Bronze	60%	40%

Note that the metallic actuarial value takes into account all potential costs to provide an average total for costs covered by the plan for a given year. This should not be confused with the employee’s share of coinsurance, such as when an employee pays 20% of the cost for a doctor’s visit and the plan pays 80% of the cost for that visit. It should also not be confused with the cost-sharing for plan premiums, i.e., an employee making \$45,000 pays approximately 11% of the annual cost of health insurance, and the state pays approximately 89%. Coinsurance and premiums are a few examples of the costs factored into the actuarial value. Also factored into this value are services that a health insurance plan covers 100% (i.e., no cost to employees), such as preventive care, certain immunizations and screenings, and well-baby care.

<sup>5</sup> AFSCME’s March-June 2015 Bargaining Bulletin:  
<https://drive.google.com/file/d/0B4Bi-iePG1O6TW9BVkpEdDBxWVk/view?pref=2&pli=1>  
Governor Rauner’s January 15, 2016 letter to state employees:  
[http://files.sj-r.com/media/news/Governor\\_Rauner\\_Letter\\_to\\_State\\_Employees.pdf](http://files.sj-r.com/media/news/Governor_Rauner_Letter_to_State_Employees.pdf)

<sup>6</sup> Administrative Law Judge’s Recommended Decision and Order  
<https://www.illinois.gov/ilrb/decisions/decisionorders/Documents/S-CB-16-017rdo.pdf>

In his January 2015 letter<sup>7</sup> to state employees, Governor Rauner called the current group insurance program “platinum” level, and proposed doubling the current employee premiums. Also proposed is a “silver” option at the current premiums that employees pay now. This is confirmed in the ALJ’s report, which also includes a “gold” option in the state’s proposal, with premium costs falling between what employees pay now and the proposed doubled rates. Here is a summary of what the state’s proposed metallic levels may look like:

- Platinum - current plans and coverage at double the current employee premiums
- Gold - new plan(s) at a cost falling between “current” and “double the current” premiums
- Silver - new plan(s) at the current employee premiums
- Bronze - new plan(s) potentially below the current employee premiums

The ALJ’s report says that the state’s actuarial value of the 2012-2015 SEGIP plan is 92%; meaning that, in aggregate, the plan covers 92% of the total average costs (i.e., a platinum plan). The report also says that the state’s net actuarial value (i.e., the state’s share of that total actuarial value) is 76%, and the employee pays the remaining 24%. The ALJ said, “*The State consistently indicated its need to save hundreds of millions of dollars in health insurance costs and always discussed health insurance in the context of methods to reach a cost-sharing split of the net actuarial value of any plan wherein the employee bore 40% of the cost and the State paid the remaining 60%. The Union, on the other hand, had consistently indicated its unwillingness to reach an agreement that resulted in employee’s paychecks being significantly smaller.*” According to the ALJ, the state needed to provide AFSCME details of the cost-saving target, so that the Union could respond and formulate a proposal.

Greater plan choice with additional lower cost options may be welcomed by some employees. However, many employees are deeply concerned about the prospect of being required to pay double the current premium in order to maintain their current healthcare benefits.

Further, there is concern that the higher deductibles and out-of-pocket cost that are typical of silver and bronze plans may result in substantial financial distress<sup>8</sup>, or that employees simply will not use the insurance. There is risk that the employee population at large is uninformed regarding the cost burden shift associated with lower premium plans. Given multiple years without a salary increase, many employees, especially those in lower salary ranges, may be attracted to lower monthly premium costs without fully understanding the significant shift in out-of-pocket risk. This population may also be least able to absorb large out-of-pocket costs in the case of significant healthcare events.

With the addition of metallic level plans, there will be a need to help employees become educated about what plans cover which medical providers and institutions, as there may be instances where a provider is covered by the plan, but the institution and other services they use (e.g., labs, x-ray, anesthesiology) may not be covered by the plan. Specific plan coverage for these ancillary services may be difficult to determine in advance and option of providers may be limited in hospital settings. This becomes particularly important for those who have more conditions to manage or

<sup>7</sup> [http://files.sj-r.com/media/news/Governor\\_Rauner\\_Letter\\_to\\_State\\_Employees.pdf](http://files.sj-r.com/media/news/Governor_Rauner_Letter_to_State_Employees.pdf)

<sup>8</sup> <https://www.ncbi-nlm-nih-gov.proxy2.library.illinois.edu/pubmed/27367932>

more family members to consider. Employees need to know this in order to make the best choice and avoid unanticipated surprises.

To assist with this potential need, the state required SEGIP-covered entities such as the University of Illinois to implement the *MyBenefits Marketplace*<sup>9</sup> online enrollment system. The website was launched September 30, and is intended to provide decision-making tools supported by trained customer service staff<sup>10</sup>. *MyBenefits Marketplace* will likely help employees compare plans by such features as out-of-pocket costs, deductibles, prescription costs, and doctor visit copays. It does not analyze providers or facilities to determine whether or not they are covered by a given plan, which will still be a responsibility of the employee. The system is very new, still in process of being fully implemented, and currently populated only with the existing state plans, so it is difficult to predict how well it might assist with potential addition of a variety of new plan choices.

While the actual plans and premium costs that will eventually result from the negotiations and litigation between the state and AFSCME are currently unknown, there is much anxiety and uncertainty, but we may assume that there will be a cost increase at some level for current plans.

<sup>9</sup> <https://mybenefits.illinois.gov>

<sup>10</sup> <http://www3.illinois.gov/PressReleases/ShowPressRelease.cfm?SubjectID=1&RecNum=13817>

**Task Item #5 – Projected impact of new salary bands for employee premiums**

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Employee premiums for self-only health insurance are based on annual salary according to the SEGIP salary tiers<sup>11</sup> detailed below. Those employees who earn less pay less, and those who earn more pay more. CMS currently defines the salary tiers as follows in the chart below. In prior years, the state has from time to time made changes to the number of salary tiers and amounts represented by each tier.

Annual Salary	SEGIP Managed Care Employee-Only Monthly Premium	SEGIP Quality Care Employee-Only Monthly Premium
\$30,200 & below	\$68	\$93
\$30,201 - \$45,600	\$86	\$111
\$45,601 - \$60,700	\$103	\$127
\$60,701 - \$75,900	\$119	\$144
\$75,901 - \$100,000	\$137	\$162
\$100,001 & above	\$186	\$211

According to the *Administrative Law Judge’s Recommended Decision and Order*<sup>12</sup>, the state’s proposal on benefits included four new salary tiers to be added to adjust employee premium contributions for employees whose annual salary exceeds \$100,000. The state’s proposal specifies that, “*The amount of additional employee premiums for these new salary tiers shall be no more than 10% greater than the employee premiums for employees whose income is \$100,000 for identical coverage.*”

The state’s video *Ask JT #2: The State’s Health Insurance Proposal*<sup>13</sup> describes the new salary tiers as follows:

\$100,001 - \$115,000
\$115,001 - \$130,000
\$130,001 - \$145,000
\$145,001 - \$160,000
\$160,001 & above

Whether or not changes to the salary bands will occur this year cannot yet be known with any certainty. This is also subject to the negotiations and litigation between the state and AFSCME.

Premiums for dependent coverage are a flat amount that differs based on the specific health plan company that the employee chooses, and are not stratified by salary.

<sup>11</sup> <https://www.illinois.gov/cms/Employees/benefits/StateEmployee/Pages/FY2016Rates.aspx>

<sup>12</sup> <https://www.illinois.gov/ilrb/decisions/decisionorders/Documents/S-CB-16-017rdo.pdf>

<sup>13</sup> <http://multimedia.illinois.gov/gov/doi-02-askjt-alt.html>

**Task Item #6** – Examine possible alternatives to State of Illinois Group Health Insurance

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Participation in the State Employees Group Insurance Program (“SEGIP”) is mandatory under state statute for University employees who meet the eligibility requirements (unless they provide proof of other non-state coverage). While many different opinions have been expressed about the overall cost of the state health insurance, the state’s proposed cost increases, and the University’s lack of immediate control over the plan design and costs due to the state’s negotiation of these provisions with its AFSCME union, it is important to acknowledge that the state’s group insurance and the bargaining arrangement with AFSCME has generally been advantageous to University employees. This has resulted in a long-standing, comprehensive program of insurance benefits with minimal cost increases for several years. Including University employees in the state plans creates a larger covered population, which helps the state realize a lower overall per employee per month cost.

For those reasons, “alternatives” may not be the appropriate focus, so much as looking at potential “mitigation strategies” to address the impact on faculty and staff of any dramatic changes or cost increases. To this end, the task force solicited ideas and options that might potentially mitigate the impact of any such increases in the cost of healthcare coverage. Included in the table below are the ideas suggested to the task force with the intention of reducing or offsetting costs for University employees. This list is a compilation of internal task force discussions, as well as input from faculty and staff who attended the three “Healthcare Information Sessions” that were held in June and July 2016 at each university location.

**Bear in mind, this list of ideas and suggestions that were presented does not reflect any determination by the task force about financial or regulatory feasibility.** A few surface pros and cons are included below, but by no means represent a comprehensive review, and further investigation would be necessary to consider any idea(s). Due to the state budget impasse and significant reductions in the University’s annual appropriations, as well as the changing landscape of the insurance industry, several of the ideas presented may not be financially feasible. Further, suggestions may not be allowable or desirable. **The task force has not quantified the financial impact on the University nor determined the statutory implications of these ideas. Accordingly, the ideas presented do not constitute formal recommendations on the part of the task force.**

Idea/Suggestion	PROS	CONS
<p><b>1. Create Health Reimbursement Arrangements (HRAs) for employees</b></p> <ul style="list-style-type: none"> <li>- an employer-funded account to reimburse employees for qualified medical expenses up to a max dollar amount</li> </ul>	<ul style="list-style-type: none"> <li>- Employer-provided HRA funds are not taxable.</li> <li>- Employees can use funds to reimburse healthcare premiums.</li> <li>- Could help minimize impact of any increase in costs.</li> </ul>	<ul style="list-style-type: none"> <li>- Would likely involve a substantial, possibly ongoing, investment.</li> <li>- May not be fiscally feasible.</li> <li>- Labor negotiating impact.</li> <li>- Would require a third-party vendor to administer.</li> <li>- Coordination between FSAs and HRAs can be complex.</li> </ul>

<b>2. Provide a one-time payment to employees to help offset any health plan cost increase</b>	<ul style="list-style-type: none"> <li>- Could help minimize impact of any increase in costs.</li> <li>- One-time investment versus ongoing cost.</li> </ul>	<ul style="list-style-type: none"> <li>- Would likely involve a substantial investment.</li> <li>- May create expectations about future cost increases.</li> <li>- May not be fiscally feasible.</li> </ul>
<b>3. Pay the state directly for some portion or all of any retroactive increase</b>	<ul style="list-style-type: none"> <li>- Could help address impact of retroactive cost increase, if any.</li> <li>- One-time investment versus ongoing cost.</li> </ul>	<ul style="list-style-type: none"> <li>- Would likely involve a substantial investment.</li> <li>- May create expectations about future cost increases.</li> <li>- Not entirely clear if State would allow the University to pay any “retro” amount. (CMS suggests that unions – i.e., third parties – could pay the increased premium difference that would otherwise be deducted from employee paychecks retroactively.<sup>14</sup>)</li> <li>- May not be fiscally feasible.</li> </ul>
<b>4. Create a University-operated health plan as new SEGIP option</b>	<ul style="list-style-type: none"> <li>- Could potentially control rising premium costs.</li> <li>- Could potentially lower out-of-pocket expenses for employees.</li> <li>- Could potentially improve effectiveness, efficiency, and quality of health care provided to members.</li> <li>- Could potentially drive more patients to the UI Health clinical enterprise in Chicago.</li> </ul>	<ul style="list-style-type: none"> <li>- May not be allowable under SEGIP and/or state procurement.</li> <li>- Extraordinarily difficult undertaking; requiring new administrative capability.</li> <li>- May not be fiscally feasible.</li> <li>- High financial risk; would require significant financial reserves.</li> <li>- May not be competitive when compared with other plans in this market.</li> <li>- Patients must primarily use UI Health sites in Chicago; state-wide or multi-state coverage is uncertain.</li> </ul>
<b>5. Provide healthy workplace opportunities, such as:</b> <ul style="list-style-type: none"> <li>- discounts for wellness programs</li> </ul>	<ul style="list-style-type: none"> <li>- Some wellness options are available at each university.</li> <li>- Promotes and supports good health habits.</li> </ul>	<ul style="list-style-type: none"> <li>- May not be fiscally feasible.</li> <li>- Some options are funded by student fees, and may not be available to faculty and staff.</li> </ul>

14

[http://www.illinois.gov/cms/Employees/benefits/StateEmployee/Documents/FY2017\\_State\\_BC\\_Flyer.pdf](http://www.illinois.gov/cms/Employees/benefits/StateEmployee/Documents/FY2017_State_BC_Flyer.pdf) “Unless another manner of retroactive payment of the premiums owed is negotiated with your Union, the increased premium difference owed for the period from July 1, 2016, through the date of the increase will be deducted on a pro rata basis out of the paychecks remaining in the fiscal year” (5).

<ul style="list-style-type: none"> <li>- healthier food options in cafeterias</li> <li>- free group fitness/yoga classes</li> <li>- lower cost or free access to use campus gym and recreation facilities</li> </ul>	<ul style="list-style-type: none"> <li>- Healthier employees may lead to lower healthcare services utilization, possibly resulting in lower future costs.</li> </ul>	<ul style="list-style-type: none"> <li>- No immediate impact to address potential SEGIP cost increases.</li> </ul>
<p><b>6. Increase employees' salaries</b></p>	<ul style="list-style-type: none"> <li>- Welcomed by faculty and staff.</li> <li>- May offset some portion of potential increases in healthcare costs.</li> </ul>	<ul style="list-style-type: none"> <li>- Would involve a substantial, ongoing investment.</li> <li>- May not be fiscally feasible.</li> </ul>
<p><b>7. Provide financial assistance, such as:</b></p> <ul style="list-style-type: none"> <li>- low interest loans</li> <li>- amend or implement Emergency Assistance Fund to provide hardship grants</li> <li>- allow employees to “cash in” unused sick or vacation days</li> </ul>	<ul style="list-style-type: none"> <li>- Could help minimize impact of any increase in costs.</li> <li>- Could provide assistance to those most in need.</li> <li>- Employees may wish to contribute to a fund to assist fellow employees.</li> </ul>	<ul style="list-style-type: none"> <li>- May not be fiscally feasible.</li> <li>- May not be available to all who seek loans or grant funds.</li> <li>- May result in new/increased administrative cost.</li> </ul>

## Appendix A - Healthcare Info Sessions: Attendee Questions

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The following questions were asked during the three campus Healthcare Information Sessions, as well as submitted via email to University Human Resources. Answers are provided based on the information that is known at the time about possible changes to the State Employees Group Insurance Program (“SEGIP”).

### Background

Eligible university employees participate in the SEGIP as provided for by the State Employees Group Insurance Act of 1971. The SEGIP provides for group health insurance and other employee benefits, and is administered through the State of Illinois Department of Central Management Services (“CMS”). The state negotiates with the state’s AFSCME union and extends the bargained program of benefits to non-bargained state employees, including University of Illinois employees. However, there has been a dispute in the AFSCME negotiations in which the state requested the Illinois labor board to declare an impasse, including the negotiation of healthcare benefit coverage and costs. Resolution of the labor board proceedings is not anticipated until later in the year, but the state notified employees that changes to coverage and related costs may be retroactive to July 1, 2016.

President Tim Killeen convened the Employee Group Benefits Task Force, co-chaired by Robert Barish, Vice Chancellor for Health Affairs and Walter Knorr, Vice President/CFO and Comptroller, with participating faculty and staff members from all three campuses. This task force has been asked to examine the proposed changes and proactively inform employees. A series of on-campus meetings were conducted to provide information and begin a discussion. Following are collected questions and answers from those discussions.

### Questions and Answers

#### STATE AND AFSCME NEGOTIATIONS AND DISPUTE

- 1. How do the negotiations between the State of Illinois and its AFSCME union impact my benefits as a University of Illinois employee?** University employees participate in the State Employees Group Insurance Program (“SEGIP”). The State of Illinois bargains with the State’s AFSCME union as the sole union with which the State’s Central Management Services (“CMS”) negotiates employee benefits. CMS has historically extended this bargained program of benefits to all state employees, whether covered by a bargaining unit or not. The University has no role in, nor control over, the design, costs, eligibility, or other aspects of the insurance program. However, this arrangement has generally been advantageous to University employees, resulting in a low cost program of comprehensive insurance benefits.
- 2. At what point are the current negotiations between the State of Illinois and AFSCME?** The state and AFSCME have been in protracted negotiations since early 2015. In January 2016, Governor Rauner’s administration sought a ruling from the Illinois Labor Relations Board (ILRB) to declare the negotiations at impasse. AFSCME believed there was no impasse. In

September 2016, the ILRB’s Administrative Law Judge (ALJ) issued a partial recommendation, but declined to make a determination on the impasse with respect to health insurance. The ALJ recommended the State and AFSCME continue to negotiate.

Both the state and AFSCME had the opportunity to file exception briefs based on any disagreement with the ALJ’s Recommended Decision and Order. Both also had the opportunity to respond to each other’s exceptions. The ILRB considered all of this information in discussion at its November 2016 meeting, where it appeared likely that the ILRB will rule that AFSCME and the state are at an impasse in the negotiations. However, AFSCME is likely to appeal such a decision, and the process may continue for several months. See <http://www.chicagotribune.com/news/local/politics/ct-rauner-afscme-labor-board-met-20161115-story.html>

3. **What is known about the state’s and AFSCME’s positions?** In January 2016, Governor Rauner’s administration asked the ILRB to determine if negotiations reached an impasse. Governor Rauner posted a Letter to State Employees in January 15, 2016 in which doubling of premiums for current health plans and addition of less-costly plans are discussed. The full text of the letter is available at: [http://files.sjr.com/media/news/Governor\\_Rauner\\_Letter\\_to\\_State\\_Employees.pdf](http://files.sjr.com/media/news/Governor_Rauner_Letter_to_State_Employees.pdf)

AFSCME does not believe there is an impasse. AFSCME’s March-June 2015 Bargaining Bulletin discusses doubling of premiums, lower insurance plan value, and cost shifting. See the Bulletin at: <https://drive.google.com/file/d/0B4BiePG1O6TW9BVkpEdDBxWVk/view?pref=2&pli=1>

With the release of the ALJ’s report in September 2016, there is more information about the status of proposals from both parties as of January 2016. The following table provides a brief overview. However, all of these items are subject to ongoing negotiations and further ILRB proceedings, so actual changes that might occur are still unknown at this time.

State of Illinois	AFSCME
<ul style="list-style-type: none"> <li>• No change in cost for first year</li> <li>• Adjust premiums based on annual liability, up to 10% per year</li> <li>• Private exchange with choice of platinum, gold, and silver plans               <ul style="list-style-type: none"> <li>- Platinum: double premium/current plan choice</li> <li>- Silver: current premium/reduced benefit (i.e., higher copays, deductibles, and out-of-pocket)</li> </ul> </li> <li>• Four new premium tiers for employees with salary greater than \$100,000 (i.e., larger cost increases)</li> </ul>	<ul style="list-style-type: none"> <li>• No change in cost for first year</li> <li>• 5% premium increase all other years of contract</li> <li>• Increase deductibles by \$25 per year</li> <li>• Benefit adjustments:               <ul style="list-style-type: none"> <li>- Improve reimbursement for eyeglasses</li> <li>- Include oral surgery</li> <li>- Remove restriction on orthodontia treatment for adults</li> </ul> </li> <li>• No retroactive increases</li> <li>• Same plan design</li> </ul>

## POTENTIAL CHANGES TO SEGIP BENEFITS AND PREMIUMS

1. **What are the details of the coverage under the new plans?** Unfortunately, we do not yet have this level of detailed information from the state.
2. **Is an HMO still a possibility under the state's new proposed plan structure?** While we do not have all of the details of the proposal from the state, we believe that all of the current plans available today, including HMOs, would continue to be available, as well as new plan options.
3. **Will the proposed increase in premiums impact only employee premiums, or will it extend to dependent premiums as well?** Unfortunately, we do not yet have this level of detailed information from the state.
4. **Is the Governor in the same State of Illinois health insurance program as other state employees?** Will any changes also impact him? Based on information provided by the state, we understand that Governor Rauner would be eligible for the same group health insurance program. However, it is believed that he has not elected to participate in the program, since he does not accept a salary.

## IMPACT ON RETIREMENT/ANNUITANTS

1. **Will the proposed changes impact retirees (SURS annuitants)?** It is possible that some changes may impact healthcare for annuitants who have less than 20 years of service and who are not eligible for Medicare. It is possible, but we do not yet know for sure.
2. **Is there an option for retiring employees to participate in SURS rules that were in effect prior to July 7, 1997?** If you were a SURS-participating employee on July 7, 1997, and retire on or after July 30, 1999 with less than 20 years of service, you may wish to ask SURS about a grandfathering clause that impacts state paid health insurance and the retirement calculation formula.

## RETROACTIVE PREMIUMS

1. **Will any increase in copays and deductibles be collected retroactively, or just an increase to monthly premiums?** We have not received any information from the State to suggest that copays and deductibles could be collected retroactively. It is possible that when the labor board proceedings and negotiations have concluded that there could be increases in costs such as copayments, coinsurance, or deductibles going forward. At this point, the state has only suggested that it may apply an increase to employee premiums retroactively to July 1, 2016. The [University has asked the State to reconsider this position](#).
2. **Will people who leave university employment after July 1 receive a bill for any retroactive increase in premium from July 1 to the time they leave the university?** The state has not yet addressed this possibility, so we do not have an answer right now.

## CLAIM PAYMENT DELAY

1. **Even before the Quality Care Health Plan (QCHP) was at a 16 – 19 month delay, it was at a 12-month delay when the state had a budget. Will there ever not be a long delay?** According to CMS, “Funding availability is based on State revenue, which fluctuates from month to month. At this time funds remain insufficient to pay claims on a normal schedule, and we cannot estimate when a regular payment schedule will resume. Claim payments will be released according to the claim process date and available funding. CIGNA, the claims administrator, continues to process claims in a timely manner, but release of claims must be held until revenue is available. Late payment interest is paid to healthcare providers on health claims that take longer than 30 days from the receipt of a complete claim submission to pay.” You may view the dates listed on the [CMS Claim Payment Delay website](#) to determine if your claim is in the date range of those being released at any given time. This site is updated **daily** as claims are processed and funds are released.
2. **Did the recent stopgap budget provide any funding for state employee healthcare payments? That is, will it result in state funds being used to pay claims again?** This six month appropriation will allow the state to begin catching up on old bills and payments owed to providers, including group health insurance bills. CMS stated that it is actively reaching out to carriers and working on scheduling the release of claim payments. However, this stopgap budget will not have any impact on the current collective bargaining discussions. Once a final agreement is reached between the state and AFSCME, the legislators will have the opportunity to make changes to this budget to reflect those agreements.

## CURRENT SEGIP DETAILS

1. **Can I opt out of the state coverage if it is too expensive for me? Can I purchase coverage from the public healthcare exchange instead?** Yes, full-time CMS-eligible employees can opt out of the SEGIP coverage, but **must** provide proof of other major medical insurance by an entity other than CMS. If you are CMS-eligible and considered part-time for insurance purposes, then you may elect to waive coverage without providing proof of other insurance. However, part-time employees may not waive coverage and become a dependent of their State-employed spouse or civil union partner. All employees (i.e., part-time and full-time) may purchase coverage from the public healthcare marketplace if they so desire. See the [Health Insurance Marketplace Notice](#) for more information.
2. **Is it true that the current state plans are “platinum” plans?** Since the healthcare plans are administered by the state, the University does not have the detailed information about each plan necessary to answer this question. A plan may be called “platinum” if it meets an actuarially determined value where the total average costs that the plan covers within a given year is at least 90%. The [ALJ’s report](#) says that the state’s actuarial value of the 2012-2015 SEGIP plan is 92%; meaning that, in aggregate, the plan covers 92% of the total average costs (i.e., a platinum plan).

3. **How do our health plan premiums compare to our peers?** In a comparison of public Big Ten plans, the employee share as a percentage of salary compares favorably, falling in the middle of the peer group.
4. **Are any other states having similar problems?** We are not aware of any other states with the same circumstances as Illinois.
5. **My spouse and I are both University and/or State of Illinois employees. Why do we each have to pay separately for our healthcare coverage? Why can't one of us be covered as a dependent on the other's plan?** This is a requirement of the State Employees Group Insurance Program. On page 8 of the [State of Illinois Employees Benefits Handbook](#), it states, "Employees eligible for the employer-paid portion of premiums must be enrolled as a member in their own right. When both an employee and his/her spouse, civil union partner or domestic partner are eligible as employees, each must be enrolled as a member in their own right."
6. **Why can't we have Dental-only coverage?** Under the State Employees Group Insurance Program, the health and dental plans are linked. Enrollment in the health plan is required by the state in order to elect the dental coverage. On page 15 of the [State of Illinois Employees Benefits Handbook](#), it states, "In accordance with Public Act 92-0600, full-time employees may elect to opt out of the health coverage during the Initial Enrollment Period, the annual Benefit Choice Period or upon experiencing a qualifying change in status. The election to opt out of the health coverage includes, and will terminate, all employee and dependent health, dental, vision and prescription coverage."
  - a. **Why can't an employee who is eligible for Medicaid (and therefore opted out of CMS coverage) enroll in just Dental coverage?** The state does not allow enrollment in the dental plan if an employee opts-out or waives the health plan.
  - b. **Why can't I enroll in my spouse's company's health plan, and just enroll in Dental through the state?** The state does not allow enrollment in the dental plan if an employee opts-out or waives the health plan.
7. **Does the state provide discounts on insurance premiums for participating in wellness programs?** Not at this time. For current State of Illinois wellness programs available to University employees, please see <http://www.illinois.gov/cms/Employees/benefits/StateEmployee/Pages/WellnessProgram.aspx>. On this page, CMS notes that it is in the process of upgrading state wellness programs.

## SERVICE COSTS AND CONCERNS

1. **What should I do if I'm experiencing extenuating circumstances due to a health insurance problem?** Contact your health plan first. If not resolved, contact CMS at [CMS.WebsiteBenefits@illinois.gov](mailto:CMS.WebsiteBenefits@illinois.gov) or 1-800-442-1300, selecting 1 at the first three prompts.
2. **Why does my doctor's office charge \$250 for a medical device that I can buy at Walgreens for \$20? Can the state hold down costs by addressing this?** While we do not have a good answer for this, we will share this question with CMS. Employees experiencing a similar situation are encouraged to call their health plan and/or CMS.

3. **My child had surgery and I paid my portion. I was sent to collections because the state has not paid. Our health plan told me to start a payment plan where I make payments toward the state's portion. I started doing this to avoid collection activity. Do I really have to do this?** No, you should not have to make payment arrangements with the provider to pay the State portion. If the health plan directs you to do that or the provider turns you over to collections because of the state budget situation, you should contact the CMS Member Services Unit at 1-800-442-1300, selecting 1 at the first three prompts, to reach the CMS unit that handles "claims payment issues".
4. **The state insurance is primary and pays first, so I can't file with my secondary insurance until the state pays. What can I do?** Claims are still being **processed**, but are not being timely **paid** by the state. Once the claim is processed, an Explanation of Benefits (EOB) is available on your plan's website. The EOB details what insurance will eventually pay, and is the documentation that typically the secondary insurance will need from your state plan in order to proceed. If you are experiencing a problem with this, please call CMS Member Services for assistance.

#### **FLEXIBLE SPENDING ACCOUNT – MEDICAL CARE ASSISTANCE PLAN (MCAP)**

1. **How can I use my flex benefits if I have to wait until the claim is paid before I can get reimbursed?** Generally, you do not have to wait until the claim is **paid** by the state. Claims are still being **processed** by the state (just not paid). Once the claim is processed, an Explanation of Benefits (EOB) is available on your plan's website. That EOB shows what insurance will eventually pay, and provides the documentation you need to submit your FSA claim to be reimbursed from your MCAP account.
2. **Can I increase my FSA if there are increases in out of pocket costs and copays?** At this point, we do not have a firm answer. Since the FSA-MCAP is allowed under a federal program (not a state program), typically the amount can only be set once per year, and mid-year changes are not allowed. However, we are awaiting further information from CMS.

#### **UNIVERSITY ADVOCACY EFFORTS**

1. **What is the University doing to push legislators to help this situation (referring to budget and benefits)?** University leadership continues to do everything in our power to preserve the world-class quality that is synonymous with the University of Illinois, ramping up efforts that have been underway for well over a year to advocate at every turn for the interests of our students, our employees, and the people and families of Illinois. University leadership has regular contact with the Governor's office, legislators, and CMS. The General Assembly and the Governor came to an agreement on a six month spending plan effective through December 31, 2016. The spending bill was passed by both houses and signed into law by the Governor. While this is a positive development, we will continue to advocate for a full balanced budget, as well as predictable, reliable funding from the state.

University System leadership and the University Office of Governmental Relations (OGR)

staff met with several legislators and senior officials in the Governor's office throughout mid-late September. Their meetings kept our employees' access to healthcare at the forefront, which resulted in two important developments:

- a) The state reached an agreement with Delta Dental to pay 9 weeks' worth of the oldest claims between mid-Sept and January.
- b) The state is once again publishing claim payment dates for all impacted health plans and the dental plan on its "[delay website](#)." This will now help faculty and staff understand which claim dates the state is currently paying.

2. **Is the University concerned about retaining faculty and staff in light of issues with healthcare, state budget stalemate, and no salary program?** Certainly this is concerning. Be assured that compensation and benefits for our excellent, dedicated faculty and staff are among our highest priorities. In his [August 1, 2016 email](#) to faculty and staff, President Killeen said, "I fully recognize the hardships that our faculty and staff face with no salary program, and I am deeply grateful for your understanding and continued commitment to excellence during this difficult time." University leadership has been in regular contact with the Governor's office and CMS to communicate the challenges of proposed or possible changes to healthcare for employees, and will continue to advocate on behalf of our employees.

### **EMPLOYEE ADVOCACY EFFORTS**

1. **What can employees do if they want to help?** If you would like to voice your concerns, you can contact the Governor's office and your local legislators. Visit Illinois Connection at [www.illinoisconnection.org](http://www.illinoisconnection.org), and select Contact Your Legislators. [Customize the text of a pre-populated letter](#) at <http://go.uillinois.edu/LegisActionCenter> with your thoughts on healthcare. It is best practice to use personal phone or email, and to contact elected officials outside working hours or during scheduled breaks.