

State of Illinois Retiree Health Plan Overview

Wayne McClain – UHR
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UNIVERSITY OF ILLINOIS
URBANA-CHAMPAIGN • CHICAGO • SPRINGFIELD



State of Illinois Retiree Health Plan

Eligibility

At least 5 years of qualified service – member contributed to a State of Illinois university or State agency (may also include purchased military time or Other Public Employment).



State of Illinois Retiree Health Plan

State of Illinois Retiree Health Plan Premiums

- Less than 20 years of qualified service – State of Illinois contributes 5% of the premium cost for each year of qualified service.

Example: Wayne retires with 15 years of qualified service. State of Illinois will pay 75% of the premium cost ($5\% \times 15 \text{ years} = 75\%$) and Wayne will pay the remaining 25% of the premium cost.

- 20 or more years of qualified service – State of Illinois will pay 100% of the premium cost.



State of Illinois Retiree Health Plan

State of Illinois Retiree Health Plan Premiums Continued

- 2010 Premium Rate: (Rates are Estimate Only)

| | QCHP Coverage | | Managed Care Coverage | |
|---------------|---------------|--------------|-----------------------|--------------|
| | Medicare | Non-Medicare | Medicare | Non-Medicare |
| Retiree | \$300 | \$770 | \$280 | \$535 |
| One Dependent | \$145 | \$200 | \$85 - \$110 | \$77 - \$104 |



Medicare

Qualifying for Medicare

- At the University of Illinois, employees hired (or rehired) after April 1, 1986 are subject to mandatory Medicare coverage.
- Individuals who are age 65 or over qualify for Medicare Part A and Part B if they are eligible to receive:
 - Medicare benefits due to State of Illinois employment after April 1, 1986;
 - Social Security benefits;
 - Survivor benefits (i.e., your spouse qualifies for benefits); or
 - Social Security disability benefits.



Medicare

Medicare Part A

- Part A pays for inpatient hospital, skilled nursing facility, and some home health care.
- Part A pays for each benefit period all covered costs except the Medicare Part A deductible (2010 = \$1,100) during the first 60 days and coinsurance amounts for hospital stays that last beyond 60 days and no more than 150 days.

Medicare Part A Continued

- Part A premium rates:
 - 40 or more quarters = \$0 per month
 - 30 – 39 quarters = \$254 per month
 - Less than 30 quarters = \$461 per month



Medicare

Medicare Part B

- Part B covers Medicare eligible physician services, outpatient hospital services, certain home health services, durable medical equipment.
- Part B coverage is voluntary – but not really!
- Part B premium rates:
 - \$110.50 per month. (Note: You pay 20% of the Medicare-approved amount for services after you meet a \$155.00 deductible.)



State of Illinois Retiree Health Plan and Medicare – Coordinating Benefits

- Medicare Will Be Primary Insurance – Once a retiree becomes eligible for Medicare, the State of Illinois Retiree Health Plan will supplement Medicare. In other words, Medicare will become the retiree’s primary insurance plan and the State of Illinois Retiree Health Plan will be a secondary insurance plan.
- Medicare Ineligible - If you are not eligible for premium-free Medicare Part A (based on your work history or the work history of any current or former spouse), you must provide a written certification form from the SSA to CMS. This statement allows the State of Illinois Retiree Health Plan to pay as the primary payer for the plan participants health insurance claims. Plan participants that are ineligible for premium-free Medicare Part A are not required to enroll into the Medicare program.



State of Illinois Retiree Health Plan and Medicare – Coordinating Benefits

- Medicare Eligible – All retired plan participants must enroll in Medicare Parts A and B when first eligible (including persons who qualify via their spouse). Note all plan participants actively employed with an employer other than the State of Illinois and without other group health coverage must also enroll when first eligible.
- Enrolling in Medicare Part A While Actively Employed – Plan participants actively working with other group health coverage through their employer must enroll in Medicare Part A, but may delay enrollment in Medicare Part B until the loss of other insurance coverage.



State of Illinois Retiree Health Plan and Medicare – Coordinating Benefits

Consequences of Not Enrolling in Medicare Parts A and B

- State of Illinois Retiree Health Plan will process claims as if Medicare Part B was the primary payer. When Medicare is the primary payer, the standard Medicare Part B plan pays 80% of all Medicare approved amounts. You will be responsible for the portion of coverage that Medicare would have paid as the primary payer.
- The cost of Medicare Part B monthly premiums may go up 10% for each 12-month period that you could have had Medicare Part B but did not sign up for it.