

University of Illinois

Healthcare Info Sessions: Questions & Answers

The following questions were asked during three “town hall” 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, this year there has been a dispute in the AFSCME negotiations in which the state is requesting the Illinois labor board to declare an impasse, including the negotiation of health care 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 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 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.sj-r.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/0B4Bi-iePG1O6TW9BVkpEdDBxWVv/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 further negotiations and proceedings, so actual changes that might occur are still unknown at this time.

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

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, 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 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, and select Contact Your Legislators. [Customize the text of a pre-populated letter](#) 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.