

## What's Happening with Your Health Care?

A Question and Answer Session for University (i.e.: State) Employees

1. Q Does the Illinois Constitution protect your health care benefits in the same way it requires the state to protect your pension benefits?  
A **No**, there is no constitutional protection for health care benefits. Potentially, your health benefits are even more vulnerable than your pension benefits.
2. Q Is the state considering making changes to state employee health care coverage?  
A It appears that no changes are currently in proposal. However, this is subject to change due to the Government Accounting Standards Board (GASB) Rule #45. This legislation requires that all state, county, and local governmental bodies must show the "projected future cost" of all non-pension (i.e.: health insurance) costs on their financial reports beginning in FY-2008. These "projected costs", obviously, will run into the billions of dollars. This raises just concern that when these estimates of future costs are published, there will be an effort to cut back on state-paid health insurance.
3. Q Who bargains your health care benefits for you? Do you have a place at the table?  
A As a legal matter, the state is required to negotiate in good faith with all certified bargaining units. The same is true of public universities, and bargaining is over "wages, hours, and other conditions of employment." Health insurance is therefore a "mandatory" subject of bargaining.  
Since 1985, the American Federation of State, County, and Municipal Employees (AFSCME) Local 31 negotiates health care benefits with Central Management Services (CMS). As the State of Illinois' largest union, the negotiated benefits are historically extended to all employees under the/affected by the State's program. Employees and retirees enjoy benefits today, including dental, vision, coverage for physical exams, etc. and you pay a lower percentage of the cost of these benefits than ever before.
4. Q But don't all SIUC employees contribute to Medicare as a back-up plan?  
A **Not necessarily**. Any employee hired after March 31, 1986, contributes to Medicare. Those employees who were hired on or before March 31, 1986, however, do not contribute to Medicare unless they recently elected (through the SURS Medicare Referendum) to start contributing to Medicare beginning with salary earned on or after September 1, 2006.
5. Q If you lost State of Illinois health care coverage through Central Management Services (CMS) upon your retirement from the university, would you still be able to rely on Medicare?  
A **Well ... that depends** on whether or not you are Medicare eligible. Medicare is provided to those who have 40 or more Medicare credits upon turning 65 years of age or older. If you are a contributor to the plan, you earn a Medicare credit for each \$1000 you earn in salary. You may earn no more than 4 credits in a calendar year, which is equivalent to \$4,000 of your income. Thus, on average, it would require at least 10 years to amass the required 40 Medicare credits. These amounts, however, are subject to change every January 1. You can, therefore, rely on Medicare only if you meet the criteria stated. If you are not yet 65, you could find yourself in serious jeopardy if you are relying solely on Medicare for your health care coverage.  
It bears noting that some employees may qualify for Medicare coverage based on their spouse's or ex-spouse's (if they had been married 10 years) Social Security credits and if s/he has earned the requisite number of Medicare credits to qualify. Most people 65 or older are eligible for Medicare hospital insurance (Part A) based on their spouse's (or ex-spouse's) work record, and that spouse is at least 62. Your spouse does not have to apply for benefits in order for you to be eligible based on his/her work. For Medicare Medical Insurance (also known as Part B), almost anyone who is 65 or older or who is under 65 but eligible for hospital insurance can enroll for Medicare medical insurance by paying a monthly premium. Aged people don't need any Social Security or government work credits for this part of Medicare.  
( [http://ssa-custhelp.ssa.gov/cgi-bin/ssa.cfg/php/enduser/std\\_adp.php?p\\_faqid=400](http://ssa-custhelp.ssa.gov/cgi-bin/ssa.cfg/php/enduser/std_adp.php?p_faqid=400) )
6. Q Upon retirement, how serious is losing your State of Illinois Health coverage if you still have Medicare? What benefits would be lost?  
A If eligible for Medicare, it will become available on the first day of the month that you turn 65 years old. Without State of Illinois coverage, retirees younger than 65 years of age would be without health care benefits until becoming Medicare eligible. For those individuals not eligible for Medicare (or until they become eligible), other health care coverage would need to be purchased by these employees. (For example, you could pay for COBRA for 19 months.)  
Even after you turn 65, you may wish to add supplemental insurance to pick up expenses and services that Medicare will not cover. (For example, Part D prescription benefits.)
7. Q If State of Illinois coverage is lost, do all doctors and medical care facilities accept Medicare payments?  
A **No**. Some doctors do not accept Medicare patients at all. Others may accept Medicare patients but not accept the Medicare approved payment amount for the medical services received. In either situation, this could result in greater and often significant out-of-pockets expenses for the patients.
8. Q What can you do to remain informed of the issues that could possibly impact your health care benefits?  
A **Join the SIUC Emeritus and Annuitant Association** (the local chapter of the State University Annuitant Association). This is the only voice that collectively takes on the issues involved in your pension and benefits. Dues are only \$27 a year. Active employees can pay annual dues through a single payroll deduction transaction. Retired employees can do the same or opt to pay \$2.25 a month through a payroll deduction plan.  
**Contact your governor, state senators, & state representative** and express your concerns about this issue. Their identities and both e-mail and snail mail addresses can be obtained through the website: [www.elections.state.il.us/DistrictLocator/AddressSearch.aspx](http://www.elections.state.il.us/DistrictLocator/AddressSearch.aspx)

Much of the information shared within this sheet has been sourced from investigations and reviews conducted by John Terwilliger. To receive his interesting and provocative commentaries and/or add your email address to his mailing list, visit: [www.geocities.com/johnt\\_suaa/](http://www.geocities.com/johnt_suaa/)

For more information regarding Medicare, visit <http://www.medicare.gov/>>[www.medicare.gov](http://www.medicare.gov)

For more information regarding Social Security, visit <http://www.socialsecurity.gov/>>[www.socialsecurity.gov](http://www.socialsecurity.gov)

For more information regarding your retirement benefits, visit the websites of the State Universities Annuitants Association (SUAA) at: [www.suaa.org](http://www.suaa.org) and the State Universities Retirement System (SURS) at: [www.surs.com](http://www.surs.com)

This information provided to you by the SIUC Joint Benefits Committee  
and the SIUC Emeritus and Annuitant Association