# Teachers' Retirement Insurance Program & the College Insurance Program

December 2025 Update

Commission on Government Forecasting & Accountability

***Commission on Government Forecasting and Accountability***

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# EXECUTIVE SUMMARY

In the 2026 fiscal year, the TRIP (Teachers' Retirement Insurance Program) and CIP (College Insurance Program) are expected to cover the health needs of approximately 79,881 TRIP and 8,126 CIP lives. In the last CGFA report on these programs in FY 2022, the TRIP and CIP were both holding numerous claims through to the following fiscal year ($20 million in the case of the TRIP and $121 million in the case of the CIP). Since that time, both the TRIP and CIP have made substantial progress on paying down held claims and are on the trajectory to continue this trend in future fiscal years. While the CIP is a much smaller program in terms of population served, it has a significantly higher amount of held claims at this time, though the current budgetary strategy utilized (and discussed in more detail later in this report) is expected to reduce those held claims to a minimal level over time. According to data given to the Commission by CMS, these two programs had a combined $51 million in held claims and $2 million in interest owed on those claims as of the end of September 2025.

| Table 1 | TRIP CASH FLOW | | CIP CASH FLOW | |
|---|---|---|---|---|
| **Program Component** | **FY 2025** | **FY 2026** | **FY 2025** | **FY 2026** |
| Beginning Balance | $563.5 | $644.9 | $1.1 | $1.9 |
| | | | | |
| State Contributions (GRF) | $113.8 | $123.2 | $9.2 | $11.0 |
| GRF Not Received* | ($113.8) | ($123.2) | $0.0 | $0.0 |
| Participant Contributions | $93.0 | $101.8 | $7.9 | $10.3 |
| Employer Contributions | $91.1 | $88.3 | $9.4 | $10.9 |
| Active Teacher Contributions | $122.4 | $118.5 | $9.4 | $10.9 |
| Medicare Part D | $0.4 | $0.2 | $0.1 | $0.0 |
| Rebates | $20.0 | $20.3 | $2.5 | $2.3 |
| Interest/Other | $26.4 | $26.9 | $0.1 | $0.0 |
| Expenditures | ($271.8) | ($396.2) | ($37.8) | ($45.4) |
| **Ending Cash Balance** | $644.9 | $604.7 | $1.9 | $1.9 |
| Claims Hold at End of Year | $4.6 | $4.3 | $54.1 | $46.4 |

Source: CMS

All numbers in Millions. Claims Hold represents claims held at CMS. * GRF Not Received refers to General Revenue Fund appropriations that were not received for the fiscal year to which they were appropriated.

According to CMS, TRIP cash receipts are expected to increase by approximately $3 million in FY 2026, from $353 million to $356 million, though total liability is projected to be $405 million. A significant cash reserve in the TRIP is expected to allow payment of liabilities without significantly increasing held claims. CMS expects that they will receive the General Revenue appropriation for the TRIP late in FY 2026 or possibly not at all. This is because, along with existing contributions from participants, employers, and active teachers, the cash reserve currently available in the TRIP is expected to be sufficient to cover the GRF portion of the budget for at least the current fiscal year. Since FY 2020, program receipts have kept pace or been significantly higher than yearly expenses, allowing a backlog of held claims to be paid down over time. During this time, held claims at CMS have been reduced from $138 million in FY 2020 to a projected claims hold of $5 million in FY 2026. As recently as FY 2018, the claims hold amount for this program was $248 million.

The CIP has much lower revenues and expenses, due primarily to the much smaller population served by the program. Revenues are expected to increase from approximately $39 million in FY 2025 to $45 million in FY 2026, with a similar increase for expenses. Though it is much smaller in revenues and expenses, the CIP has struggled with a significant backlog of held claims from health vendors. This backlog has improved in recent years, due in large part to a $50 million statutory transfer into the program in FY 2024, which was used to pay held claims down from $111 million in that fiscal year to $56 million in FY 2025. If contributions from the State, employers, and participants continue to keep up with expenditures, the held claims backlog should continue to improve. According to CMS, a plan is in place to reduce overall held claims for this program over time, but absent additional funding, it will take many years to eliminate the entire held claims backlog. According to CMS, as of October 2025, held claims in this program have been paid up to July 2024, representing a 15-month lag period. This lag period is a challenge for vendors, as they wait on payment from the State. Additionally, it is a challenge for members, as they try to find accommodating doctors, clinics, and other assorted service providers.

The TRIP is projected to have 80,392 participants at the end of FY 2026, while the CIP is projected to have 8,342 participants. As of FY 2026, 7,272 individuals (87.2%) in the CIP and 67,119 individuals (83.5%) in the TRIP are on a Medicare Advantage plan. As with the State Employees Group Insurance Program, liabilities for CIP and TRIP continue to see inflationary pressure from medical cost and concomitant insurance rate increases. The estimated liabilities for the TRIP in FY 2026 total $405 million, or a $63 million (18.5%) increase over the prior fiscal year. Apart from general medical cost inflation over time, this increase also follows the increase in the State Employees Group Insurance Plan (SEGIP), which was attributed in large part to legislated mandatory coverage of various new medications and medication categories.

# TEACHERS' RETIREMENT INSURANCE PROGRAM (T.R.I.P)

The original insurance program for teachers was authorized by the Teachers' Retirement System in 1980. The original program plan design required:

- 8 years of service
- Major medical and prescription benefits
- 50% subsidy on premiums

The original funding source for the TRIP was TRS investment income, which was originally set at $3.6 million. In 1985, the funding maximum was increased to $6 million annually. Likewise, in 1987, the funding level increased to $20 million annually. In 1993, TRS notified the Trustees and the Governor that the teachers' insurance program was going to have a shortfall, and that a change in federal law would necessitate a change in the way the TRIP was administered. The Federal government stated that pension investment income could only be used for pension related expenses, not items such as health insurance.

The TRIP, as we know it today, was introduced on January 1, 1996. At that time the program was moved from the Teachers' Retirement System to the Department of Central Management Services. In November of 2000, the Commission on Government Forecasting and Accountability (then the Economic and Fiscal Commission) issued a report that discussed the shortfalls that the program was faced with for FY 2002 and beyond. A subsequent report by the Commission estimated the FY 2002 shortfall to be $37 million. A combination of premium increases and increased school district contributions were initiated as a short-term solution. In FY 2005, in the interest of finding a long-term solution, CMS and the various stakeholders negotiated an agreement with the hopes of continuing the solvency of the program. The following table represents a brief summary of the agreed components of the TRIP agreement reached in FY 2005.

| JOINT T.R.I.P AGREEMENT FY 2005 |
|---|
| PPO 80%/60%-Changed the out of network co-insurance to 60% |
| $350 annual plan deductible |
| Chiropractic limit of $1,000 per year |
| Increased Rx Copays to $7 (generic) $14 (formulary) $28 (non-formulary) |
| Annual out of pocket maximum of $1,250 |
| District payroll contributions increases from .50% to.60% in FY 2006 |
| Active teacher payroll contributions increase from .75% to .80% of payroll in FY 2006 |
| The state's contribution matches the active teacher contribution of .80% of payroll in FY 2006, plus $13 million |
| Weighted premium increases were defined in statute at 6.6% in FY 2005, 9.1% in FY 2006 and 3.9% in FY 2007 |
| Starting in FY 2008 the premium increase could not exceed 5% annually |
| A committee was created to develop a long-term funding solution |

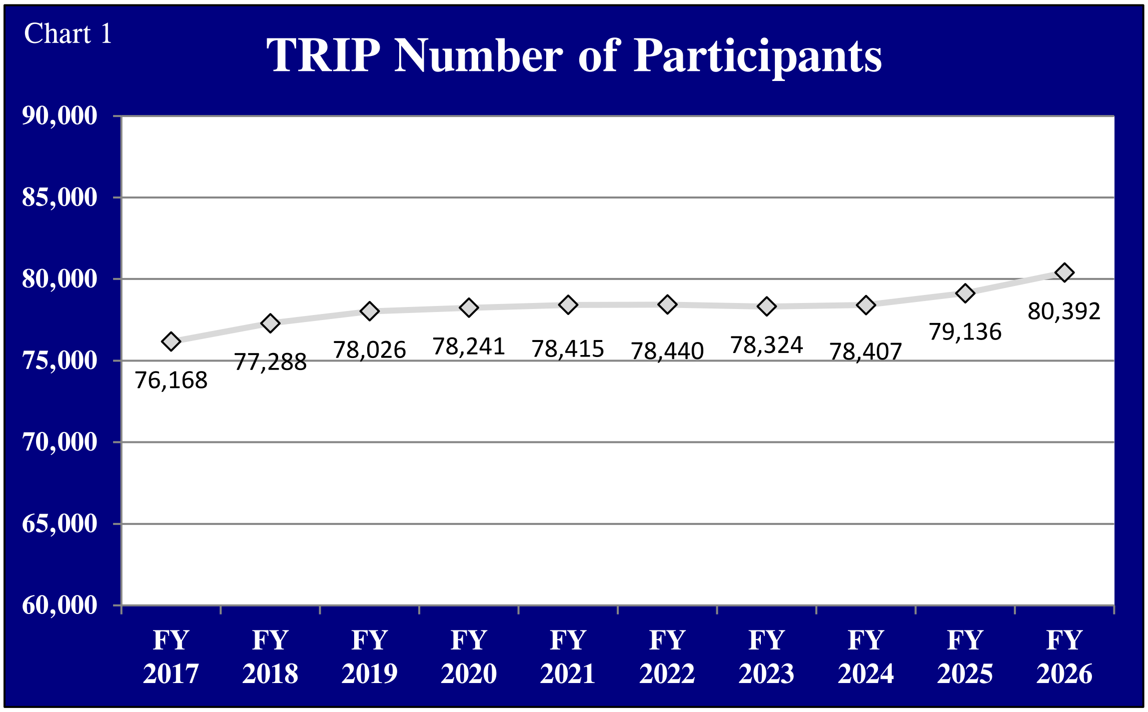
Today, the Teachers' Retirement Insurance Program (TRIP) is a comprehensive program of quality health care coverage for retired teachers and their eligible dependents. The Department of Central Management Services (CMS) is the agency that administers the TRIP as set forth in the State Employees Group Insurance Act of 1971. The program offers two types of plans: PPO and managed care. The Teachers' Choice Health Plan (TCHP) is a PPO. You may enroll in the TCHP regardless of where you live. In addition, the Medicare Advantage PPO plan allows enrollment regardless of residence. Participants may also enroll in one of several managed care plans. The TRIP offers two types of managed care plans: health maintenance organizations (HMOs) and an open access plan. Managed care plans are located throughout Illinois and in some neighboring states. Your place of residence determines which managed care plans are available to you.

In order to join the TRIP, you must be receiving a monthly benefit from TRS under the Illinois Pension Code, Article 16, and:

- have at least eight years of creditable service with TRS *or*
- be the survivor of an annuitant or a benefit recipient who had at least eight years of creditable service.

## ENROLLMENT

The number of enrollees in the TRIP for FY 2025 was 79,136, according to CMS. Overall, membership is expected to increase by 1.6% in FY 2026 to 80,392. In comparison, the number of enrollees in FY 2017 was 76,168 or 5.3% less than the estimated FY 2026 enrollment. The chart below details overall TRIP enrollment.



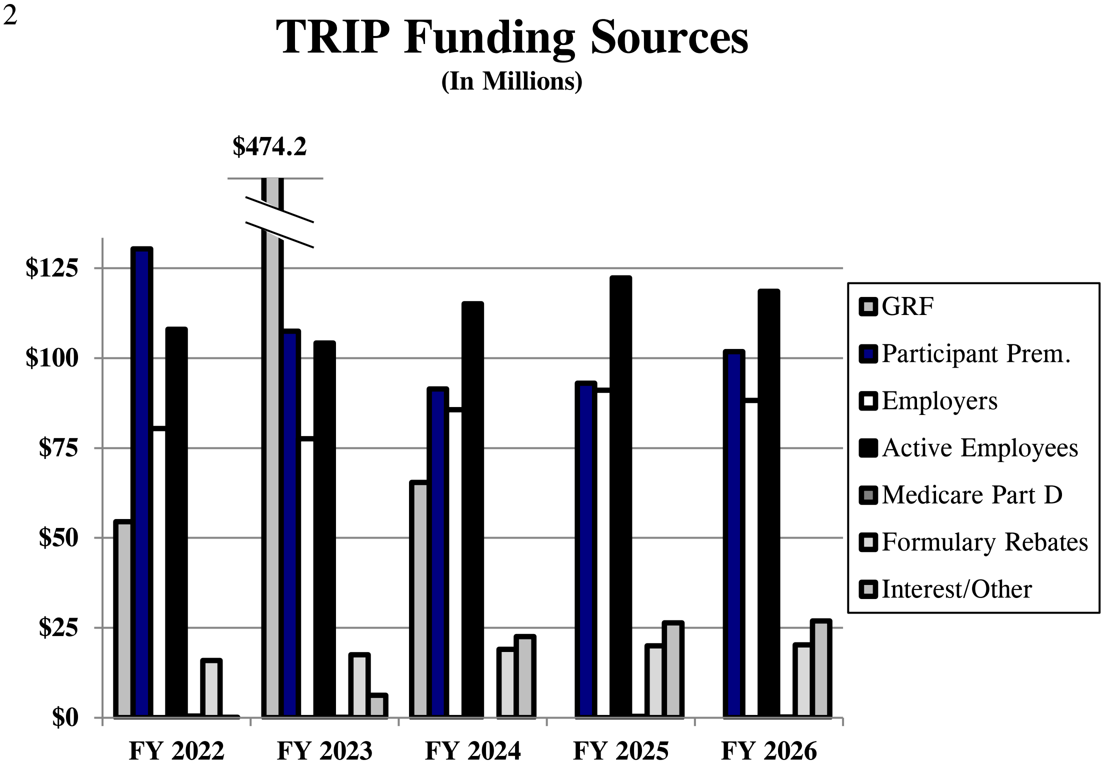

Source: CMS

Chart 1 demonstrates the past 10 fiscal years of population change for the TRIP. From FY 2019 through FY 2024, total overall population fluctuated minimally. However, the CMS projection for FY 2026 shows a marked rise from prior years, though relatively small in overall population terms (2.5% increase from FY 2024, comprising 1,985 individuals).

**FUNDING/LIABILITY**

The TRIP receives funding from a variety of different sources. In FY 2025, $122.4 million (34.6%) of revenue coming into the program came from active teachers. Correspondingly, FY 2025 participant premiums totaled $93.0 million. The following chart helps identify the funding sources for the TRIP over the last five fiscal years. Certain observations can be made about the trends in funding sources for this program, including the gradual decline of Participant Premiums as a revenue source. At the same time, increased Active Teacher/Employee contributions have alleviated some of this decline. FY 2023 featured a one-time General Revenue increase as part of an accounting “true-up” that has served to keep the cash balance in the TRIP positive (and correspondingly the ability to keep held bills and the claims hold period low compared to past years).

Chart 2




Source: CMS.

The TRIP is expected to receive approximately $355 million in revenues in FY 2026. Broken down into its components, this total is comprised of $101.8 million (28.6%) in Participant Premiums, $118.5 million (33.3%) in Active Teacher/Employee contributions, and $88.3 million (24.8%) in Employer contributions, with the remaining $47.4 million (13.3%) comprised of formulary rebates, interest income, and other minor sources. In this situation, General Revenue funding has been appropriated, but is not anticipated to be utilized as part of total cash receipts at this time. In order to understand the fluctuations in revenues, it is informative to compare revenues in this program on a year-to-year basis. The following table lists the revenues that have been received by the TRIP in FY 2025 and are expected to be received in FY 2026.

| Table 2 | FY 2025/2026 TRIP Funding Sources | |
|---|---|---|
| **Revenue Source** | **FY 2025** | **FY 2026 est.** |
| Participant Contributions | $92,996,189 | $101,793,533 |
| Employer Contributions | $91,083,516 | $88,250,843 |
| Active Teacher Contributions | $122,350,991 | $118,545,909 |
| Formulary Rebates | $20,004,390 | $20,287,433 |
| Medicare Part D Subsidy | $383,055 | $201,544 |
| Interest/Other | $26,367,642 | $26,894,996 |
| **Total** | **$353,185,783** | **$355,974,258** |

Recent years have demonstrated financial stability in the TRIP. Additionally, contributions have stabilized across the applicable categories (employer, participant, active teachers/employees) rather than experienced spikes year-to-year. For context, it is informative to examine a longer-term view of the cash flow of this program. To that end, the following five fiscal years is detailed in the following table.

| Table 3 | | | | | |
|---|---|---|---|---|---|
| **TRIP Cash Flow** | | | | | |
| **Program Component** | **FY 2022** | **FY 2023** | **FY 2024** | **FY 2025** | **FY 2026 (Est.)** |
| Beginning Balance | $32.3 | $31.9 | $493.7 | $563.5 | $644.9 |
| State Contributions (GRF) | $54.5 | $474.2 | $65.4 | $0.0 | $0.0 |
| Participant Contributions | $130.4 | $107.5 | $91.5 | $93.0 | $101.8 |
| Employer Contributions | $80.4 | $77.6 | $85.7 | $91.1 | $88.3 |
| Active Teacher Contributions | $108.1 | $104.2 | $115.1 | $122.4 | $118.5 |
| Medicare Part D | $0.4 | $0.1 | $0.0 | $0.4 | $0.2 |
| Formulary Rebates | $15.9 | $17.5 | $19.0 | $20.0 | $20.3 |
| Interest/Other | $0.1 | $6.3 | $22.6 | $26.4 | $26.9 |
| Expenditures | ($390.2) | ($325.7) | ($329.4) | ($271.8) | ($396.2) |
| **Ending Balance** | $31.9 | $493.7 | $563.5 | $644.9 | $604.7 |
| Source: CMS. All numbers in Millions. | | | | | |

The preceding table shows that the cash flow of the TRIP has been stabilized for now with the large infusion of money, according to CMS, from the fund "true-up". This has resulted in held claims being steadily paid down. Additionally, participant, active teacher, and employer contributions have seen only moderate increases, despite significantly increased liabilities due to medical cost inflation. The accrual of interest from reserves of cash on hand has also helped alleviate the potential pressure from TRIP liability inflation.

The following table displays the historic liabilities of the TRIP over the past seven fiscal years. During this time, liabilities have ranged between $295 million and $429 million. Additionally, Medicare Advantage has shown a significant savings for the State, particularly as evidenced in FY 2024. This savings, however, is limited by the uptake in participants choosing to utilize the various Open Access Plans (OAP) available. OAP liabilities are projected to total $186 million in FY 2026, more than doubling their $91 million liability in FY 2020. The TCHP and HMOs have seen lower liabilities in recent years, but not enough to outweigh the increase in OAP liability. It is necessary to note that steadily rising healthcare costs and insurance cost projections remain a significant inflationary pressure upon the TRIP.

Table 4

**TRIP HISTORIC LIABILITIES**

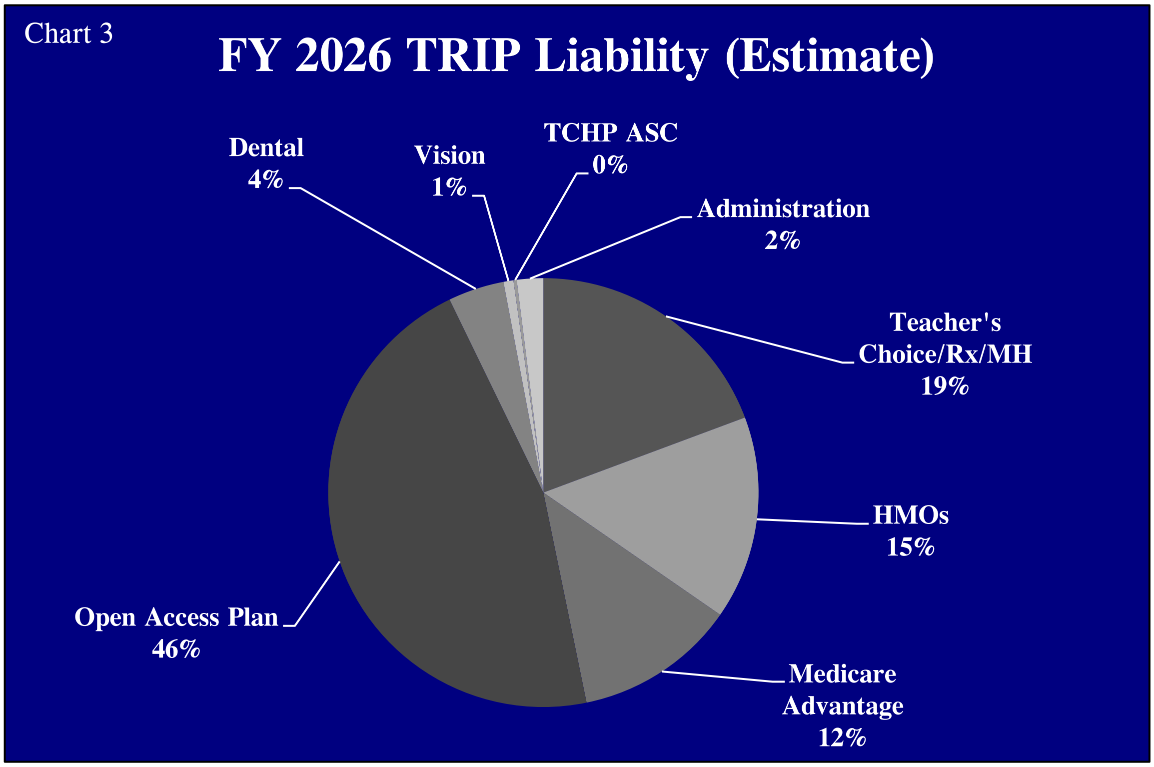
**FY 2020-FY 2026 (in millions)**

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 est. |
|---|---|---|---|---|---|---|---|
| TCHP/Rx/Mental Health | $100 | $111 | $107 | $95 | $89 | $80 | $78 |
| HMOs | $82 | $80 | $70 | $69 | $71 | $76 | $62 |
| Medicare Advantage | $145 | $134 | $116 | $55 | $0 | $15 | $49 |
| Open Access Plan | $91 | $95 | $102 | $108 | $127 | $155 | $186 |
| TCHP Dental/Dental ASC | $0 | $0 | $0 | $0 | $0 | $7 | $18 |
| TCHP ASC | $2 | $2 | $2 | $2 | $1 | $1 | $1 |
| Vision | $0 | $0 | $0 | $0 | $0 | $1 | $3 |
| Administration | $9 | $7 | $7 | $8 | $7 | $7 | $8 |
| Timely Interest | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **TOTAL** | **$429** | **$429** | **$404** | **$337** | **$295** | **$342** | **$405** |
| % over prior year | -6.59% | -0.05% | -5.83% | -16.58% | -12.46% | 15.93% | 18.42% |

**Source: CMS**

As shown in the preceding table, overall liabilities for the TRIP are lower than in FY 2021, though this is partially predicated on Medicare Advantage savings. Those savings are limited in duration. Projected liability for that program line has climbed back up to an estimated $49 million for FY 2026. The movement of participants into Medicare Advantage (MA) plans has helped to lower liabilities for other insurance options, such as the Teachers' Choice and OAP plans. However, those savings are limited by the non-Medicare eligible individuals in those plans and their utilization of health care services.

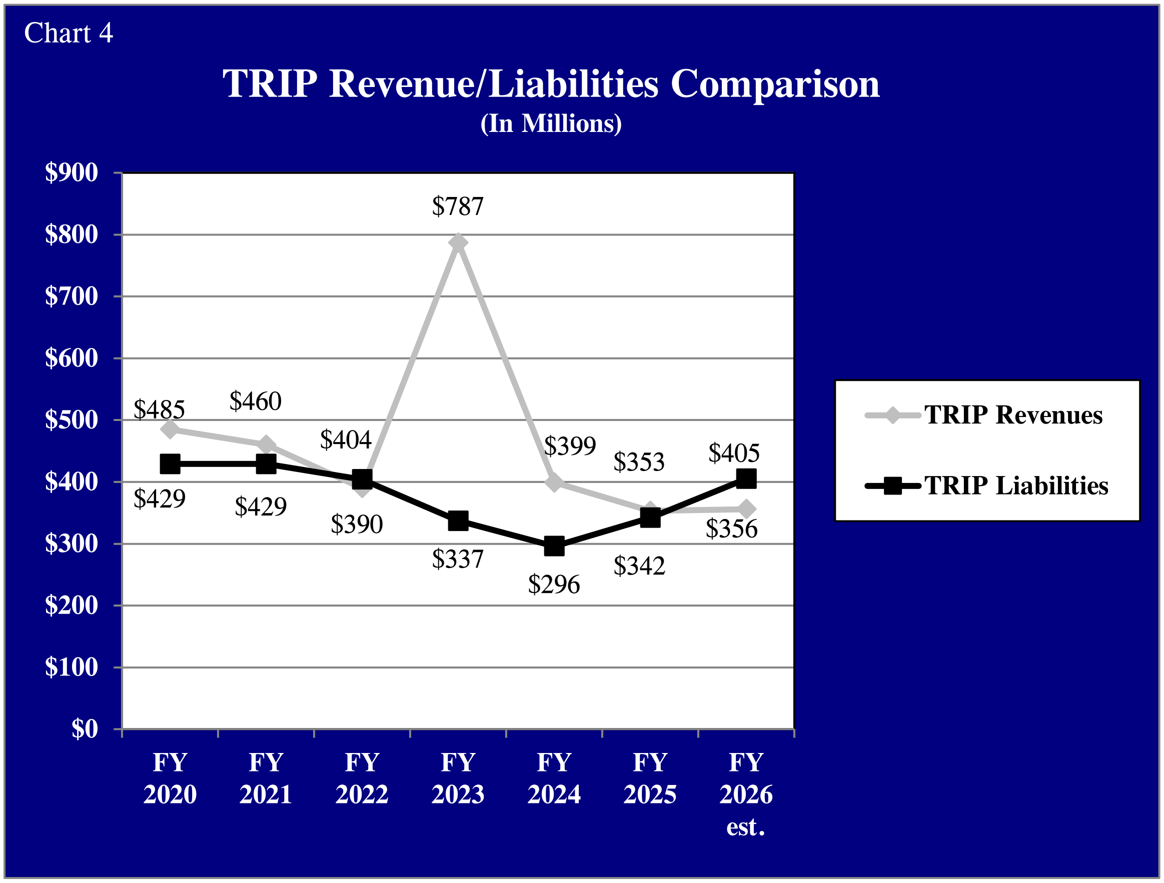
The largest components of the TRIP projected for FY 2026 are the Open Access Plan ($186 million) and the TCHP, as combined with its prescription and mental health components ($78 million). These components total 65% of total liability. Medicare Advantage was a much larger component as recently as FY 2021 (31% of total liability), but is projected to total 12% of total FY 2026 liability. HMOs continue to be a relatively minor component of overall liability, at 15% of total FY 2026 liability. The following chart shows the various components of FY 2026 TRIP liability.




Four primary options comprise health insurance utilization within the TRIP. The TCHP, traditional HMOs, OAPs, and Medicare Advantage equal 12-46% of the total liability individually. In comparison, the Administration line is two percent of the projected FY 2026 total liability.

The current Medicare Advantage plan format has resulted in significant liability savings for the State, especially during the first plan year under the existing contract. The current contract framework allowed minimal charges to the State in the first plan year (FY 2024) as reflected in the Historic Liability table shown on the previous page. However, this particular liability item will grow in size over time based on the number of participants utilizing the MA plan and general medical cost inflation.

Prior reports detailed the issue of a persistent shortfall in TRIP revenues and expenditures. This situation has varied in the ensuing fiscal years. From FY 2020 to FY 2023, the claims hold backlog was steadily paid down and revenues were sufficiently high to pay liabilities in a timely manner. After a large cash influx in FY 2023 detailed previously in this report, liabilities reached a nadir in FY 2024, in part due to the lack of liability in the first year of the new Medicare Advantage contract. Since then, liabilities have risen steadily, while revenues have fluctuated. The current surplus of cash on hand has allowed existing claims to be paid in a timely manner, despite significantly lower revenues projected in FY 2026 compared to expected liabilities. The current situation is illustrated in the following chart.




Source: CMS

Currently, claims are being paid out in a timely manner (see pg. 20), but at the expense of drawing down on the cash surplus in the program rather than ensuring that revenues follow expenses. This situation is not viable in the long-term, as the current surplus of cash on hand will eventually be depleted. One option to help increase revenues is adjusting the contribution levels of the entities and individuals involved in funding the TRIP. Increasing contribution levels for those involved would allow revenues to increase, at least for the short-term.

Prior reports noted that a significant part of the concern with TRIP liabilities was the limited pool of participants. All participants are retirees, who are usually older individuals who require more medical care (and therefore, more spending) than other insurance pools with younger, healthier participants. Without younger members making payments and utilizing less health care resources, the TRIP participant group is expensive to insure. Also, a significant number of TRIP participants are below the age of Medicare participation. These individuals are more expensive to insure, as they do not have a portion of their health care costs taken up by Medicare. This results in additional cost to the TRIP.

To ensure long-term fiscal stability, certain components should be taken into consideration. Revenues need to be stable and consistently above liabilities in the long term. Liabilities need to be controlled and kept at a reasonable rate of inflation, which is a challenge depending on economic trends and outside fiscal pressures. Finally, the claims hold needs to be kept at a manageable amount, both to contain interest payments, but also to ensure that future additional budgetary allocations are not required.

The role of the State as a partial financier of this program has spurred many discussions over time. One option that has been noted is the possibility of the State exiting the TRIP and eliminating its financial involvement in this program. If such a move is made, it would potentially reduce (if not eliminate) State involvement in a program with significant potential upward pressure on expenditures. However, if this step is taken, money currently provided by the State out of the General Revenue Fund would have to be replaced, either on the part of the school districts involved, increased participant contributions, or some other option yet to be determined. Additionally, a move to increase participant contributions would also incentivize people to utilize any other available insurance option, especially from their spouses. This discussion has also taken place in regard to the Community College Insurance Program, which is discussed in the next section of this report.

# COMMUNITY COLLEGE INSURANCE PROGRAM (C.I.P.)

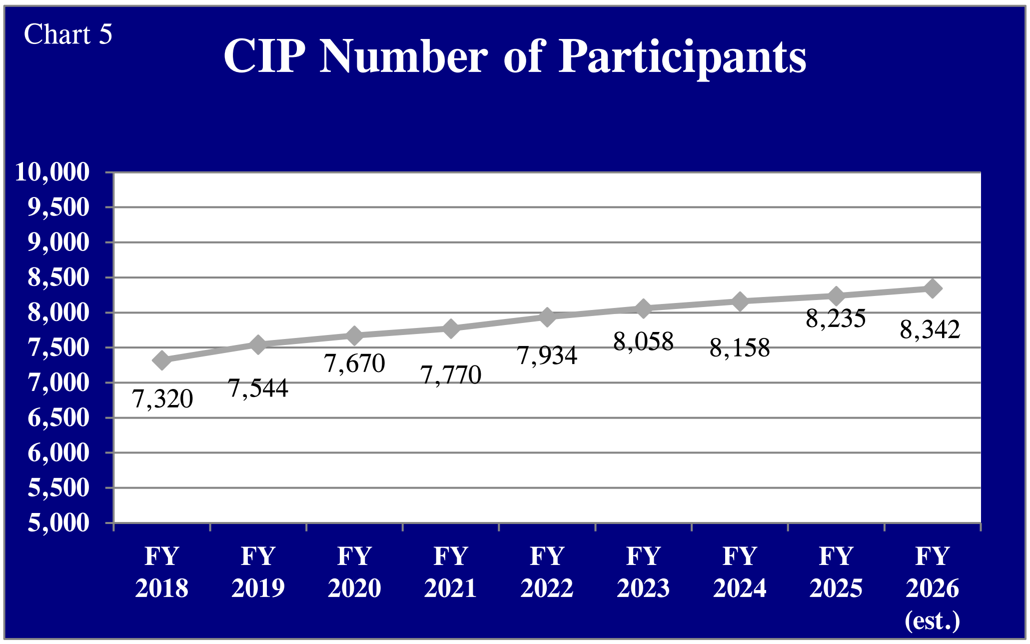
The College Insurance Program was created by P.A 90-0497 (1997). The CIP was established as a remedy to the rising health care costs for the retirees of the 39 Illinois Community Colleges. Prior to the implementation of the CIP, 20 of the 39 Illinois Community colleges were unable to provide any health care benefits for their retirees.

In early 1997, Senate Bill 423 (P.A 90-0497) was introduced. The bill contained the provisions of the CIP that was patterned after the TRIP. The program that was created was called the College Insurance Program and is funded from four sources 1) active community college employees pay 0.5% of their gross pay; 2) community college employers match the employee premiums with a 0.5% gross payroll contribution; 3) the State provides a 0.5% contribution of community college gross payroll as certified by the State University Retirement System; 4) retirees who enroll in the program pay premiums established by CMS.

Today, the CIP is a program of health care coverage for retired community college employees and their eligible dependents. The State Universities Retirement System (SURS) role is to: 1) provide members with basic coverage information, 2) enroll them in the program, and 3) collect the appropriate premiums. The State of Illinois determines coverage benefits, establishes premiums, negotiates contracts with the insurance carriers, and resolves coverage and claim issues. The Department of Central Management Services is the agency that administers the College Insurance Program (CIP), as set forth in the State Employees Group Insurance Act of 1971.

## ENROLLMENT

Participation in the CIP has risen steadily over time, averaging growth of 1.6% per year since FY 2018. However, in terms of population, this amounts to just 1,022 participants since FY 2018. This growth is primarily spurred by increased participant longevity and access to (and presumed utilization of) modern medical resources. The number of enrollees in the CIP for FY 2025 was 8,235. Overall, membership is expected to increase in FY 2026 to 8,342 or 1.3% over FY 2025. In comparison, the number of enrollees in FY 2018 was 7,320 representing a 14.0% increase through the anticipated FY 2026 enrollment. The following chart details overall CIP enrollment.




Source: CMS

The CIP has experienced consistent enrollment growth. Since FY 2011, the CIP has experienced an average growth rate of 2.5%. Taking into account the longevity of participants in this program, the liability of this program is likely to increase in future years as the overall number of participants continues to grow. As with the TRIP, the participants in this program are all retirees and their dependents, who typically have higher health care costs due to increased need for medical care. Without a group of younger participants in the program to spread costs out, this is an expensive cohort to insure. The utilization of the state Medicare Advantage PPO plan has resulted in significant savings, which helps the overall financial situation.

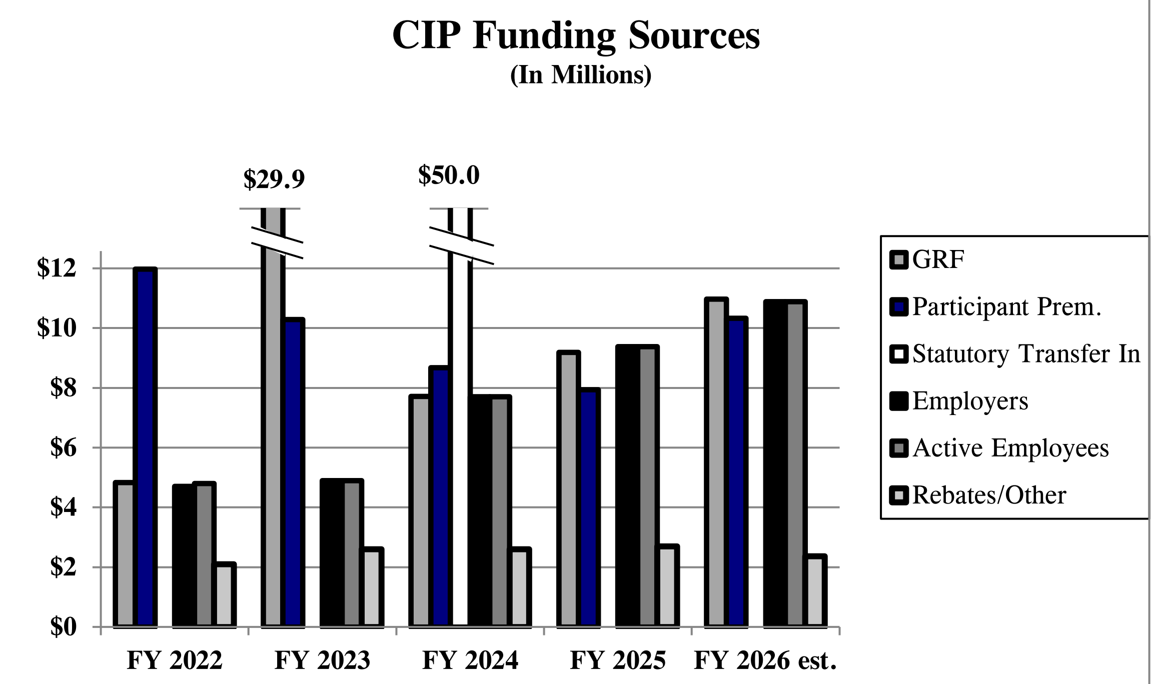
## FUNDING/LIABILITY

The CIP receives funding from a variety of different sources. Traditionally, the majority of revenue coming into the program was from participant contributions. However, recent years have seen significant funding changes, with two significant funding outliers in FY 2023 and FY 2024. In FY 2023, the CIP benefited from an accounting "true-up" (similar to the TRIP) as GRF funding reached approximately $30 million in that year. In FY 2024, a one-time loan of $50 million was arranged from the Health Insurance Reserve Fund to help pay down held claims.

At the time of this report, FY 2026 appears to continue a trend of steady contributions from four primary sources: GRF, Participant Premiums, Employer Contributions, and Active Employee Contributions. These contributions are expected to be almost equal among the four categories, with a difference of $640,000 between the largest component (GRF - $10.96 million) and the lowest component (Participant Contributions - $10.32 million). CMS anticipates that this level of equal funding will continue in future fiscal years.

It should be noted that this level of funding is significantly above prior fiscal years, but necessary in order to pay down held claims and provide general fiscal stability in the future. The following chart identifies the various funding sources for the CIP over the last four fiscal years and projected sources for the current fiscal year.

Chart 6




Source: CMS

The CIP is expected to receive approximately $45.4 million in revenues in FY 2026. The following table lists the revenues that are anticipated to be received by the CIP in FY 2025 and FY 2026.

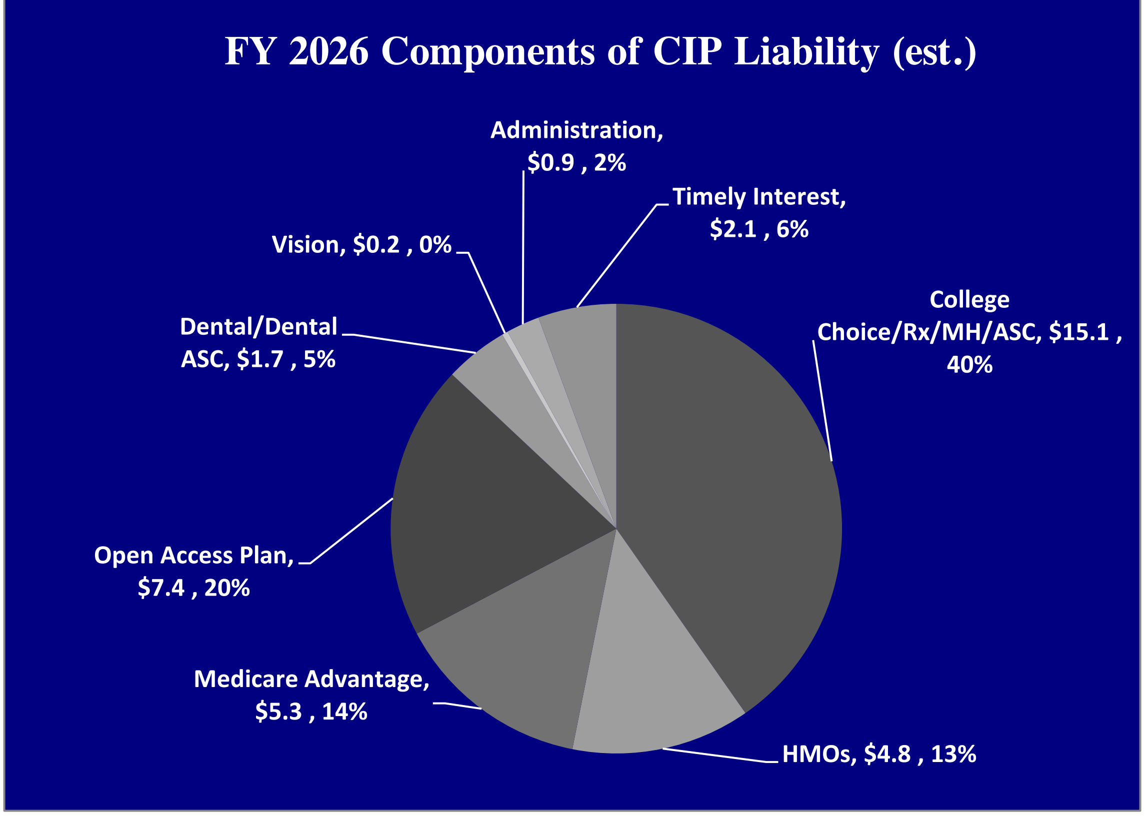
| Table 5 | FY 2025/2026 CIP Funding Sources | |
|---|---|---|
| **Revenue Source** | **FY 2025** | **FY 2026 est.** |
| State Contributions (GRF) | $9.2 | $11.0 |
| Participant Contributions | $7.9 | $10.3 |
| Employer Contributions | $9.4 | $10.9 |
| Active Teacher Contributions | $9.4 | $10.9 |
| Interest/Other | $2.7 | $2.4 |
| **Total** | **$38.5** | **$45.4** |
| All numbers are in millions. | | |

Now that sufficient revenues are available, via a temporary loan from the Health Insurance Reserve Fund (HIRF) and dedicated increased contributions, the climb in liability in this program (following the temporary drop in Medicare Advantage in FY 2023-FY 2024) can be accommodated. Additional details about CIP liabilities are provided in the following table.

| Table 6<br>**CIP HISTORIC LIABILITITIES**<br>**FY 2020-FY 2026 (in millions)** | | | | | | | |
|---|---|---|---|---|---|---|---|
| | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 est. |
| College Choice/Rx/MH/ASC | $17.6 | $22.1 | $18.0 | $15.9 | $18.8 | $16.5 | $15.1 |
| HMOs | $4.1 | $4.1 | $3.5 | $3.3 | $3.6 | $3.7 | $4.8 |
| Medicare Advantage | $14.4 | $13.5 | $11.8 | $5.8 | $0.0 | $1.6 | $5.3 |
| Open Access Plan | $5.4 | $4.6 | $8.1 | $7.1 | $8.4 | $7.8 | $7.4 |
| Dental | $1.4 | $1.5 | $1.6 | $1.6 | $1.6 | $1.6 | $1.7 |
| Vision | $0.2 | $0.2 | $0.2 | $0.2 | $0.2 | $0.1 | $0.2 |
| Administration | $0.8 | $0.6 | $0.7 | $0.6 | $0.8 | $0.8 | $1.0 |
| Timely Interest | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $2.1 |
| **TOTAL** | **$43.8** | **$46.5** | **$43.8** | **$34.5** | **$33.3** | **$32.1** | **$37.6** |
| % over prior year | 15.1% | 6.0% | -5.7% | -21.4% | -3.5% | -3.4% | 17.1% |
| **Source: CMS** | | | | | | | |

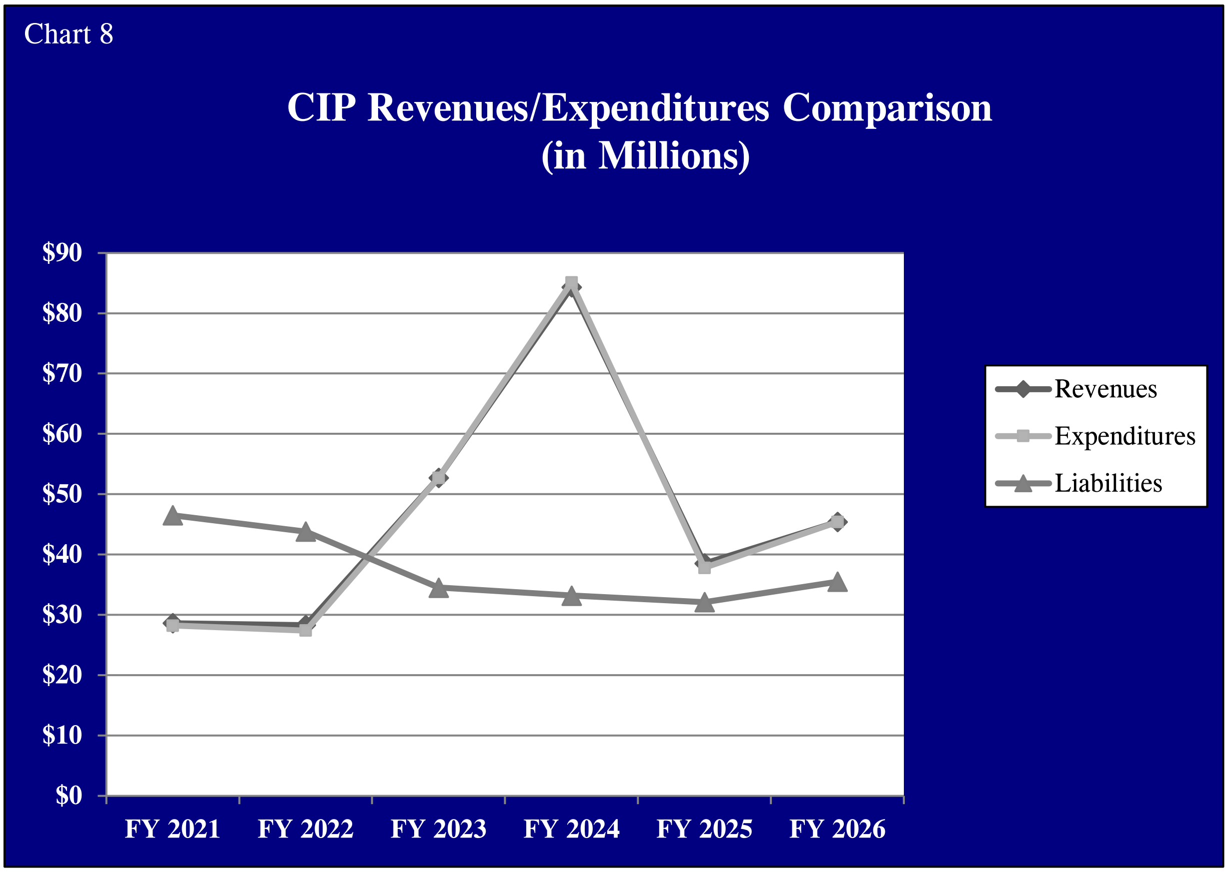
As displayed in the prior table, the historic liabilities of the CIP have dropped over the past few fiscal years (FY 2022-FY 2025). However, this is mostly due to the contract terms of the current Medicare Advantage plan utilized by the State for CIP participants. Since FY 2024, the Medicare Advantage liability line has risen, and is expected to rise in line with the CIP population. The overall liability increase for the CIP from FY 2025 to FY 2026 is $5.5 million, an increase of 17%. For FY 2026, the largest components of the CIP are projected to be the College Choice plan and the Open Access Plan, representing 60% of overall liability (compared to 75% in FY 2025). The HMO line represents 13% of liability in FY 2026 (11% in FY 2025). The Medicare Advantage Plan accounts for 14% (compared to 5% in FY 2025). The following chart shows the components of FY 2026 CIP liability.

Chart 7




Source: CMS

The CIP has made progress in having a stable flow of income to cover liabilities. Compared to prior reports on this program, expenditures (paid bills) have remained close to total revenues without a delay in the payment of held claims. Apart from the outlier years of FY 2023 and FY 2024, FY 2025-FY 2026 show a developing trend of steady revenue growth above liabilities. Additionally, the gap between revenues and liabilities allows expenditures to be made towards paying down existing held claims as well as providing some room for unexpected rises in liabilities. An illustration of the current cash-flow situation is provided in the following chart. It should be noted that revenues and expenditures overlap almost entirely in this chart.




Source: CMS

Table 7

**CIP CASH FLOW**

| Program Component | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 (Est.) |
|---|---|---|---|---|---|
| Beginning Balance | $1.1 | $1.9 | $1.9 | $1.1 | $1.9 |
| | | | | | |
| Statutory Transfer In | $0.0 | $0.0 | $50.0 | $0.0 | $0.0 |
| State Contributions (GRF) | $4.8 | $29.9 | $7.7 | $9.2 | $11.0 |
| Participant Contributions | $12.0 | $10.3 | $8.7 | $7.9 | $10.3 |
| Employer Contributions | $4.7 | $4.9 | $7.7 | $9.4 | $10.9 |
| Active Teacher Contributions | $4.7 | $4.9 | $7.7 | $9.4 | $10.9 |
| Medicare Part D | $0.1 | $0.0 | $0.0 | $0.1 | $0.0 |
| Formulary Rebates | $2.0 | $2.4 | $2.4 | $2.5 | $2.3 |
| Interest/Other | $0.0 | $0.2 | $0.1 | $0.1 | $0.0 |
| Expenditures | $27.4 | $52.7 | $85.1 | $37.8 | $45.4 |
| **Ending Balance** | $1.9 | $1.9 | $1.1 | $1.9 | $1.9 |

Source: CMS

All numbers in Millions

As noted earlier, the liabilities and expenditures of the CIP are keeping pace with available revenues. While this was not the case as recently as FY 2022, the aforementioned HIRF loan and increased contributions have helped stabilize the financial outlook of this program. Furthermore, the interest on held claims, formerly a significant issue in years past, has become a minor liability component in recent years. It is informative to note the steady rise in contributions other than GRF towards funding this program. Employer and Active Teacher contributions have both doubled since FY 2022, which provides fiscal flexibility and parity with contributions from participants and the State.

## Claims Hold

Extended held claim times and concomitant accumulations of both held claims and interest on these claims have traditionally been a problem for plan participants and the State as it seeks program vendors. As recently as the budget stalemate of FY 2017-2018, and for several years afterwards, smaller providers struggled to pay their own bills while waiting for the State to pay on claims. In turn, plan participants faced difficulty in obtaining services and occasionally faced requests for full payment up-front before services could be provided. While the overall held claims amount is still a concern, it is steadily declining in both total dollars and the time for vendors to be paid by the State.

As part of the entirety of TRIP liabilities, the issue of held claims and the backlog of vendor bills with the State of Illinois has been a long-standing issue. A lengthy period of held claims not only presents various negative issues for participants and vendors, but also amasses interest and past-due interest (interest on interest) that reduces the amount of funding available to pay normal program liabilities. However, recent years have seen the serious backlog of bills (totaling $138 million as recently as FY 2020) reduced to between $4 million and $6 million from FY 2022 onward. Currently, the expected claims hold for FY 2026 for the TRIP is $4.3 million. This amount accounts for approximately 1.3% of projected revenue ($356M) estimated for FY 2026.

The claims hold issue has become less of a problem for the CIP in recent years, primarily due to the one-time influx of money from the HIRF and a steady increase in contributions to match liabilities. With that being said, the total amount of claims being held is still significantly higher than the total claims currently in TRIP. The HIRF loan has helped to lower the overall claims hold amount by almost 50%. According to CMS, this loan is to be repaid in $12 million increments, with a payoff date expected in FY 2032. Under the current funding plan, the CIP hold cycle imbalance is expected to be eliminated by FY 2033.

Additionally, a steady increase in contributions from the various stakeholders in the CIP has allowed revenues to keep pace with liabilities. Held claims amounted to approximately $111 million in FY 2023, but due to the one-time infusion of cash, this amount dropped to approximately $56 million in FY 2024. The claims hold was approximately $54.1 million as of the end of FY 2025 and is projected to be $46.4 million at the end of FY 2026. This compares favorably to $127.7 million at the end of FY 2022 (a decrease of $81.3 million over 4 fiscal years).

The five most recent fiscal year claims hold numbers for the CIP and TRIP are listed in the following table. A small amount of held claims is likely inevitable, given the three-month lag period involved for vendors to present their payment claims to the State for reimbursement. A steady trend of low to minimal total claims held, especially in comparison to overall program receipts and liabilities is a welcome state of affairs when compared to prior fiscal years.

Table 8

**TRIP/CIP Historic Claims Holds**

| Fiscal Year | TRIP Claims Hold at end of Fiscal Year (in Millions) | Percentage Change | CIP Claims Hold at end of Fiscal Year (in Millions) | Percentage Change |
|---|---|---|---|---|
| 2022 | $4.0 | 81.3% | $127.7 | 21.3% |
| 2023 | $6.2 | 55.0% | $110.9 | -13.2% |
| 2024 | $5.4 | -12.9% | $55.8 | -49.7% |
| 2025 | $4.6 | -14.8% | $54.1 | -3.0% |
| 2026 | $4.3 | -6.5% | $46.4 | -14.2% |

The total amount of claims currently held by CMS between the Teachers' Retirement Insurance Program and the College Insurance Program is higher in comparison to the State Employees' Group Insurance Program. Despite having many more participants, that program has $16 million in bills on hold (with less than $1 million in interest on those bills) as of the end of September 2025. While improvement has been achieved in the issue of held claims for both the TRIP and the CIP (due to a much more robust funding structure that has served to reduce total held claims while keeping revenues at a steady level with expenses), a significant claims hold balance still exists. As of the end of September 2025, approximately $46 million in claims (and $2.5 million in interest) are being held by CMS between the TRIP and the CIP. Wait times for payment of claims is still an issue for the CIP, as some vendors are waiting over one year for payment.

As of the end of September 2025, approximately $2.1 million in claims and $5,000 in interest in the TRIP was being held by CMS. A further $43.9 million in claims and $2.5 million in interest in the CIP was also being held by CMS. The following table compares both programs and their differing financial situations as of the end of September 2025. This table is a "snapshot" of the current statuses of both programs, as the specific vendor claim amounts will have notable deviations throughout the fiscal year.

Table 9

**Claims Hold Data for TRIP and CIP**
**(as of September 30, 2025)**

| Company | Claims Hold | | Interest Owed (Including Past Due Interest) | |
|---|---|---|---|---|
| | TRIP | CIP | TRIP | CIP |
| Aetna PPO | $0 | $12,519,335 | $0 | $681,286 |
| HealthLink OAP | $0 | $1,772,196 | $0 | $101,388 |
| Aetna OAP | $0 | $1,627,458 | $0 | $88,165 |
| BCBS OAP | $1,952,714 | $4,034,288 | $4,375 | $215,447 |
| CVS Claims | $0 | $13,091,636 | $0 | $974,277 |
| Delta Dental PPO/etc. | $133,036 | $4,324,343 | $480 | $420,983 |
| Health Alliance HMO | $0 | $730,381 | $0 | $0 |
| Aetna HMO | $0 | $2,398,520 | $0 | $0 |
| HMO Illinois | $0 | $1,256,803 | $0 | $0 |
| Blue Advantage | $0 | $1,238,110 | $0 | $0 |
| EyeMed | $0 | $288,916 | $0 | $0 |
| Aetna MAPD | $0 | $0 | $0 | $0 |
| Metropolitan Life | $0 | $0 | $0 | $0 |
| Other Fees (ASC/etc.) | $2,346 | $654,179 | $0 | $0 |
| **Total** | **$2,088,096** | **$43,936,165** | **$4,855** | **$2,481,546** |

# CONCLUSION

Unlike reports from prior years, as of FY 2026, the TRIP and the CIP are in a much better state of fiscal affairs. Still, financial challenges persist. Certain liability drivers remain, as an aging population and medical inflation continue to drive rising medical costs. Part of this rise in medical costs is the constant development, utilization and distribution of medical technologies that allow people to live longer and healthier lives. The pressing constant in the case of the TRIP and CIP is that medical inflation and the rising cost of providing health services will be a problem for the foreseeable future, particularly as retirees comprise a large portion of the population of these programs. Progress has been made in containing costs with the utilization of the Medicare Advantage plan for eligible retirees and dependents. However, the overall program liabilities are expected to continue rising due to the aforementioned factors.

If the State can continue to keep revenues for the TRIP and the CIP at sufficient levels to pay down held bills while continuing to pay liabilities in a timely manner, their financial state should continue to improve. The TRIP continues to benefit from the "true-up" funding in their accounts, though fiscal prudence will be required to ensure that revenues stay current with liabilities after this funding is utilized. Additionally, it remains to be seen how successful the State will be in making loan repayments on the $50 million received for the CIP from the HIRF while paying down the claims hold backlog and paying new liabilities. The steps taken since the last report on this issue in FY 2022 are encouraging for the long-term stability of this program and the TRIP. In seven to eight years, if the State is successful in paying down the HIRF loan and paying off all the held bills, the CIP in particular will be in a better state of fiscal affairs than has been the case in the previous years of this report. In summary, both the TRIP and CIP are trending in the right direction to achieving long-term fiscal stability while providing a quality product for their participants.

## COMMISSION OVERVIEW

The Commission on Government Forecasting & Accountability is a bipartisan legislative support service agency responsible for advising the Illinois General Assembly on economic and fiscal policy issues and for providing objective policy research for legislators and legislative staff. The Commission's board is comprised of twelve legislators—split evenly between the House and Senate and between Democrats and Republicans.

The Commission has three internal units—Revenue, Pensions, and Research, each of which has a staff of analysts who analyze policy proposals, legislation, state revenues & expenditures, and benefit programs, and who provide research services to members and staff of the General Assembly. The Commission's staff fulfills the statutory obligations set forth in the Commission on Government Forecasting and Accountability Act (25 ILCS 155/), the State Debt Impact Note Act (25 ILCS 65/), the Illinois Pension Code (40 ILCS 5/), the Pension Impact Note Act (25 ILCS 55/), the State Facilities Closure Act (30 ILCS 608/), the State Employees Group Insurance Act of 1971 (5 ILCS 375/), the Public Safety Employee Benefits Act (820 ILCS 320/), the Legislative Commission Reorganization Act of 1984 (25 ILCS 130/), and the Reports to the Commission on Government Forecasting and Accountability Act (25 ILCS 110/).

- The **Revenue Unit** issues an annual revenue estimate, reports monthly on the state's financial and economic condition, and prepares bill analyses and debt impact notes on proposed legislation having a financial impact on the State. The Unit publishes a number of statutorily mandated reports, as well as on-demand reports, including the *Monthly Briefing* newsletter and annually, the *Budget Summary*, *Capital Plan Analysis*, *Illinois Economic Forecast Report*, *Wagering in Illinois Update*, and *Liabilities of the State Employees' Group Insurance Program*, among others. The Unit's staff also fulfills the agency's obligations set forth in the State Facilities Closure Act.
- The **Pension Unit** prepares pension impact notes on proposed pension legislation and publishes several reports including the *Financial Condition of the Illinois State Retirement Systems*, the *Financial Condition of Illinois Public Pension Systems* and the *Fiscal Analysis of the Downstate Police & Fire Pension Funds in Illinois*. The Unit's staff also fulfills the statutory responsibilities set forth in the Public Safety Employee Benefits Act.
- The **Research Unit** primarily performs research and provides information as may be requested by members of the General Assembly or legislative staffs. Additionally, the Unit maintains a research library and, per statute, collects information concerning state government and the general welfare of the state, examines the effects of constitutional provisions and previously enacted statutes, and considers public policy issues and questions of state-wide interest. The Unit publishes a monthly Grant Alerts report and an Abstracts Report of annual reports or special studies from other state agencies. Other reports include the *Illinois Tax Handbook for Legislators*, *Federal Funds to State Agencies*, *Preface to Lawmaking,* various reports detailing appointments to State Boards and Commissions, the *1970 Illinois Constitution Annotated for Legislators*, the *Roster of Illinois Legislators*, and numerous special topic publications.

The Commission employees approximately 27 full-time employees and may have between 1 and 4 interns depending on the year. The Commission's operating budget totals $4,514,600. The Commission operates out of a single office located at the address below.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