

6/20/15 COGFA - witness slip for 6/23/15 hearing (C)

Commission on Government Forecasting & Accountability
703 Stratton Bldg.
Springfield, IL.62706
June 20, 2015

Mr. Dan Long and members of COGFA

Having noticed the agenda of the hearing scheduled for June 23, 2015 relates to Health Insurance and the State Statute 5 ILCS 375/6.5 and the Group Insurance Act of 1971, I wish to once again relate some major concerns to be part of the record as written testimony.

Many "downstate" teachers who retired in 2004 were required to notify TRS a year or two in advance that they were intending to retire in 2004. One month after we retired there was a TRS buy into Medicare, which began on July 1, 2004. We were not able to take advantage of that opportunity. That information was not given to us in 2002-2003. Without Medicare we do not qualify for secondary health insurance or the new State of IL. Medicare Advantage Plan. Over many years retired teachers used the TRS TCHP and TRIP State insurance plans as secondary insurance. Many of us without Medicare, retired after age 60 and taught beyond 25 years. (The Insurance Act of 1971 and State Statute provided a discount of 5% for each year of creditable service applicable for health insurance premiums for State Employees - *** see handbook on the CMS website for retirees***)

Did not the Insurance Act of 1971 and the State Statute 5 ILCS 375/6.5 apply to all State of IL pension groups including TRS ?) Some of us, TRS retirees, consulted with CMS prior to signing up for health insurance and were advised to sign up for TRS "TRIP" (Teachers' Retirement Insurance Plan/Program).

According to a recent detailed FOIA request of the Comptroller's Office, there are **589** of us, age 65+ who do not have the needed 40 quarters for Social Security/Medicare, and who made the **choice** to continue to reside **IN** Illinois since 2004. We have been charged more than **\$75,000** for single coverage health insurance premiums with the State self-insured CIGNA TCHP Plan. At the same time those retired teachers, age 65+ enrolled in the very same State of IL. self-insured CIGNA TCHP Plan, but made the **choice** to move **OUT** of the State of Illinois have been charged 1/2 the cost for their premiums -**\$37,000** +.

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According to the CMS website chart, retirees age 65+ without Medicare who make the **choice** to reside **IN** Illinois 2015-2016, enrolled in the State of IL. self-insured TCHP CIGNA Plan beginning July 1, 2015 ,will pay a monthly premium of **\$ 793.75.**

At the same time, the retired teachers age 65+ without Medicare who make the **choice** to live **OUT** of the State of IL., will pay a monthly premium of **\$ 396.88** for the very same health insurance coverage using the CIGNA network etc.*** (A 35 page FOIA response I received from the Comptroller's Office contains many other figures for the cost of premiums charged to retired teachers which do not match the CMS chart).

Some of us reside **IN** the school district from which we retired and have been charged disproportionate (double) premiums due to making the **choice** to continue to reside **IN** that Illinois School District. (Perhaps, it would have been a better investment to buy a 2nd home out of IL. and be a "snowbird". Perhaps, we would have saved in health insurance premiums thru the State of IL. self-insured plan !)

As you address issues relating to retired teachers' health insurance plans etc., I respectfully request you take into consideration these facts. May I also bring to your attention the many, many audits related to the TRS "TRIP" -Teachers' Retirement Insurance Plan/Program...and the "findings" - "lack of a written methodology" for setting the premiums, as stated by the Office of the Auditor General. Some of these audits go back to 2007 + years. They are also found under HFS and the "THIS" fund. Please see the **pdf.** documents related to this issue which I have submitted to COGFA and JCAR in the past.

Thank you.

Respectfully,
Jeri Shanahan