College Insurance Program (CIP)

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Who's Responsible for What?

- The College Insurance Program (CIP) is a result of language contained in the State Employees' Group Insurance Act (www.ilga.gov/legislation - select Compiled Statutes, Chapter 5 General Provisions, 5 ILCS 375).
- The Office of Healthcare Purchasing (Department of Healthcare and Family Services) is responsible for contracting with various vendors to provide the benefits offered under CIP and determining plan design.
- The Bureau of Benefits (Department of Central Management Services), in combination with the State Universities Retirement System (SURS), is responsible for administering CIP.
- SURS determines eligibility, answers questions about the plan and enrolls Benefit Recipients and their dependents.

What Coverage is Included under CIP?

(Contact information and provider listings are on the inside covers of the Benefit Choice Options booklet)

HEALTH **(Pre-existing Conditions do not apply)**

- Self-Insured Indemnity Plan (College Choice Health Plan - CCHP)
- Managed Care Plans
  - HMO
  - OAP

PRESCRIPTION **(each health plan has its own Pharmacy Benefit Manager)**

DENTAL **(CompBenefits – www.compbenefits.com/custom/stateofillinois/cipd.htm)**

- $100 deductible (does not apply to preventive and diagnostic)
- $2,000 maximum benefit (includes orthodontia)
- $1,500 orthodontia maximum
- Dental Schedule of Benefits online (www.benefitschoice.il.gov)

VISION **(EyeMed – www.eyemedvisioncare.com/stil)**

- Benefits available every 24 months
- Co-payments are required ($10 co-payment for frames, lenses, exam)
- In-network and Out-of-network benefits

How Much Does CIP Coverage Cost?

Type of Plan	Not Medicare Primary Under Age 23	Not Medicare Primary Age 23 - 64	Not Medicare Primary Age 65 and Above	Medicare Primary * All Ages
Benefit Recipient Managed Care Plans	$83.28	$208.21	$288.47	$86.40
Dependent Beneficiary Managed Care Plans	$333.13	$832.83	$1,082.17	$345.60
Benefit Recipient CCHP Plan	$88.39	$220.97	$386.95	$90.71
Dependent Beneficiary CCHP Plan	$353.56	$883.89	$1,408.07	$362.85

* Must purchase BOTH Parts A and B to qualify for lower premium.

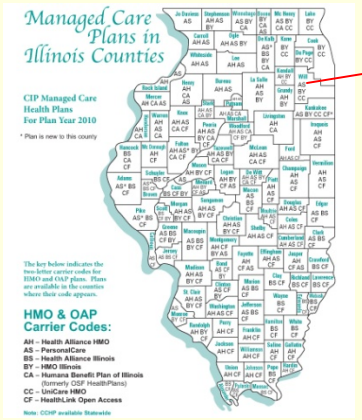
FY10 Rates

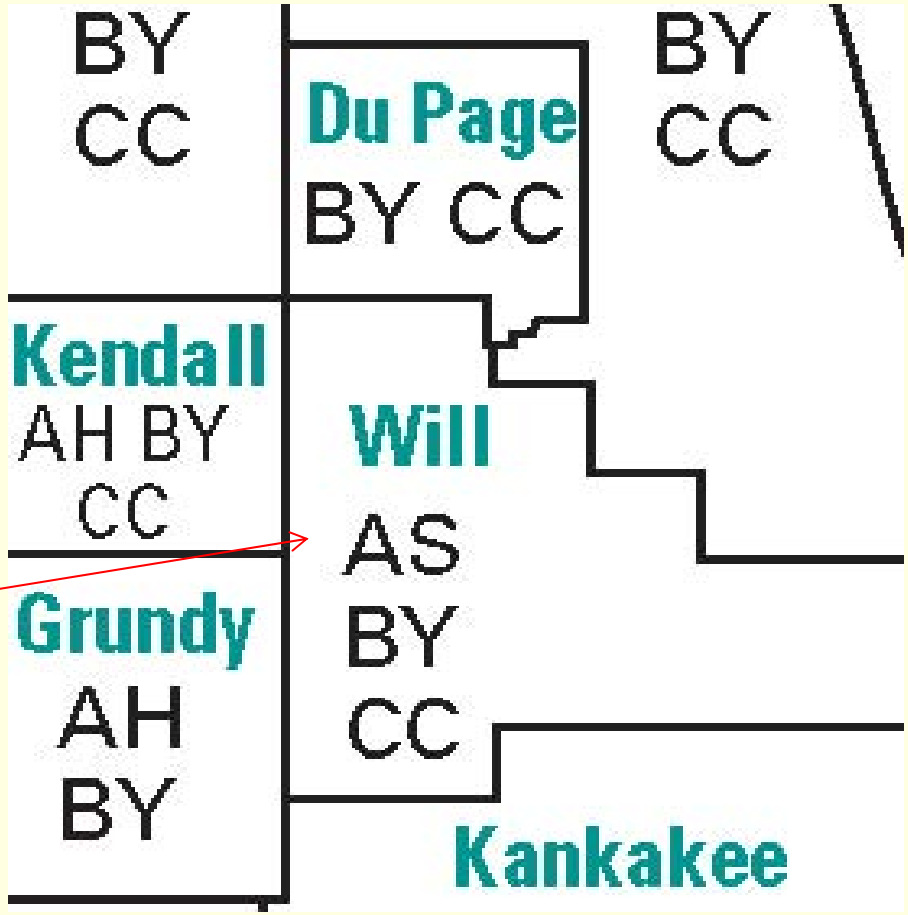
What is the Coverage Area?

HMO & OAP Carrier Codes:

AH – Health Alliance HMO
AS – PersonalCare
BS – Health Alliance Illinois
BY – HMO Illinois
CA – Humana Benefit Plan of Illinois
(formerly OSF HealthPlans)
CC – UniCare HMO
CF – HealthLink Open Access

Note: CCHP available Statewide





Inset of Area Managed Care Plans

When Can I Enroll in CIP?

- When you apply for annuity benefits (if you are eligible to enroll, you will receive a Benefit Choice booklet and a letter from SURS) – must apply within 30 days of the pension benefit effective date; coverage effective 1st day of the first full month of benefits or the first day of the month when the enrollment application was received by SURS, whichever is later.

- During the annual Benefit Choice Period, but **only** if you have never been previously enrolled – coverage effective July 1st.

- Upon turning age 65, if not eligible for Medicare – must apply within 30 days of 65th birthday; coverage effective 1st day of the month in which you turn 65, or the first day of the month when the enrollment application was received by SURS, whichever is later.

When Can I Enroll in CIP?

- Upon becoming eligible for Medicare (due to turning age 65, disability, ALS or ESRD) - must apply within 6 months from the date you become eligible for Medicare; coverage effective 1st day of the month in which you become Medicare eligible, or the first day of the month when the enrollment application was received by SURS, whichever is later.

- If your other health coverage is terminated - must apply within 30 days from the date you lost coverage; CIP coverage effective 1st day of the month following the cancellation of the other coverage.

When Can I Enroll a Dependent?

- You get married, adopt a baby or have a baby
- Your dependent turns 65 and they are not eligible for Medicare
- Your dependent becomes eligible for Medicare (due to turning age 65, disability, ALS or ESRD)
- Your dependent's other coverage is terminated
- You enroll in the College Insurance Program for the first time
- During the annual Benefit Choice Period, but only if the dependent was not previously enrolled in CIP

Note: You must submit supporting documentation to SURS within 31 days of the request to add the dependent

Dependent Coverage

- You must be enrolled in CIP in order to cover a dependent
- Dependents will be enrolled in the same health plan as you and will have the same benefits as you
- Eligible Dependents include:
  - Spouse
  - Children up to age 23 (age 19 through age 22 must be a full-time student)
  - Child with a mental or physical disability – no age limit
  - Parents
- The dependent rate is per dependent
- Effective July 1, 2009, adult children age 19 up to, but not including, age 26 (or 30 for veteran dependents) may be added (PA 95-0958) – coverage will be effective the first day of the month following receipt of the enrollment form. Forms available through SURS or on the Benefits website.

Your Survivors

- When you die, your eligible dependents may become “survivors”
- Neither you, nor your dependents, need to be enrolled in CIP at the time of your death in order to be eligible to enroll
- If your survivor enrolls in CIP, they become the “member” and pay the lower member rate
- Eligible Dependents include:
  - Children up to age 23 (19 – 22 must be a full-time student)
  - Adult children age 19 up to age 26 (age 30 for veteran dependents)
  - Child with a mental or physical disability – no age limit
  - Parents

NOTE: Cannot add a new spouse or their children

College Choice Health Plan (CCHP)

Self-Insured Indemnity Plan (CCHP) – administered by CIGNA

- Plan participants may choose any physician or hospital for general and specialty medical services
- Enhanced benefits are provided if the member chooses hospitals, physicians, providers and pharmacies in the CIGNA network
- To find out if a provider is in the CIGNA network, you can go to http://provider.healthcare.cigna.com/soi.html or
  call (800) 962-0051
- Benefits are subject to a plan year deductible which is set every year prior to May 1st. The plan year deductible for FY2010 is $500.00. There is a $1,000,000 lifetime maximum benefit.
- Prescription Drugs (administered by Medco)
  - Co-payments are $12/$24/$48 (FY10)

CCHP Benefits

- Plan Year Maximum $1,000,000; Lifetime Maximum $1,000,000
- Plan Year Deductible
  - $500 Primary Participant (Non-Medicare)
  - $500 Primary Participant (Medicare)
- Additional Deductibles (in addition to the plan year deductible)
  - CCHP hospital admission $200; 80% of negotiated fee
  - Non-CCHP hospital admission $400; 60% of U&C
  - Emergency Room visit $400
- Out-of-Pocket Maximums
  - General: $1,200 per individual
  - Non-CCHP hospital: $4,400 per individual
- In most cases, if you use:
  - Network hospitals, physicians and services, CCHP pays 80% of negotiated fee
  - Out-of-Network hospitals, physicians and services, CCHP pays 60% of U&C

Managed Care Plans

There are seven Managed Care plans available through CIP:

- 6 - Health Maintenance Organizations (HMO)
- 1 - Open Access Plan (OAP) – not a true managed care plan, more of a hybrid

Under a Managed Care plan, you must select a Primary Care Physician (PCP)

- The PCP directs all healthcare services and must make referrals for specialists and hospitalizations
- You pay only a co-payment (when care and services are coordinated through the PCP)
- There are no annual plan deductibles
- Coverage often limited by geographic area
- Prescription drugs are a set co-pay – $10/$20/$40 (FY10)

HMO Benefits

Plan year maximum benefit	Unlimited
Lifetime maximum benefit	Unlimited
Office visit (including physical exams & immunizations)	100% after $15 co-pay per visit
Inpatient hospitalization	100% after $250 co-pay per admission
Outpatient surgery	100% after $150 co-pay per admission
Emergency room hospital services	100% after $200 co-pay per visit
Alcohol and substance abuse hosp. adm.*	100% after $250 co-pay per admission
Alcohol and substance abuse care outpt.*	100% of the cost after a $20 co-pay
Psychiatric admission hospital admission*	100% after $250 co-pay per admission
Psychiatric care outpatient*	100% of the cost after a $20 co-pay
Diagnostic lab and x-ray	100%
Durable Medical Equipment	80% of network charges

* maximum number of days/visits determined by the plan

Open Access Plan (OAP) Considerations

The OAP is a three tier program that combines the benefits of an HMO and traditional health coverage to give you more options:

- Tiers I and II are networks each having a different group of providers. Benefits are paid at 100% and 80%, respectively.
- Tier III allows a participant to use any out-of-network provider, but will result in higher out-of-pocket costs. Benefits are paid at 60%.
- Participants can mix and match providers from Tiers I and II. For example, a participant can utilize a Tier II physician and receive care at a Tier I hospital.
- The benefit level is determined by the provider selected by the participant.

Open Access Plan (OAP) Benefits

(administered by HealthLink)

TIER I: Benefits are paid at this level when a Tier I network provider is utilized

- Generally a 100% benefit after a co-payment
- Unlimited plan year and lifetime maximum benefit
- Preventive services, including immunizations, allergy testing and treatment, Well Baby care

TIER II: Benefits are paid at this level when a Tier II network provider is utilized

- Generally an 80% benefit after the annual plan deductible is met
- Annual Plan Year deductible of $300 per enrollee
- Annual Out-of-Pocket maximum of $700 per enrollee
- Inpatient admission has a $300 co-payment
- Emergency Room services have a $200 co-payment
- Unlimited plan year and lifetime maximum benefit
- Preventive services, including immunizations, allergy testing and treatment, Well Baby care

TIER III: Benefits are paid at this level when an out-of-network provider is utilized

- Generally paid at 60% of the Usual & Customary charges after the annual plan deductible is met
- Annual Plan Year deductible of $400 per enrollee
- Annual Out-of-Pocket maximum of $1,700 per enrollee
- Inpatient admission has a $400 co-payment
- Emergency Room services have a $200 co-payment
- Preventive services, including immunizations, etc., are not covered
- $1,000,000 plan year and lifetime maximum benefit

When Can I Change Health Plans?

- If you are enrolled in a Managed Care Plan, you may change health plans, if
  - your PCP (or your dependent's PCP) leaves your Managed Care plan
  - you have a change in permanent residence that changes the Managed Care plan's availability to you
- You may change health plans during the annual Benefit Choice Period

Prescription Programs

- CCHP and most Managed Care plans offer a Mail Order Prescription Program –
  - Mail Order Programs allow you to get a 61 – 90 day supply of medication at a time
  - CCHP Mail Order Program: Three month supply for two co-payments
  - Managed Care Plans: Contact the plan directly for specifics as mail order programs vary in the co-payment amount
- Retail Pharmacies (such as Walgreens) may have their own prescription cost-saving program

Questions

- Eligibility and Enrollment

  SURS

  (800) 275-7877

- Health Plans and Medicare COB Unit

  CMS Group Insurance

  (800) 442-1300

  (217) 782-2548

Illinois Department of Central Management Services

CIP and Medicare--Coordinating Your Benefits

Lesley Booth

CIP & Medicare

College Insurance Program (CIP):

A comprehensive program of healthcare coverage for retired employees and their eligible dependents. The Department of Central Management Services (CMS) is the administrator of the program.

Medicare:

A federal insurance program for participants eligible based on age (beginning at 65), disability (64 and under), End Stage Renal Disease or ALS (any age). The Centers for Medicare & Medicaid Services (federal CMS) administer the program.

ATTENTION RETIREES….

All retirees

who become eligible for Medicare must accept the Medicare Part A & B coverage and remain enrolled in the Medicare Program.

* This also applies to dependents and CIP survivors.

The Medicare Plans

Medicare Part A:

Hospital Coverage

A premium-free program for participants
who have earned enough work quarters as
determined by the Social Security Administration (SSA)

As a CIP participant, am I required to enroll in Medicare Part A?

Yes!—

if you are eligible for the Part A benefits at a premium-free rate

*This is true for plan participants of <u>any age</u>

If a CIP participant **<u>does not</u>** qualify for Medicare Part A at a premium-free rate based on his/her own work history (or a spouse's work history), Medicare Part A is NOT required.

The Medicare Plans continued…

Medicare Part B:

Outpatient and Physician Coverage

A premium-based plan for participants who qualify for Medicare based on age, disability, ESRD or ALS

As a CIP participant, am I required to enroll in Medicare Part B?

Yes!—

if eligible for the Part A benefits at a premium-free rate and Medicare is the primary payer for your medical claims.

Exception: You do NOT have to enroll in Medicare Part B if you have (and maintain) other insurance coverage through your spouse's active employment.

When is Medicare the primary payer for my medical claims?

- At age 65 -- if no longer working
- Under age 65 -- if no longer working and Medicare is based on a disability or ALS
- Any age -- if receiving Medicare on the basis of ESRD and after the 30-month coordination period

What is the advantage of enrolling into Medicare?

Your College Insurance Program premium is reduced!

FY10 Premium Rates

Members

Medicare Prime CCHP= $90.71

Non-Medicare CCHP= $386.95

- Difference of $296.24

Medicare Prime Managed Care= $86.40

Non-Medicare Managed Care= $288.47

- Difference of $202.07

FY10 Premium Rates

Dependents

Medicare Prime CCHP= $362.85

Non-Medicare CCHP= $1,408.07

- Difference of $1,045.22

Medicare Prime Managed Care= $345.60

Non-Medicare Managed Care= $1,082.17

- Difference of $736.57

How Medicare and CCHP coordinate-

Calculation Example when Medicare B is primary

Total charge of office visit	$100.00
Medicare B payment	$ 80.00
Remaining balance	$ 20.00

Remaining balance	$20.00
CCHP pays their portion - 80%	$16.00
Remaining balance	$ 4.00

CCHP member responsibility $ 4.00

Coordination with Medicare and CIP Managed Care Plans

As each Managed Care Plan coordinates benefits with Medicare on their own, we suggest you contact the Managed Care Plan directly for information.

The co-pays may or may not apply when Medicare is the primary payer. It is up to the Managed Care Plan.

What if I don’t sign up for Medicare Part B?

Your out-of-pocket cost for claims will increase

How will my claims be affected if I don't take Part B when eligible?

CIP is secondary payer for retirees who are eligible for Part B

Therefore, even though there is no primary payer (i.e., Medicare), CIP will pay the claims as a secondary payer

YOU become the Primary Payer…!

Example of claim payment when an eligible member does not enroll in Part B

Total charge of office visit	$100.00
Medicare B 'would-be' payment	$ **80.00**
Remaining balance	$ 20.00

Remaining balance	$20.00
CCHP pays their portion - 80%	$16.00
Remaining balance	$ **4.00**

CCHP member responsibility **$ 84.00**

($80.00 Medicare 'would-be' payment + $4.00 balance after CCHP pays)

The Medicare Plans continued…

Medicare Part D:

Prescription Coverage

CIP PARTICIPANTS ARE NOT REQUIRED TO ENROLL IN MEDICARE PART D!!!!!

* Medicare Part D coverage has a monthly premium. Certain qualifying individuals may not be subject to the premium based on their income level.

What do I do if I am not eligible for Medicare?

You must obtain a letter from the Social Security office stating your ineligibility for Medicare benefits

My spouse just turned 65 and is ineligible for Medicare. Now what?

- If your spouse does not qualify for Medicare through his/her own work history, he/she should apply for benefits based on your work record (assuming you are eligible for Medicare)

- If your spouse does not qualify for Medicare based on either his/her own work history or your work history, Medicare is not required

What do I do? CIP is too expensive for me to insure my 65 year old “non-Medicare” spouse…..

Good news!

There is a way to add your spouse to your CIP coverage at a cheaper rate… read on!

Monthly Cost of Dependent Coverage Not Medicare Primary vs. Medicare Primary

If your dependent is over the age of 65 and not eligible for Medicare, he/she may still qualify for the lower Medicare dependent rate.

Example:

CCHP Dependent Coverage – Age 65, Not Medicare Primary = $1,408.07

VS.

CCHP Dependent Coverage – Age 65, Medicare Primary = $362.85

Type of Plan	Not Medicare Primary Age 65 and Above	Medicare Primary * All Ages
Dependent Beneficiary CCHP Plan	$1,408.07	$362.85

* Must purchase BOTH Parts A and B to qualify for lower premium.

If a Non-Medicare dependent purchases Medicare, the total premium cost would be substantially lower

Example:

- **Monthly Cost of Medicare:**
  Medicare Part A = $443.00
  Medicare Part B = $96.40
  Total Medicare Cost = $539.40/mo.

- **Monthly Cost of CCHP Coverage (if the dependent purchases Medicare) = $362.85***

- **Total Monthly Cost of Coverage (Medicare Premium + CCHP Premium) = $902.25/mo.**

- **Resulting in a monthly savings of $505.82 ($6,069.84 annually)**

* Must purchase BOTH Parts A and B to qualify for lower premium.

Questions?

Call the Medicare COB Unit at the State of Illinois

1-800-442-1300

or

(217) 782-7007