

Protect Health Care Benefits for Illinois Retirees OPPOSE SB 1313

SB1313 Would Threaten Health Care Benefits for 114,000 Illinois Retirees

House Amendment 8 and 9 to SB 1313 would eliminate the current statutory right to health benefits for some 114,000 retired Illinois state and university employees, judges and legislators.

- The legislation would remove the current schedule of state-supported health benefits and leave it the discretion of CMS.
- This means CMS could charge whatever they choose to for premiums or completely eliminate any subsidy for retiree health insurance all together.
- This legislation breaks a commitment to affordable health care coverage for state and university retirees, including thousands who were encouraged to take early retirement and do not qualify for Medicare.

SB1313 Interferes with Collective Bargaining Process

In the past, retiree health benefits were decided through the collective bargaining process and only then would any changes be enacted into law.

- The collective bargaining process should be honored, and this issue should be a subject of collective bargaining.
- Through collective bargaining, health care benefits have been made more affordable to the state:
 - Through collective bargaining, the previous 8 years of service requirement for full premium support was changed to 20 years of service.
 - Working together with through the collective bargaining process, some \$70 million in annual health cost savings was realized beginning in FY011.

SB1313 Will Not Reduce the Cost of Health Care

Shifting the costs of health insurance premiums will not reduce the cost of health care, it will only reduce the standard of living for Illinois retirees.

- The average Illinois retiree already typically pays more than \$3,000 in out-of-pocket costs, including partial premiums, co-pays and deductibles, for health care each year.
- Illinois state retiree pension average only \$26,000. Shifting further premium costs on to their backs will significantly reduce their living standards.