

## **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.