



Teachers' Retirement Insurance Program (TRIP) in the News

Medicare Advantage Plans

This document is intended to help answer questions with regard to the recent news that the State of Illinois plans to implement a Medicare Advantage Plan for Medicare-eligible TRIP participants.

What is Medicare Advantage?

Simply put, it is the incorporation of Medicare into the retired state employees' and retired teachers' health insurance plans. The state becomes the sole administrator of what were previously two health insurance providers (Medicare and TRIP).

The state will be implementing a Medicare Advantage Plan for Medicare-eligible State Employees' Retirement System (SERS) and State Universities Retirement System (SURS) participants pursuant to the recently settled AFSCME state employment contract. Since the state also administers TRIP, along with the health insurance benefits of SERS and SURS retirees, it believes that by shifting to this type of plan for all retirees that it can provide the same level of health care services while reducing costs through:

- Economies of scale
- Improving the quality of health care provided
- More proactive health care delivery

It is important to know that the AFSCME contract requires that the Medicare Advantage plans offered to retirees must be comparable in access, benefits and plan design to the health care coverage that the state's Medicare-eligible retirees had prior to the transition to Medicare Advantage.

Medicare Advantage plans are becoming more widely utilized as they steadily improve consumer services. Nearly one-third of all Medicare beneficiaries have chosen to participate in Medicare Advantage plans. Several states are now utilizing Medicare Advantage plans to provide health care benefits to public sector retirees.

What does this mean for you?

The Medicare Advantage plan will take the place of BOTH your Medicare and your TRIP supplemental health insurance. The Medicare Advantage plan will cover Medical Parts A (Hospital Insurance), B (Medical Insurance) and D (Prescription Drugs).

Medicare Advantage plans cover all emergency and urgent care claims. Hospice care is the only coverage that will continue to be provided to retirees under "original Medicare."

Retirees age 65 or older who are not eligible for Medicare will not be eligible to participate in a Medicare Advantage plan, but will be eligible for coverage in TRIP.

When will I know more details about the state's Medicare Advantage plan?

The Illinois Department of Central Management Services (CMS) has issued a Request for Proposal (RFP) to solicit bids from health insurance firms that offer Medicare Advantage plans. More details should be forthcoming by October.

Although the State of Illinois is known to delay medical payments to medical providers, retirees will not be forced to pay up front the full cost for health care under Medicare Advantage.

Will there be an option to have a supplemental "Medigap" plan rather than participate in Medicare Advantage?

The RFP that was issued by CMS allows insurers to submit bids to cover both Medicare Advantage and Medicare Supplement Plans ("Medigap"). It is uncertain as to whether the Medigap plans will be able to fit within the state's cost parameters and be offered.

If a Medigap plan is offered, members are encouraged to weigh the coverage and cost options of that plan versus the coverage and costs of the Medicare Advantage plan.

What should I expect on Jan. 1, 2014?

Prior to Jan. 1, depending on the outcome of the RFP bidding process, retirees should have the opportunity to choose between a Medicare Advantage plan comparable either to the Teachers' Choice Health Plan (PPO) or the Managed Care Plan (HMO/OAP).

If Medigap plans are also offered, retirees will be able to choose a Medigap plan as an alternative to Medicare Advantage.

The IEA and other stakeholder groups will continue to monitor this process and inform members as additional data becomes available.