

Calendar of Events

JJCAA SUAAction
February 2, 2011 8:30
Old Fashioned Pancake House

JJCAA INSURANCE
COMMITTEE
February 14, 2011 9:15
Crest Hill Library

JJCAA BOARD & LEGISLATIVE
COMMITTEE MEETING
March 2, 2011 8:30
Old Fashioned Pancake House

SUAA REGIONAL MEETINGS
TBA TBA
TBA

JJCAA SUAAction
April 6, 2011 8:30
Old Fashioned Pancake House

JJCAA INSURANCE
COMMITTEE
April 18, 2011 9:15
Crest Hill Library

LOBBY DAY
TBA TBA
Springfield, Illinois

JJCAA BOARD & LEGISLATIVE
COMMITTEE MEETING
May 4, 2011 8:30
Old Fashioned Pancake House

JJCAA SUAAction
June 1, 2011 8:30
Old Fashioned Pancake House

JJCAA INSURANCE
COMMITTEE
June 20, 2011 9:15
Crest Hill Library

SUAA ANNUAL MEETING
TBA TBA
Springfield, Illinois

JJCAA ANNUAL MEETING
June 24, 2011 9:30
JJC - T Building

Web Sites:

JJCAA :
WWW.JJCAA.ORG

SUAA: www.SUAA.org
SURS: www.SURS.org
TRS: TRS.illinois.gov

JJCAA Spring 2011 Newsletter

PRESIDENT'S PERSPECTIVE by Jerry E. Lewis



I hope you had a wonderful holiday season with family, friends, and delicious foods. I sincerely wish you a healthy, happy, and hopefully prosperous 2011. Unfortunately, this concludes the positive and upbeat portion of this letter. I last wrote a President's Perspective in Late August. What has changed since that time? Very little! The current budget deficit has increased from \$13 billion to \$15 billion, and the under-funded pension liability has increased from \$80 billion to \$95 billion. SB 3514 which would sell bonds to raise \$4 billion to pay pension benefits in 2011 has not been called for a vote. The Senate met on November 4, 16, 17, 18, 29, 30, December 1 and 2 – No Vote! The Senate has also been called back to Springfield the first week of January. If pensions are not funded by the legislature for 2011, SURS will be forced to use \$1.6 billion from the principal to pay recipients. If this practice continues, Illinois pensions will not be sustainable beyond 2020. So what are the problems?

Illinois Annual Budget	\$25 Billion
Current Deficit	\$15 Billion
Unfunded Pension Liability	\$95 Billion
SURS Total Assets	\$13 Billion
Illinois Unemployment	10%
Illinois spends \$3 for every \$2 it takes in.	
CIP: \$23 million in the red, growing at \$2.3 million a month.	

SUAA represents over 208,000 SURS participants, including current employees, 50,000 retirees/survivors, and has only 15,000 SUAA members!

Nearly 90% of Illinois' General Fund is allocated to Human Services (23%), Health Care and Family Services (32%), and Education (33.7%), leaving only 10% to fund the remainder of the Illinois budget.

Remember, the primary cause of Illinois' unfunded pension liability is decades-long failure to make full, actuarially-required, employer-required contributions to the five pension systems. Participants have paid and continue to pay their required share.

Illinois now has a two-tier pension system, becoming effective 1/1/11 for all employees hired on or after that date. See JJCAA Newsletter, Summer 2010, for details.

Furthermore, 78% of SURS Fund beneficiaries do not receive Social Security. Those receiving Social Security have a reduced benefit.

Under-funded pensions are a national disaster. PEW Center in the States reported in 2010 that the total national unfunded pension liability is \$1 trillion.

The Illinois pension deficit equals \$17,400 for each Illinois household, which is the amount necessary to pay off the \$15 billion deficit.

Illinois ranks number one as the state in the worst financial status with regards to pensions. Republicans want the pensions funded, but not by borrowing. They want cuts in Medicaid and Workman's Comp.

Many Democrats are also opposed to selling bonds, thus are against borrowing. Committees will make recommendations in January regarding Medicaid and Workman's Comp.

(Continued on page 3)

CIPOLOGY – FAQs ON THE COLLEGE INSURANCE PROGRAM (CIP)

By the Joliet Junior College Annuitants Association Insurance Committee and the Illinois Department of Central Management Services

Lesley Ankrom-Booth - Medicare COB Unit Supervisor, CMS Group Insurance Division

Pam Kogler – Benefits Management Division Manager, CMS Group Insurance Division

Our JJCAA insurance committee members receive many questions from retirees about the CIP. If you have a question(s), please email it to John Peterson <runbike63@yahoo.com> or mail it to him at 1817 Jared Drive, Crest Hill, IL 60403. John will send questions to the experts, Pam Kogler and Lesley Ankrom-Booth, and then John will email/snail mail you their responses. Your Q and A may appear in this column without your name. JJCAA does not provide the answers and cannot guarantee that the answers may not change in the future. Here are some Qs and As.

Question 1: In December 2010 I received from the Illinois CMS Department a letter concerning the Early Retirement Reinsurance Program. What is this notice?

Answer: We have received a ton of questions about this mailing. I am including some language that we have on our website for members who are confused about the notice.

*Per the Patient Protection and Affordable Care Act, the federal government requires all participating plan sponsors (State of Illinois) to mail the Early Retirement Reinsurance Program (ERRP) Notice to all plan participants, not just early retirees. Therefore, the ERRP letter was mailed as required by the federal government beginning this week. **This notice is meant to be informative only and requires no action by any member or dependent.***

The purpose of the notice was to inform plan participants that the State may be reimbursed by the federal government for some of the healthcare benefits paid for early retirees. An early retiree is anyone who is 55 or older and has retired, but is not yet Medicare eligible.

If reimbursements are received, the State may use those reimbursements to reduce or offset increases associated with maintaining the Group Health Insurance Program.

In the end, ERRP does not affect the member's health coverage or premium. Again, the notice is meant to be informative only.

Question 2: The latest newsletter was excellent, although depressing. I saw one statement that our health care caps at \$2 mil. Didn't "Obama's" health care bill remove caps?

Answer: Yes, that is correct. The Patient Care Accountability and Affordability Act removes the lifetime limits on claim amounts. The law makes this change effective "the first plan year beginning on or after September 23, 2010," which for the CIP program would be effective July 1, 2011.

Question 3: I am writing this for my husband, who retired from an Illinois Community College. I'm retired under TRS, and so we both experience the target on our backs from newspapers and politicians calling for an end to our pensions. The recent Fall 2010 Newsletter was of great interest to both of us. But the part that was most interesting to us was the information about the ten-month lag in payments to doctors, clinics, and hospitals by CIP. We have heard that the CIGNA is paying 9% interest on those late payments. Does this make sense? As to my husband's health, he has been dealing with Parkinson's disease for about seven years now. His mind is sharp, but his legs not so reliable. In March he experienced a Parkinson's freeze while walking in our kitchen. His feet were "frozen" and the top half of him kept going, resulting in a head injury. He's recovered now, but has had multiple hospitalizations and surgeries in trying to rid his brain of the bleeding. He's still in rehab three times a week and is making good progress. You can imagine the amount of money that Cigna owes to his providers. Nine per cent of that is a large amount of money. Is it true that Cigna is paying 9% interest on those late payments?

Answer: Yes and no. Technically, it is the State, not CIGNA that is paying 9% on the late payments. Late payment interest must be paid in accordance with the Prompt Payment Act to healthcare providers on claims that take longer than 30 days from the receipt of a complete claim submission to pay. The "lag" for the CIP program is currently 8 months. The following information is posted on the Benefits website:

"For some time, revenues received into the Fund have been insufficient to cover the liabilities of the fund. Changes to program design and member contribution have been unable to overcome this insufficiency. At this time, funds remain insufficient to pay claims on a normal schedule, and we cannot estimate when a regular payment schedule will resume. Claim payments will be released according to the claim process date and available funding. CIGNA, the claims administrator, continues to process claims in a timely manner, but release of claims must be held until revenue is available. Late payment interest is paid to healthcare providers on health claims that take longer than 30 days from the receipt of a complete claim submission to pay. We continue to keep you apprised on the length of this delay and make the following recommendations:

- *Health plan claims: Pay your member portion after you receive the explanation of benefits or upon receipt of services.*

(Continued on page 5)

PRESIDENT'S PERSPECTIVE *(Continued from page 1)*

Senator Chris Lauzen (R) 25th District in Aurora, Representative of a portion of JJC District 525, stated that pensions are a real financial obligation. Senator Lauzen equates borrowing to pay pensions is like using your Visa card with a higher interest rate to pay off your Discover Card with a lower interest rate. He also called borrowing a carnival shell game, or like shuffling deck chairs on the Titanic. If the unfunded pension liability was paid back on a thirty year mortgage, it would take \$200 million every thirty days over the next thirty years.

Senator Lauzen stated the last sale of bonds to fund pensions cost Illinois taxpayers an additional \$550 million in interest over the life of the bonds.

Senator Lauzen wants:

- 1) State employees, including teachers, to work until 62;
- 2) Cap maximum pensions at \$120,000 annually;
- 3) Eliminate double-dipping – multiple state pensions.

The following questions were raised on November 4 by the Senate Executive Committee regarding SB 3514:

If the bill doesn't pass, is Illinois still responsible?

Illinois has no money, so will the state continue to borrow?

The word, hope, was used frequently regarding Illinois' ability to borrow and/or raise revenue.

There is concern in the Senate regarding Governor Quinn's priorities since he spent \$472 million across Illinois the month before the election.

Some legislators want to consider cuts of the budget appropriations line by line.

What can you do?

Stay informed by visiting: www.SUAA.org and select the Legislation menu item

Recruit new members to SUAA/JJCAA. Remember, SUAA has 15,000 members when there is potential for 208,000 members. Legislators understand numbers. Numbers equal VOTES! Contact your Senator and encourage your legislator to vote for SB 3514 and the sale of bonds to fund this year's pensions.

Today is Friday, January 7, 2011. I have been delaying the forwarding of my letter to Scott Olsen in the hope that the legislature would move on a tax increase and/or the borrowing of money to pay for 2011 pensions. Nothing has happened but negotiations and posturing. I cannot delay publication of the JJCAA Newsletter any further; therefore, I am going to look into my crystal ball and speculate on the following. Before 12:00 noon on January 12, the legislature will pass a tax increase as well as borrow the money to pay for 2011 pensions. Ironically and, unfortunately, our pensions may also be taxed from a certain level. Remember, the entire pension debacle was no fault of ours, but the failure of the Illinois legislature over 30 years to fund Illinois pensions at the required amount and to leave that money alone – no raiding, no underfunding, no non-funding.

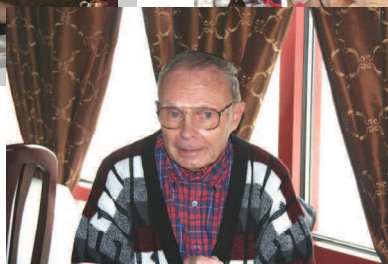
On that note, Happy New Year!

GOALS OF JJCAA

The goals of JJCAA include, but are not limited to, the following:

- To preserve and/or improve a strong and secure public employee pension system, including full funding.
- To protect and/or improve a strong and secure health insurance program for community college retirees.
- To maintain and/or improve benefits for retirees and survivors, including an automatic annual COLA increase of at least three percent.
- To grow membership in JJCAA through the recruitment of all retirees, spouses, survivors, and current employees.
- To reinstate the right to include up to two years of service credit for unused sick leave when calculating pension benefits.
- To raise pension payouts for retirees and survivors who retired before 1980 at least to a minimum of the federal poverty level.
- To raise the survivor annuity from 50% to 66 2/3%
- To raise the death benefit from \$1,000 to \$5,000.
- To eliminate the imposition of the two-tier pension system for those hired after January, 2011.
- To eliminate the Social Security offset which reduces Social Security benefits earned in work not covered by SURS.
- To promote discussion and participation with other SUAA annuitant chapters.
- To promote the individual and collective interests and welfare of JJC annuitants and survivors.
- To promote discussion of and service to JJC.
- To promote educational and social events for JJCAA members and the JJC community.

JJCAA HOLIDAY EVENT - DECEMBER 4, 2010



CIPOLGY – FAQs ON THE COLLEGE INSURANCE PROGRAM (CIP)

(Continued from page 2)

- *Health plan claims: Always utilize CCHP providers, if possible.*
- *Health plan claims: If utilizing a non-CCHP provider, ask the provider to accept the delayed claim payment or set up a payment plan.*
- *Dental claims: Pay your member portion upon receipt of services.*
- *Dental claims: Work with the provider to accept the delayed claim payment or set up a payment plan.*

Dental claims: If the full amount must be paid, submit a paper claim form to the claims administrator as soon as possible to minimize the delay in processing the claim.”

Members can view the claim delay timeframe on the Benefits website located at www.benefitschoice.il.gov. Once on the website, choose the College Insurance Program (CIP) link, then the link at the top of the page labeled ‘Notice Regarding CCHP and CCDP Claim Payment Delay.

Question 4: My wife and I are both covered by Medicare with Healthlink (under CIP) as our secondary insurance. My wife needed an outpatient procedure done, but there was a 30-day waiting period before Healthlink would approve the procedure. She was able to wait this time, but was puzzled by the 30-day wait period. Now, she needs a second outpatient procedure done and Healthlink is once again telling us that there will be a 30 to 45 day waiting period. If Medicare has approved the procedure, why does Healthlink take so long to approve? Will we be penalized if my wife needs to have the surgery before the approval comes through? Penalized meaning, the insurance company won't make the co-payment. There is a possibility that the outpatient surgery/procedure will need to be done before the approval. So the question becomes why does an approval take so long? What can they do to expedite the approval? Or do they even need an approval since Medicare is the primary?

Answer: HealthLink received a pre determination of benefits (a request to find out if a procedure is covered in advance) from the wife's physician. The normal process for working a pre determination submitted by a physician is 30-45 days.

When I (Lesley) inquired with HealthLink and shared this member's concerns, HealthLink advised me that the physician sent in the request and that the request was being worked like all pre determinations (going through the normal review process). In addition, HealthLink only addressed the member's questions in regard to the pre determination review when he/she called to check on the status of the physician's request. The HealthLink rep did not look to see that the member's wife had Medicare and that Medicare is the primary payer for her medical services. The rep at HealthLink should have checked because the waiting could have been avoided. Had the rep at HealthLink checked on this, his wife would have been advised to go ahead and have the procedure done as long as they had the procedure pre approved at Medicare. If Medicare pays for a service, HealthLink will pay for the same service.

Please advise the member that a pre determination of benefits is not necessary on any procedure that Medicare will cover for his wife. As long as Medicare pays for her services, Healthlink will pay after Medicare. A pre determination is only necessary for services that are not covered by Medicare. She should not have had to wait 30 days for HealthLink to decide nor should she have had to reschedule her procedure awaiting HealthLink's response.

Other Frequently Asked CIP Questions and Answers may be found on the SURS website <<http://www.surs.com/shepherd.surs?flk=Ins&shp=113>> or a link to it at <www.jjcaa.org>.

TRS NOTIFICATION *submitted by JJCAA Board member Carolyn Enger*

From: TRSMessenger

Sent: Wednesday, December 29, 2010 5:32 PM

Subject: February Check will Reflect 2011 Withholding Table

Dear Carolyn Tomazic-Engers:

The Internal Revenue Service recently released federal withholding tables for earnings taxable in 2011. Because the tables were released late, TRS was unable to implement them for the calculation of federal income tax withholding for annuity payments issued Jan. 1, 2011. The annuity payment issued Feb. 1, 2011 will reflect withholding resulting from the new tables.

Member Services Division

Teachers' Retirement System of the State of Illinois (TRS)

NEW HEALTH PROFESSIONS BUILDING GROUNDBREAKING JAN. 25, 2011

The college community is invited to attend the groundbreaking for the new Health Professions Building on Tuesday, Jan. 25, in the T-Building Conference Center. The groundbreaking ceremony begins at 4 p.m. in the conference center, followed by a reception at 5 p.m. RSVP to Tracy Theard at ext. 2352 or ttheard@jjc.edu if you'd like to attend.

The Health Professions Building will be constructed in the open area north of the existing T-Building. Ongoing projects include the Automotive Tech expansion, Natural Sciences expansion and renovation, new Campus Center, new Facility Services Building, City Center Campus/White Store demolition, and the natural areas restoration.



Highlights of the building, which is expected to be completed in the fall of 2013, include:

- Incorporate new and future technologies, especially in simulation centers
- Create realistic spaces that will advance student learning, including an Emergency Services apparatus room with space for a fire truck and ambulance
- LEED certification
- Increase offerings for professional development/continuing education

For more information on master plan projects, visit www.jjc.edu/info/masterplan.

JJCAA CONDOLENCES TO

Joyce Miner and family of Wilbur A. Miner. "Will" Passed away at the Joliet Area Community Hospice Home, Sunday, October 24, 2010. Age 77 years .

Condolences are also extended to the family of Russell M. Mauk, 75.



LUNCH AROUND GROUP

All luncheons are Saturday afternoons at 1:15 pm. Please let Carolyn Engers know if you are interested in attending by contacting her. 815-725-8127 or ctengers@att.net Guests are welcome.

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SUAA-JJCAA MEMBERSHIP AND DUES DEDUCTION AUTHORIZATION FORM

Name _____

Spouse (if applicable) _____

Street Address _____

City _____ State _____ Zip Code _____

Telephone _____ Email address _____

Please check one: I am a retiree I am a surviving spouse
 I am a spouse and retiree I am a current faculty/staff member

Check payment option best for you:

- Option # 1 Monthly Pension Deduction (\$2.67 deducted from your monthly annuity check)
- Option # 2 Single Payment (\$32.00 payable to SUAA)
- Option # 3 Semi-Annual Payroll Deduction (\$16.00 deducted from your payroll in fall & spring)

REQUIRED FOR OPTION # 1 ONLY:

I hereby authorize the State University Retirement System (SURS) to deduct each month the amount as certified by JJCAA as the current rate of dues. The deduction is to start the first day of the month (to be determined by SURS and SUAA) and will continue until I inform SURS that I want to cancel the deduction. I also authorize SURS to provide change of address information to JJCAA.

Signature _____

Social Security Number (For Dues Deduction Only) _____

Return this signed form (include check for single payment option) to: Marilyn Heniff, JJCAA Treasurer
 213 Oakwood Drive Shorewood, IL 60404-9054

Joliet Junior College Annuitants Association

Joliet Junior College
1216 Houbolt Avenue
Joliet, IL 60431

