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All Sections

Home > Featured Articles > Health Insurance

Quinn signs bill requiring retirees to pay part of health insurance

June 21, 2012 | By Ray Long | Tribune reporter

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Gov. Pat Quinn today approved legislation requiring thousands of retired state employees to chip in on the <u>costs</u> of health care insurance that many of them get for little or nothing.

The law attempts to rein in the state's rising costs but also seeks to share the <u>expense</u> with the 78,000 retirees who pay no premiums for their insurance now.





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The Quinn administration will set premiums each year for the group health program, which includes retired judges, lawmakers, university employees and rank-and-file state workers.

Currently, retired legislators get free premium health insurance after four years, retired judges after six years and retired state and university employees after 20 years of service — one of the most generous plans in the country.

The annual cost to taxpayers is nearly \$800 million and threatens to hit \$1 billion in the new <u>budget</u> year that begins next month if left unchecked, according to legislative supporters.

How much each <u>retiree</u> will pay will be determined in part by how much they receive in pension. The pension payments will be broken into seven tiers. The higher the tier, the more the retiree would pay.

The law takes effect July 1, but final decisions on rates will be made following labor negotiations and approval by the a legislative oversight panel, Quinn's office said.

In a statement, Quinn said retirees deserve access to quality health care. He said insurance costs should be more balanced and based on actual <u>retirement income</u>. "We also have a duty to taxpayers to ensure these plans are cost-efficient and put Illinois on the path to fiscal stability," Quinn said.

The governor's action immediately was criticized by the president of the retirees chapter of the American Federation of State, County and Municipal Employees. Virginia Yates of Centralia, who worked 27 years at the Murray Developmental Center, said Quinn's comments represent "political doubletalk."

"Seniors like me and 114,000 other retirees and dependents already pay \$3,000 a year or more in co-pays, deductibles and premiums," she said in a statement. "By cutting retiree health care at the same time he's handing out hundreds of millions in tax giveaways to big corporations, Governor Quinn shows his priorities are out of touch."

Sen. Jeff Schoenberg, the Evanston Democrat who first pressed the issue a year ago, said the move is "absolutely necessary to protect the quality and affordability of health insurance" for retired public workers, particularly those on fixed incomes with no other coverage.

Senate Minority Leader Christine Radogno, R-Lemont, said the move is a "step Illinois must take to right the financial ship" because the plan in place now is "unsustainable and taxpayers are on the hook for programs they cannot afford."

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