NIUAA Town Hall Meeting—continued
Questions and Answers with the Audience

Q1 -- Regarding current employees, you said the state can raise premiums and deductibles. What about heads up time before implementation?

A1 -- Linda Brookhart monitors this in working group meetings with CMS. SUAA can provide some lead time, but CMS and Rauner are not clear on what to do and worry about backlash from non-union employees. Working groups generally get 60-90 days advance notice of a major change.

Q2 – Could changes made in first quarter of 2017 become retroactive to an earlier date?

A2 – It is unclear if this could happen.

Q3 – The only way for Illinois to attack retirement benefits after last year would be a Constitutional Amendment. What are the prospects of that happening?

A3 -- A constitutional amendment is possible, but it would not terminate previously earned benefits. This approach was tried a few years ago, SUAA opposed it, and it was defeated. But it could appear again in the future.

Q4 -- The State owes a lot of money to members for dental care. What gives?

A4 – This is how states claim to have balanced budgets, but don’t. I am particularly concerned about accounts sent to collection agency that affect credit ratings. If this happens to you, let SUAA know. It has happened, especially to out-of-state retirees where vendors don’t care about the budget impasse in Illinois.

Q5 – But employees or retirees may just not get treatment. Seems like we’ll never get paid back if we can pay ourselves.

A5 – You will get paid but it could be years. The backlog of delinquent bills is huge. Quinn had whittled down the backlog substantially, but now the budget impasse is pushing it back up again. You will get paid when there is finally a budget deal; but this could take years just as it did in 2008-09.

Q6 – Regarding co-pays and deductibles for retirees, can those be increased?

A6 – Before answering, if you have to pay several thousand dollars in bills, let Linda Brookhart know and she may be able to intervene with the Comptroller.

To the question, Kanerva made healthcare a pension benefit, but it did not define what the benefit has to be. If the current out of pocket limit is $1,300, it is not clear what would happen if the State said: “OK, it is now going to be $6000.” SUAA would fight any change of this magnitude, but there are lots of areas that are unknown with the Kanerva decision. The high cost of healthcare makes these benefits ripe for attempts to reduce them. So, stay in or join SUAA and be prepared to fight.

Q7 – Questioner believes provisions of United Healthcare’s Medicare Advantage Plan are set through 2017, but believes contract beyond 2017 has to be negotiated. Questioner also believes Medicare law sets limits on co-pays and deductibles which states then have to accept. Is this correct?
A7 – Yes, but please do not forget the non-Medicare people whose situation is far more precarious.

Q8 – When you answered about potential changes in automatic annual increase (AAI), you qualified your answer to say it could not be changed for retirees. But please clarify AAI changes for those who are still working.

A8 – It’s unclear for current employees, but AAI should be untouchable. Illinois pension law is based on the New York Constitution. NY changed its compounded AAI to a simple AAI, and its Supreme Court said that was legal. That decision creates some uncertainty here. Given the recent election results, however, attempts at broad based pension reform do not seem likely at this time. Nevertheless, this is a future battle that will have to be fought.

Q9 – How are AFSCME negotiations affecting us, given the Illinois labor Relation Board’s (ILRB) recent decision that the State and AFSCME are at impasse. Any word on federal legislation that would allow Illinois to declare bankruptcy?

A9 – Grush asked to hold on the bankruptcy question as this issue would be discussed later. Carr then indicated it is unclear how negotiations can take place without a budget. What is clear is that more chaos will occur if the governor imposes conditions on AFSCME. Additionally, no one knows Trump’s core values and how they might influence changes at the federal level and perhaps trickle down to the state level.

Q10 – We know that states cannot declare bankruptcy. With no budget, the State debt keeps growing. Could this lead to insolvency. All of this looks like a deliberate strategy to pit one group against another, to break state up into feuding groups (e.g., public employees vs private employees). Please comment.

A10 – Carr said he does not know about any “hidden agenda” and does not believe the state will reach insolvency. This is a difficult time and we have to come together. Everyone probably will have to sacrifice something. Before state insolvency occurs, we might see some universities fail such as CSU, EIU, and WIU. Belonging to SUAA is a critical first step for employees of universities and community colleges to protect themselves. We also have to identify our friends in the General Assembly, one of whom is Bob Pritchard.

Q11 – Comptroller reaffirmed she would not pay legislators without a balanced budget. Is that likely to move the budget process forward?

A11 – The Illinois Credit Union League will loan legislators money if they do not get paid, so it’s not necessarily a big problem for them. Put differently, the lack of payment is not likely to have any effect on budget negotiations.

Q12 – If the Illinois Constitution were amended or there were a Constitutional Convention and the Pension Protection Clause were eliminated, is there any protection left?

A12 – Yes, the Contract’s Clause of the U.S. Constitution. It should protect our pensions.

Q13 – Do you have any insight about Paul Ryan’s goal of eliminating Medicare entirely?

A13 – No, Carr said he works at the state level and does not follow proposals at the federal level.