

**Legislative Report**  
**NIUAA Board Meeting**  
**15 March 2023**

I am happy to report that the Legislature has been a quiet place in recent months, at least as far as anything that would adversely affect public employees and their benefits. Consequently, I have sent very few messages directly to members in the last months. Most recent communications have related to the change in insurance coverage to Aetna, about which I will say more later in this report.

Some retirees may be a bit disappointed at the 3% AAI (automatic annual increment) in our SURS payments this year, given the rate of inflation in 2022, but we need to keep in mind that we have been receiving 3% for quite a few years when inflation was lower. If the state had changed the AAI to one based on inflation (not that it could for current SURS members), I suspect we would all be worse off than we are now. We need to keep reminding pension critics on the outside that, yes, we did well when inflation was 2% or less, but we now pay for it. Over enough years, it surely balances out. Fingers crossed that inflation does come down significantly in 2023, but we will weather it a bit longer before needing to feel too abused.

It seemed like year after year the credit rating for the State of Illinois kept going down, reflecting the precarious fiscal condition of the state. However, despite the effects of the pandemic, revenues actually increased last year, although admittedly a big piece of that was one-time federal pandemic payments to the state. Nonetheless, the major credit rating agencies lent some credence to Gov Pritzker's claim that the state's financial picture was improving by actually [raising its rating](#). It's still the lowest (or next to it) in the nation, depending on who you read, but any improvement is welcome and saves the state money over time.

One added benefit for SURS and other state retirement system members is that the governor was able to add a [special payment of \\$500 million](#) to the state's contribution to the pension systems in the FY23 budget. That hardly makes a dent in the unfunded liabilities, and it was a one-time bonus, but we have no reason to complain. However, critics continue to focus (correctly, in my view) on the fact that state makes only the "statutory" contribution to the pension systems each year, which is billions less than the "actuarial" contribution would be. However, at least the days of so-called pension holidays appear to be past.

We must continue to be vigilant as there remain many critics in the state, who see only [the dark side of every effort](#) that is made to improve the financial health of the pension systems. Perhaps the most insidious of our critics remains the Illinois Policy Institute, which has never had a positive thing to say about the state, as far as I can recall. The IPI continually harps on how Illinois is [losing population](#) to "low tax states," and, of course, the sole reason for high taxes in Illinois is our pensions. Surely the weather in the two states with the largest net gain in population, Florida and Texas, is in no way related to the moves. You may also be surprised to learn that, [according to the IPI](#), "The biggest barrier to affordable college in Illinois is pensions. Rising pension costs push up Illinois tuition, forcing students to pay the difference." We can certainly expect the howling from the IPI to continue and most likely grow

even louder. Read the [IPI FY24 budget plan](#), especially Chapter 6 on pensions and reform. At least the IPI finally agrees with the long position of the Center for Tax and Budget Accountability that the fiscal problems of Illinois are structural, although their solutions could hardly be more different.

Meanwhile, another critical group, the Civic Federation, lost its longtime leader, [Laurence Msall](#), who died Feb 4, 2023, at the age of 61. Whether his successor will reignite concerns about pensions remains to be seen. For now, [Wirepoints](#) is another vocal group still trying to promote their vision of “pension reform,” which continues to mean nothing more than reduction in benefits. Follow the link above and you’ll find on the home page a prominent link to an entire section devoted to “Pension Solutions.” A quick glance should confirm that we want nothing to do with their “solutions,” but expect the noise level to continue and even grow.

I am pleased to report that very few members have contacted me regarding issues with our insurance coverage under Aetna. Clearly, I am in no position to do more than offer suggestions and some encouragement. However, I believe that has been helpful to the few who have written. FYI, a couple of concerns related to acceptance of coverage, and as far as I know, all were resolved favorably. Linda Brookhart at SUAA acknowledged that there have indeed been issues in Florida, Arizona, and California especially, as I recall, but no one has contacted me with problems other than misinformation. Another case involved a prescription drug that was not covered after the pharmacy had informed the member that it would be. Whether the member chose to pursue the matter, I have not heard.

The most recent concerns have been about hearing aid coverage, which is apparently vague or misleading in some of the Aetna materials. I am still working through that situation, but it appears that some of the representatives who answer the phone at Aetna are not well-informed about our plan or ignorant of specific details or even the meaning of some things. My current understanding of the situation is that multiple representatives told our member that hearing aids through the NIU Speech and Hearing Clinic had to be paid for and the member would then submit receipts for reimbursement, contrary to what the Clinic said. The good news is, the Clinic is correct. The representative appeared to not understand the difference between prescription hearing aids, for which the provider will bill Aetna, and the newly available over-the-counter models, which apparently do require payment first and then reimbursement. I’ve also heard that Aetna reps continue to talk about providers being “in-network” or not, when our plan makes that distinction irrelevant.

Those of us who went through the initial move to United Health Care over 10 years ago now will surely remember the glitches that came up early on. No doubt some such issues are inevitable until both users and providers better understand the plan. The best advice is very simple – don’t take NO for the final answer. If you get an undesirable answer from an Aetna rep, hang up and call again. A different rep may well have a different answer. It may take multiple iterations but keep on trying if you believe our plan does cover something and it is being denied.

Respectfully submitted, *Jim Lockard*