

Illinois Covered Plan Details

Governor Rod. R. Blagojevich today, announced "Illinois Covered," his historic and comprehensive plan to give every Illinoisan access to affordable and quality health coverage. While the Governor's "[All Kids](#)" plan, which took effect last year, extended coverage to all children in the state, approximately 1.4 million adults in Illinois are currently uninsured. A majority, roughly 75 percent, are from families with moderate incomes or higher. The Governor's plan will provide affordable coverage to the uninsured and will also help many middle-income families and small businesses that are currently enrolled in health insurance plans save thousands a year on healthcare costs. The plan will also reform the existing healthcare system to improve quality and require more accountability.

The Governor unveiled his plan at Fourth Presbyterian Church in Chicago where parishioners and healthcare advocates gathered with him to "Sound the Alarm" for the uninsured. More than 100 congregations across the state "sounded the alarm" with horns, bells or Shofars to call attention to the plight of the 1.4 million uninsured people in Illinois, and to urge state legislators to work with the Governor to implement a comprehensive healthcare plan in Illinois.

The cost of healthcare is rising dramatically nationwide, leaving more and more people uninsured, and forcing businesses to drop or significantly cut back coverage. As a result of faster-than-inflation rate increases, the number of uninsured nationally has increased by 6 million since 2000. As more people become uninsured, the cost of providing health services to them puts significant pressure on families, the healthcare system and the state's economy:

- Lack of insurance is the sixth leading cause of death in the U.S.
- Medical-related bankruptcies have jumped 2,200 percent since 1981. The middle class accounts for 90 percent of these cases. And in many of these cases, the families who suffered bankruptcies had health insurance. They just couldn't keep up with the rising costs.
- A FamiliesUSA study found that the health insurance premiums for families here in Illinois increased by \$1059 due to costs incurred by the uninsured. As health insurance premiums increase and employers cut back on coverage, employers who continue offering benefits pay more.
- The HR Policy Association estimates the annual cost of reduced productivity due to uninsured workers in the nation's top 200 largest companies is between \$87 billion and \$126 billion.

Businesses are significantly impacted by skyrocketing healthcare costs. Over the past five years, health insurance premiums for businesses have increased nearly five times faster than inflation and four times faster than wage growth. While surveys show that employees consider health insurance to be the most important benefit and a leading reason to stay with an employer, the cost of health insurance premiums for employers increased nearly 87 percent between 2000 and 2006. In one startling example, General Motors now spends more money on a per-car basis on health insurance than it does on steel.

States across the country, including Pennsylvania, Massachusetts and California are moving forward with, or studying, plans to insure all of their residents. Gov. Blagojevich designed "Illinois Covered" to address the specific and varying needs of Illinois. His plan includes a range of options – from access to new affordable insurance products, to rebates on private insurance for those who currently have health insurance, to direct state assistance – to make sure every Illinoisan has access to health coverage.

Current Market Rates

Average cost today for an Employee and Employer in a Small Business with Employer-Sponsored Health Insurance

	Single Coverage		Family Coverage	
Income Level <i>(example income range for a family of 4)</i>	Average Employee Premium	Average Employer Contribution	Average Employee Premium	Average Employer Contribution
0 – 100% FPL (\$0-19,999)	\$768 / year	\$4,352 / year	\$3,684 / year	\$9,473 / year
100 – 200% FPL (\$20,000-39,999)	\$768	\$4,352	\$3,684	\$9,473
200 – 250% FPL (\$40,000-49,999)	\$768	\$4,352	\$3,684	\$9,473
250 – 300% FPL (\$50,000-\$59,999)	\$768	\$4,352	\$3,684	\$9,473
300 – 400% FPL (\$60,000-\$80,000)	\$768	\$4,352	\$3,684	\$9,473
Over 400% FPL (Over \$80,000)	\$768	\$4,352	\$3,684	\$9,473

Average cost today for an Individual or a Family Buying Health Insurance on the Private Market

	Single Coverage	Family Coverage
Income Level <i>(example income range for a family of 4)</i>	Average Individual Premium	Average Family Premium
0 – 100% FPL (\$0-19,999)	\$6,046	\$15,534
100 – 200% FPL (\$20,000-39,999)	\$6,046	\$15,534
200 – 250% FPL (\$40,000-49,999)	\$6,046	\$15,534
250 – 300% FPL (\$50,000-\$59,999)	\$6,046	\$15,534

300 – 400% FPL (\$60,000-\$80,000)	\$6,046	\$15,534
Over 400% FPL (Over \$80,000)	\$6,046	\$15,534

Illinois Covered *Choice*:

Under Illinois Covered *Choice*, small businesses and individuals whose employers do not offer coverage will have access to new, comprehensive insurance plans with affordable rates. The new product will be offered through private insurance companies, and will provide comprehensive coverage, including inpatient and outpatient care, prescription drugs, and physician visits. By leveraging the size of a statewide pool, the plans will have lower and more stable rates than current plans that are available to individual or small business purchasers.

- Any individual who does not have access to employer-sponsored insurance will be eligible to purchase Illinois Covered *Choice* insurance, irrespective of their health status – nobody can be denied.
- Any small business with 25 or fewer employees that agrees to subsidize at least 70 percent of its employees' premiums may purchase group coverage through Illinois Covered *Choice* at cheaper prices than they currently get for comparable good quality coverage.
- Individuals and families without employer-sponsored coverage will be able to save thousands annually. For example: a family of four currently pays an average of \$15,564 annually for family coverage purchased on the private market. Under Illinois Covered *Choice*, a family of four with an annual income of \$45,000 could get comprehensive family coverage for \$2,250 annually. **That's an annual savings of \$13,314 for a family of four that purchases family coverage through Illinois Covered *Choice*.**
- Small businesses that contribute at least 70 percent of the cost of providing coverage for their employees will also save significantly. For example: a small business providing family coverage now pays an average of \$9,473 annually for the employer contribution, while the employee pays \$3,684 annually. Under Illinois Covered *Choice*, the employer contribution for a family policy would be \$7,200. **That's an annual savings for small businesses of \$2,273 per employee for Illinois Covered *Choice* family coverage.** In addition, that employer's workers would pay significantly less -- \$1,350 for a worker in a family of four with an annual income of \$45,000. **That's an annual savings for a family of four of \$2,334 a year if they work for small businesses that offers Illinois Covered *Choice* family coverage.**

Access to new guaranteed, affordable insurance options

- Illinois Covered *Choice* is a new, affordable insurance product offered by the state to be purchased through employers or by individuals. By creating a single, large group pool that spreads out risk, and provides reinsurance through the state, this product will be more affordable than products currently on the market.
 - **Employers** can buy Illinois Covered *Choice* for their employees , provided they contributed toward the premium. Their employees will get

premium assistance through Illinois Covered *Rebate* to lower the cost even more.

- **Individuals** can purchase Illinois Covered *Choice* at affordable rates that vary by income.

Example: Employer buying Illinois Covered *Choice* and using Illinois Covered *Rebate* for Employees

	Single Coverage		Family Coverage	
Income Level <i>(example income range for a family of 4)</i>	Employee Premium	Average Employer Contribution	Employee Premium	Average Employer Contribution
0 – 100% FPL (\$0-19,999)	\$0 / year	\$3,332 / year	\$0 / year	\$7,200 / year
100 – 200% FPL (\$20,000-39,999)	\$300-588	\$3,332	\$600 - \$1,200	\$7,200
200 – 250% FPL (\$40,000-49,999)	\$588	\$3,332	\$1,200 - \$1,500	\$7,200
250 – 300% FPL (\$50,000-\$59,999)	\$588	\$3,332	\$2,500 - \$2,808	\$7,200
300 – 400% FPL (\$60,000-\$80,000)	\$588	\$3,332	\$2,808	\$7,200
Over 400% FPL (Over \$80,000)	\$588	\$3,332	\$2,808	\$7,200

Example: Individual buying Illinois Covered *Choice*

	Single Coverage	Family Coverage
Income Level <i>(example income range for a family of 4)</i>	Individual Premium	Family Premium
0 – 100% FPL (\$0-19,999)	\$0	\$0
100 – 200% FPL (\$20,000-39,999)	\$500-\$1,000	\$1,000 - \$2,000
200 – 250% FPL (\$40,000-49,999)	\$1,000 - \$1,250	\$2,000 - \$2,500
250 – 300% FPL (\$50,000-\$59,999)	\$1,750 - \$2,100	\$3,500 - \$4,200
300 – 400% FPL (\$60,000-\$80,000)	\$2,100 - \$2,800	\$4,200 - \$5,600
Over 400% FPL (Over \$80,000)	\$3,900	\$10,020

Illinois Covered *Rebate*:

Gov. Blagojevich's Illinois Covered plan recognizes that millions of moderate and middle income individuals in Illinois face a variety of barriers in getting access to affordable insurance. Some don't sign up because they cannot afford the premiums for employer-sponsored coverage; others do sign up, but are paying too much for their employer-sponsored coverage and are not saving for other essentials such as retirement or their children's education; and then others work for employers who do not offer coverage, leaving them with only one option: the very expensive individual non-group market. The Governor's plan includes a rebate program to help them pay for health insurance.

- Illinois Covered *Rebate* can be used for coverage purchased through Illinois Covered *Choice* or for employer-sponsored plans, if the employer contributes at least 70% of the premium for an individual.
- Families earning between 100 percent and 400 percent of the federal poverty level (\$20,000 to \$80,000 for a family of four) will be eligible for discounts on the cost of health insurance they obtain through their employer.
- For those whose employers contribute to their health insurance premiums, Illinois Covered *Rebate* will cap health insurance premiums at a rate that is affordable for the employee, and the state will work with the insurance company to cover the difference between the discounted premium and the actual rate for the employee portion:
 - Annual premiums for families earning between 100 percent and 250 percent of FPL (\$20,000 to \$50,000 for a family of four) will be capped at 1.5 percent of annual income for individual coverage, or 3 percent of annual income for family coverage;
 - Annual premiums for families earning between 250 percent and 400 percent of FPL (\$50,000 to \$80,000 for a family of four) will be capped at 2.5 percent of annual income for individual coverage, or 5 percent of annual income for family coverage.
 - For those buying their own health insurance through Illinois Covered *Choice*, they will also receive a rebate to cap their health insurance premiums at an affordable rate.
 - Annual premiums for a family earning between 100 percent and 250 percent of FPL (\$20,000 to \$50,000 for a family of four) will be capped at 2.5 percent of annual income for individual coverage and 5 percent of income for family coverage;
 - Annual premiums for families earning between 250 percent and 400 percent of FPL (\$50,000 to \$80,000 for a family of four) will be capped at 3.5 percent of annual income for individual coverage or 7 percent of annual income for family coverage.

Help paying insurance premiums for all working families.

- Illinois Covered *Rebate* provides premium assistance to everyone in Illinois who has health insurance through an **employer** or through **Illinois Covered *Choice***.
- Illinois Covered *Rebate* caps health insurance premiums at a rate that is "affordable" for your income, and the state works with the insurance company to cover the difference between the cost of your premiums and your affordable rate.
- **For insurance through your employer:**

- The state will fully cover premiums for families between 0 – 100% of the Federal Poverty Level
- For families between 100 – 250% of the Federal Poverty Level, premiums are capped at 1.5% of income for individual coverage, and 3% of income for family coverage. The state covers the rest.
- For families between 250 – 400% of the Federal Poverty Level, premiums are capped at 2.5% of income for individual coverage, and 5% of income for family coverage. The state covers the rest.
- The state provides no premium assistance to families over 400% of the Federal Poverty Level.

Example: Small Employer with Illinois Covered *Rebate* for Employees (with an employer contribution)

Income Level (example income range for a family of 4)	Single Coverage		Family Coverage	
	Employee Premium Cap	Average Employer Contribution	Employee Premium Cap	Average Employer Contribution
0 – 100% FPL (\$0-19,999)	\$0 / year	\$4,352 / year	\$0 / year	\$9,473 / year
100 – 200% FPL (\$20,000-39,999)	\$300 - \$600	\$4,352	\$600 - \$1,200	\$9,473
200 – 250% FPL (\$40,000-49,999)	\$600 - \$750	\$4,352	\$1,200 - \$1,500	\$9,473
250 – 300% FPL (\$50,000-\$59,999)	\$768	\$4,352	\$2,500 - \$3,000	\$9,473
300 – 400% FPL (\$60,000-\$80,000)	\$768	\$4,352	\$3,000 - \$3,684	\$9,473
Over 400% FPL (Over \$80,000)	\$768	\$4,352	\$3,684	\$9,473

Illinois Covered Assist:

While programs like Medicaid and [FamilyCare](#) provide coverage to many low-income adults, there are 320,000 poor adults in Illinois who do not have access to coverage because they do not have children, or their children are grown and no longer dependent on them. Through Illinois Covered Assist, these adults will be able to get health coverage.

- People living below the poverty level (up to \$10,210 for an individual or \$13,690 for a couple) who do not qualify for Medicaid and do not have access to employer-sponsored coverage will be eligible for free comprehensive coverage through Illinois Covered Assist with low co-pays.
- Those living below the poverty level who do have access to employer-sponsored coverage can have their premiums covered by the state.

FamilyCare Expansion:

The state's [FamilyCare](#) program has enabled more than 500,000 low-income working parents to get health coverage through the state, but thousands more earn just above the current threshold and do not have access to coverage through their employers. Under his "Illinois Covered" plan, the Governor proposes increasing eligibility for FamilyCare to 400 percent of the federal poverty level.

- By expanding FamilyCare eligibility from 185 percent of the federal poverty level to 400 percent FPL, or from \$35,000 for a family of four to \$80,000, close to 150,000 more working parents who are uninsured and do not have access to employer-sponsored insurance would be able to get healthcare.
- Those making up to 400 percent of the federal poverty level who do have access to employer-sponsored insurance will be able to get premium relief through Illinois Covered *Rebate*.

Strengthen Family Coverage:

In order to give parents more flexibility in helping their children maintain health coverage into adulthood, the Governor's Illinois Covered plan will increase the young adult dependent age to 29. Currently, most plans disqualify dependents for family coverage once they reach age 22 or 23.

Improve Quality and Hold Down Costs:

- The State will work with consumers and Illinois healthcare providers on a *Roadmap to Health* strategy to improve the overall healthcare system. A statewide consensus plan will be developed for promoting wellness and managing chronic conditions. Since 70 percent of overall healthcare costs are for chronic diseases, this component is essential for bringing down overall healthcare costs for businesses and consumers alike. The roadmap will also include expansion of existing initiatives and the creation of new initiatives to build and improve overall healthcare capacity.
- Consumers need and deserve more accountability, transparency and better information to make informed choices when addressing their healthcare needs. The State will build upon recent efforts to improve patient safety, promote electronic medical records, improve access to information on quality of care and reduce administrative costs. Everyone will benefit from these improvements.

"Illinois Covered" will be a key component of Gov. Blagojevich's budget plan to be unveiled this week.