



## 2006 Endorsed Health Plan Rates

This newsletter provides details for each IMRF-endorsed medical benefit plan. Where available, 2006 rates, plan changes, and service areas are included. For additional information about any of the endorsed medical benefit programs, or to enroll in the plans, call Doyle Rowe LTD at 1-800-564-7227 or visit their website at [www.doyle Rowe.com](http://www.doyle Rowe.com).

### IMRF-endorsed health plans—Age 65 and over (See page 5 for under age 65 plan)

#### Seniors Choice (Underwritten by PacifiCare)

- Available to retirees and spouses age 65 and over with Medicare A & B residing in all states except Florida.
- This group plan covers most Medicare-approved expenses remaining after Medicare has made payment.
- You have the freedom to choose any doctor or hospital.
- Claims are automatically forwarded to PacifiCare after Medicare has paid the claim.
- The plan includes an optional **Medicare Part D prescription drug benefit**: \$4.00 copay for generic medications and \$44.00 copay for brand name medications (2x the copay for a 90-day supply through the mail order program).
- **Open enrollment period November 1, 2005 through December 31, 2005.**

#### 2006 Monthly Premium Rates

	With Rx*†	Without Rx**
Age 65 – 69	\$195.30	\$148.40
Age 70 – 74	\$239.13	\$192.23
Age 75 – 79	\$264.51	\$217.61
Age 80 – 84	\$291.16	\$244.26
Age 85+	\$328.92	\$282.02

\* These rates include a \$6.00 per month administration fee and a \$46.90 premium for the prescription drug program.

† **You can only add Rx coverage during the open enrollment period.** You may drop the Rx benefit at any time throughout the year.

\*\* These rates include a \$6.00 per month administration fee.

#### Senior Security plans (Underwritten by PacifiCare)

- Also available at reduced rates.
- These plans require use of a JBC network hospital in Illinois, Missouri, or Indiana.
- Please contact Doyle Rowe LTD at 1-800-564-7227 for further information regarding these plans.

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# From the Executive Director

## IMRF: Part of a secure retirement



Louis W. Kosiba  
IMRF Executive Director

I was recently asked to testify before the Illinois General Assembly Task Force on the topic of “Retirement Security.”

In the pension community, a secure retirement was described as a three-legged stool consisting of: (1) Social Security; (2) an employer-provided retirement plan such as IMRF; and, (3) personal savings, including the equity in your home.

More recently, the stool has grown to a four-legged one—the new leg consisting of health insurance (including Medicare).

(This issue of *Fundamentals* focuses on the fourth leg. I hope you and your family have health insurance of your own. If not, please read the information about IMRF-endorsed plans provided in this newsletter. Even if you have health insurance, I would encourage you to review this newsletter in the hope of learning something new.)

I would like to highlight my testimony, which concerned the second leg: an employer-provided retirement plan. I explained to the legislators that IMRF is successful and financially sound. We have nearly \$19 billion in assets and are 94% funded. Several reasons account for our success:

1. IMRF has an independent Board of Trustees. Trustees are elected by employers, active members or retirees. All trustees are, or were, participating members. The trustees have a personal stake in IMRF’s long-term success.
2. IMRF is locally funded. We receive no money from the State of Illinois. Members and employers contribute to IMRF. Employers have the authority to levy taxes to pay their IMRF contributions.
3. Each employer has a separate account with IMRF. Employers fund the retirement benefits for their employees only. No employer can spike pensions and pass retirement costs on to another employer.
4. IMRF sets employer contribution rates consistent with generally accepted accounting principles. Our goal is for all employers to be 100% funded. A 100% funding goal provides greater financial security to you. Also, over the long term, this goal lowers costs to taxpayers by having today’s taxpayers pay for today’s services. Your children or grandchildren will not have to pay for the benefits earned by today’s government workers.
5. Employers have been disciplined in paying their contributions to IMRF. There are more than 2,900 different employers in IMRF. Each year an independent actuarial firm calculates the required employer contribution rate for the following year. Employers have faithfully paid their required contributions. Employers cannot decide on their own to budget less or to pay less to IMRF. Also, employers cannot “borrow” money from their IMRF accounts.
6. Finally, IMRF offers some flexibility that allows employers to customize IMRF for their employees. The best example of this is the Early Retirement Incentive (ERI). Employers can adopt an ERI more than once. The only catch is they have to pay off their ERI costs before offering it again. It’s a good business practice to have. And, it provides greater financial stability for both the employer and IMRF.

As retirees from local government, you can take pride in the services you provided your fellow taxpayers. As a retirement benefit recipient, I hope you take comfort in knowing what makes IMRF unique and what makes us financially strong. ❖

# IMRF-endorsed health plans—Age 65 and over

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## Mercy Health Plan Premier Plus

- Available to retirees and spouses age 65 and over with Medicare Parts A & B residing in Madison, Monroe, St. Clair and Randolph counties in Illinois and St. Louis City, St. Louis County, Franklin, Jefferson, Lincoln, St. Charles, and Warren counties in Missouri.
- An HMO, the plan includes a \$15.00 office visit co-pay, \$20.00 specialist visit co-pay, a \$100.00 per day inpatient hospitalization co-pay (\$500.00 annual maximum), \$200 outpatient surgery co-pay.
- Routine vision, hearing and dental benefits.
- **The plan also includes a Medicare Part D prescription drug plan:** \$15.00 generic co-pay or \$40.00 formulary brand name co-pay, and 20% for Medicare Part B covered drugs. If you choose to use a 90-day supply mail order prescription, the co-pay is \$30.00 for generic and \$80.00 for formulary brand. After an out-of-pocket cost of \$3,600, you pay the greater of \$2.00 for generic or formulary drug (\$5.00 for all other drugs) or 5% coinsurance.

**2006 Monthly Premium Rate                      \$124.00**

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## Humana Private Fee for Service Plan

- Available to retirees and spouses age 65 and older with Medicare Parts A & B nationwide.
- Freedom to choose doctors and hospitals. Choose any provider that accepts Medicare assignment.
- Benefits include: \$10.00 office visit co-pay, including routine and preventive services; \$20.00 specialist visit co-pay; \$25.00-\$50.00 outpatient hospital visit co-pay; \$100.00 per day inpatient hospital co-pay (days 1 - 5).
- **The plan also includes a Medicare Part D prescription drug benefit:** \$5/\$30/\$60/25% co-pay based upon plan formulary classification. After Humana has paid \$2,250 in drug benefits, you are responsible for 100% of your prescription drug costs until you have reached an out-of-pocket cost of \$3,600. After this, you will pay the greater of \$2.00 generic/\$5.00 brand name or 5% coinsurance.
- Please note: the Humana product line has additional options that may work better for your individual situation. Please contact Doyle Rowe LTD if you would like more information about additional plans.

**2006 Monthly Premium Rate                      \$86.00**

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## United Healthcare Medicare Complete

- Available to retirees and spouses age 65 and older with Medicare A & B residing in Monroe, Madison and St. Clair counties in Illinois and St. Louis City, St. Louis County, St. Charles, Jefferson, Warren, Franklin, Crawford, and Springfield counties in Missouri.
- An HMO, the plan includes a \$5.00 office visit co-pay for primary care (\$20.00 copay for specialists), a \$10.00 co-pay for outpatient lab and X-rays, a 20% co-pay for outpatient surgery and other procedures, a \$265.00 per day inpatient co-pay and a \$4,000 annual out-of-pocket maximum.
- **The plan also includes a Medicare Part D prescription drug benefit:** \$3.00 generic co-pay, \$28.00 preferred brand name co-pay, and a \$58.00 non-preferred brand name co-pay (25% specialty drug copay). This cost sharing applies to drug costs up to \$2,250. You must pay 100% of your drug costs from \$2,250 to \$3,600. After you have paid \$3,600, you pay the greater of \$2.00 for generic and \$5.00 for brand name or 5% coinsurance.

**2006 Monthly Premium Rate                      \$0.00  
(No monthly premium)**

# IMRF-endorsed health plans—Age 65 and over

## Blue Cross and Blue Shield of Illinois Plan F\*

- Available to Illinois residents age 65 and older with Medicare A & B.
  - Traditional Medicare supplement that covers Part A & B deductibles and coinsurance amounts for Medicare approved expenses.
  - Freedom to choose doctors and hospitals. Med-Select option requires that participating hospitals are used for non-emergency inpatient hospitalizations.
  - **The following rates are the 2005 monthly premium rates** (2006 rates were not available at press time; they are expected to increase by 5%). **Current members will be notified of 2006 rates prior to January 1.**
  - Those interested in the program can access the 2006 rates in early December by visiting [www.doyle Rowe.com](http://www.doyle Rowe.com) or calling 1-800-564-7227.
- \*Plans A, C, D, and E are also available.

### 2005 Monthly Premium Rates

	Cook, DuPage, Kane, Lake, McHenry & Will Counties Standard/Med-Select	All Other Counties Standard/Med-Select
Age 65 – 66	\$129.00/\$109.00	\$112.00/\$97.00
Age 67 – 69	\$150.00/\$132.00	\$131.00/\$114.00
Age 70 – 74	\$177.00/\$145.00	\$151.00/\$125.00
Age 75 – 79	\$204.00/\$158.00	\$175.00/\$135.00
Age 80+	\$216.00/\$161.00	\$185.00/\$137.00

## Blue Cross and Blue Shield of Texas Plan F\*

- Available to Texas residents age 65 and older with Medicare A & B.
  - Traditional Medicare supplement that covers Part A & B deductibles and coinsurance amounts for Medicare approved expenses.
  - Freedom to choose doctors and hospitals.
  - **The following rates are the 2005 monthly premium rates** (2006 rates were not available at press time; those interested in the program can access the 2006 rates in early December by visiting [www.doyle Rowe.com](http://www.doyle Rowe.com) or calling 1-800-564-7227.)
- \*Plans A & D also available

Rates are determined by residential zip code area:  
*The three-digit numbers are the first three digits of the zip code.*

**Area 1:** 754-759; 765-769; 778-792; 798-799; 885  
**Area 2:** 750-753; 760-762; 764; 777-779; 793-797  
**Area 3:** 770-775; those who move out of state

### 2005 Monthly Premium Rates

	Area 1	Area 2	Area 3
Age 65 – 66	\$125.00	\$137.00	\$153.00
Age 67 – 69	\$143.00	\$158.00	\$174.00
Age 70 – 74	\$168.00	\$185.00	\$204.00
Age 75 – 79	\$189.00	\$210.00	\$230.00
Age 80 – 84	\$213.00	\$236.00	\$261.00
Age 85+	\$231.00	\$255.00	\$282.00

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## Health Alliance

- Available to retirees and spouses age 65 and over with Medicare Parts A & B residing in Champaign, Ford, Douglas, Piatt, McLean, Moultrie, Woodford, Vermillion and DeWitt counties in Illinois.
- An HMO, the plan includes a \$20.00 office visit co-pay, \$0 copay for preventative services, and \$100.00 per day inpatient hospital co-pay (\$500.00 annual maximum).
- The plan also includes a **Medicare Part D prescription drug benefit** (you must use an in-network pharmacy). Copays are: \$8.00 for

Tier 1 drugs; \$35.00 for Tier 2 drugs; \$58.00 for Tier 3 drugs. Copays for a 90 day supply through mail order are \$22.00 for Tier 1; \$96.25 for Tier 2; \$159.50 for Tier 3.

- Once your total yearly drug costs reach \$2,250, you pay 100% until you reach an out-of-pocket cost of \$3,600. You then pay the greater of \$2.00 for Tier 1 or 2 drugs and \$5.00 for all other drugs or 5% coinsurance.

**2006 Monthly Premium Rate**

**\$120.63**

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## IMRF-endorsed health plan—Under age 65

### Blue Cross and Blue Shield of Illinois Comprehensive Major Medical

- Available to retirees and/or their family members under age 65 residing in Illinois.
- Various deductibles and plan design options are available.
- Plans are individually rated based on your location, sex, age, and smoking status as well as plan design.

- Keep in mind, you may be able to continue your employer-provided coverage until age 65 at your own cost. Check with your employer for additional details.

**Note:** Medical underwriting is required and, if approved, you are subject to a pre-existing condition waiting period.

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## Sav-Rx prescription discount card

The IMRF-endorsed Sav-Rx Advantage Prescription Drug Discount Card Program continues to be available nationwide to all IMRF retirees, spouses, and dependent children under age 23.

- The Sav-Rx Program is not a co-pay prescription program; however, it entitles you and your eligible family members to discounts on most prescription medications at more than 50,000 member pharmacies, including Osco and most chain stores (Wal-Mart does not accept the card).
- The program is easy to use—simply present your Sav-Rx card to your participating pharmacist when you fill your prescription. Discounts average 15% to 40% depending upon your medication.
- You may also use the Sav-Rx mail order program to obtain even deeper discounts on a

90-day maintenance supply of your medications.

- The cost of the Sav-Rx Advantage Card is 80¢ per household per month. (\$9.60 per year.)
- While the Sav-Rx card is not a Medicare Part D plan, and you cannot use the Sav-Rx card at the same time you receive discounts from a Medicare Part D plan, you may use it during any 'gap in coverage' period when you are responsible for 100% of your drug costs.
- For more information or to enroll in the program, contact Doyle Rowe LTD at 1-800-564-7227. ❖



# Helping you understand Medicare Part D

By now you have probably received numerous mailings from various Medicare Part D prescription drug coverage plans.

Reviewing all of the information about these new plans can be overwhelming, and it is important for you to take advantage of resources available to help you with this decision. Some of the agencies available to help you are listed below.

For the endorsed HMO plans on page three of this newsletter, the Medicare Part D prescription drug plan is integrated into the health insurance plan. Listed below are the 2006 plan details of three **stand-alone** Medicare Part D prescription drug

coverage plans, affiliated with the Blue Cross Blue Shield of Illinois health plans the IMRF Board of Trustees has endorsed. These plans are available only to retirees with an Illinois address.

These stand-alone plans are independent of medical coverage plans; for example, you could belong to an endorsed PacifiCare medical plan and join one of the Blue Cross Blue Shield plans listed below for your prescription drug coverage, if that were to be the best choice for you.

If you have additional questions about the details of these plans, call Doyle Rowe LTD at 1-800-564-7227 or visit their website at [www.doyle Rowe.com](http://www.doyle Rowe.com). ❖

## Blue Cross Blue Shield of Illinois Medicare Part D prescription drug coverage plans

	Value Plan	Plus Plan	Standard Plan
Deductible	\$0	\$0	\$250
Generic co-pay	\$5.00	\$3.00	25%
Preferred brand co-pay	\$40.00	\$20.00	25%
Brand name co-pay	\$59.00	\$50.00	25%
Mail order	2x the co-pay	2x the co-pay	25%
Monthly premium	\$27.77	\$45.35	\$27.56

The fees above apply until you reach \$2,250 in annual drug costs. After your annual drug costs exceed \$2,250, **all three plans** require you to pay 100% of your drug costs until your out-of-pocket drug costs exceed \$3,600. Once your out-of-pocket drug costs exceed \$3,600, you pay the greater of a \$2.00 copayment for generic (\$5.00 for preferred brand or brand name) or 5% coinsurance.

## Who can you call for help with Medicare Part D?

Medicare: **1-800-MEDICARE** (1-800-633-4227)  
[www.medicare.gov](http://www.medicare.gov)

Social Security: **1-800-772-1213**  
[www.ssa.gov](http://www.ssa.gov)

Illinois Senior Health Insurance Program (SHIP):  
**1-800-548-9034**

Illinois Dept. on Aging Senior Help Line:  
**1-800-252-8966**

### Doyle Rowe, LTD

Doyle Rowe, LTD is IMRF's endorsed health plan administrator. Doyle Rowe has benefits counselors available to discuss the details of the IMRF-endorsed plans as well as the new Medicare Part D prescription coverage plans.

You can call **1-800-564-7227** or visit [www.doyle Rowe.com](http://www.doyle Rowe.com).

# Looking for dental insurance?

The IMRF Board of Trustees has endorsed a dental insurance plan for IMRF retirees through Delta Dental of Illinois.

This plan is administered by Doyle Rowe LTD, IMRF's endorsed plan administrator. The plan's network is nationwide—you do not have to reside in Illinois to take advantage of this plan.

Coverage includes preventative, basic, and major dental services for single, couple, and family plans. You will generally see the most significant savings if you go to a DeltaPreferred Option network dentist

(more than 66,000 offices nationwide participate).

You may also enjoy savings if you see a DeltaPremier dentist. Both DeltaPreferred and DeltaPremier dentists will file claims forms for you.

If you go to an out-of-network dentist, you will still be covered, but may have to pay more as these dentists have not agreed to reduced fees. You may also need to file your own claim.

Call 1-800-564-7227 or visit [www.doyle Rowe.com](http://www.doyle Rowe.com) for more information. ❖

## Benefit level A

### Diagnostic

- Routine Exams twice a year
- Bitewing X-rays twice a year
- Full-mouth X-rays every three years

### Preventive

- Cleanings twice a year
- Fluoride treatments for children once a year
- Space maintainers

## Benefit level B

### Minor Restorative

- Amalgam and resin fillings
- Sealants

### Non-surgical Periodontics

- Treatment of gum disease

### Endodontics

- Root canals and pulpal therapy

## Benefit level B, continued.

### Oral Surgery

- Extractions and other oral surgery (including pre-and post-operative care)

## Benefit level C

### Major Restorative

- Cast restorations: crowns, onlays, and other ceramic restorations to permanent teeth

### Surgical Periodontics

### Prosthodontics

- Bridges, partial dentures, and complete dentures

### 2006 Premiums:

Individual	\$24.81
Individual + Spouse	\$49.63
Family	\$77.31

## Coverage Levels

Benefit level	DeltaPreferred Option PPO Dentist	DeltaPremier Dentist	Out-of-Network Dentist
A	100% of discounted fees	100% of discounted fees	100% of discounted fees
B	50% of discounted fees	50% of discounted fees	50% of discounted fees
C	25% of discounted fees	25% of discounted fees	25% of discounted fees

There is no waiting period for any of the coverage levels.

IMRF-endorsed long-term care insurance from Prudential

# Have you thought about long-term care insurance?

The potential need for assisted living or nursing facility care can be difficult to address. However, an important part of retirement planning includes preparing for this possibility.

The IMRF Board of Trustees recognizes the importance that long-term care insurance may have for our retired members, and has endorsed the Prudential long-term care insurance plan offered through our insurance consultant, Doyle Rowe LTD.

## Long-term care coverage benefits

Long-term care coverage provides important benefits that are not available through medical insurance plans.

As people live longer, the probability increases that they will need home care or the services of an assisted living or nursing facility.

This endorsed plan provides IMRF retirees, their spouses and their extended family members (e.g., parents) the opportunity to apply for a quality long-term care plan at discounted group rates.

The group plan offered to IMRF participants has a menu of choices so that it can be tailored to the individual member's situation.

## For more information

For detailed information about the Prudential long-term care plan, please contact the Doyle Rowe LTD Enrollment Hotline at 1-800-564-7227.


Additional information about long-term care insurance costs, as well as factors to consider to help determine if long-term care insurance is right for you, can also be found at [www.doyle Rowe.com](http://www.doyle Rowe.com). ♦

## Fundamentals

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