



Illinois Municipal Retirement Fund

Suite 500 2211 York Road Oak Brook, IL 60523-2337

Service Representatives 1-800-ASK-IMRF

www.imrf.org

GENERAL MEMORANDUM

Number: 501

Date: March 3, 2003

To: All Authorized Agents

Subject: Health Insurance Continuation

House Bill 3406 (Public Act 86-1444) was passed by the Illinois General Assembly on November 29, 1990. It required IMRF employers that offer health insurance to their active employees to offer the same health insurance to disabled members, retirees, and surviving spouses. This Memorandum supercedes General Memorandum 349. Please consider the original Memorandum repealed in its entirety.

Attached is a statement from the State of Illinois Department of Insurance, which includes a partial interpretation of this law.

Effective immediately, all inquiries concerning the interpretation and enforcement of Public Act 86-1444 should be directed to:

Illinois Department of Insurance
320 West Washington Street
Springfield, Illinois 62767
217/782-4515 or 866/445-5364 (Toll Free)

IMPORTANT!

The current phone number to call
for health insurance continuation is
(877) 527-9431.

added 20 June 2014

Sincerely,

Louis W. Kosiba
Executive Director

Enclosure



STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
320 WEST WASHINGTON STREET
SPRINGFIELD, ILLINOIS 62767-0001

ROD R. BLAGOJEVICH
GOVERNOR

ARNOLD DUTCHER
ACTING DIRECTOR

State of Illinois Municipal Continuation
215 ILCS 5/367j
February 18, 2003

Pursuant to 215 ILCS 5/367j all municipal employers must offer continuation to the employee who leaves employment due to disability or retirement as defined by the Illinois Pension Code. 215 ILCS 5/367j states this continuation shall continue until the end of the disability and retirement period. Therefore, coverage cannot be terminated when the retiree or disabled employee becomes Medicare eligible. The municipality may provide a reduced benefit plan for those Medicare eligible, but cannot terminate their coverage. The municipality is not responsible for paying any premium for this coverage unless negotiated through a collective bargaining agreement.

There also appears to be a misunderstanding concerning benefits for individuals who have End Stage Renal Disease (ESRD). There is a Federal ESRD program involving Medicare benefits. During the first 30 months, Medicare is secondary to the Group Health Plan (GHP). This includes retirement plans. The Social Security Act establishes that a GHP or retirement plan may not take into account that an individual is entitled to or eligible for Medicare benefits and may not differentiate in the benefits it provides between individuals having ESRD, the need for renal dialysis, or in any other manner. The Medicare Secondary Payor law also requires that entities responsible for Group Health Plans must repay Medicare when Medicare makes primary payment for services for which the GHP is the proper primary payer.

We hope this information will assist the municipalities in understanding the law. We know there will be many questions concerning this notice. Please feel free to contact the Illinois Department of Insurance for assistance.

Illinois Department of Insurance
Consumer Service Division
320 West Washington St.
Springfield, IL 62767
217-782-4515
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