



**ILLINOIS DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
and
ILLINOIS DEPARTMENT OF VETERANS' AFFAIRS**

**VETERANS HEALTH INSURANCE PROGRAM ACT OF 2008
330 ILCS 126/**

2012 ANNUAL REPORT



MESSAGE FROM THE DIRECTORS

To the Honorable Patrick Quinn, Governor and
Members of the General Assembly

We are pleased to present you with the 2012 Veterans Care Health Insurance Program Act of 2008 Annual Report as required in the *Veterans' Health Insurance Program Act of 2008* [330 ILCS 126/].

Healthcare and Family Services (HFS) and the Department of Veterans' Affairs (DVA) have worked together closely to implement the *Veterans' Health Insurance Program Act of 2008*. This report describes the program operations, enrollment numbers, outreach activities and progress on the program expansion as required in the 2009 revised statute.

DVA and HFS share the responsibilities for program implementation. DVA assumes primary responsibility for educating and informing Illinois Veterans about this program and other benefits available to Illinois Veterans. HFS assumes the responsibility for assessing eligibility and processing applications to assure that eligible Veterans receive needed healthcare coverage.

We are honored to be a part of providing healthcare benefits to the most deserving among us, our Illinois Veterans.

Sincerely,

A handwritten signature in blue ink that reads "Julie Hamos" with a stylized flourish at the end.

Julie Hamos
Director, Healthcare and Family Services

A handwritten signature in black ink that reads "Erica Borggren" with a long horizontal line extending to the right.

Erica Borggren
Director, Department of Veterans' Affairs

**ILLINOIS DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
and
ILLINOIS DEPARTMENT OF VETERANS' AFFAIRS**

**VETERANS HEALTH INSURANCE PROGRAM ACT of 2008
[330 ILCS 126/
2012 ANNUAL REPORT**

OVERVIEW

The United States Department of Veterans Affairs (USDVA) delivers healthcare to many US Veterans through the Veterans Administration (VA) hospitals and clinics. However, in 2003 the federal budget eliminated healthcare funding for Veterans whose income exceeded a specified threshold (about \$26,000 annually). The Illinois Veterans Care Health Insurance Program Act [330 ILCS 125], signed into law on May 28, 2006, was developed to serve this group of Illinois Veterans and others who were denied federal healthcare benefits despite their military service. Generally referred to as Veterans Care, the program provided comprehensive health coverage to eligible Veterans. The original statute authorizing the Veterans Care program sunsetted on December 31, 2007.

To assure that Illinois Veterans continued to receive healthcare benefits, the General Assembly passed and the Governor signed the Veterans Health Insurance Program Act of 2008 (330 ILCS 126/). This program includes the same eligibility criteria and provides the same comprehensive healthcare benefits as the earlier program. In the summer of 2009, Governor Pat Quinn recommended statutory changes that expanded eligibility criteria for Veterans and included Veterans' spouses in the healthcare coverage. This expansion is more thoroughly explained in the section of this report entitled "Pending Veterans Care Program Expansion".

Section 45 of Illinois *Veterans' Health Insurance Program Act of 2008* requires the Department of Healthcare and Family Services (HFS) to submit an annual report to the General Assembly.

Sec. 45. Reporting. (a) The Department shall prepare an annual report for submission to the General Assembly. The report shall be due to the General Assembly by January 1 of each year beginning in 2009. This report shall include information regarding implementation of the Program, including the number of Veterans enrolled and any available information regarding other benefits derived from the Program, including screening for and acquisition of other Veterans' benefits through the Veterans' Service Officers and the Veterans' Assistance Commissions. This report may also include recommendations regarding improvements that may be made to the Program and regarding the extension of the repeal date set forth in Section 85 of this Act. (Source: P.A. 95-0755, eff. 7-25-08).

This report covers Veterans Care Program operations through November 30, 2012

PROGRAM OPERATION

The statute establishing Veterans Care designates the Department of Healthcare and Family Services (HFS) to administer the program in collaboration with the Department of Veterans Affairs (DVA). HFS uses the same powers and authority to administer the program as are used in the administration of programs under the *Illinois Public Aid Code*.

Program responsibilities are divided between the two departments. DVA has primary responsibility for program outreach and education to Veterans about the program. Funding for program expenditures has been appropriated to DVA from the Illinois Veterans Assistance Fund. HFS has responsibility for application processing, eligibility determination, covered benefits, provider network, claims processing and case maintenance.

HFS developed a Veterans Care web site providing eligibility criteria and outreach information, www.illinoisVeteranscare.com. On August 1, 2008, HFS updated the web site to allow Veterans to download an application to complete and send it to HFS for processing. The number of applications received increased due to the availability of the application online.

ELIGIBILITY

The statute for this Annual Report period defines a Veteran as someone who has served in a branch of the United States military for more than 180 consecutive days after initial training. The statute further specifies that Veterans who are eligible for Veterans Care benefits shall:

- Not have a dishonorable discharge
- Be a resident of Illinois
- Be at least 19 years old – and no older than 64
- Be uninsured as defined by administrative rule for at least six months
- Be ineligible for other state medical assistance programs
- Have income within the established income threshold

The statute bases Veterans Care income eligibility on the Geographic Means Test (GMT), a nationally developed tool that assesses the general cost of living based on housing costs on an area-specific basis. The GMT varies by county in Illinois. Effective January 2003, the federal Veterans Administration denied benefits to Veterans whose income exceeded the GMT, plus 10 % unless the Veterans qualified for benefits for other reasons such as having service related disabilities or having been exposed to toxic substances during military service, etc.

Per the statute, the Illinois Veterans Care income threshold is set at the GMT plus 50 percent of the federal poverty level. The poverty level for 2012 for a one-person household is \$11,170 per year. Like the federal program, HFS does not count assets when deciding whether a Veteran is income eligible.

Veterans are not eligible for Veterans Care if they are residents of nursing facilities or incarcerated. Veterans are also not eligible if they fail to pay premiums in a timely manner.

The law requires the Veteran to be without insurance for at least six months prior to applying to protect against individuals dropping private or employer-sponsored coverage to qualify for Veterans Care. Specific situations exempt Veterans from the six-month stipulation to be without insurance:

- Loss of insurance because of loss of job or spouse's loss of job
- Lifetime insurance maximum benefit reached
- Insurance coverage purchased under COBRA
- Insurance coverage provided by another HFS medical program
- Unable to access spouse's insurance
- Insurance obtained from TRICARE

Rules to allow the spouse of a Veteran to participate have been submitted to the Illinois legislature's Joint Committee on Administrative Rules and are pending Second Notice. These rules will allow the spouse to participate if the Veteran is participating by paying an additional premium. The rules would also reduce the monthly premium to \$20 for the Veteran or \$40 for the Veteran and spouse.

APPLICATION PROCESS

Veterans may apply for the program by downloading an application from the Veterans Care web site at www.illinoisVeteranscare.com or by visiting one of the DVA local offices found throughout Illinois. A list of the DVA offices can be found on the web site. At the local offices a Veterans Service Officer will assist the Veteran in completing the application.

Veterans who download the application, as well as the Veterans Services Officers who may assist the Veteran in completing the application, send the completed application to HFS. HFS processing staff registers the application in the eligibility data system. This enables HFS to confirm that the Veteran is not already enrolled in another medical benefits program.

HFS eligibility staff reviews the Veterans Care applications to determine whether the Veteran may be eligible for other medical programs. In these situations, HFS staff contact the Veteran to explain potential eligibility for the other program and how to apply.

If the Veteran is not already enrolled in another medical assistance program, HFS staff review the application to determine if all the necessary information has been submitted. If more information is needed, the HFS caseworker will contact the Veteran. Once all the necessary information is included, the HFS caseworker will determine eligibility. HFS sends qualifying Veterans a notice of approval explaining when benefits may begin. Veterans may receive retroactive coverage for medical expenses incurred up to three months prior to the date of application, provided they pay a premium for those months.

Veterans lose eligibility if they become eligible for federal VA health benefits, fail to pay premiums timely, enter a nursing home, turn 65, become incarcerated or move out of Illinois.

HFS denies eligibility for Veterans Care if the application fails to meet any of the eligibility criteria. These reasons may include not meeting the military service criteria, income exceeding the threshold, or failing to provide essential information timely. HFS sends a notice stating the denial reason and an explanation of appeal rights as established in the rule to each Veteran whose application is denied.

See Attachment 1 for details on enrollment, cancellations and denials.

HEALTHCARE BENEFITS

Upon enrollment in Veterans Care, Veterans are covered for services delivered by providers enrolled with HFS's medical programs. Covered medical services include doctor and clinic visits, hospital and outpatient care, lab tests, radiology services, prescription drugs, physical, occupational and speech therapies, mental health and substance abuse services, limited dental services, and emergency medical transportation.

Nursing facility services and non-emergency medical transportation are not covered services for Veterans Care.

COST SHARING

Co-Payments

Veterans Care enrollees are charged co-payments for services as follows.

- Doctor Visit \$ 15
- Dentist Visit \$ 15
- Inpatient Hospital Stay \$150
- Outpatient Hospital Visit 10% of HFS rate
- Emergency Room Visit \$ 50
- Generic Prescription \$ 6
- Brand Name Prescription \$ 14

Premiums

HFS bills Veterans Care enrollees monthly for their premium payments.

Eligible Veterans whose income falls at or below the Geographic Means Test (GMT) plus 25 percent FPL pay premiums of \$40 per month. Veterans whose income falls above the GMT plus 25 percent FPL but at or below the GMT plus 50 percent FPL pay premiums of \$70 per month.

Attachment 2 lists the county thresholds for several Illinois counties for each of these premium levels. The chart showing the income thresholds for all Illinois counties is located on the Veterans Care web site at www.illinoisVeteranscare.com.

Veterans must pay their premiums by the end of the month to receive services for the subsequent month. HFS cancels the eligibility of Veterans who do not pay their premiums timely. They may re-apply after a three-month waiting period but must pay past due premium amounts before they may reenroll.

OUTREACH

As part of their job duties, the 72 geographically disbursed Veterans Services Officers (VSOs) from the Illinois Department of Veterans' Affairs build awareness about the Veterans' Care program. When the VSOs meet with Veterans they ask specifically about access to health insurance. The VSOs (and other agency staff) also distribute materials about the program at events throughout the state and host open houses for Veterans interested in state benefits. Posters and materials about the Veterans' Care program are distributed to all Veteran organizations throughout the state as well as social service agencies which serve the Veteran population. The program is also included in public engagement by the Director and other staff (letters to the editors, always mentioned in interviews, statewide events and press releases) statewide.

The HFS outreach unit included information about Veteran's Care as part of the Keeping Illinois Healthy Training Tour which is conducted annually. Outreach representatives spoke at 11 locations throughout the state to community-based organizations and healthcare providers.

Veteran's Care was also featured at the Illinois and DuQuoin State Fairs, as well as many county fairs around the state.

VETERANS CARE PROGRAM EXPANSION

Over the past few years, Veterans have made recommendations to add eligibility for spouses, decrease the premium amount, and change other eligibility requirements to allow Veterans who are unable to receive healthcare from US Department of Veterans Affairs to receive help from the Illinois Veterans Care program. The General Assembly and the Governor responded to these recommendations by enacting Public Act 096-0045 in July 2009. This expansion: 1) allows enrollment of an eligible Veteran's spouse; (2) changes in the eligibility requirement for the number of days of service to 180 days (formerly 180 *consecutive* days of service); (3) reduces the monthly premium to \$20.00 for each person enrolled (previously \$40 or \$70 based on income); and (4) reduces the period of time Veterans have to be uninsured from six months to three months.

HFS adopted revised rules (89 Il Admin Code 128.100) on 11/26/12 that include the statutory changes. Additionally, the Department is revising program forms, working with the Department of Human Services to adjust the eligibility-processing systems to accommodate the program revisions, and assisting DVA in the development of new outreach materials to ensure that Illinois Veterans are made aware of the eligibility expansion.

Attachment 1

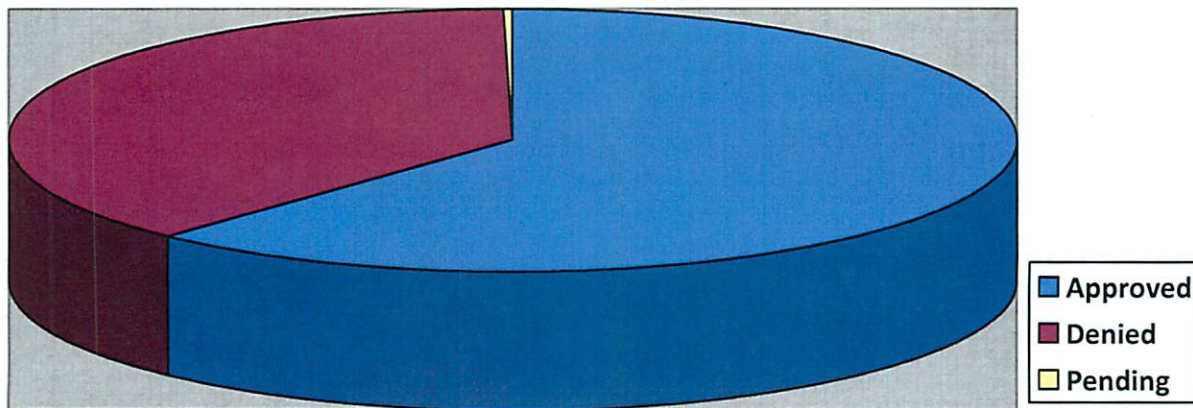
Veterans Care Enrollment as of November 30, 2012

Enrollment Summary		
Applications	#	%
Total	1540	100%
Pending determination	4	.26%
Denied	583	37.86%
Total Approved*	953	61.88%
Approved – still active	179	11.62%

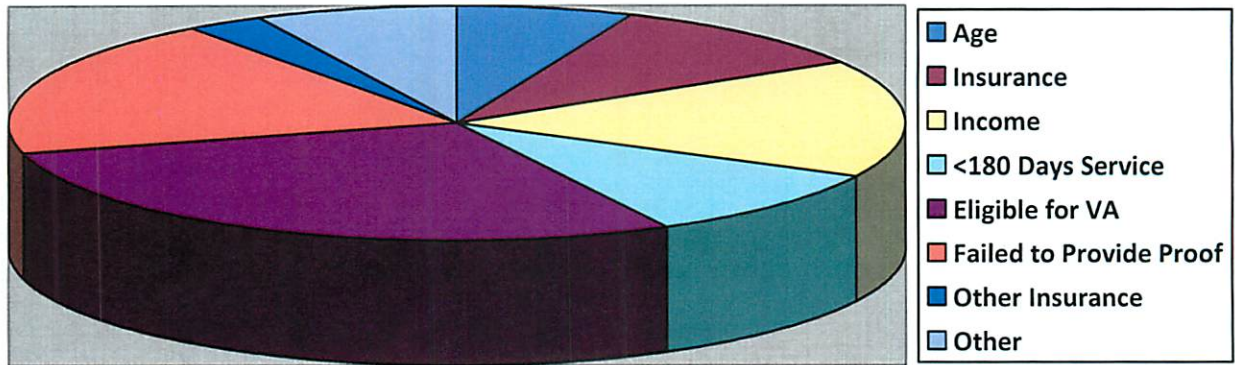
Applications Denied and Cases Canceled by Reason as of November 30, 2012				
Reason	# Denied	% Denials	# Cancelled	% Cancellations
Age	38	6.52%	33	4.26%
Has Insurance	57	9.78%	50	6.46%
Not Illinois resident	0	0%	9	1.16%
Over income	95	16.30%	25	3.23%
Fewer than 180 days military service	56	9.61%	N/A	N/A
Eligible for federal VA benefits	167	28.64%	100	12.92%
Failed to provide required documents	111	19.04%	48	6.20%
Dishonorable discharge	0	0%	N/A	N/A
Enrolled in another state medical program	17	2.92%	N/A	N/A
Failed to pay monthly premium	N/A	N/A	441	56.98%
Other	42	7.20%	68	8.79%
Total	583	100%	774	100%

*The number approved since program start-up on 9/1/06 through 11/30/12

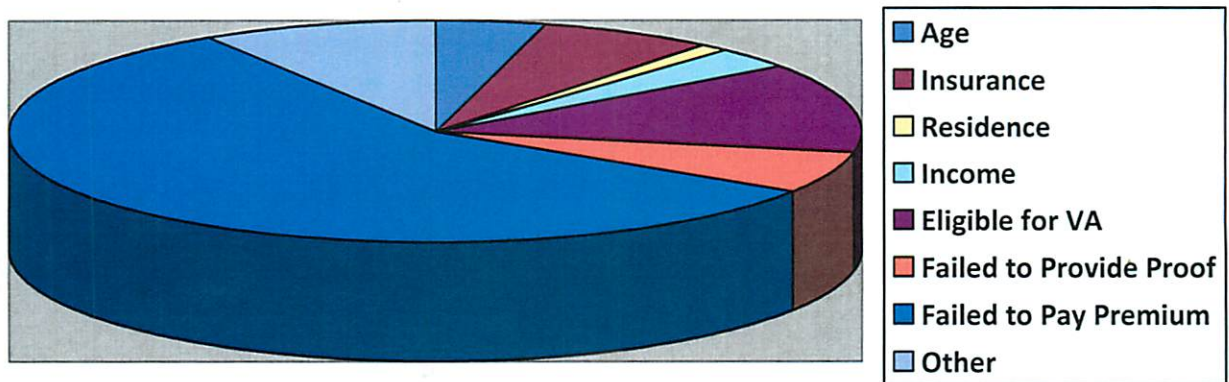
Veterans Care Applications by Disposition – 9/1/06 to 11/30/12



Veterans Care Denials by Reason - 9/1/06 to 11/30/12



Veterans Care Cancellations by Disposition - 9/1/06 to 11/30/12



Veterans Care Income for Selected Counties
2012

Geographic Means Test Plus Twenty-Five and Fifty Percent of the Federal Poverty Level Income Family Size 1 and 4

County	Family size = 1 100% FPL = \$931/mo					Family size = 4 100% FPL = \$1,921/mo				
	GMT	GMT + 25% FPL		GMT + 50% FPL		GMT	GMT + 25% FPL		GMT + 50% FPL	
		Monthly Income	Income limit as % FPL	Monthly Income	Income limit as % FPL		Monthly Income	Income limit as % FPL	Monthly Income	Income limit as % FPL
Bureau	\$2,970	\$3,203	344%	\$3,435	369%	\$4,240	\$4,720	246%	\$5,200	271%
Coles	\$2,938	\$3,171	341%	\$3,403	366%	\$4,194	\$4,674	243%	\$5,154	268%
Cook	\$3,841	\$4,074	438%	\$4,306	463%	\$5,486	\$5,966	311%	\$6,447	336%
DuPage	\$3,841	\$4,074	438%	\$4,306	463%	\$5,486	\$5,966	311%	\$6,447	336%
Knox	\$2,910	\$3,143	338%	\$3,376	363%	\$4,153	\$4,633	241%	\$5,113	266%
Pulaski	\$2,910	\$3,143	338%	\$3,376	363%	\$4,153	\$4,633	241%	\$5,113	266%
Rock Island	\$3,295	\$3,528	379%	\$3,761	404%	\$4,703	\$5,183	270%	\$5,663	295%
Sangamon	\$3,552	\$3,785	407%	\$4,018	432%	\$5,069	\$5,549	289%	\$6,030	314%
St Clair	\$3,570	\$3,803	409%	\$4,036	434%	\$5,097	\$5,577	290%	\$6,057	315%
Will	\$3,841	\$4,074	438%	\$4,306	463%	\$5,486	\$5,966	311%	\$6,447	336%
Williamson	\$2,910	\$3,143	338%	\$3,376	363%	\$4,153	\$4,633	241%	\$5,113	266%
Winnebago	\$3,254	\$3,487	375%	\$3,720	400%	\$4,648	\$5,128	267%	\$5,608	292%
Average FPL			366%		391%			261%		286%
Highest			438%		463%			369%		369%
Lowest			338%		363%			241%		266%