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State Announces Selection of Managed Care Plans for FY12

Award estimated to save taxpayers \$1 billion over 10 years

SPRINGFIELD – April 5, 2011. The Illinois Department of Healthcare and Family Services (HFS) today announced that it has selected four managed care organizations to provide benefits to state employees, dependents and retirees starting July 1. The plans will also provide care to members of the Local Government Health Plan, the Teachers' Retirement Insurance Program and College Insurance Program. State officials estimate that the award of these four contracts will result in a savings of approximately \$102 million in FY12, and a savings in excess of \$1 billion over the life of the contracts.

"Providing high quality health care is our highest priority. Through these plans, we are also able to realize significant savings for taxpayers and improve our state's fiscal health," said HFS Director Julie Hamos. "At the end of a thorough evaluation of the bids we received, we are confident that the managed care plans selected will provide the quality health care that members of the state group insurance system expect to receive as well as significant savings."

The selected managed care plans will replace the incumbent plans, whose contracts expire June 30, 2011. Members of the State's four group insurance programs will have the option to select a health plan that meets their needs during the annual Benefit Choice period in May.

As a result of a competitive Request for Proposal (RFP) process, the State gave notice that it intends to award the contracts for administering HMO services to two plans that are part of BlueCross BlueShield (BCBS): BCBS HMO Illinois and BCBS Blue Advantage. A separate RFP for Open Access Plan (OAP) services led to the selection of HealthLink OAP and PersonalCare OAP.

Five proposals were received and evaluated for HMO services, with the two BlueCross BlueShield proposals receiving the highest scores based on a combination of technical responsiveness and price. For the OAP service, four proposals were received and scored, with HealthLink OAP and PersonalCare OAP receiving the highest scores based upon a combination of technical responsiveness and price.

Letters will be sent to members later this month which outline the steps they must take if they are enrolled in one of the incumbent plans that is being replaced. Additionally, information regarding all of these changes will be included in the Benefit Choice Options book available on the Benefits web site: www.benefitschoice.il.gov, beginning May 1, 2011.

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