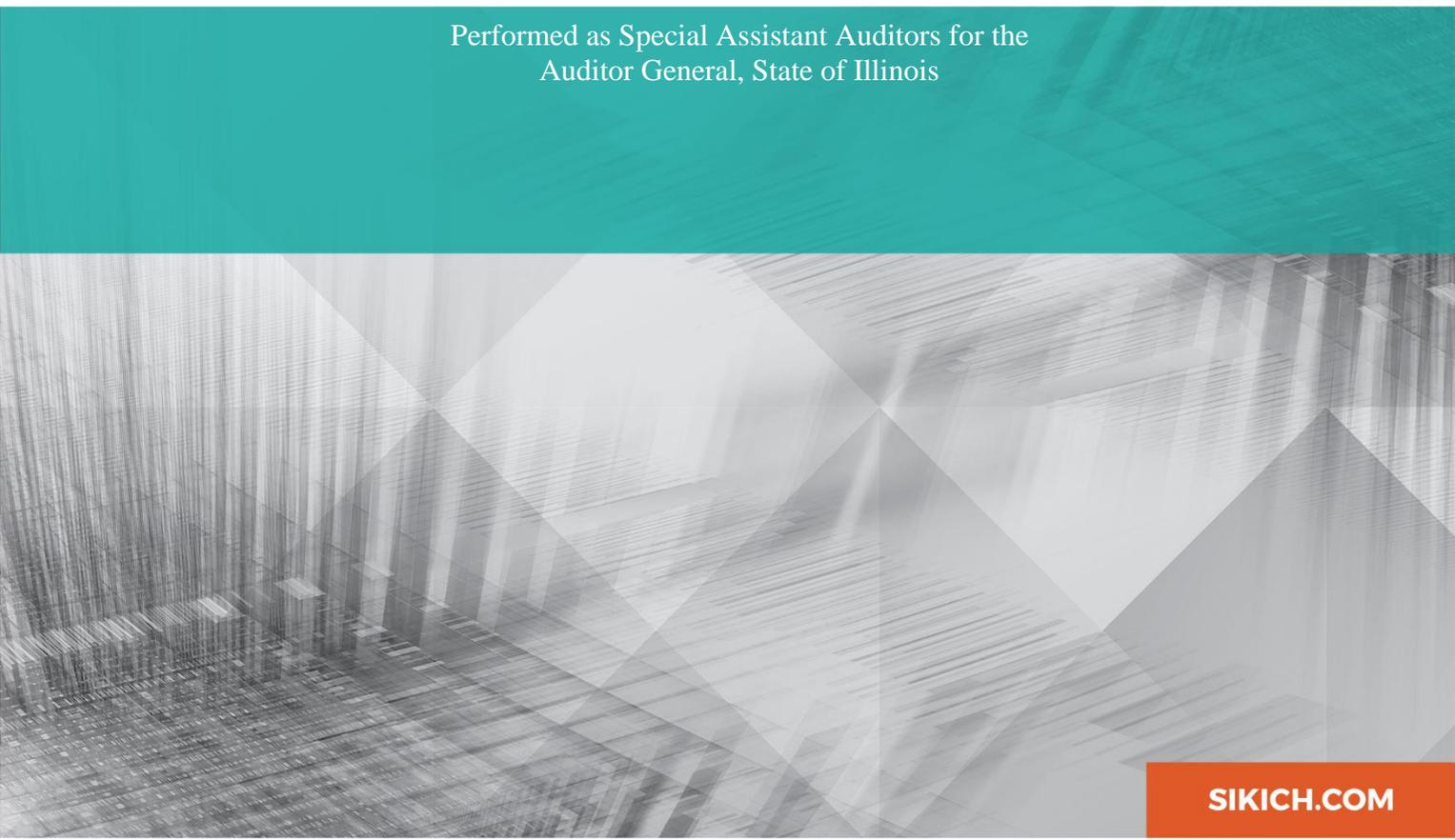




**STATE OF ILLINOIS
DEPARTMENT OF
CENTRAL MANAGEMENT SERVICES**

**UNIVERSITY BENEFITS SCHEDULES
EXAMINATION
For the Year Ended June 30, 2023**

Performed as Special Assistant Auditors for the
Auditor General, State of Illinois

The background of the lower half of the page is an abstract, monochromatic geometric pattern. It consists of numerous overlapping, semi-transparent planes and lines that create a sense of depth and complexity, resembling a wireframe or a complex architectural structure. The colors are shades of gray and white.

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**STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
UNIVERSITY BENEFITS SCHEDULES
EXAMINATION**

For the Year Ended June 30, 2023

TABLE OF CONTENTS

	<u>Page(s)</u>
Agency Officials	1
Management Assertion Letter	2-3
Examination Report:	
Summary	4
Independent Accountant’s Report.....	5-6
Schedule of Findings:	
Prior Finding Not Repeated	7
University Benefits Schedules:	
University Benefits Analysis	8
State Employees Group Insurance Program	
Adjusted Reimbursement Rates	9-13
Notes to the Schedules	14

**STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
UNIVERSITY BENEFITS SCHEDULES
EXAMINATION**

For the Year Ended June 30, 2023

AGENCY OFFICIALS

Director (Acting) (1/21/2023 – Present)	Ms. Raven DeVaughn
Director (Acting) (7/1/2022 – 1/20/2023)	Mr. Anthony Pascente
Assistant Director (Acting) (6/16/2023 – Present)	Mr. Aundra Williams
Assistant Director (5/6/2023 – 6/16/2023)	Vacant
Assistant Director (7/1/2022 – 5/5/2023)	Mr. Mark Mahoney
Assistant Director (1/21/2023 – Present)	Vacant
Assistant Director (Acting) (7/1/2022 – 1/20/2023)	Ms. Raven DeVaughn
Chief of Staff (2/16/2023 – Present)	Mr. Patrick Nolan
Chief of Staff (7/1/2022 – 2/15/2023)	Vacant
Chief Administrative Officer	Ms. Sarah Kerley
Chief Operating Officer (Acting) (7/10/2023 – Present)	Mr. William McCarty
Chief Operating Officer (Acting) (4/16/2023 – 7/9/2023)	Mr. Sean Neuert
Chief Operating Officer (1/21/2023 – 4/15/2023)	Vacant
Chief Operating Officer (7/1/2022 – 1/20/2023)	Ms. Aysegul Kalaycioglu
Chief Financial Officer	Ms. Karen Pape
General Counsel (Acting) (5/16/2023 – Present)	Ms. CoreyAnne Gulkewicz
General Counsel (7/1/2022 – 5/15/2023)	Mr. Terrence Glavin
Chief Internal Auditor (Acting) (6/16/2023 – Present)	Ms. Dawn Meier
Chief Internal Auditor (Acting) (5/16/2023 – 6/15/2023)	Mr. Jack Rakers
Chief Internal Auditor (7/1/2022 – 5/15/2023)	Mr. Jack Rakers

Agency main offices are located at:

State of Illinois Building
555 W. Monroe Street
Chicago, Illinois 60661

William G. Stratton Building
401 S. Spring Street
Springfield, Illinois 62706



November 14, 2023

Sikich LLP
3051 Hollis Drive, 3rd Floor
Springfield, IL 62704

Re: University Benefits Schedules for the year ended June 30, 2023

Ladies and Gentlemen:

We are responsible for determining the methodology and allocation of insurance premiums paid on-behalf of the State universities of the State of Illinois. We are responsible for disseminating the allocations to the Illinois Office of Comptroller (IOC) and to State universities of the State of Illinois for purposes of those entities' use in preparing their respective GAAP reporting packages and financial statements, as applicable. We have performed an evaluation of compliance by the State of Illinois, Department of Central Management Services (Department) with the following assertions during the period ended June 30, 2023. Based on this evaluation, we assert that during the year ended June 30, 2023, the Department has materially complied with the assertions below.

- A. The Department developed and documented a methodology to allocate insurance premiums paid on behalf of the State universities of the State of Illinois.
- B. The Department prepared the allocation as an estimate based on information available as of July 25, 2023 in order to provide the information to the appropriate parties in time for their respective reporting deadlines.
- C. The Department maintained controls over the development, updating, maintenance and storage of the fiscal year 2023 University Benefits Schedules spreadsheet distributed to the State universities of the State of Illinois and the related data and records supporting the spreadsheet whether in electronic or manual format.
- D. The Department established and maintained a system of monitoring and reviewing the calculations used in the preparation of the fiscal year 2023 University Benefits Schedules spreadsheet.
- E. The Department allocated insurance premiums in a consistent, accurate and reasonable manner to the State universities of the State of Illinois.
- F. The Department has verified the accuracy of the supporting information used in preparing the fiscal year 2023 University Benefits Analysis.

- G. The Department utilizes the services of an independent actuary to review the reasonableness of the State Employee Group Insurance Program (SEGIP) premium equivalent rate development calculations prior to the beginning of the fiscal year for which they will be published and utilized. This includes review of certain elements such as calculations of claims incurred but not reported; enrollment summaries and projections; and numerous exhibits which project and accumulate costs by plan and enrollment type. While the independent actuary did not review the annual cost per employee calculation contained in the State Employee Group Insurance Program Adjusted Reimbursement Rates, referred to as Exhibit 53-A, the cost per employee calculation is an accumulation of the aforementioned elements which are reviewed by the independent actuary. The specific data files and calculations underlying the State Employee Group Insurance Program Adjusted Reimbursement Rates (FY 2023 Exhibit 53-A) utilized for the FY 2023 University Benefit Analysis were included in the data files reviewed by the independent actuary as part of the fiscal year 2023 rate development reviewed by the independent actuary in their letter dated March 18, 2022.

State of Illinois, Department of Central Management Services

SIGNED ORIGINAL ON FILE

Raven DeVaughn, Acting Director

SIGNED ORIGINAL ON FILE

Karen Pape, Chief Financial Officer

SIGNED ORIGINAL ON FILE

CoreyAnne Gulkewicz, Acting General Counsel

**STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
UNIVERSITY BENEFITS SCHEDULES
EXAMINATION**

For the Year Ended June 30, 2023

EXAMINATION REPORT

SUMMARY

The examination of the accompanying University Benefits Schedules was performed by Sikich LLP and was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

ACCOUNTANT’S REPORT

The Independent Accountant’s Report on the examination of the University Benefits Schedules expressed an unmodified opinion on the State of Illinois, Department of Central Management Services’ (Department) University Benefits Schedules presented in accordance with the criteria in Notes 1 and 2 to the Schedules.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
	<u>Report</u>	<u>Report</u>
Findings	0	1
Repeated findings	0	1
Prior recommendations implemented or not repeated	1	0

SCHEDULE OF FINDINGS

Prior Finding Not Repeated

<u>Item No.</u>	<u>Page</u>	<u>Last/First</u> <u>Reported</u>	<u>Description</u>
A	7	2022/2020	Inaccurate Data Used For the Calculation of the University Benefits Schedules

EXIT CONFERENCE

The Department waived an exit conference in a correspondence from Amy Lange, Audit Liaison, on October 31, 2023.

3051 Hollis Dr. 3rd Floor
Springfield, IL 62704
217.793.3363

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INDEPENDENT ACCOUNTANT’S REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have examined the accompanying University Benefits Analysis and State Employees Group Insurance Program Adjusted Reimbursement Rates, and the related Notes to the Schedules, collectively referred to as the University Benefits Schedules, for the year ended June 30, 2023. The State of Illinois, Department of Central Management Services’ management is responsible for presenting the University Benefits Schedules in accordance with the criteria set forth in Notes 1 and 2. Our responsibility is to express an opinion on the University Benefits Schedules based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the University Benefits Schedules are presented in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the University Benefits Schedules. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the University Benefits Schedules, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the University Benefits Schedules for the year ended June 30, 2023, are presented in accordance with the criteria set forth in Notes 1 and 2, in all material respects.

There were no immaterial findings that have been excluded from this report.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, the Comptroller, the State universities of the State of Illinois, and the State of Illinois, Department of Central Management Services management, and is not intended to be and should not be used by anyone other than these specified parties.

SIGNED ORIGINAL ON FILE

Springfield, Illinois
November 14, 2023

**STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
UNIVERSITY BENEFITS SCHEDULES
EXAMINATION**

For the Year Ended June 30, 2023

PRIOR FINDINGS NOT REPEATED

A. FINDING (Inaccurate Data Used For the Calculation of the University Benefits Schedules)

During the previous examination, we noted errors in the data used by the Department of Central Management Services (Department) in the University Benefit Schedules, resulting in misstatements of the estimated cost of health insurance benefits paid on behalf of State universities.

During the current examination period, we did not note any errors in the data used by the Department to estimate the cost of health insurance benefits paid on behalf of State universities. (Finding Code No. 2022-001, 2021-001, 2020-001)

**DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
UNIVERSITY BENEFITS ANALYSIS**

For the Year Ended June 30, 2023

Agency	University	Non-Exempt Contributions	Calculated Non-Exempt FTEs	Total Employees	Est Exempt Employees	Est Exempt Funding	Total Est Contributions
		(a) Table A	(b)=(a)/24,773	(c) AVG TABLE C	(d)=(c)-(b)	(e)=(d)*24,773	(f)=(a)+(e)
608	Chicago State Univ	\$ 398,341	16	485	469	\$ 11,616,341	\$ 12,014,682
612	Eastern Illinois Univ	570,864	23	976	953	23,607,135	24,177,999
616	Governors State Univ	618,679	25	583	558	13,823,712	14,442,391
620	Northeastern Illinois Univ	1,090,794	44	741	697	17,265,658	18,356,452
628	Western Illinois Univ	1,176,904	48	1,137	1,089	26,989,474	28,166,378
636	Illinois State Univ	1,562,055	63	2,778	2,715	67,256,061	68,818,116
644	Northern Illinois Univ	3,419,693	138	2,309	2,171	53,780,102	57,199,795
664	Southern Illinois Univ	10,843,051	438	5,985	5,547	137,420,601	148,263,652
676	University of Illinois	87,407,399	3,528	24,920	21,392	529,924,298	617,331,697
677	UofI Foundation*	3,505,319	n/a	141	n/a	n/a	3,505,319
678	Uof I Alumni Assn*	347,127	n/a	19	n/a	n/a	347,127
647	Illinois Board of Examiners*	109,081	n/a	5	n/a	n/a	109,081
	Total	<u>\$ 111,049,306</u>	<u>4,323</u>	<u>40,079</u>	<u>35,591</u>	<u>\$ 881,683,382</u>	<u>\$ 992,732,688</u>

FY2023 Avg. Annual Cost per Employee (actuarial report exhibit 53A)= 24,773

NOTE 1: Attached notes are an integral part of this analysis.

NOTE 2: Totals may not foot due to rounding

* Note - The U of I Foundation, Uof I Alumni Assn and IL Board of Examiners do not have any exempt employees.

STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
STATE EMPLOYEES GROUP INSURANCE PROGRAM
ADJUSTED REIMBURSEMENT RATES

For the Year Ended June 30, 2023

	Projected Enrollment	Adjusted Monthly Cost	Projected Total Monthly Cost
Quality Care Health Plan			
Projected Cost for FY 2023		\$ 1,536.51	
Adjustment for FY 2016		31.16	
Adjustment for FY 2017		(0.16)	
Adjustment for FY 2018		13.81	
Adjustment for FY 2019		(2.23)	
Adjustment for FY 2020		(90.43)	
Adjustment for FY 2021		46.88	
Employee	14,548	\$ 1,535.53	\$ 22,338,900.90
One Dependent	2,522	1,032.56	2,604,115.82
Two Plus Dependent	3,069	1,121.69	3,442,459.72
Medicare Dependent	8	481.78	3,854.27
Consumer Driven Health Plan			
Projected Cost for FY 2023		\$ 1,270.34	
Adjustment for FY 2016		31.16	
Adjustment for FY 2017		(0.16)	
Adjustment for FY 2018		13.81	
Adjustment for FY 2019		(2.23)	
Adjustment for FY 2020		(90.43)	
Adjustment for FY 2021		46.88	
Employee	1,428	\$ 1,269.36	\$ 1,812,639.85
One Dependent	242	527.83	127,735.53
Two Plus Dependent	376	833.36	313,344.01
Medicare Dependent	0	392.78	-

STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
STATE EMPLOYEES GROUP INSURANCE PROGRAM
ADJUSTED REIMBURSEMENT RATES

For the Year Ended June 30, 2023

	Projected Enrollment	Adjusted Monthly Cost	Projected Total Monthly Cost
Health Alliance			
Projected Cost for FY 2023		\$ 1,470.09	
Adjustment for FY 2016		31.16	
Adjustment for FY 2017		(0.16)	
Adjustment for FY 2018		13.81	
Adjustment for FY 2019		(2.23)	
Adjustment for FY 2020		(90.43)	
Adjustment for FY 2021		46.88	
Employee	21,211	\$ 1,469.11	\$ 31,161,307.64
One Dependent	4,191	621.04	2,602,778.97
Two Plus Dependent	9,002	1,165.18	10,488,981.01
Medicare Dependent	16	430.55	6,888.87
Aetna HMO			
Projected Cost for FY 2023		\$ 1,458.58	
Adjustment for FY 2016		31.16	
Adjustment for FY 2017		(0.16)	
Adjustment for FY 2018		13.81	
Adjustment for FY 2019		(2.23)	
Adjustment for FY 2020		(90.43)	
Adjustment for FY 2021		46.88	
Employee	3,470	\$ 1,457.60	\$ 5,057,873.09
One Dependent	721	601.10	433,394.09
Two Plus Dependent	1,160	1,135.75	1,317,466.82
Medicare Dependent	3	390.59	1,171.78

STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
STATE EMPLOYEES GROUP INSURANCE PROGRAM
ADJUSTED REIMBURSEMENT RATES

For the Year Ended June 30, 2023

	Projected Enrollment	Adjusted Monthly Cost	Projected Total Monthly Cost
HMO Illinois			
Projected Cost for FY 2023		\$ 1,265.01	
Adjustment for FY 2016		31.16	
Adjustment for FY 2017		(0.16)	
Adjustment for FY 2018		13.81	
Adjustment for FY 2019		(2.23)	
Adjustment for FY 2020		(90.43)	
Adjustment for FY 2021		<u>46.88</u>	
Employee	11,047	\$ 1,264.03	\$ 13,963,703.76
One Dependent	2,316	469.55	1,087,485.83
Two Plus Dependent	4,021	889.18	3,575,388.59
Medicare Dependent	0	321.57	-
Blue Advantage			
Projected Cost for FY 2023		\$ 1,258.29	
Adjustment for FY 2016		31.16	
Adjustment for FY 2017		(0.16)	
Adjustment for FY 2018		13.81	
Adjustment for FY 2019		(2.23)	
Adjustment for FY 2020		(90.43)	
Adjustment for FY 2021		<u>46.88</u>	
Employee	6,968	\$ 1,257.31	\$ 8,760,906.73
One Dependent	1,109	446.36	495,014.77
Two Plus Dependent	2,165	850.17	1,840,623.23
Medicare Dependent	1	308.21	308.21

STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
STATE EMPLOYEES GROUP INSURANCE PROGRAM
ADJUSTED REIMBURSEMENT RATES

For the Year Ended June 30, 2023

	Projected Enrollment	Adjusted Monthly Cost	Projected Total Monthly Cost
HealthLink Open Access Plan			
Projected Cost for FY 2023		\$ 1,637.02	
Adjustment for FY 2016		31.16	
Adjustment for FY 2017		(0.16)	
Adjustment for FY 2018		13.81	
Adjustment for FY 2019		(2.23)	
Adjustment for FY 2020		(90.43)	
Adjustment for FY 2021		46.88	
Employee	17,460	\$ 1,636.04	\$ 28,565,191.67
One Dependent	3,520	747.29	2,630,456.50
Two Plus Dependent	7,222	1,301.49	9,399,364.22
Medicare Dependent	18	508.64	9,155.53
Aetna Open Access Plan			
Projected Cost for FY 2023		\$ 1,508.72	
Adjustment for FY 2016		31.16	
Adjustment for FY 2017		(0.16)	
Adjustment for FY 2018		13.81	
Adjustment for FY 2019		(2.23)	
Adjustment for FY 2020		(90.43)	
Adjustment for FY 2021		46.88	
Employee	14,816	\$ 1,507.74	\$ 22,338,684.16
One Dependent	3,066	652.29	1,999,934.26
Two Plus Dependent	5,654	1,162.86	6,574,796.78
Medicare Dependent	6	450.50	2,703.01

STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
STATE EMPLOYEES GROUP INSURANCE PROGRAM
ADJUSTED REIMBURSEMENT RATES

For the Year Ended June 30, 2023

	Projected Enrollment	Adjusted Monthly Cost	Projected Total Monthly Cost
BCBS Open Access Plan			
Projected Cost for FY 2023		\$ 1,476.14	
Adjustment for FY 2016		31.16	
Adjustment for FY 2017		(0.16)	
Adjustment for FY 2018		13.81	
Adjustment for FY 2019		(2.23)	
Adjustment for FY 2020		(90.43)	
Adjustment for FY 2021		46.88	
Employee	3,748	\$ 1,475.16	\$ 5,528,900.88
One Dependent	782	620.07	484,895.13
Two Plus Dependent	1,291	1,070.77	1,382,357.86
Medicare Dependent	3	418.70	1,256.10
Quality Care Dental Plan			
Employee	94,865	\$ 24.94	\$ 2,365,816.18
One Dependent	18,504	22.37	413,894.95
Two Plus Dependent	34,233	68.78	2,354,646.50
Total Monthly Cost			<u>\$ 195,488,397.24</u>
Total Employees Covered			<u>94,696</u>
Monthly Cost Per Employee			\$ 2,064.38
12 months			<u>12</u>
Annual Cost Per Employee			<u><u>\$ 24,772.54</u></u>

NOTE: Attached notes are an integral part of this schedule.

STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
UNIVERSITY BENEFITS SCHEDULES

Notes to the Schedules

For the Year Ended June 30, 2023

1. Background

The Department of Central Management Services (Department) pays for the group insurance costs for certain university employees on behalf of all State-operated public universities in Illinois. The Department refers to university employees as either exempt or non-exempt as follows:

- Exempt employees – The employer does not reimburse the Department for the employer’s share of group insurance. The employer’s share is paid by using General Revenue Funds (GRF).
- Non-exempt employees – The employer reimburses the Department for the employer’s share of group insurance from non-GRF funds.

At the end of each fiscal year, the Department prepares the University Benefits Schedules Report that summarizes exempt and non-exempt employees and exempt and non-exempt funding. The Department submits this report to the Illinois Office of Comptroller (Comptroller) by August 1 following the end of each fiscal year. These amounts are utilized in the universities’ fiscal year financial reporting. The Comptroller also uses these amounts to determine the amount of on-behalf revenue to allocate to the universities.

2. University Benefits Schedules Source Information

Information reported in the University Benefits Schedules was derived from a variety of sources. Non-exempt contributions, total covered employees, and estimated annual cost per employee were used in the calculations shown on the FY2023 University Benefits Analysis. The detail of the estimated annual cost per employee is shown in the State Employees Group Insurance Program Adjusted Reimbursement Rates Schedule. The Department has developed a detailed average cost rate setting methodology which incorporates the consultation of actuaries and other business consultants.

3. University Benefits Analysis Schedules Not Intended to Subtotal

The University Benefits Schedules are prepared with imbedded calculations and are not intended to subtotal down columns or across rows as presented due to rounding of the various amounts. Calculations across rows and totals of columns are performed on unrounded numbers with the results rounded for presentation.