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Inside this issue:

Health Benefits: The New Administration, OptumRx Transition

By David Wagner, Health Benefits Director

This first health benefits column of 2017 will identify a few of the major factors in play as a new administration begins to roll out its health care policies. First, it is unclear how the President's campaign position that he would not tamper with Medicare will jibe with the long-standing House Republican desire to modify the Medicare system. Changes, if any, are likely to apply to those not yet drawing benefits, but the process of reconciling these two positions has not been established. Most of the health policy attention has been focused on the Affordable Care Act's "repeal and replace" dance and not Medicare change.

Merger activity of major health care providers seems to be stalled. The proposed merger of Aetna and Humana has been called off, and Cigna's proposed merger with Anthem is now in litigation. If these mergers had proceeded there would have been cost savings to the insurance companies through greater economies of scale and reduced duplication of effort. The consumer would have risked loss of insurance options with the reduction in competing firms. This constriction of choices is already occurring with fewer options over time available for those CalPERS members on Medicare. This situation has been identified as a concern and has been brought to the attention of CalPERS by

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CFA Report: Lower Tuition Costs?

By Leni Cook, CSU-ERFA Liaison to CFA

Two important reports have been released recently and are available on the CFA website (www.calfac.org).

CFA Report: Equity Interrupted. The first is CFA's *Equity Interrupted: How California Is Cheating Its Future*. This report focuses on the change in both the number of students of color and the public funding for these students, finding "a gradual but persistent" decline in public funding as the CSU student body has become more diverse. The reasoning may not be a conscious choice but the impact is clear: California is spending less on each student today when nearly three out of four are students of color than it did in 1985 when the majority of students were white.

The report also details what state disinvestment means for today's CSU students: eligible candidates denied entry; skyrocketing tuition and "hidden costs," such as "student success fees"; and, fewer full-time equivalent instructional faculty for teaching and advising. Through data provided by the CSU itself, the report shows in graphs and charts how serious these problems are.

The $48 Fix. The second report provides possible solutions. *The $48 fix: Reclaiming California's Master Plan for Higher Education*, prepared by a working group of highly respected California educators, focuses on the problems facing higher education in the state today and the solution

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From the President...

Dear Colleagues,

Costa Rica. I am writing this the morning after my return from an exhilarating but exhausting twelve-day trip to Costa Rica. It is one of the few countries on earth that does not have a military (whereas we spend one-fifth of our federal budget on ours), and Costa Rica, believe it or not, makes our environmental efforts seem second-class. Since I am good at overloading my plate, I volunteered to work with a women's co-op in rural Monte Verde to get a Kiva loan so they can expand their wonderful arts and crafts production and sales endeavors. Well, excuse the diversion – back to CSU-ERFA.

CSU January Board of Trustees Meeting. I was given my usual ninety seconds during the public's opportunity to address the BOT to update them on CSU-ERFA's efforts to support and confront the major issues facing the system. Most importantly, I emphasized our commitment to join the lobbying effort in Sacramento regarding CSU funding. Several lobbying events were mentioned and the system's participants (ASCSU, CSSA, the Alumni Association, etc.) were delineated, and our organization was not on any of the lists. I stressed our interest in working with the chancellor's office and the other organizations to increase finding for the CSU. They seemed to have heard me and promised to get us more involved in the future.

CSU Funding. In regard to funding, the CSU only received 31% of its budget from the state. The remainder is from student tuition and fees, grants and fundraising. This is a national trend that was highlighted for me in a book that I read recently and reviewed (a link to the review is available on our website). It has the telling title of *Paying the Price, College Costs, Financial Aid and the Betrayal of the American Dream*. This is part of a national trend toward privatization of schools, higher education, roads, prisons, etc. We need to address this crucial issue head on. With the consensus of the CSU-ERFA Executive Committee, I plan to request formal acknowledgement and agenda recognition at the trustees' meetings so that our organization has greater visibility and, most importantly, speaking privileges at BOT meetings equivalent to those of ASCSU, CSSA and the Alumni Association.

CSU-ERFA Executive Committee Meeting. The executive committee met on January 28 and received updates from our officers and committees. The main topics involved planning the April 15th state council meeting at CSU Dominguez Hills, the summer executive committee meeting, the fall 2017 state council meeting at the Long Beach campus, and routine administrative matters. Our committees constantly monitor budgetary, pension, medical benefits and other legislative and CALPERS proposals in Sacramento and advise us in that regard. We will continue to do so and keep you informed. We are appointing a legislative liaison who will work directly with campus affiliates and encourage them to lobby their local legislators. Please follow through on these initiatives when our liaison requests that you do so. This is the most effective way to make a difference.

CSU Million Shoe Campaign. A number of campus affiliates are moving forward on this shoe drive. Some others have not been able to find emeriti faculty or campus groups that are interested or willing to do so. We have not had any responses from a number of campuses. Please let me know, if you have not already done so, whether your campus will be able to join the March of Shoes.

Concluding Remarks. In over a half century of political awareness and involvement I have never been so concerned and pessimistic about the future of our country and the planet. In my penchant toward academic parlance, I do not define myself as a communist, socialist or capitalist. I believe in a balanced public/private decentralized political and economic system. The centralized and bureaucratized state and federal government and the globalized monopolistic corporations leave us virtually powerless. We need to respond from the ground up through local efforts. I would welcome any of your responses to this perspective and any suggestions in terms of how CSU-ERFA and our campus affiliates can make a difference in this regard. Your emails to wblischke@csudh.edu on this topic are welcome.

Pura Vida (as they say in Costa Rica)

Bill Blischke, President
CSU-ERFA

The CSU as the Engine of "Upward Mobility" - Highlighted in Recent Articles

Certain state and community colleges – such as the California State University system and the City University of New York – offer pathways to higher incomes for the country's younger generations, according to a new study by Stanford Professor Raj Chetty; John Friedman of Brown University; Emmanuel Saez and Danny Yagan of the University of Caifornia, Berkeley; and Nicholas Turner of the U.S. Treasury. The study received a good deal of press in January; it examines the "mobility rate" of every college in America.

The study found that highly selective colleges do well in channeling children from low- or middle-income families to the top 1 percent of the income distribution, but the conclusion that has made the headlines is that the colleges with the highest upward mobility rates are typically mid-tier public schools that have both large numbers of low-income students and very good earnings outcomes, in particular, the institutions of the CSU, the City University of New York, and some the University of Texas institutions.

Cal State LA, for example, is the number one institution in the United States in propelling students from the bottom 20% of the income distribution to the top 20%. The top ten list includes Pace University (NY), SUNY – Stony Brook, the University of Texas – Pan American, the CUNY system, Glendale Community College, Cal Poly Pomona, and the University of Texas – El Paso. According to the researchers, "The mobility rate is defined as the product of the share of children at a college with parents in the bottom quintile of the income distribution ('Access') and the share of children with parents in the bottom quintile of the income distribution that reach the top quintile of the income distribution ('Success Rate')." For Cal State LA, 33% of the students come from families in the bottom quintile of the income distribution, and about 30% of them reach the top quintile in their early 30s. For Cal Poly Pomona, 15% of the students come from such families, and 46% of them reach the top quintile by their early 30s.

The study is the first to provide such a comprehensive statistical analysis for 2,187 American colleges, using anonymized tax records covering college students from 1999 to 2013 and building on the Department of Education's College Scorecard.

Mobility rates vary substantially across colleges because of their vast differences in levels of low-income students. So even though elite private colleges exhibit the highest success rates – with almost 60 percent of students from the bottom fifth of the income distribution reaching the top fifth – their relatively small numbers of low-income students bring down their overall upward mobility rates. On the other hand, the less selective universities of CUNY and the CSU have high success rates but offer much higher levels of access to low-income families.

Public schools dominate the study's list of top 10 colleges with the highest mobility rates, and all are located within California, New York and Texas. Their mobility rates range from about 7 percent to 9 percent – well above the national average rate of 1.7 percent.

These mid-tier public colleges have high mobility rates while spending significantly less per student – about $5,500 as opposed to $80,000 per student at the most selective private universities – and could provide the most scalable educational model for increasing upward mobility, according to the study.

The study does not provide guidance on how a given child would do if he or she were to attend a different college, as the reported differences in outcomes across colleges partly reflect variation in the abilities and ambitions of students who attend different colleges.

A New York Times story about the study included a table ranking the top ten institutions in the country whose students in the bottom quintile of the income distribution go to the top three-fifths, the top 60% of the distribution. Four of the top ten institutions are in the CSU. The top ten are, with the percent of students in the bottom quintile who move to the top three-fifths: New Jersey Institute of Technology (85%), Pace (82%), CSU Bakersfield (82%), UC Irvine (81%), Cal Poly Pomona (81%), Xavier of Louisiana (81%), Stony Brook (79%), San Jose State (79%), Baruch (79%), CSU Long Beach (78%). The New York Times story is authored by David Leonhardt and appeared in the Sunday Review on January 18, 2017 as "America's Great Working Class Colleges."

CSU-ERFA Foundation Gets 6th Challenge Grant

The CSU-ERFA Charitable Foundation recently received a sixth $500 challenge grant from a CSU-ERFA member. The donor will match all donations from individuals received by the foundation through June 30, 2017 up to a total of $500. We are pleased to report that several members made contributions between July 1 and December 31, 2016, and our previous challenge grant was more than fully matched.

The CSU-ERFA Charitable Foundation is a 501(c)(3) organization that provides competitive grants to CSU-ERFA members to support their research and scholarly activities. Donations in any amount from both CSU-ERFA members and the general public are welcomed. Donations to the foundation generally are deductible from state and federal income taxes, and all donations are acknowledged in writing.

You may donate to the foundation by sending a check made out to the CSU-ERFA Charitable Foundation to CSU-ERFA, 18111 Nordhoff Street, Northridge, CA 91330-8339.

Alternatively, members can choose to donate to the Foundation monthly through a deduction from their CalPERS pension warrant. If you wish to contribute through a deduction from your CalPERS pension warrant, please download our donation agreement form, fill it out and return it to the foundation at the above address: http://csuerfa.org/pdf/Donation-Agreement.pdf

Stopping Unwanted Phone Calls

By Barry Pasternack, CSU Fullerton

Now that I am fully retired and home a lot more, I have discovered that despite our being on the Federal Trade Commission's "National Do Not Call Registry" since 2003, several times a day we have been receiving unsolicited phone calls. (Note, you can check to see if your phone number is on this registry by going to: https://www.donotcall.gov/ and entering your phone number and email address).

The unwanted phone calls we have been receiving are, for example, from computerized calling systems where no one is on the line when one picks up the phone (they work by dialing several numbers at the same time and answering the first person to pick up and hanging up on everyone else – these are most annoying), from people who wish to sell me a product or service with whom we do not have a business relationship (does anyone ever hire a contractor who colds calls one's home from a call center located in a foreign country?), from scammers who claim to be from Microsoft telling me that there is a problem with my computer (how would they know I was using a Microsoft operating system?), and even a local real estate agent looking for new listings (the person I spoke with claimed she was only doing a survey).

Fed up with having to waste my time responding to such calls, I decided to look

online to find devices that will block such calls on my home land line. A Google search revealed that the Sentry Active Call Blocker 3.0 seemed to be the ideal device to handle this. According to the online review site, Wikievid.com, the previous version of the Sentry device (Tel-Sentry v.2.0) was their second highest rated device (see https://goo.gl/QIFCzf).

To my surprise, the company that distributes this product, Tel-Sentry Inc., is located in Santa Ana only six miles from my home. I therefore called the company to see if they would loan me a device to do a review for the *CSU-ERFA Reporter* and they agreed to do so. The website for the Sentry product is: https://www.telsentry.com/pages/sentry-3.

After receiving the device, I found it quite easy to set up and use. The system utilizes a "White" and a "Black" list. You enter the phone numbers you wish to receive onto the "White" list by clicking the "Accept" button after the number has been entered on the keypad. If you do not wish to receive calls from a particular number, after entering the number you click the "Reject" button. This puts the number on the Black list. If you make a mistake when entering a phone number, just stop entering the number for a few seconds and you will get a refreshed screen to enable you to reenter the correct number. Note that the numbers in the two lists are listed in numerical order. The system also gives the user the ability to block calls from 900 numbers as well as from phones that do not have caller ID.

If someone is not on either the "White" or "Black" list, they will get a message that will prompt them to press "0" on their telephone in order record a message (you can also add a custom message). Fortunately, very few robo-call devices or telemarketers are going to go to the trouble of pressing the "0" key on their phone. If someone does press the "0" key to record a message, you will hear the device beeping a few times, giving you some time to pick up the phone and answer it. If you do not pick up the phone in time, the device will signal on the screen that you have a message. You can then listen to it to decide if you wish to contact the caller. Note that if you do pick up the phone, you can either add the caller to the "White" or "Black" list. You can easily delete phone numbers from these lists by pressing the "Delete" key on the device. The device also keeps a record (in numerical order) of the phone numbers that have called you.

You can set the device to either ring once or not at all when you get a call which is not on the "White" list. As we have two phone systems on our phone line, we could not prevent the device from not ringing, but ringing once was not a big deal and it did give us an alert that a caller who was not on the "White" list had attempted to call.

Along with the phone number, the device displays some information about the caller (although this may not be accurate as telemarketers can use spoofed numbers to call one on). To be sure that the call was truly unwanted, I found it easy to type the number into the Google search box to see if people have reported the caller as a spammer.

The one thing to be aware of is that for the device to work properly, you should have 'Caller ID' on your phone line. I did not have this feature and called my telephone provider, Cox Communications, to add this. The Cox representative I spoke with informed me that I could not add this feature by itself and would have to upgrade my phone to their "premium" package in order to get Caller ID on my phone. This increased my phone bill by under $5 a month for the first six months, but it also included unlimited local and long distance (US) calling as well as voicemail, so it seemed a good deal for at least six months.

A shortcoming of the device is the instruction manual. This is quite abbreviated and, in some places, unclear. Most of the errors/omissions in the Manual are on page 5 (the Functions section). For example, the instruction for "Check incoming calls" states "on home screen, use UP/DOWN to go through incoming calls." What is really meant is that one can view the phone numbers that have called you (along with the time/date called and if the (call was blocked) by clicking the down or up button.

The instruction manual also does not state how to clear out phone numbers from the "incoming calls" list. This can be done while viewing the phone number and pressing the "Delete" button twice. Also, it should be noted that "New Message" will

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Pre- and Post-Retirement: CalPERS and Private Equity

By Tom Donahue, Chair, Pre- and Post-Retirement Committee

Q: I understand that CalPERS is developing some changes in its policies for investment in private equity firms. Can you explain this?

A: December 2016 reports from Reuters and in the *Pensions and Investments* newsletter indicate that CalPERS is reducing the money in its private equity firms from 10% to 8% of its overall portfolio. The reasons for this move, according to Ted Eliopoulos, CalPERS chief investment officer, were based on diminishing returns in combination with high fees.

Of equal interest is the story by Yves Smith in the online journal *Naked Capitalism* (November 15, 2116) reporting that CalPERS is considering a strongly developed private equity initiative on its own, so that firms with middle-men can be avoided entirely. Many people are unaware of the aggressively utilitarian and tunnel-vision business practices of such firms, but a recent New York Times article by Michael Corkery and Ben Protess on December 11, 2016 brings those practices out in the open. The story tells of the actions of the Apollo Global Management and Metropoulos and Company (hereafter A and M) in acquiring Hostess Company, baker of the Twinkies confection. First, A and M waited until the company declined and neared bankruptcy. The company was then acquired for $183 million. A and M then reduced the workforce throughout the company and cut the pay of those remaining. Pension plans and previous benefits were scrapped. They continued by removing the previous delivery system, preferring to ship by other carriers.

As the new way of doing business approached profitability, A and M shut down older regional bakeries. Upon achieving profitability with the company, A and M borrowed $1.3 billion from Credit Suisse, encumbering Hostess with that sum as a carried debt. The borrowed money was then used not to help Hostess, but instead as dividend recapitalization, the term for a sum that is paid out to investors, and as bonus awards to A and M executives (the chair of Apollo received $182 million in 2015). Hostess was then sold to the Gores Group of Los Angeles, which uses the profits from the company to pay current investors with money forwarded as carried interest, which is taxable as income at approximately a 20% rate.

These are clearly extraordinarily sharp and in fact highly adventurous business practices. It might help if we take a more categorical view of this matter. Political scientists contrast instrumental motives, which emphasize the end results of any social or political action, with sentimental motives, which focus on the means by which the result is achieved. An instrumentalist would say that reducing expenditures on the workforce, doing the planned dividend recapitalization, and using carried interest are necessary to simplify the business and to make the company more attractive to investors.

A sentimentalist would say that that reducing expenditures on the workforce is a business move cherished only in the earliest stages of capitalism and attempted only by the most vicious business people. Further, planned dividend recapitalization is a basic deal-from-the-bottom-of-the-deck move, while carried interest is designed merely to provide investors with access to a contrived loophole, a special tax rate benefit from present but temporary tax laws. CalPERS' recent abandonment of tobacco stocks could be characterized as stemming from a sentimentalist motive to get away from investing in an addictive substance that is lethal over time.

At present, the price of entry for CalPERS to hire such firms is too high, and apparently despite their swashbuckling practices, the firms' success rate is too low. But in checking CalPERS' website for its reported involvement in private equity firms, one sees that there are 258 firms now working with CalPERS money. The future of these cannot be accurately predicted, and it would be naive to hope that the plangent virtues we were all taught in childhood would entirely win the day – but we will watch to see whether the ultimate result will come predominantly from instrumentalist or sentimentalist motives.

Stopping Unwanted Phone Calls

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only show up on the display screen if one has a recorded message and the date/time feature on the display is showing you when a call came in. While the manual does not give the length of the warranty, the person I was dealing with at the company indicated that the product has a two-year warranty. A second shortcoming is that the device can freeze up and keep your phone line in open status. This happened to me once during one week of testing. There is an easy fix for this, but it can be annoying, especially if one does not realize why you no longer can get a dial tone on your phones.

Overall, I was extremely pleased with the product and the number of unwanted calls we have received has been greatly reduced. While the device retails for $79 on Amazon.com, if the device is ordered on or before April 30, 2017, we have negotiated a 30% discount for CSU-ERFA members, and shipping within the US is free (note that this is a significantly larger discount than the 10% offered on the company's webpage).

To request the CSU-ERFA discount code, please contact the CSU-ERFA office at (818) 677-6522 or csu_erfa@csun.edu. Once you have the discount code, go to https://goo.gl/aKLfPF and click on the blue "Buy here for 10% off" box. This will take you to the Cart page and then you would click on the blue "Checkout" box. This will take you to the Customer Information page.

You then enter the CSU-ERFA discount code into the "Discount" box and then click on the "Apply" box.

Note that the 30% discount is only available to current CSU-ERFA members.

Now if we could only get a device that will block unwanted phone calls on our cell phones.

CFA Report: Lower Tuition Costs?

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of an annual income tax surcharge of $48 per year for the median family. However, households in the top 5% of income would have a surcharge of an average of $7,100.

The solution would enable the state to reclaim the Master Plan for Higher Education, designed and implemented in 1960 during the Pat Brown administration. The major problem, as detailed in the report, is the level of privatization, including higher tuition and fees, that the lack of public funding has caused in both the CSU and the UC systems.

According to the report, keeping the full promise of the Master Plan and returning the state's investment per CSU and UC student to 2000 levels (inflation-adjusted), eliminating tuition and fees for all in-state UC, CSU and CCC students, and funding seats for qualified California high-school graduates now refused access to the system—is affordable. To fully fund projected enrollment and eliminate tuition in all three segments of California's public higher education system would have cost $9.43 billion in 2016-17.

This sum could be covered through an annual income-tax surcharge that would:
• Cost median-income California families $48 a year,
• Cost two-thirds of state households less than $150 a year, and
• Cost households in the top 5 percent about $7,100, and more for multi-millionaires.

Other financing options could lower the median household's surcharge to $36. These would include an estate tax and an oil severance tax. The two taxes would cover about a quarter of the cost of restoring the Master Plan.

Within the report are analyses that portray the harm that the decrease in public funding of higher education has done to the state over the last 30 years. Among the problems portrayed are the increased ratio of students to faculty in both undergraduate and graduate courses and overall state funding for higher education, which has fallen 29% compared to Californians' personal income.

According to the report:

> *Top-quality, accessible and appropriate higher education that affords opportunity to all California students has been replaced with a system that restricts access, costs students more and compromises educational quality. Exploding student debt constricts students' futures and harms the economy as a whole. It is entirely feasible to reinstate California's proven success in public higher education. Several reasonable funding options can be mixed and matched to make the costs remarkably low for almost all California families.*

> Keeping the full promise of the Master Plan, returning the state investment to 2000 levels adjusted for inflation, and eliminating tuition and fees for all qualified high school graduates - is affordable with an median income tax surcharge of $48.

CFA and CSU's Tuition and Fees. CFA has a long history of opposing higher tuition and fees for university students, both undergraduate and graduate. At the recent CSU Board of Trustees meetings, officers of CFA, faculty and students have argued that that increasing costs are harmful in both overt and hidden ways. The above mentioned reports are rich in data that substantiate this stand.

CFA has provided additional information on its website. Use CFA's new online tool (goo.gl/PVHb7u) to see how tuition costs in the CSU have increased through the years.

CFA Support for AB 21. CFA is actively working with the sponsor of Assembly Bill 21 which would direct public colleges and universities, including the CSU, to enact several measures, including:
• Refusing to release information about a student's immigrant status and refusing to comply with immigration authorities.
• Providing health care stipends for students who lack access to Medicaid and can't afford to pay for school-provided health insurance.
• Housing for students who can't return home during breaks between academic terms.
• If the federal Deferred Action for Childhood Arrivals is reversed, ensuring that former DACA students continue to receive their financial aid and fellowship stipends.

Faculty Help With Immigration / Travel. In addition CFA would like to be of assistance to faculty in the CSU who might need help due to the actions of the Trump administration regarding immigration status and/or travel. Although CFA does not have immigration professionals on staff, it can help connect those needing assistance to resources and advocates who can help. The membership also is reminded that, as a part of their membership, they have the benefit of one-half hour consultations with attorneys who can advise and make referrals for specific legal issues. Contact the Membership Department to access this benefit: http://www.calfac.org/cfa-member-help-desk.

In a letter sent in early February, CSU union leaders including CFA called on Chancellor White and the CSU community as a whole to use hotels that have union contracts with their employees when holding meetings and events. "As a state agency, the CSU has an obligation to the communities that it serves to patronize employers who pay fair wages and work with their employees to create good working conditions," they wrote. "We encourage all members of the CSU community to use union hotels out of concern for all Californians."

The letter is from the CSU Labor Council, which consists of unions that represent CSU staff, trades workers, graduate students and faculty. Organizations and individuals can find fair hotels and learn which hotels are being boycotted by worker advocates at www.fairhotel.org.

Health Benefits: OptumRx Transition

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several retiree organizations.

Higher drug prices have been a major factor in increasing health care costs and have been discussed in a number of the *CSU-ERFA Reporter's* prior health benefits columns. As recently as February 14, 2017 the *Sacramento Bee* reported that "Marathon Pharmaceuticals plans to charge $89,000 a year for a drug that's available abroad for about $1,000." The first month of the new administration promised unspecified reduced regulations for pharmaceutical companies and jawboning from the President for drug companies to reduce prices. It should be noted that some biotech and drug companies are among those parking profits overseas and may be impacted by changes to the US Tax Code and the President's bring jobs back to America pledge.

OptumRx. The transition to a new pharmacy benefit manager, OptumRx, occurred January 1, 2017 for many CalPERS members whose pharmacy benefits were previously managed by CVS/Caremark. While the transition was not perfect, complaints regarding poor service, problems in transferring prescriptions, and lengthy response time have been minimal. Indications suggest that these issues received prompt attention. For example, during the first week of January there were access issues with the OptumRx website, call center, and with the CalPERS web portal. These problems were fixed by the end of the week, and most importantly, members could still obtain their medication at the pharmacy by presenting their new ID card. For future reference, the OptumRx customer service phone number is 855-505-8110; the CalPERS number is 888-225-7377.

Since I have not personally experienced changes in health benefits managers I asked Joan Merdinger from San Jose State to offer her observations of the transition process.

Joan Merdinger's Observations. *I volunteered to write about my husband's and my recent experience transitioning our prescription drug plan from CVS/Caremark to OptumRx on January 1, 2017. Here is our story.*

I was dismayed to find out in the fall of 2016 that CalPERS had changed prescription drug providers once again for members in particular CalPERS Health plans. During the last transition, in 2012, my husband and I experienced a number of problems with the CVS/Caremark website, and with our accounts. And then I Googled "OptumRx reviews." The reviews were uniformly negative.

In December 2016, as promised, OptumRx sent us information and new identification cards. As directed by the literature from OptumRx, in early January 2017, I set up two online accounts, one for my husband, and one for me. To my surprise, each account included almost all our prescription medications, with the exception of one new "specialty medication" requiring prior approval. In late January, when I checked each of our accounts again, I could see that the website included even the "specialty medication."

As I write this, it is now early February. My account, which I can still access, has no medications listed. My husband's account isn't accessible at all, although we could access his account only a week earlier. Calls to the main phone number of OptumRx told us that the site was "…experiencing intermittent problems" with account accessibility. Another call to an OptumRx website representative told us that he had no estimate of when all the problems with the website and with individual accounts would be solved.

If you are trying to order medications for mail delivery, my advice is to call OptumRx at (855) 505-8106 (CalPERS Medicare members) and order your medications directly with a representative.

If you have a specialty medication that comes from a specialty pharmacy, call BriovaRx at (855) 427-4682. As outlined in the November 2016 CSU-ERFA Reporter, use Walgreens pharmacy for the best savings on prescription drugs, if you prefer pharmacy pick-up.

And let us know your experiences with OptumRx so that we can include your story in future Health Benefits columns.

Reimbursing Your IRMMA Payment

Most CalPERS retirees know that CalPERS reimburses the basic Medicare Part B monthly premium for its retirees who are in Medicare. What you may not know is that if you are subject to the Income-Related Monthly Medicare Adjustment (the IRMMA) because your annual total adjusted income exceeds certain limits, you may be eligible to have part or all of the IRMMA reimbursed by CalPERS as well.

The amount of additional reimbursement will depend on how much excess money is available from the monthly health insurance contribution made by the CSU for CSU retirees. This will vary depending on how many of your dependents, if any, are enrolled in CalPERS basic or supplemental health plans.

If you think you may be eligible for reimbursement for all or part of your IRMMA, you have to notify CalPERS in writing. **You need to do this each year. You can apply for reimbursements for previous years also.**

Include in your letter to CalPERS a copy of your annual letter from the Social Security Administration describing your benefits for the coming calendar year. This will include the amount of your IRMMA.

Mail your request to CalPERS Health Account Services, Medicare Administration, P.O. Box 942714, Sacramento, CA 94229-2714.

Within a few weeks you should receive a response from CalPERS, which indicates the amount of additional Part B reimbursement you will receive for 2017.

Note that it can take from 30 to 90 days before the additional reimbursement begins to appear in your retirement check or deposit. The reimbursement will cover the entire year, so you may also see a lump sum payment for the prior months.

The calculation of the Part B payment has become more complicated over the years due to the increase in health costs being greater than the amount of inflation reflected in Social Security checks.

Understanding the CalPERS COLA

By Mark Shapiro, CSU-ERFA Webmaster

The CalPERS cost-of-living-adjustment (COLA), if any, appears in your May benefit check. The rules governing the amount of the COLA are a bit arcane.

For CSU retirees and most state employees, the maximum COLA that can be awarded in any year is 2%. So if the cost of living as measured by the average increase in the CPI-U (the national urban consumer price index) for the previous year is 2% or more, your benefit check will increase by 2% provided that you retired in the second previous year or earlier.

The calculation is more interesting if the average increase in the CPI-U is less than 2.0%. If the previous year's average CPI-U increase is between 1.0% and 2.0% then your COLA will be at least this amount, but could be more. In this case your COLA depends on the year you retired and the difference between the compounded average inflation rate from the year after you retired through last year and the compounded COLA you actually have received through last year.

If that difference is greater than last year's average CPI-U index but less than or equal to 2.0%, that will be your COLA for the current year. If the difference is more than 2.0%, your COLA will be limited to 2.0%.

If last year's average increase in the CPI-U is less than 1%, your COLA will be zero unless the difference between the compounded average CPI-U from the year after you retired through last year and your actual compounded COLA through last year is 1% or more. If that number is between 1.0% and 2.0%, that will be your COLA. If that number is greater than 2.0%, then your COLA will be limited to 2%.

These calculations lead to the result we saw last year (2016) when those who retired in 2004 or earlier received a 2.0% COLA, those who retired in 2005 received a 1.555% COLA, and those who retired between 2006 and 2014 received no COLA. Those who retired in 2015 were not yet eligible for a COLA.

For 2017, the COLAs are as follows, with the year of retirement first: Retired 2004 and earlier, 2%; 2005, 1.26%; 2006, 1.61%; 2007-2009, 1.38%; 2010, 1.68%; 2011-14, 1.68%; 2015, 1.26%; and 2016, not eligible as yet.

Note that in years when you don't receive a COLA the increase in the average CPI-U for the previous year will be factored into later adjustments.

Changes in the 2017-18 CSU-ERFA Small Grants Awards Program

The CSU-ERFA Foundation encourages CSU-ERFA members involved in research and creative projects to apply for a 2017-2018 small grant. The small grant program is competitive, with past awards typically ranging from $100-$2,000, depending upon the number of proposals and the amount of money available.

Changes in the small grants program for 2017-2018 include:

• Applications for Small Grants Program will be available July 1, 2017.

• Applications will be due in CSU-ERFA Office no later than October 31, 2017.

• Applications will need to be sent electronically to the CSU-ERFA office at csuerfa@csun.edu.

• Applications will be limited to three pages, single spaced.

• Preference is given to first-time grant applicants when grant proposals are of equal merit.

Grant applications and guidelines may be downloaded on July 1, 2017 at www.csuerfa.org, or obtained by calling the CSU-ERFA office at (818) 677-6522 or emailing csuerfa@csun.edu.

Medicare and End of Life Care

Some facts and figures on Medicare and end-of-life care in California, from a 2017 Kaiser Family Foundation fact sheet:

• About 80% of all deaths in 2014 were covered by Medicare – 246,000 total deaths, and 196,000 Medicare beneficiary deaths.
• The share of total Medicare spending for Californians at the end of life has decreased, from almost 20% in 2000 to just under 14% in 2014. This reduction probably reflects the increase in the newly retired proportion of Medicare beneficiaries as the baby boom has retired.
• Spending was higher for Californians at the end of life in 2014 than for others with Medicare in California, a difference of $42,048 for those who died compared with $9,466 per person for those who did not.
• Medicare spending for decedents decreases with age: those who die at ages 66 to 69 cost an average of $49,456, compared with those who die at 95+, who cost $24,656.
• The share of California decedents who use hospice services has risen substantially since 2000, from 20% in 2000 to 39% in 2014.
• Most (63%) physicians in California have not had training in discussing end-of-life issues. About 34% report having had such training.

Source: Kaiser Family Foundation. Medicare and End-Of-Life Care in California. Washington, D.C.: Kaiser Family Foundation, January 2017. https://goo.gl/UU9qND.

Survivor's Guide: Third Edition

The third edition of the CSU-ERFA Survivor's Guide is now at the printer and will be ready soon. Updated and easier to use, it has additional practical advice, a new list of useful websites, and information on how to deal with CalPERS as a survivor.

Please watch the CSU-ERFA website for news of the Guide's availability.

CSU-ERFA Awards 4 Research Grants

The CSU-ERFA Foundation grants committee awarded four retired CSU faculty grants to continue their research, according to Dr. Marshelle Thobaben of Humboldt State University, the chair of the committee. Thobaben replaced Prof. Sally Hurtado de Lopez of Sonoma State University. The other members of the committee are Profs. Judith Hunt (Sonoma), Beatrice Pressley (East Bay) and Sally Hurtado de Lopez. Grants were awarded this year to:

Prof. Isabel K. Churchill, CSU Fresno, "Armenian Orphans of Genocide: The Georgetown Children." CSU-ERFA funding will enable Prof. Churchill to work at the *Bibliotheque Nubar* in Paris, France, where the primary sources she needs are located. The project analyzes the dispersal of Armenian orphans to Ethiopia, France, Italy, the Middle East, Egypt, Greece, the United States and Switzerland in 1922-24, after the Turkish genocide of the Armenians.

Prof. Lee Davis, SFSU, "Hoopa Tribal Regalia for the Ceremonial Hookman." This project documents the ceremonial regalia worn by a Hookman in the Jump Dance of the Hoopa Tribe of northwest California. During the first phase of work, Davis will conduct ethnohistorical research at UC Berkeley in the campus's massive holdings on Native California. During the second research phase, Davis will be working with three tribal collaborators in Hoopa, reviewing both the archival research and the tribal collaborators' original materials. This project is part of a larger research project, which consists of the documentation of all the ceremonial regalia for the Hoopa Tribe.

Prof. Richard Marrs, CSU Long Beach. "Reducing Youth Access to Tobacco Products." Prof. Marrs will identify stores selling tobacco products to youth from Lake Arrowhead to Big Bear Lake, survey their advertising methods, develop educational material to reduce youth access to tobacco, identify community leaders, provide educational campaigns for store management and employees, do a post-test, and prepare a report and publication.

Prof. Gerald McMenamin, CSU Fresno. "Introducción a la lingüística forense: un libro de curso." Prof. McMenamin will use his funding to publish his book, *Introducción a la lingüística forense: un libro de curso*, in April 2017 by The Press at California State University, Fresno. McMenamin's book is the first college course book in Spanish in the new and quickly emerging area of forensic linguistics.

CSU-ERFA New Members

Dominguez Hills –
George P. Morris

East Bay –
Glen E. Borgeson
Thomas C. Hird

Long Beach –
Mark Ruwedel

Northridge -
Tyler Blake

Sacramento –
Catherine T. Lupi

San Marcos –
Vivienne Bennett

Sonoma –
Ervand Peterson

The CSU-ERFA Executive Committee, 2016-17

CSU-ERFA's Executive Committee met in late January 2017 to plan the spring state council meeting, hear committee reports, and select dates and locations for future state council meetings.

Pictured from left: Leni Cook, CFA Liaison; Harold Goldwhite, Executive Director; Barry Pasternack, Vice President; Mark Shapiro, Webmaster; Bill Blischke, President; Barbara Sinclair, former President; George Diehr, CFA Liaison to CSU-ERFA; Rita Jones, Secretary; Tom Donahue, Chair of the Pre- and Post-Retirement Committee.

Absent: Harry Sharp, Treasurer; Alan Wade, Legislative Director; David Wagner, Health Director

Photo: Ted Anagnoson, Newsletter Edtor.

ASCSU Report: The January 2017 Plenary

By Harold Goldwhite, CSU-ERFA Liaison to the Senate, and Barry Pasternack, Emeritus Senator

The Academic Senate CSU (ASCSU) met at the Chancellor's Office in Long Beach on January 26-27, 2017. Visitors to the Senate included Dia Poole (CSU Alumni Council), Andrew Merrifield (CFA), Loren Blanchard (EVC Academic and Student Affairs), and General Counsel Fram Virjee. Blanchard and Virjee discussed the CSU academic freedom policy and opined that because of language in the preamble to the Collective Bargaining Agreement, CSU management was required to bargain the Academic Freedom policy with CFA. In an informative separate presentation, General Counsel Virjee gave an illuminating exposition of free speech as it applies to universities. (Chancellor White was unwell and could not meet with the Senate).

Faculty Trustee. The candidates for faculty trustee are Senators Steven Filling (Stanislaus); Sue Holl (Sacramento); and Romey Sabalius (San Jose). At the March plenary, the Senate will choose which candidates to forward to the governor.

The Senate adopted the following resolutions:

Support for the CSU Institute of Teaching and Learning (ITL) Summer Institute (unanimous). The ASCSU commends EVC Loren Blanchard for providing financial support for the Center for Teaching and Learning (CTL) Summer Institute, acknowledges the efforts of CTL personnel for successfully planning and implementing the Institute, and applauds the various campus participants for their contributions. The resolution urges that attention be given to proven strategies and tools to enhance student success and urges that adequate funding be provided for – and that there be broad-based participation in – similar ITL offerings in the future.

Academic Freedom Policy (unanimous). The ASCSU reaffirms its strong commitment to the principles of academic freedom and freedom of inquiry, approves the draft policy on academic freedom prepared by the ASCSU faculty affairs committee, and urges the CSU to adopt the draft as its official policy on academic freedom.

Lactation Resource Policy and Practices in the California State University (unanimous). The ASCSU urges all campuses to review their existing lactation resource policies and develop and implement such a policy if none exists. It urges that such policies comply with state and federal law regarding the number of lactation stations on each campus, and that the policies offer additional recommendations regarding the location, and features of these facilities, and public information available about them.

Opposition to the Proposed Tuition Increase in the California State University. The ASCSU urges the legislature to provide adequate funding necessary to support CSU operations and deliver quality education to its students. The ASCSU states its opposition to the currently proposed tuition increase as a mechanism for funding the CSU and resolves that the ASCSU and CSSA continue to work with partners across the system to engage in sustained joint advocacy to secure adequate state funding.

Support for the Letter to President Trump from the Leaders of California's Systems of Higher Education about the Continuance of DACA (Deferred Action for Childhood Arrivals). The ASCSU supports the letter to President Trump written by the leadership of California's three public higher education segments imploring the President to continue the DACA program and to "allow these young people to continue to pursue a college education and contribute to their communities and the nation."

Opposition to the Appointment of Betsy DeVos as U.S. Secretary of Education. The ASCSU opposes the confirmation of Betsy DeVos as U.S. Secretary of Education, and calls upon the U.S. Senate Committee on Health, Education, Labor and Pensions to reject her appointment.

Advice to the CSU Tenure Density Task Force (unanimous). The ASCSU encourages the CSU Tenure Density Task Force to recommend that the CSU and its individual campuses set medium- and long-range targets for tenure density; it also recommends specific strategies for meeting these targets. The resolution also urges the chancellor's office, on an annual basis, to collect and make available to the CSU community data on metrics related to tenure density.

The following were introduced for first reading consideration:

Employment Security for Contingent Faculty, Librarians, Coaches, and Counselors. This resolution urges the CSU, in conjunction with the Senate and the CFA, to establish a task force to investigate models of employment that would provide greater employment security for contingent faculty, librarians, coaches and counselors.

Cessation of General Education Area B4 (Mathematics/Quantitative Reasoning) for ELM-Exemption. The ASCSU seeks cessation of the practice of granting ELM-exemptions on the basis of completion of general education area B4 (mathematics/quantitative reasoning), since recent pilot projects authorized to award area B4 credit (statistics pathways curriculum) appear unlikely to yield complete coverage of those elements tested by the ELM exam.

Saving California's Master Plan Through Tax Reform. The ASCSU endorses the findings in *The $48 Fix: Reclaiming California's Master Plan for Higher Education*, which lays out a strategy for making higher education free to eligible California residents through tax reform. The resolution also urges the leadership of California's three public higher education segments, along with faculty, staff, students, and alumni, to undertake a campaign to promote such a plan.

Support for Graduate Education in the California State University (CSU). The ASCSU acknowledges the findings of the April 2016 CSU Masters' Degree Program Quantitative Characteristics

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Retirement Savings Inadequate in US

A new survey says most Americans recognize that they are responsible for funding their own retirement, but they need more help from their employers: better education, stronger incentives and help with other financial issues.

The report also says that people are falling short of their own retirement savings goals.

The Natixis 2016 Retirement Plan Participant Study polled 951 workers of all ages across the U.S. who have access to a retirement plan at their jobs. Those surveyed said on average they need $878,206 to fund their retirement in order to live 22 years in retirement, but, so far they have saved only $208,333, or 24 percent of that goal. Those totals include money in current retirement plans and other retirement accounts, including IRAs, rollover IRAs and taxable accounts. Natixis is a global asset management firm.

By generation:
• Baby boomers say they will need $934,677, but have saved only $313,981 or 34 percent of their goal.
• Gen X-ers say they will need $810,387 but have saved only $190,998 or 24 percent of their goal
• Millennials say they will need $869,622, and have saved $69,570, or 8 percent of their goal.

Other results:
• 69 percent of millennials compared to 55 percent of baby boomers believe people should be required to contribute towards their retirement savings.
• 82 percent of millennials vs. 77 percent of Gen X-ers say that employers should be required to offer retirement plans.
• 76 percent of millennials compared to 66 percent of baby boomers say businesses should be required to provide matching funds in retirement accounts.

In Memoriam

Dominguez Hills – Edward Whetmore

East Bay – John F. Reister
Mark J. Van Aken

Fresno – Ronald L. Evans
Manuel R. Garcia
Keith H. Woodwick

Fullerton – Robert Ewing
Dextra L. Frankel
William A. Leonard
Donna L. Powell
Jack A. Pontney

Humboldt – Ronald L. Calhoun
Charles M. Roscoe

Long Beach – John E. Fredrickson

Los Angeles – David Bilovsky
Robert C. Howard
Joan D. Johnson

Northridge – Max Lupul
Ruth Schrier

Sacramento – Joseph W. Kilpatrick
Thomas D. Swift

San Bernardino – James G. Rogers
Del Watson-Saldecke

San Diego – Fidelia R. Dickinson
Rosalind Guidry
David Shepard

San Francisco – Helen J. Glyer
Hilda P. Lewis
Henry E. McGuckin

San Jose – H. Lois Brainard
William R. Evans

San Luis Obispo – Bernice L. Nicholson
Dominic Perello

Sonoma – James L. Kormier

Statewide Senate Report

(Continued from page 10)

report that reiterates previous ASCSU recommendations on graduate education. The ASCSU also recognizes the need for further study addressing issues related to the role of graduate education in the CSU and urges the formation of an ASCSU/CSU task force on graduate education.

Resolution in Support of Students Admitted to the CSU Under DACA. The ASCSU stands in solidarity with our DACA students and will work to ensure the preservation of DACA, and if it is repealed, to advocate for resources to ensure that the rights of DACA and DACA-eligible students are preserved.

The full text of adopted ASCSU resolutions is available at: https://goo.gl/XThg7n

Is Living on a Cruise Ship an Alternative to Assisted Living?

We've seen several stories recently about people who spend their entire retirement years on a cruise ship and say that it is cheaper than assisted living or living in a retirement community. Is it?

One recent story spoke of a person who operated out of Miami and spent his entire time on a cruise ship at a cost of just under $200 per day or about $6,000 per month. Of course, there is the obvious – if you live on a cruise ship, you don't have the facilities of assisted living, someone to help you with your daily medications, getting dressed, or many other activities of daily living. That's one factor.

A 2004 study by Dr. Lee Lindquist found that "Cruises were priced similarly to assisted living costs and were more efficacious." If living on a large cruise ship costs $6,000 or more per month, that is certainly comparable to the cost of assisted living in some areas, which can be as much as $9,000,

The blog "A Place for Mom" does a cost-of-care survey, finding in 2012 that the average monthly cost of assisted living ranges from $2,500 to $4,600. There is variation by geographic area and by need, specifically, what particular services are needed.

The biggest difference is physical – a cruise ship requires that you be in better health than a typical person needing assisted living, and it requires resources one might not have – some place to go when the ship is in harbor and you have to disembark, for example.

The medical resources on the cruise ship will be sufficient for minor colds or for emergencies, but for more substantial care you would need resources found only on land Medicare plus a supplemental polikcy to pay for them.

CALIFORNIA STATE UNIVERSITY EMERITUS AND RETIRED FACULTY ASSOCIATION
The Retirement Center
18111 Nordhoff Street
Northridge, CA 91330-8339
http://www.csuerfa.org

Have you moved? If so, please report your new address to the CSU-ERFA office at the above address.

Address Service Requested

California State University
Emeritus & Retired Faculty Association

Senior Citizens With College Loan Debt

A 2016 Government Accountability Office report found that about 6.3 million adults from 50 to 64 and 870,000 65 and over had student loan debt. These figures have more than doubled since 2005 for the 50 to 64 year old set and increased by almost four times for those over 65.

Forty percent of those 65 and over are likely to default, and if they are receiving Social Security (SS) payments, their SS may be seized to repay the loan, even if it forces them into poverty. By 2015, about 70,000 people aged 50 or over had their SS benefits fall below the poverty line because of a default on student debt.

Some of the older borrowers have their own loans, but most have borrowed to help their children or grandchildren, either by borrowing directly or by co-signing a loan.

A recent New York Times editorial recommended prioritizing "people who are struggling to survive over companies that collect their loan payments. That means ending the practice of seizing the Social Security payments of poor or disabled student loan debtors."

Most of these borrowers are eligible for income-based repayment plans where they can pay as little as nothing each month. The federal government in some cases will pay part of their interest charges. Many can have their loans forgiven after a certain amount of time.

The loan servicing companies, however, do little to enroll people in this program. The Consumer Financial Protection Bureau is urging the industry to do a better job of enrolling borrowers in income-based repayment programs.

CSU-ERFA Calendar of Events

April 15, 2017 - State Council meets at CSU Dominguez Hills.

August 26, 2017 - CSU-ERFA Executive Committee meets in Torrance, CA

October 21, 2017 - Fall State Council meeting, CSU Long Beach

If You Move...

CSU-ERFA members who move after retirement to a location that is closer to another CSU campus should contact the CSU-ERFA office.

Information will be provided about the CSU-ERFA campus affiliate at the nearby campus.