



REPORTER

A publication of the California State University Emeritus and Retired Faculty Association

MEDICARE ACT CHANGES?

The potential for success in getting Congress to amend or delay the implementation of the Medicare's Catastrophic Tax Act (MCTA) seems promising. Recent reports from Washington indicate that the volume of letters retirees have sent the Congress is making an impact. "Now is the time for ERFA members to send more and more letters," advises ERFA President Milt Dobkin; "we are having an impact and more letters should gain the desired results."

Although most readers of the *ERFA Reporter* are acquainted with MCTA, this Congressional act, passed in 1988, will provide such benefits as the following: nearly unlimited hospital care with only one deductible, 80% of the physician's approved charges until the beneficiary's expenses exceed \$1,370 after which Medicare will pay 100% of the charges, 50% of outpatient prescription drugs after a \$600 deductible, up to 150 days of improved skilled nursing facility care, 38 days of consecutive home health care, unlimited hospice care, and up to 80 hours a year of in-home care for disabled beneficiaries who have met the Part B out-of-pocket cap or the prescription drug deductible.

To pay for these benefits, the Part B premium of Medicare is increased to \$4 per month for the first year of the coverage, and all who are over 65 and who are eligible for Part A of Medicare, whether members or not, must pay a surtax on their income tax for 1989 of 15% up to a maximum of \$800 per person. In subsequent years, this medical tax will gradually increase.

Why are PERS and STR retirees objecting to this legislation? Because they have given up salary increases during the past decades in favor of having a good medical program during their retirement years. Consequently, PERS and STR members already have most of the coverage that MCTA provides, yet they still have to pay this significant new tax—unless they and others can persuade Congress to delay the implementation of the law or scrap it

PERS and STR members also object to the spousal impoverishment provisions of MCTA. Under California law when a spouse is in a nursing home, the at-home spouse may keep his/her share of community property and annual income; whereas under the MCTA provisions the at-home spouse will be allowed to keep only \$786 of monthly income and only \$12,000 of the couple's assets in addition to their home.

When retirees about the nation became familiar with the provisions of MCTA, they began a letter writing campaign protest to Congress that the *ERFA Reporter* has heard is second only to the protests Congress received about the recent proposals to increase the salaries of members of Congress. These protests are now appearing to bring results. Initially, Representative Dan Rostenkowski (D-IL),

NEW OFFICERS ELECTED

At the State Council meeting in San Jose, June 3, the following officers were elected: President—Milt Dobkin of Humboldt, Vice President—Wilma Krebs of Sacramento, Secretary—Max Norton of Stanislaus, Treasurer—John Houk of Los Angeles, Chair of Legislative Committee—William Tidwell, Editor—Fred McMahon of Northridge. Jack Byrom will continue on the Executive Committee as immediate past president.

NEW DUES ADOPTED

At the San Jose meeting on June 3, the State Council adopted a new dues schedule for ERFA members as follows:

PERS/STR Monthly Allowance	Recommended Monthly Dues
\$1599 and under	\$2.00 each month
\$1600-\$2299	\$3.00 each month
\$2300 and more	\$4.00 each month
Contributing Member	\$5.00 or more per month

The Council was so reluctant to increase dues that it decided to make dues a recommended amount. However, the increased costs of running an association with over one thousand members—secretarial services, printing costs, mailing expenses, printing and distributing *The ERFA Reporter*, etc.—made the dues increase a necessity. Should any member, or prospective member, find the recommended monthly dues too difficult to pay, s/he should write ERFA and explain the problem; ERFA will try to make necessary adjustments.

chair of the House Ways and Means Committee, was adamant that his Committee would not consider any changes in MCTA during this session.

According to the *Los Angeles Times* of July 19, Representative Rostenkowski offered proposals to the Ways and Mean Committee that would reduce "the program's controversial new surtax that many retirees would have to pay next year."

"The proposal, which immediately ran into opposition from a number of lawmakers, also would extend a host of tax breaks scheduled to expire this year in hopes of wooing tax negotiators on the panel away from an alternative plan that promises to cut capital gains taxes."

"To raise revenues that would replace those lost by reducing the Medicare surtax, the plan . . . would require all 32 million Medicare beneficiaries to pay at least \$125 per year extra out of their

own pockets."

"If Rostenkowski's proposal is approved, retirees with incomes of less than \$25,000 would pay more than is now planned Those with incomes between \$25,000 and \$100,000 would pay less. Those with incomes of more than \$100,000 would be relatively unaffected."

Although the plan was apparently not well received, what is significant is that Rostenkowski, who was adamant that he would not permit any changes in MCTA, is now recognizing the need for changes in response to the onslaught of letters from angry elderly constituents.

In view of these events now occurring in Congress, ERFA members are encouraged to write letters to all members of the House Ways and Means Committee; to Bush, who is still opposed to any changes in MCTA; and to their local representative and senators. In their letters, ERFA members should point out that as former state employees they already have better medical coverage than MCTA provides and they should ask that such persons be exempt from the surtax because they will be taxed for medical coverage they will not need to use. The address for members of the House Ways and Means Committee is 1102 Longworth House Office Building for Democrats and 1106 Longworth House Office Building for Republicans; both are in Washington, DC 20515. The Democratic members of the Committee are Michael Andrews, Beryl Anthony, William Coyne, Brian Donnelly, Byron L. Dorgan, Thomas Downey, Ronnie Flippo, Harold Ford, Richard Gephardt, Sam Gibbons, Frank Guarini, Andrew Jacobs Jr., Ed Jenkins, Barbara Kennelly, Sander Levin, Robert Matsui, Jim Moody, Donald Pease, J. J. Pickle, Charles Rangel, Dan Rostenkowski, Marty Russo, Fortney (Pete) Stark. The Republican members are Bill Archer, Hank Brown, Rod Chandler, Philip Crane, Bill Frenzel, Willis Gradison, Nancy Johnson, Raymond McGrath, Richard T. Schulze, E. Clay Shaw Jr., Don Sundquist, William M. Thomas, Guy Vander Jagt. The Democratic members of the Senate Finance Committee at 205 Senate Dirksen Office Building, Washington, DC 20510, are Max Baucus, Lloyd Bentsen (Chair), David Boren, Bill Bradley, Thomas Daschle, Spark Matsunaga, George Mitchell, Daniel Moynihan, David Prior, Donald Riegle, John Rockefeller. The Republican members at 203 Senate Hart Office Building, Washington, DC 20510, are William Armstrong, John Chafee, John Danforth, Robert Dole, David Durenberger, John Heinz, Bob Packwood, William V. Roth, Steve Symms.

PROPOSED CONSTITUTION NEW BY-LAWS

At the meeting in San Jose, June 3, the State Council approved a new constitution for submission to the membership. Although most proposed changes were not substantive, the Council did approve the recommendation to establish procedures for encouraging campus retirement associations to affiliate with ERFA. The proposed clause reads as follows: "CSU campus emeritus and retired employee associations are eligible to become CSU ERFA affiliates. Requests to become affiliated with CSU ERFA shall be submitted in writing to the Association president. Approval of the campus affiliate shall be by vote of the State Council." The Committee to revise the Constitution—composed of Jim Ryan (LB), Bill Mason (SF), Max Norton (Stan), and Bill Tidwell (SJ)—also proposed an associate membership category for ERFA; however, disagreements among the members of the Council led to a motion to reconsider this proposal at a later date.

The Committee also submitted new By-laws; these included the new dues structure (see story in this issue), a plan for rebating fifteen per cent of ERFA dues paid by members of a campus affiliate to the campus association, and several technical changes in the previous By-laws. The State Council approved adoption of the proposed By-laws.

EXECUTIVE COMMITTEE TO MEET IN LOS ANGELES JULY 29, CFA OFFICES

President Milt Dobkin has announced that the Executive Committee will meet on July 29 from 1000 to 1600 at CFA Headquarters, 8939 S. Sepulveda Blvd., Suite 520, Los Angeles, CA. 90045. All ERFA members are privileged to attend. Among the major items of business are how best to continue the battle to effect repeal or revision of the Catastrophic Medicare Tax Act, to develop the associate membership statement for the by-laws, and to encourage campus retirement organizations to affiliate with ERFA.

THE ERFA REPORTER

A PUBLICATION OF THE CSU EMERITUS AND
RETIRED FACULTY ASSOCIATION

9010 Reseda Blvd., Suite 224
Northridge, CA 91324

NON-PROFIT ORG.
U S POSTAGE
PAID
NORTHRIDGE, CA
PERMIT NO. 180

ADDRESS CORRECTION REQUESTED

HAVE YOU MOVED? If so, please
complete and return to ERFA:

Name _____

Address _____