



REPORTER

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

STATE COUNCIL TO MEET JUNE 3 IN SAN JOSE

At the Executive Committee meeting in Los Angeles on April 29, the Committee selected San Jose as the location for the State Council Meeting on June 3. Originally, this meeting was scheduled for San Jose on April 23, but President Byrom had to cancel this meeting.

The June 3 meeting will take place at the LeBaron Hotel, 1350 N. First Street, San Jose, CA 95112. Telephone number is (408)288-9200. President Byrom hopes to call the meeting to order at 1000 and end it about 1500.

The major items for the agenda are the proposed dues increase (see editorial in right column), election of officers, and proposed constitutional revisions. The Council will also discuss ways to effect improvement of ERFA liaison with local campus retirement associations.

Attendees may obtain a luncheon of fresh seasonable fruits for ten dollars, including drinks, bread and butter, and dessert. All delegates and members planning on coming to the meeting are asked to notify President Byrom by calling him at (818)886-7050 or by writing him at 18147 Andrea Circle North #2, Northridge, CA 91325.

President Byrom says, "I hope all campuses will send at least one representative to the meeting. But I also want to emphasize that ALL ERFA members are urged to attend and to participate."

CANDIDATES FOR ERFA OFFICERS FOR 1989-90

Sidney Albert, Chair of the Nominating Committee, announces the following candidates for ERFA offices for 1989-1990:

- President Milton Dobkin (Humboldt)
- Vice President Wilma M. Krebs (Sacramento)
- Secretary Max C. Norton (Stanislaus)
- Treasurer John L. Houk (Los Angeles)
- Liaison to CSU
- Academic Senate Leonard G. Mathy (Los Angeles)
- Chair, Legislative Committee William Tidwell (San Jose)

Members may nominate other candidates for office at the June 3 meeting or by sending nominations to Dr. Sidney Albert, ERFA, 9010 Reseda Blvd., Suite # 224, Northridge, CA 91324.

PERS DEDUCTION FOR DUES SAVES ERFA DOLLARS

EDITORIAL

At the meeting of the Executive Committee in Los Angeles on April 29, the Committee concluded that it should ask the ERFA Council at the San Jose June 3rd meeting to raise ERFA membership dues. The Executive Committee was most reluctant to take this action; but faced with expanding costs in every phase of ERFA operations, the Committee recognized that it needed to make this recommendation. ERFA must find new quarters for its administrative operations on August 1. (See related article in this issue of the *ERFA Reporter*.) As the membership has grown, so have the costs of maintaining membership records, of printing the *ERFA Reporter* and mailing it to the membership, of telephonic communication, and of all related clerical work. So far, the officers of the Association have personally absorbed a significant percentage of these expenses—telephone, travel, postage. In addition, volunteers have performed many needed routine clerical tasks. Unfortunately, the increased work load has made it more and more difficult to find officers to serve and volunteers to make these contributions, especially when they must pay many of these expenses out of their own pockets.

The Executive Committee is recommending to the Council that the following dues structure be approved:

PERS Monthly Annuity Payment	Dues
\$899 and under	\$1.00 per month
\$900 to \$1599	\$2.00 per month
\$1600 to \$2299	\$3.00 per month
\$2300 and more	\$4.00 per month
Contributing Member	\$5.00 per month
Associate Member	\$1.00 per month

The ERFA Executive Committee knows from its many efforts to protect CSU faculty retirees' limited benefits that ERFA has a major task facing it. The CSU administration seems more interested in ignoring those who have dedicated their professional lives to the CSU than it does in recognizing them and taking advantage of the contributions they can make to CSU. So far, the CSU has yet to recognize that the faculty retirees even exist. Some retirees ask, why can not the CFA provide the leadership needed to protect the CSU faculty retirees. Unfortunately, the CFA is prohibited by law from representing them. All CFA can do is bargain for present or improved retirement benefits for those who are still active faculty employees. And CFA needs ERFA to advise it about what these retirement benefits should be.

The CSU faculty retirees need ERFA to provide leadership to help protect PERS' funds—funds that the Governor, some legislators, many counties and cities, and others apparently want to use to replace lost tax dollars. Unfortunately, these pressures are going to increase as the number of retirees grows. On the federal level the
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CSU faculty retirees need ERFA to lead the fight to eliminate or amend the Medicare Catastrophic Tax Act—hopefully, so that CSU retirees who already have better coverage can at least be exempt from this tax or receive a significant rebate from PERS. And who knows what legislative problems affecting CSU faculty retirees will come up in the Congress or the Legislature in the future that ERFA will need to support or fight?

Of course, ERFA provides the CSU faculty retirees with many additional services: inter-campus communications so that the various campus retirement organizations can better understand how CSU retirees on different campuses contribute to the campus educational and research goals; information about retirement programs and opportunities on the national level; representation to such groups as AAUP, CFA, RPEA, CSEA, PERS, the Legislature, the Congress, and others;

ERFA leadership knows the CSU faculty retirees need ERFA and hopes that the membership will recognize this need by accepting a dues increase if the State Council approves it. ERFA leadership asks members, before June 3, to express their views about the proposed dues increase to their local ERFA representatives or to write to President Jack Byrom and let him know how they feel about this proposal.

If the State Council approves this dues increase, ERFA members on pay roll deduction will receive a notice and be asked to sign that they approve the increased deduction. Members who pay by check will receive the notice on the anniversary date of their joining ERFA. The latter group will also be asked once again to turn to pay roll deduction so that ERFA can thereby further reduce clerical expenses.

ERFA members are urged to write letters to the following:

The Honorable George Bush
President of the United States
The White House
Washington, D. C. 20500

The Honorable Lloyd M. Bentsen The Honorable Alan Cranston
Chair, Senate Finance Committee Senate Majority Whip
Senate Hart Office Building Senate Hart Office Building
Washington, D. C. 20510 Washington, D. C. 20510


The Honorable Daniel D. Rostenkowski
Chair, Ways and Means Committee
Rayburn House Office Building
Washington, D. C. 20515

MAY MEMBERSHIP TOTALS

Bakersfield 1, Chico 55, Dominguez Hills 7, Fresno 50,
Fullerton 56, Hayward 52, Humboldt 44, Long Beach 141,
Los Angeles 86, Northridge 117, Pomona 53, Sacramento 64,
San Bernardino 10, San Diego 130, San Francisco 65,
San Jose 91, San Luis Obispo 25, Sonoma 28, Stanislaus 14.
Total 1089.

THE BATTLE GOES ON

According to Wilma Krebs, ERFA Vice President and California leader in the battle to overturn or amend the Medicare Catastrophic Tax Act (MCTA), the Congress has received over a million letters protesting the passage of this program, almost as many as it received about the proposed Congressional pay raise. She reports that as a consequent of this public outcry, the Senate and the House, during the last part of April, voted to hold hearings on the need to delay or amend the Act. The vote was 97 yeas and 2 nays in the Senate and 408 yeas and no nays in the House. Unfortunately, she warns, the proposal is a rider to the minimum wage bill, which Bush opposes and will probably veto. If he does, it is anticipated that the Congress will reconsider the Act, making some adjustments to win Bush's approval; however, she advises her sources anticipate that the rider directing the Congress to hold hearings on the MCTA will again be added as a rider. Dr. Krebs suggests that all ERFA members write the President and their Congressional representatives and urge them to approve the legislation calling for these hearings, and, in addition, ERFA members should ask that the Congress hold field hearings (that is, hold hearings in various parts of the nation). Dr. Krebs says, "Now is the time to put on the pressure. We are making progress, but we need additional pressure to insure victory."



This proposal to modify MCTA should interest ERFA members. Also, the means of obtaining Congressional support should interest former academicians

On April 14 ERFA leaders Ed Becker, Darrel Burras, and Jim Ryan (all of Long Beach) went to Congressman Glenn Anderson's Long Beach office to attempt to convince Anderson that opposition to the MCTA comes from more Americans than a "minority of selfish, wealthy senior citizens," as Congressmen Rostenkowski and Stark, Senator Bentsen, and AARP spokespeople claim. Although Congressman Anderson was delayed in Washington, D. C., and was unable to meet with the ERFA leaders, they did meet with Mr. Jeremiah Bresnahan, Anderson's administrative assistant. He advised these ERFA leaders, according to Jim Ryan, that Anderson believes the MCTA was "unrealistic and needs to be amended." Bresnahan gave Ryan a copy of the proposed Medicare Catastrophic Coverage Reform Act, introduced on April 12. (See page 3, the *ERFA Reporter*.) Bresnahan advised that nearly sixty congressional representatives had indicated opposition to the MCTA and that a number of them were co-sponsoring the Reform Act. He also advised that the many proposed reforms in the MCTA, unfortunately, must go to the House Ways and Means Committee, which is chaired by Rostenkowski, a strong supporter of MCTA, or to the Senate Finance Committee, which is chaired by Bentsen. (Senator Bentsen has recently proposed a sixteen percent reduction in the surtax.) According to most political experts, Rostenkowski and Bentsen are from "save" districts and have large campaign funds; they apparently have little fear of political defeat. Because of the political independence of these two, many experts fear all legislation to change MCTA will die in the files of these two committee chairmen.

Congress of the United States

House of Representatives

Washington, D.C. 20515

April 12, 1989

Last Chance to be an ORIGINAL Co-sponsor of the Medicare Catastrophic Coverage Reform Act

Dear Colleague:

All of us have now heard from many of our constituents whom the "Medicare Catastrophic Coverages Act of 1988", P.L. 100-300, was designed to benefit. The majority of senior citizens believe that the benefits unrelated to catastrophic illness, are unnecessary and are paid for by an inequitable tax levied upon the elderly, the so-called supplemental premium (surtax).

On Tuesday, April 18, we will introduce legislation, the "Medicare Catastrophic Reform Act of 1989" to remedy many of the legitimate concerns that have been raised about P.L. 100-360. This bill is very similar to the Republican substitute that won 190 votes when the catastrophic bill was considered on the House floor. It repeals the surtax as well as a number of the non-catastrophic benefits, such as respite care and mammography screening.

The "Medicare Catastrophic Reform Act of 1989" provides benefits addressing the true catastrophic health care needs of the elderly. It is not designed to fund the routine costs of medical care. Under our bill, the new set of catastrophic Medicare will be financed by a modest increase in the existing Part B premium which will be indexed annually to fully fund the costs of the benefits. For example, under current law beneficiaries will be required to pay \$33.90 a month next year for the Part B premium as well the income related surtax. Under our proposals, beneficiaries will have to pay an additional \$6.90 for the Part B premium but they will not be liable for the supplemental premium.

The main features of our bill:

- Repeals the income related supplemental premium (surtax);
- Retains those provisions of current law that expand the scope of Part A Medicare benefits

because these are all legitimate catastrophic expenses, including: removing the limit on days of inpatient hospital services and on hospice care; expanding coverage of skilled nursing facilities; and improving home health care coverage;

- Changes the cap on beneficiary expenses to \$2230 for FY 1990;

- Repeals coverage for mammography screening, respite care, and home administered intravenous drugs;

- Repeals the costly prescription drug benefit and replaces it with a drug benefit under the Medicaid Program for persons over 65 who are at or below 150% of the Federal poverty level. This benefit will be administered through state Medicaid agencies and includes a \$50 deductible.

- Retains those provisions in current law that provide protection of income for individuals whose spouse are receiving nursing home care.

We also begin, in this package, to address the overwhelming concerns of the elderly, long-term care. The second title of this bill makes the tax code revisions necessary for the development of the long-term care insurance market.

Adoption of the "Medicare Catastrophic Reform Act of 1989" will result in a package of benefits designed to meet the true catastrophic health care needs of the elderly. It accomplishes this goal without unfairly taxing those elderly who have been fortunate enough to be able to maintain some savings. We strongly urge you to join us as an original cosponsor of this legislation. To co-sponsor, contact Tracy King at 5-2635 or Pattie DeLoatche at 5-5755.


JOHN J. RHODES, III
MEMBER OF CONGRESS


MICHAEL BILIRAKIS
MEMBER OF CONGRESS


EDWARD R. MADIGAN
MEMBER OF CONGRESS

ERFA OFFICE NEEDED

On August 1 the Association of College and State University Professors (ACSUP) will close its Northridge office. ERFA has also used this location for its office headquarters, with the cooperation of ACSUP. Unfortunately, since ACSUP has carried most of the expense of this office, ERFA will no longer be able to afford this facility. One of the major problems and expenses facing ERFA is, what shall ERFA do about obtaining a new headquarters?

MATHY COMMENDED

At the meeting of the Executive Committee on April 29, the Committee unanimously passed the following motion: that the Executive Committee directs ERFA President Byrom to write Dr. Leonard Mathy and inform him that the Executive Committee commends him for his outstanding contributions to ERFA, especially his representation of ERFA to the CSU Academic Senate, and to advise him that it looks forward to his further contributions to ERFA.

KORBER LETTER TO DEMOCRATIC COMMITTEE

Dr. George Korber, Long Beach, advises he has written the following letter to the Democratic National Committee in response to its requests for funds, and he suggests that all those who receive such correspondence reply as he has:

Dear Democratic National Committee:
In response to your letter of April 1, 1989, asking for funds to help elect Democratic senators, I want you to know that while I have made generous contributions to your Committee in the past, I shall not be able to do so this year. As a result of the huge increase in my income taxes because of the surtax imposed by the Medicare Catastrophic Tax Act, I lack sufficient funds to make political contributions. If and when the Committee can provide evidence that the Democratic senators who voted for the Medicare Catastrophic Tax Act of 1988 have changed their position, I will reconsider my decision to discontinue my contributions.

IMPACT OF MEDICARE ACT

In a study ordered by the Institute for Research on the Economics of Taxation, Aldona and Gary Robbins, in "The Insurance Value of Medicare's Catastrophic Benefits," (Economic Report #47) state the following:

- "The Medicare Catastrophic Coverage Act is a bad deal for millions of the elderly. It will
- cost the elderly more, on average, than they can expect to receive in benefits,
- shift a portion of the nation's welfare burden from general taxpayers to elderly taxpayers,
- use much of the higher taxation of the elderly to pay for other federal spending,
- raise the total cost of comprehensive health insurance.

"In 1989, no less than 46.1 percent of the elderly will pay some surtax, and 8.6 percent will pay the maximum. In 1993, 46.5 percent of the elderly will pay some surtax, and 21.1 percent will pay the maximum.

"For these added taxes and premiums, elderly Medicare enrollees will receive an average of \$46.57 in benefits in 1989. Most enrollees, however, will not have enough medical expenses to qualify for benefits; between roughly 17 and 31 percent of enrollees will receive all the payments. As additional benefits are phased in, the average "expected benefit" for elderly enrollees will increase to \$273.47 per enrollee in 1993.

"Counting premiums and surtaxes, the elderly as a group will pay \$4.7 billion more in 1989 and \$3.9 billion more in 1993 than they will receive in benefits.

"The Catastrophic Coverage Act is an income redistribution device in disguise.

—Upper- and middle-income Medicare-eligible taxpayers will subsidize lower-income catastrophic care recipient costs by \$4.2 billion."

The *CSU ERFA Reporter* is a publication of California State University Emeritus and Retired Faculty Association. President: Jack Byrom. Office Manager: Ann Oliver (818)886-1196. Editor: Fred McMahon, 1400 S. Catalina 309, Redondo Beach, CA 90277, (213)540-1111. All rights reserved.

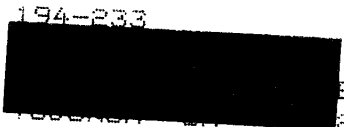
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