

REPORTER

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

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President Long Reports on May 1996 State Council Meeting

Twenty-seven members from 16 CSU campuses attended the CSU-ERFA State Council in May. Membership recruitment continues as a priority. Membership remains stable at about 2,700; we gain new members, but also lose some, sadly, through deaths. Potential membership is about 6,000. Campus efforts are needed to supplement those of the staff. We particularly need to clarify the distinction between membership in campus affiliates and CSU-ERFA and to point out that CSU-ERFA membership supports local organizations through dues rebates.

Executive Director **Bob Kully**, with **Linda Zimmerman** and **Alice Ong** of the staff, keep up with the workload at the Northridge office, and log more and more overtime with the activity. We will need to add staff time in the near future as well as to upgrade equipment. Fortunately, our financial situation is excellent.

Issues being addressed by staff and officers include: rendering service to campus affiliates; implementing the consultant program; representing retiree rights at campus, system, legislative, and national levels; monitoring retiree health care programs; improving campus emeriti policies and privileges; providing condolences to the families of deceased colleagues, and contributing to the endowment fund in their memory; producing informational materials, including the *Reporter*; developing an educational endowment foundation to support member research; maintaining liaisons with the CSU Academic Senate, the California Faculty Association, the American Association of University Professors; representing interests before PERS and the executive and legislative branches of state government.

Always of prime interest to our members are state proposals that affect their welfare. Elsewhere in this issue is an article on our representation efforts in Sacramento. Included in our liaison reports were efforts being made in cooperation with other organizations to bring retiree dental care coverage up to the same level as that enjoyed by active faculty. A recent arbitration victory was

noted, affecting the continuing rights of faculty when they reach the age of 70. A committee is continuing to work to reverse the '92 retiree legislation that prevents "golden handshakers" from serving the CSU.

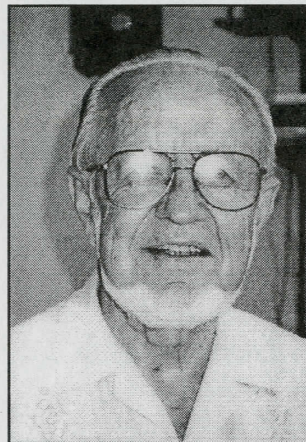
We discussed the so-called "Blue Book" summarizing varying practices at CSU campuses regarding retiree privileges "as continuing members of the academic community" (CSU Trustee policy). We discovered significant variations at CSU campuses in honoring trustee policy and discussed the best means to encourage campus officials to conform with CSU policy in retiree privileges.

A major agenda item at the May meeting was a report from our bylaws committee proposing changes in our constitution and bylaws. The new bylaws were approved unanimously; their implementation will await approval of changes in the constitution, requiring a plebiscite of the membership. The major features of these changes are the elimination of the present executive committee in favor of a single legislative body, the State Council; the creation of a smaller executive committee; creation of a committee to represent out-of-state members and honorary council members' interests; the creation of an association archivist; and the establishment of a liaison to the California Conference of the AAUP.

New officers and representatives were elected at the May meeting (reflected in the list on this page). Three of the new members-at-large are women, the first to serve in that capacity. The new bylaws, with constitutional approval, will change the title, but not the functions, of these members. With the prior bylaws, all elected persons in CSU-ERFA were members of the executive committee. The State Council also included all elected officials plus campus affiliate representatives. The new bylaws will eliminate the overlap and redundancy, leaving a single legislative body, the State Council.

I am honored to serve another year as your president.

—**Emmett T. Long**



FERP-ing Past 70

Early in May, CSU-ERFA received word that the California Faculty Association had brought to a successful first-step conclusion a grievance filed by Professor Larry Squires (Humboldt) over CSU's refusal to permit him to teach in the Faculty Early Retirement Program past age 70. Professor Squires was one of the faculty who entered the FERP prior to the first collective bargaining memorandum of understanding in 1983. As a result, he was held only to mandatory retirement at age 70 without limitation of the numbers of years in the program (Title 5).

When later contracts acknowledged the decision by federal law of the mandatory retirement age, Professor Squires was told that such removal did not apply to him as a result of his status on entry in the FERP program.

The arbitrator in this long struggle used the following award language: "... the arbitrator concludes that the employer violated the parties' (CSU/CFA) collective bargaining agreement when management denied the grievant an opportunity to continue in the Faculty Early Retirement Program beyond the age of 70."

This is the first step. The arbitrator gave the parties 90 days to negotiate a remedy, with the arbitrator retaining jurisdiction. If the CSU and CFA cannot agree, another hearing may result with the arbitrator making the decision.

At issue, of course, is what should be the remedy for the denial of employment to Professor Squires starting in 1995.

Of special interest to CSU-ERFA members and its office, which has been following this case closely, is the citation in the text of the arbitration "statement of facts" that the grievant first became aware

of the CSU's obligation to alter the 70 retirement age in February 1994 when he read an article in the *CSU-ERFA Reporter* on the new provisions in the MOU. After reading the article, he became convinced that he should not be required to leave the FERP program upon reaching 70, and filed the grievance when CSU management disagreed with his interpretation.

On a special note, the section titled "merits of the case," states "The arbitrator received no evidence suggesting a correlation of increasing age with

declining intellectual ability. Although physical abilities may decline with increasing age, some research suggests that problem-solving skills and intellectual judgment continue to grow throughout the life of healthy people. Hence, there was no defense to be found in age as a bona fide occupational qualification."

Isn't it nice to have an official "first impression" judgment that we "mature" faculty and staff continue to have something of real worth to offer! CSU-ERFA will continue to monitor this situation.

If you are a member who entered FERP before July 1983 and were told you had to leave employment because you turned 70 (this does not apply to the contracts limiting the number of years), you may wish to get in touch with the CFA representative on your campus to ask whether this "first-impression" case and arbitration award suggest a benefit to you if you seek a remedy.

The time for filing a grievance begins to run as soon as you first learn of any damage you have suffered, so get in touch with the CFA office as soon as possible. If you already knew of this information please act immediately for your sake. ♦ [MD]

Employing Golden Handshakers

Following Assemblyman Canella's efforts to introduce legislation to remove the post-retirement employment restrictions on 1992 "Golden Handshakers" (see the April 1996 *Reporter*, p. 3), CSU-ERFA representatives began a different effort to work on the issue. We never give up, we just keep trying!

Committee members **Max Norton** (Stanislaus), Executive Director **Bob Kully**, and **Milt Dobkin** (Humboldt) visited at length with a key member of Sen. Maddy's staff to present a position paper on the need for action and to seek the senator's agreement to propose legislation on a bipartisan basis in the Senate.

The meeting was cordial and the staff member was receptive to the arguments, in particular, as we pointed out, that the 1992 CSU retirees were the only state retirees who were prohibited from working even within the narrow confines of legislation affecting all CSU retirees.

This singularly discriminated-against class of retirees, it was pointed out, had now "paid for" their four years of service credit with a period of four years of prohibition against any CSU employment, no matter what the urgency or need of the California State University.

The staff member anticipated providing the senator with a review within several weeks, followed by immediate notification to CSU-ERFA about the prospects for initiating action as well as what our members might do to help in the effort.

By the time this article appears, we may have received additional information and will be able to give you a progress report. ♦ [MD]

"I was still learning when I taught my last class."

*—Claude Feuss,
after 40 years of teaching*

Health Benefits Update

Supplement to June 1996 CSU-ERFA Reporter

By Wilma Krebs, Legislative Affairs Chair

Hearing Aids for Managed Care Plans—and More

CSU-ERFA and SCORE successfully argued that since there was a substantial saving in managed care plans, which could not be passed on to members in dollars, it would then be fair to improve benefits. The plans will now provide audiological and hearing-aid evaluations, and up to \$1,000 per member every 36 months for hearing aids, as well as visits for fitting, adjusting, and repairs.

In addition, seven plans will offer chiropractic coverage, with a \$5 co-payment, up to 20 visits a year. The seven are Cigna, Health Plan of the Redwoods, Kaiser North, Kaiser South, Foundation, Omni, and National HMO.

Eye refraction for persons over 18 with a \$10 co-payment has been added by Blue Shield HMO and Foundation. (Foundation will change from a Supplement-to-Medicare plan to Managed Medicare for the 1997 contract year.) There will also be service area expansions: Aetna into Santa Cruz; Blue Shield HMO into Fresno, Kings, Madera, and Tulare; Omni into Sonoma; Lifeguard into Fresno, Kings, Madera, Sacramento, Santa Barbara, and Tuolumne. ♦

Member Access to Breast Cancer Treatment

Sparked by PERS Board member and state controller Kathleen Connell, and supported vigorously by CSU-ERFA, the PERS Board approved a series of measures that will ensure that members with the misfortune of breast cancer will have access to bone-marrow transplants. This will hinge on whether the physician recommends the treatment—and whether the member desires it. Should treatment be initially denied, there will be an expedited, independent review process.

Health plans will be required to provide care at Centers of Excellence.

All plans will be required to notify plan physicians and members of the availability of treatment coverage if needed. This applies to High Dose Chemotherapy—Autologous Bone Marrow Transplant (HDC/ABMT) and Peripheral Stem Cell Harvest (PSCH). ♦

Will My Out-of-Pocket Costs Go Up?

Medicare plan premiums have gone down 10.4% over all; Medicare HMO plans have actually gone down 38.5% and the self-funded plans, PERS-Care and PERS-Choice, remain the same as last year. Owing to the way the formula works, however, the employer contribution has decreased:

	1995/96	1996/97
One party	\$151	\$148
Two party	287	282
Family	369	362

This happened because the law states that the employer contribution will be 100% of the average of the premiums of the four basic plans with the largest enrollment, and 90% of this for dependents. The upshot is that even though PERS dipped into reserves to hold the line on PERS-Care and PERS-Choice premiums, enrollees will experience a small increase in out-of-pocket costs. Those in HMO Managed Medicare will not feel the drop in the employer contribution because it still covers the entire premium, plus Medicare Part B reimbursement.

Retirees in Supplement to Medicare plans (Blue Shield, Health Plan of the Redwoods, Lifeguard, Maxicare, National HMO, Omni) will find that the employer contribution provides less reimbursement for Medicare Part B premiums, thus raising out-of-pocket costs. Some who did not qualify for Medicare are in Basic Plans. In some, higher premiums can exceed the employer contribution, resulting in a rise in out-of-pocket costs. ♦

Can PERS-Care and PERS-Choice be Preserved in the Long Run?

We discussed this in the April issue of the *Reporter*. The trends in PERS-Care are rising average age, rising premiums, and members leaving PERS-Care (10% left last year because of the increased cost). This tends to leave an older, sicker population in PERS-Care, which leads to rising premiums and a possible further decline in participation.

The Watson Wyatt consulting firm is studying what can be done to preserve the fee-for-service health plans, which are popular with many retirees because of freedom of choice, access to specialists, usefulness to those who travel, full range of services, greater suitability for those who live out of state or in rural areas.

Various ideas are being discussed: making preferred provider plans more attractive, point-of-service options in the HMOs (so that by paying extra you could use providers out of the networks), disease management, education for healthier lifestyles. It was stressed that PERS-Care is in good shape now and for the next few years, but down the road constructive measures will have to be undertaken to preserve this popular retiree option. PERS-Choice is a somewhat lower-cost, fee-for-service option, with benefits not quite as rich as PERS-Care, but offering many of the same advantages. ♦

News for Out-of-Staters

In Arizona, Intergroup is expanding its service area.

Blue Shield HMO is offering guest membership to long-term travelers, students, and families living apart through HMO USA (Blue Cross and Blue Shield's national HMO network). ♦

Continued overleaf

Why Members Change Plans

A PERS survey in the most recent enrollment period learned the reasons members change health plans:

- Plan cost (37%)—mostly PERS-Care members
- Could not get referral to specialists (21%)—HMOs mostly
- Inadequate coverage of certain services (12%)
- Dissatisfied with medical care (11%)
- Too much time to resolve claims issues (6%)
- Other (14%)—e.g., other plan perceived to be of higher quality♦

Open Enrollment Period

You will have the opportunity to change plans, add dependents—or stay where you are—during the upcoming open enrollment period, Sept. 1 to Oct. 15, 1996. Another expanded PERS Health Plan *Quality Performance Report* will be distributed to members prior to Sept. 1. This is a good time to compare cost and value of your plan with other options, in view of possible changes in personal health care needs.♦

Lower Premiums

For the third year in a row, there is a reduction in rates—0.7% for basic plans, and 10.4% in the Supplement to Medicare/Managed Medicare plans. This saves about \$14 million for beneficiaries and governmental employers. Additional benefits improving the plans have a value of over \$11 million, according to PERS.♦

Long-Term Care Insurance

PERS has announced that the number of long-term insurance policies issued is approaching 50,000. **The deadline for applying is June 30**, and this deadline is real. Future application periods are expected, but probably not for at least 10-12 months. Tom Fischer, chief of the health plan administration division, has been appointed chief of the office of long-term care. Craig Hartung, former chief, will continue to be associated with the program.♦

PERS Health Plan

Ombudsperson to Report

Lura Franzella, ombudsperson for Health Benefits Services, will report at a seminar June 17 on member issues that her office has handled. There will also be discussion of access issues for HMOs, quality issues, and cost issues for the PERS-Care self-funded plan. New products will also be considered, such as point-of-service options for managed care.♦

HMO Initiatives for the November Ballot

Two HMO initiatives appear qualified for the November general election. One is sponsored by the California Nurses Association and backed by consumer advocate Ralph Nader. Some of its provisions:

1. Set minimum staffing requirements for health care facilities
2. Require a second opinion from a qualified health professional before care recommended by patient's doctor is denied
3. Ban financial incentives to doctors or nurses to withhold care
4. Provide "whistle blower" protection for doctors, nurses, or other caregivers who report problems within their facilities
5. Prohibit mandatory arbitration clauses in HMO contracts that would deprive patients of legal recourse if injured by unsafe care

The other is sponsored by SEIU. Some of its provisions include:

1. Prohibits "gag rules" that force caregivers to withhold information from patients.
2. Prohibits bonus pay for doctors or others who deny care
3. Requires a second opinion before an HMO or other insurer can deny care recommended by the patient's doctor, nurse, or caregiver
4. Requires minimum safe staffing of hospitals, nursing homes
5. Requires health insurers to disclose profits and other overhead♦

NEWS FROM PERS

On the Agenda

The CalPERS Board of Administration will meet in mid-June. Items of interest on the agenda:

The Health Benefits Program "quality/technology" update

The second reading of the CalPERS 1996/97 budget proposals

The quarterly investment report (one-, three-, and five-year returns on the portfolio)

For further information (or a copy of the complete agenda) call 916-326-3829.♦

Investing for the Future

The CalPERS board has reaffirmed its investment policy originally adopted in 1994. The policy calls for CalPERS to increase its investments in both domestic and international equity markets and reduce the fixed-income exposure. **CalPERS earned 20.6 percent return** on its assets for the year ending Mar. 31, 1996, managing assets of \$98.5 billion.♦

Soon to be on the World Wide Web

By the end of the year you can crank up your browser on the Internet and get to the Home Page for CalPERS. The web site will be the primary point of entry for information on all CalPERS programs.♦



The Senate Finishes its Work for 1995-96

The CSU Academic Senate passed 19 items at its final meeting of 1995-96.

The following may be of particular interest to members of CSU-ERFA:

Faculty Productivity. The faculty affairs committee presented a paper responding to the draft prepared jointly by the faculty senates and faculty unions of the State University of New York and CSU. The committee expressed concern that mere "counting heads" does not appropriately measure what faculty accomplish.

Salary Step Increases. Considerable debate, reflecting the consequences on faculty morale that the manner in which salary increases were granted, led to the approval of a position paper for distribution to the CSU campuses. Prepared by Keith Boyum (Fullerton), the paper may assist campus senates as they seek amendments to, or reformulation of, their local policies.

Technology and Instruction. The senate approved two resolutions of policies and procedures that should apply in the CSU in connection with technology mediated-instruction.

Temporary Faculty. The campuses and academic departments are urged to study their current use of temporary faculty in the light of the 1993 AAUP guidelines calling for limiting part-time or non-tenured faculty to no more than 15 percent of the total instruction.

California Civil Rights Initiative. The senate was unanimous in approving a resolution opposing the proposed amendment to the state constitution. Chancellor Munitz, in his meeting with the senate, expressed his concern about the initiative and the effect it could have on CSU's educational equity programs, if passed.

The chancellor also discussed the need for long-term strategies and planning, and assured the senate he firmly continues to support faculty tenure. ♦ [LM]



Albert Honored

SIDNEY ALBERT (Los Angeles), the founding president of CSU-ERFA, was honored by the American Association of University Professors at its 82nd annual meeting in Washington, DC, on June 9. The honor recognized his 50-year continuous membership in AAUP. The members gave Albert warm and extended standing ovations when introduced and at the conclusion of his remarks. He also participated on a panel to explain his role in establishing the retired faculty association at CSU Los Angeles and CSU-ERFA.

Another member of CSU-ERFA, **Robert Kully** (Los Angeles), executive director, also participated on the retirement panel. He discussed CSU-ERFA as the only organization that represents and works exclusively on behalf of CSU retired faculty and staff, its accomplishments, and future issues and concerns. ♦ [RK]

Legislative Report

AB 3252 (Kaloogian)—Would establish a defined contribution pension plan, separate from PERS. Its board would have token member representation. Could weaken PERS, lead to inferior retirement for many. Passed Assembly committees despite ERFA and SCORE opposition.

SB 2019 (Russell)—Defined contribution Plan. Defeated in Senate PERS committee, but granted reconsideration.

SB 234 (Hughes)—Permanent funding to guarantee 75% purchasing power. Currently in Assembly PERS committee. No hearing set.

AB 2550 (Cannella)—Pension benefits for surviving spouses married at least one year prior to death of the retired person. Held up in Assembly Appropriations committee.

AB 850 (Morrissey) and **SB 1517** (Johnston)—Backup bills to eliminate the source tax for those living out of state. Both are in their respective revenue and tax committees. Moving nicely.

SB 1478 (Solis)—Will require health plans that provide financial incentives to doctors to report to State Department of Corporations. In Senate Insurance Committee. ♦ [WK]

In Memoriam

Dominguez Hills: *Peter Paulhe*

Fresno: *Russell Fey*

Fullerton: *Lois S. Herron, Ivan L.*

Richardson

Hayward: *Margery Martin*

Humboldt: *Howard R. Kelly*

Los Angeles: *Jane Matson*

Pomona: *Eleanor M. Clarke, Andrew J.*

Johnson

Sacramento: *Edward C. Britton*

San Bernardino: *Helene Koon*

San Diego: *Clayton M. Gjerde, Jean M.*

Maxwell, Richard Ruetten

San Francisco: *Dale Draper, Richard L.*

Trapp

San Jose: *Norman O. Gunderson, Ross P.*

Teller

San Luis Obispo: *Arthur G. Butzbach,*

David Cook

CSU-ERFA makes a contribution to a memorial fund, held by the CSU Foundation, in memory of each of its deceased members. The funds are used for research into concerns of retirees, e.g., gerontology, health care.

We get letters—

To the editor: I was disappointed to hear that we cannot make headway on getting the prohibition of the "golden handshake" post-retirement employment removed. I have discussed this with our local assemblyman who recollects that the provision was written into the legislation at the insistence of CSU. Perhaps that is where the matter needs to be started? Is there anything we can do from this end?

John Sloane, Arcata [Ed. Note: see item on this and the following topic in this issue]

To the editor: I am responding to a note in the last newsletter about the future of PERS-Care. Undoubtedly many people have had to drop the plan, but at the price of choosing a plan without PERS-Care benefits. I cannot understand why many people who can afford PERS-Care will choose plans that make money for investors at the expense of their patients. Medical care will continue to cost more money and I am prepared to pay as much as I can to retain my freedom of choice and quality of care.

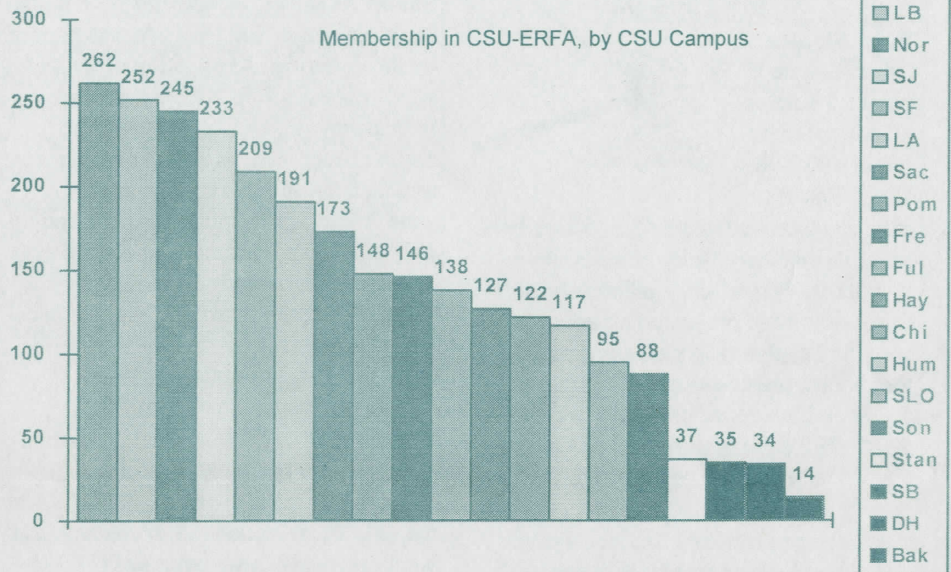
Edward Warren, La Jolla



Linda Zimmerman, CSU-ERFA's office manager in the Northridge office, with Alice Ong, administrative assistant



Members will be pleased to learn that **Byrd Ehlmann**, CSU-ERFA's former secretary, will take the bar examination this summer, having graduated from Southwestern University School of Law in May. ♦



The graphic above displays the distribution of CSU-ERFA's membership, by campus, as of May 31, 1996.

In the past two months, we welcomed the following new members:

Bakersfield: *Barbara J Drushell*
 Dominguez Hills: *Kay K. Hügel*
 Fresno: *Ibrahim M. Abou-Ghorra, Sharon Mullenix*
 Humboldt: *Janice M. Erskine*
 Hayward: *John Cambus, Carol Inberg*
 Long Beach: *David C. Borders, Eldon Dvorak, Sally A. Garcia*

Los Angeles: *Richard Lavender, Hector Sotoperez*
 Sacramento: *Elgie Fuson, Carrie A. White*
 San Bernardino: *Rodney J. Simard, Lynda Warren*
 San Francisco: *Ross L. Arrington, Mervin B. Freedman, Helen Monea*
 San Jose: *Louis Richard Bonvechio, George E. Deshon, John Morlan, Hartley D. Snyder*
 San Luis Obispo: *Howard Steinberg*
 Sonoma: *Verna R. Beatty, Helen L. Goree, Richard A. Van Giesen*

The ballot for the proposed amendments to the constitution are in the mail to all CSU-ERFA members. Please vote and return your ballot to the office promptly.

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

Forwarding and address correction requested

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