Health Benefits: Another Medicare Advantage Plan?

By David Wagner, Health Benefits Director

CalPERS is considering several important topics of interest to our retirees.

**Medicare Advantage Plan.** CalPERS is discussing offering a single carrier Medicare Advantage option through UnitedHealthCare, effective in 2016. The CalPERS health staff will be bringing this proposal forward to the board’s pension and health benefits committee for review on May 19th. This plan would be in addition to the current offering of Kaiser as a Medicare Advantage carrier. Preliminary information indicates that this Medicare Advantage PPO would be available in all 58 counties in California and throughout the United States. Medicare retirees would receive the same benefits both in-network and out-of-network. Medical and pharmacy benefits would be integrated, and there will be a focus on offering wellness programs.

CalPERS discussion of another Medicare Advantage option is quite timely as Medicare continues a slow movement away from fee for service and toward rewarding quality of care. In a rare show of bipartisan support the U.S. Senate passed Medicare overhaul legislation on a 92-8 vote on April 14th. The Centers for

(Continued on page 4)

State Council Meets at CSULB

CSU-ERFA’s governing body, the State Council, met on Saturday April 25, 2015, at CSU Long Beach’s Chartroom. Approximately 45 members attended. The council spent a significant amount of time on statewide issues and the problem of finding a new executive director for CSU-ERFA. The CSU Long Beach chapter went out of their way to find an accessible venue, and CSU-ERFA expresses its appreciation for their hospitality.

The council elected the following officers for next year: President: William Blischke of CSU Dominguez Hills, Vice President: Barry Pasternack of CSU Fullerton; Treasurer: Harry Sharp of Cal Poly San Luis Obispo, Secretary: Rita Jones of CSU Long Beach. Nominations were approved for the three state council delegates at large. They were Adnan Daoud of San Jose, Don Gerth of Sacramento, and Marshelle Thobaben of Humboldt; their terms expire in 2018. The 2015 nominating committee consisted of Mark Shapiro (chair), Tom Donahue, Bill Taylor, Sally Hurtado de Lopez, and Edward Aubert.

Harold Goldwhite will be the new liaison to the statewide academic senate, replacing William Blischke, who is the new president of CSU-ERFA. Prof. Leni Cook of CSU Dominguez Hills will be the new liaison to CFA. All nominations and appointments were approved as submitted, with two additions to the appointment list: Leni Cook will be a member of the legislative affairs committee and Ken Fulgham of Humboldt will be a member of the membership committee.

The keynote speaker, ably substituting for absent Chancellor Tim White, was Faculty Trustee Steven Stepanek.

Pictures on pages 3 and 11.
From the President...

Dear Colleagues,

As I sit to write this column, I have mixed emotions. I finish my term as president of CSU-ERFA at the end of June, and to be honest, I feel rather relieved as I will reduce some responsibilities and my work load. On the other hand, I truly believe that our organization contributes positively to our various CSU campus retiree organizations and also to our individual CSU retirees. As a result, I believe that I have been involved in some of the positive outcomes, and not only do I feel good about it, I want it to continue. Hmm! In any event, I will maintain membership on the executive committee as the past president, so perhaps that involvement will still allow me to “feel good” about my input.

State Council Meeting in April. You may have read that Chancellor White was unable to join the state council meeting as expected. Needless to say, I was very disappointed, but he did write a nice note to me, apologizing and saying that he plans to meet with us at the next state council in October. I was very pleased when Stephen Sepanek agreed to speak in his stead. Stephen is the faculty representative on the CSU board of trustees. He has been a computer science professor and department chair at CSU Northridge since the 1980s and served in the CSU statewide academic senate for almost a decade. His presentation on “Public Higher Education in California” was fascinating and well received. His PowerPoint slides are available in the CSU-ERFA office for any of our members — just call and request them.

CSU-ERFA Staff. I cannot tell you how pleased I am with the fine job that has been done during my presidential tenure by our executive director, officers, Reporter editor, webmaster, and other members of the executive committee. Working closely with all of them and utilizing the extensive work done by our committee chairs and members allowed me the opportunity to really see how things were accomplished. I can honestly say that it was a pleasure to be closely aligned to their fine work. There is no doubt in my mind that newly elected and appointed personnel will continue to make positive accomplishments.

Best wishes,

Barbara Sinclair, President, CSU-ERFA
To the Editor:

CSU-ERFA is losing members because of deaths and members have been asked to recruit new members. In order to do so one must explain the value of CSU-ERFA to its members. I have a suggestion to free up monies which could be used for members' direct services and not used for superficial means.

A large part of the budget is spent for travel to two state council meetings, at least two executive committee meetings, and perhaps CSU-ERFA Charitable Foundation meetings. Last year northern and southern California presidents meetings were added.

When I first became a delegate we met at a hotel near the airport. Then it was decided to meet on campuses. This was supposed to be a saving, but in actuality it added to expenses because more people had to stay overnight (meal and hotel expenses), and it was difficult to get to the campuses. And as a person who uses a walker, it meant an extra day of travel to the meeting. My explaining about the difficulty for disabled people got no response from the governing body.

Since committee chairs are to provide a written report for the meeting, there is no need (other than ego) for oral reports. Meetings consist of talk, talk, talk, a forgettable speaker (yes, the chancellor will attend in April, but a year ago he did not even know what CSU-ERFA was), a long lunch, people leaving early, held-over discussion and early adjournment. The meeting starts at 10 and goes until 3 with an hour and a half lunch. A year ago both the president and the vice president did not attend a meeting, and a former president missed two of the four meetings. So why two of these meetings a year? Some people getting many frequent flyer miles does not seem a justifiable reason for such travel.

I do not understand how a group of retirees continues to go to campuses when it is clearly discrimination against those with orthopedic disabilities. At our local meetings when I ask for a report from the statewide meeting, I am usually told “not much happened.” The Reporter provides excellent information for all members and the two state council meetings give little information to a few.

Surely one state council meeting a year would suffice. Please use the dues for more important lobbying or purposes which would be of value to all members.

Response from the Editor: CSU-ERFA’s budget is about $159,000 per year, of which the two state council meetings run about $5,000 each. The two executive committee meetings run $1,900 each. The total is $13,800, about 8.7% of the total budget. The state council meetings are held on campuses in part because we save about $2,000 on average each time we meet on a campus instead of at a hotel near LAX. The food costs at the Crowne-Plaza run over $43 per person for lunch; we have paid about $18 on the campuses where we have met so far. Since the state council has been meeting on campuses, the total costs have run in the $7,000-8,000 range for the year, about $2,000 under the budgeted figure above. The executive committee meets in one of the member’s condominium meeting rooms to save money.

Prof. Pressley’s concerns about access for those with disabilities have been discussed at executive committee meetings, and the April 2015 state council meeting at CSU Long Beach was in a meeting room just three or four steps (or a ramp) up from the parking lot for exactly those reasons. I do not know why she did not receive a direct reply to her concerns.

Letter from Prof. Beatrice Pressley, CSU-ERFA East Bay

March 11, 2015

Jones Wins CalPERS Board Seat - No Votes Cast (!)

On May 15, 2015, four months before the scheduled election, without a single vote being cast, Henry Jones has won the retired member seat on the CalPERS board of administration. The reason is that no one filed to run against him. Jones is the incumbent and will begin his new four-year term on the board on January 16, 2016.

Jones joined the CalPERS board in 2008 and currently serves as vice president. He chairs the board’s investment committee. Jones also serves on the board governance, finance & administration, and pension & health benefits committees.

"I’m honored to serve another term and represent our retirees,” said Jones, CalPERS vice president. "I look forward to continuing to work in my leadership role alongside my colleagues on the board to ensure the long-term sustainability of the pension fund and our health care program.”

State Council Met April 25 at CSU Long Beach

David Wagner of Sacramento, CSU-ERFA’s Health Benefits Director, gives his report at the State Council meeting in April, and (from left) Harry Sharp (SLO), Rita Jones (LB), Bill Blischke (DH), and President Barbara Sinclair (LA) listen.
Health Benefits Report: Another Medicare Advantage Plan?

(Continued from page 1)

Medicare and Medicaid Services (CMS) contract with medical providers to offer Medicare Advantage programs. There are incentives provided for providing quality care at lower costs to patients. Up to 16 million Medicare aged and disability-eligible individuals are expected to be enrolled in Medicare Advantage plans by the end of 2015. Dr. Robert Pearl in his September 4, 2014 column in Forbes indicated that Medicare Advantage plans have “demonstrated improved clinical outcomes and increased patient satisfaction. As a result, nearly half of all newly enrolled Medicare members select a Medicare Advantage plan.”

2016 Health Care Rates. As this column goes to press, negotiations between CalPERS and health providers for 2016 health care rates continue, so there is no information available yet on next year’s premiums.

Anthem Data Breach. There is not much to report as an update on the Anthem data breach which was announced in February, 2015. The matter is still under active investigation. The last letters to those policy holders impacted directly by this breach were mailed during the week of April 3, 2015. An Anthem representative indicated that there is still no evidence that medical records were compromised or that the personal or financial information hacked has been used. Anthem is providing credit protection services, free of charge, for two years. I have been told by CSU-ERFA members that signing up for this service is relatively hassle free. Anyone with questions should go to https://www.anthemfacts.com/ or call toll-free 1-877-263-7995.

An article in The New York Times on February 6, 2015, on the Anthem breach offered this sobering assessment of the security of health care providers’ data: “Medical identity theft has become a booming business, according to security experts, who warn that other health care companies are likely to be targeted as a result of the hackers’ success in penetrating Anthem’s computer systems. Hackers often try one company to test their methods before moving on to others, and criminals are becoming increasingly creative in their use of medical information, experts say.”

Penultimate Word on LTC Rate Increase. No health benefits column would be complete without mention of long-term care (LTC). LTC should remain an important consideration in both your health and financial planning in retirement. The decision is a balance of the size of your financial nest egg, the likely need for services, the duration and scope of policy coverage, and the cost of premiums. If you were subject to the two year combined rate increase of 85%, you received the final CalPERS notification of options to avoid the increase in April 2015. If you wished to avail yourself of one of the options to avoid the first year’s rate increase, the deadline for you to notify CalPERS was May 1st. Still can’t decide? If you continued LTC coverage with inflation protection or lifetime benefits, you will have one last chance next year to select options to avoid the second half of the premium increase. CalPERS will again notify you of your options by mail.

A column in the Sacramento Bee, April 22, 2015, provided a policyholder’s perspective on the LTC rate increases as well as a status report on the lawsuit. Please go to http://goo.gl/AKLH4F to view the column. (We’ve used a shortened URL available through Google so that those reading the PDF of this article can just click on the link.) The next major development in the legal action will be a judge’s decision in the fall whether to grant class action status to the suit. If you wish to track the progress of the lawsuit you may click on the plaintiffs’ law firm’s web site at http://www.calpersclassactionlawsuit.com/.

Some Now Dying Broke

A recent study from the Employee Benefit Research Institute (EBRI), drawing upon the University of Michigan’s “Health and Retirement Study,” indicates that substantial numbers of Americans die with almost no assets.

Among those who die at 85, significant numbers have outlived all or most of their assets. In particular, among those who died at ages 85 and above, 21% had no non-housing assets and 12% had no actual assets at all. Among singles who died at 85 or above, 25% had no non-housing assets left and 17% had no assets at all.

The data show that those who died at ages younger than 85 were generally worse off financially than those who lived. About 30% of households where a member died between the ages of 50 and 64 had no assets left. Households with a member dying earlier also had significantly lower incomes than households with all surviving members.

The data also show the importance of Social Security to older households. With recently deceased singles, Social Security

(Continued on page 10)
Legislative Report: The State Political Scene

By Alan Wade, CSU-ERFA Legislative Director

This is a brief summary of major issues raised and discussed at the last SCORE meeting May 18th at CalPERS. SCORE (“Statewide Coalition of Retired Employees”) consists of CSU-ERFA and five other organizations that represent California public employees: CAHP (Highway Patrol); CDF (Cal-FIRE); CSEA (school employees excepting teachers); CSR (California State Retirees); and RPEA (Retired Public Employees Association). CSU-ERFA is closest to the latter, as we are represented on RPEA’s legislative committee and contribute funds to their political action process.

SCORE is a flexible and largely unstructured group, with no dues, officers, or minutes. It meets monthly when many members are in Sacramento to attend CalPERS board meetings, and is entirely dedicated to sharing information of mutual benefit to state retirees regarding pensions and health benefits. Together we help pay for the services of the lobbying firm Aaron Read and Associates, providing us with legislative contact and lobbying. Attendees include both staff and volunteers, most very well informed about the complex world of public pensions and health benefits.

Usual attendance at SCORE meetings is around a dozen. On this date, more than forty were present. A number of guests attended while in town for a special CSEA lobbying event. CSU-ERFA has been a regular participant at SCORE for more than twenty years.

The Medicare Advantage Proposal. Two items occupied most of the time at this meeting: first, the proposal to consolidate several existing Medicare Advantage plans under one umbrella—UnitedHealthcare. See my colleague Dave Wagner’s article (page 1) for more detail. Most agreed that the proposal will take place as a “done deal.” Previous discussions with CalPERS staff left many unsatisfied, feeling that key questions are unanswered and that the action leading up to the proposal was not sufficiently vetted by stakeholders, including most of those present. The goal of the change is to increase efficiency and save money on retiree health care. As always, some will win and some will lose. There is some suspicion that retirees may be among the losers.

“Crowd-Out” and the Movement to Limit Public Pensions. The second item was “crowd-out,” the new angle of the public pension buster movement. The argument, which may be a hint as to the focus of the sure-to-be 2016 initiative to attack public pension costs, is that mounting municipal pension costs are forcing a “crowding out” of funds available for needed local services. Notable is the fact that the reduced number of signatures required to place an initiative on the ballot (see the March issue of The Reporter) could mean we are in for an historic high count of such measures as we look to the next election.

The next SCORE meeting is June 15, 2015.

MOVING ON: from Teaching to Grant Writing for a Homeless Veterans Program

By Bill Blischke, CSU-ERFA Vice President and President-elect

After completing my 30+ years of teaching and administration at CSU Dominguez Hills as well as five years of FERPing, I continued to teach one course each semester. Though I fell to the bottom of the part-time’s pay scale, I enjoyed teaching Introduction to Sociology. For many years, I used social simulation games to have the students directly experience social class and ethnic interactions and inequalities (the “games” I used were “BaFa, BaFa” and Starpower.) I also tried to test fairly frequently with short answer essays as well as “multiple-guess” questions (which I used to swear I would never use). I also required a research paper. In 2012, I had a class of 63! The social simulations can only be conducted with about 40 students. The type of testing and writing I wanted to continue to use made the one class almost a full-time job.

Therefore, I decided that if I could not teach the way I wanted to, I would not teach at all. Shortly thereafter, I saw an article in our local newspaper, the Daily Breeze, about a non-profit called GreenVetsLA (GVLA). It featured a formerly homeless veteran who lived in a concrete culvert near the Goodyear Blimp for several years. When the article was written, he was employed by GVLA, had a used car and lived in an apartment. He also got a ride in the Goodyear Blimp. I called the founder and director of GVLA, Jim Cragg, himself a disabled vet and owner of a for-profit company in Carson called SO Tech, and offered to work with them as a consultant and grant writer. Jim told me he would like to meet with me but he was organizing a memorial service for the man featured in the article who had been murdered by his girlfriend. I have heard so many sad stories about the physical and psychological traumas experienced by our returning soldiers.

Our non-profit takes homeless vets off the street (the most recent estimate is that there are 4,400 in the LA area as well as thousands more homeless non-vets), pays them a living wage, and provides work therapy and counseling to get them reintegrated into society. They use repurposed cloth (left over when they make our clothes) to make reusable bags, t-shirts, etc. Hence, the “green” in our name. You can visit our website (www.gvla.org) to find out more about our programs, to purchase our products and to see videos and other info re GVLA. You can even see me in the background of a Challenge Bear segment highlighting one of our newest programs designed to get kids involved in community service projects on KNBC.

Too many programs for the homeless, vets and non-vets, focus exclusively on putting a subsidized roof over their heads without offering a program to make them self-sufficient and self-confident. Our motto is: “Give them a hand up, not a hand-out and help them help themselves!”

(Continued on page 9)
“Air Time is Dead, Long Live Air Time”

By George Diehr, CSU San Marcos

Summary. This paper describes how the benefits of the now defunct purchase of additional service credit commonly called “air time” (AT) – because it is not based on prior service in specific organizations such as the military – can be achieved through selection of an alternative available in CalPERS’ retirement Option 4 called “Reduced Allowance for Fixed Period of Time” (RA).

The two methods, AT and RA, were checked for equivalency by using the AT-based estimates described herein against my RA retirement plan values: the AT estimates were within 1%.

There are two objectives of this article: 1) To demonstrate that the benefits of air time can be realized (or “mimicked”) by use of RA retirement options; and 2) to provide tools you can use to explore a variety of RA alternatives. If you then elect RA, CalPERS requires that you obtain benefit values from CalPERS’ actuaries, who will provide at most two values each year.

Finally, we focus here on people who take the single-life retirement option. But even if you take one of the alternative multiple life options (e.g., 2W), the computations here can give you a sense of how the RA exchanges reduced pension income early in retirement for a subsequent benefit.

Background. As many of you know and more than a few regret, passage of the Public Employees’ Pension Reform Act (PEPRA) eliminated the right to purchase additional retirement service credit, commonly known as “air time”. Before its demise, members of CalPERS could purchase up to five years of additional service credit for the “actuarially determined” present value of the benefit. While AT is gone, you can still purchase additional service credit based on military service and a few other types of service.

AT purchase allowed several ways of paying including: 1) payment over time through pre-tax payroll deductions, 2) roll-over of pre-tax funds from 403(b), 457, 401(k) and IRA funds (tax sheltered annuities or “TSAs”), or 3) a combination of the two. After-tax payments were also allowed and required if payments continued into retirement.

The purchase of air time is equivalent to purchase of an annuity. Of course you can still purchase commercial annuities but their cost is considerably higher than AT cost for equivalent benefits.

Someone retiring at age 63+ who bought 4 years of AT would realize a pension benefit increase of about 10% of their salary. The cost of service credit is about 3.5 months’ salary for each year purchased; thus, buying 4 years costs about 14 months’ salary. At first blush this might seem high, but the payback is just a little over ten years – well below remaining life expectancy at age 63. The rate of return retiring at age 63 and living 20 years in retirement (less than average life expectancy) is about 7.5%.

But now AT is gone—or is it? I selected the RA option at retirement, not realizing until two years later that this option and AT, under certain conditions, should be equivalent: selecting RA should provide the same benefit at the same cost as purchasing AT if the AT is purchased immediately prior to retirement.

Using Option 4 RA to Mimic Air Time. Assume the following characteristics and desired AT purchase for Professor Cal:

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>$8,133.33 / month</td>
</tr>
<tr>
<td>Service</td>
<td>30 years</td>
</tr>
<tr>
<td>Age</td>
<td>63</td>
</tr>
<tr>
<td>Pension plan</td>
<td>2.5% at 63+ (the PEPPRA or “classic” benefit)</td>
</tr>
<tr>
<td>Purchase</td>
<td>4 years of service credit at retirement, paid over 5 years</td>
</tr>
</tbody>
</table>

Nominal unmodified pension benefit:

\[ \text{Nominal pension benefit} = 2.5\% \times 30 \times (8,133 - 133) \]

$6,000 = 2.5\% \times 30 \times (8,133 - 133)

Same with additional 4 years service:

\[ \text{Same with additional 4 years service} = 2.5\% \times 34 \times (8,133 - 133) \]

$6,800 = 2.5\% \times 34 \times (8,133 - 133)

Additional service credit benefit:

\[ \text{Additional service credit benefit} = 2.5\% \times 4 \times (8,133 - 133) \]

$800 = 2.5\% \times 4 \times (8,133 - 133)

With passage of PEPRA, Cal is now precluded from purchase of AT. If AT were still available, its cost would be the same per year as the purchase of military service credit. Using CALPERS’ service cost estimator for four years credit yields:

Total cost : $113,978. Monthly payment: $2,271 (60 payments)

To mimic air time, Cal specifies a 5-year reduced initial allowance of $6,000 + 800 – 2,271 = $4,529.

In general, the initial reduced allowance is given by: unmodified benefit + service credit benefit – service credit cost

At the end of the reduced allowance period, Cal’s benefit will increase—“step-up”—from $4,529 to $6,800, a 50% increase.

Had Cal been able to purchase AT, and done it immediately prior to retiring, it would have provided Cal with an immediate pension benefit of $6,800, but his net income would be reduced by payments of $2,271/month to a net of $4,529 for 5 years—the same as the RA initial pension benefit.

The careful reader may have spotted that the “equivalency” argument is circular: it hinges on my assertion that the formula for the initial reduced allowance for a five-year period will result in a step-up to the same level provided by AT: $6,800. While it made intuitive sense, that is hardly a proof.

To check the assertion I used data for my RA, comparing the reduced initial allowance and step-up value with the cost and benefit of purchase of service credit for military time. The values were within 1%.

Generating Additional Scenarios. Given the cost to purchase one year of service credit ($28,494 for Cal), it is a simple matter to compute the cost for any number of years. And if you have a

Web Extra

Footnotes and more examples are at the CSU-ERFA web site, www.csuerfa.org, under “The Reporter.”
“financial calculator” or access to amortization tables, you can make very good estimates of monthly cost for any period of reduced allowance: the present value is the service credit purchase cost; the appropriate interest rate is (about) 7.25% (not 7.5%); and the amortization period is the number of months of reduced allowance.

For example, assume Cal wants to see the impact of RA for the equivalent of 6 years of service credit and a reduced period of 7 years.

| Additional Benefit: | 6 years * 2.5% * (8,133 – 133) = $1,200 |
| Total cost: | 6*$28,494 = $170,966 (present value) |
| Term: | 7 years or 84 months @ 7.25% |
| Monthly payment: | $2,601 |
| Initial Allowance: | $6,000 + $1,200 - $2,601 = $4,599 |
| Step-up Value: | $7,200 |

If you are handy with Excel, building a spreadsheet to provide myriad alternatives is duck soup.

Limitations/Differences of RA and AT. Alternatives that were previously provided for AT purchase, such as purchase before retirement through lump-sum payment or monthly pre-tax payroll deductions, cannot be exactly mimicked with RA; however, I consider this to be a minor loss. Cal could achieve approximately the same result as payroll deductions by making pre-tax contributions of the same amounts to a TSA. At retirement Cal uses the accumulated TSA money to supplement his income during the initial reduced allowance period. If (!) his TSA earns 7.5%, the TSA money will provide the same income as AT.

Another option with AT, not directly possible with RA, is the ability to pay AT’s full cost with roll-over of TSA funds immediately prior to retirement. That provides the full pension benefit of $6,800 with no monthly payments. Again, Cal can achieve essentially the same result with RA by withdrawing $2,271 each month from a TSA, which, with the reduced benefit of $4,529, provides the same $6,800 income. If the TSA earns 7.5% annually, an initial fund of $113,978 will support these withdrawals. Note that there is a floor on the initial reduced allowance: the present value is the service credit purchase cost; the appropriate interest rate is (about) 7.25% (not 7.5%); and the amortization period is the number of months of reduced allowance.

There are tax differences between AT and RA; however, the differences are also small. If Cal rolls over the full AT cost from a TSA there will be no immediate tax consequences. But his monthly pension benefit will be taxed. Thus, his gross income of $6,800 will be subject to his average tax rate. With RA, withdrawals from his TSA over the 5-year reduced allowance period will also be taxed. Thus, the results are essentially the same.

RA does offer choices not available with AT. For example, AT required selection of an integral number of years, with a maximum of 5. RA allows fractional number of years and is not limited to 5. As shown in the alternative scenario, Cal considered RA with the equivalent of 6 years added service credit. I back-fit to determine that my RA choices were equivalent to purchase of 6.4 years of AT.

Conclusion. The paper describes how RA can mimic AT and also shows how to use the data for purchase of military service to generate estimates of reduced initial allowances for various step-up values and reduction periods.

If you decide to utilize the RA, or any other Option 4 alternative, CalPERS “strongly recommends”—and “requires for” RA—that you submit a “CalPERS Retirement Allowance Estimate Request” form, [https://www.calpers.ca.gov/eip-docs/about/pubs/member/forms/retire-allow-request.pdf](https://www.calpers.ca.gov/eip-docs/about/pubs/member/forms/retire-allow-request.pdf). RA parameters—the amount by which to reduce your benefit and the period of reduction—are selected in Section 5. Section 5 is also where you can specify choices for a beneficiary.
Pre/Post-Retirement Concerns: A Few Useful Web Sites

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

Q. Can you recommend one or two crucial websites to keep us current on California healthcare matters?

A. The Pre- and Post-Retirement Concerns Committee would be glad to make these recommendations, but please keep in mind that there are many such websites, and our beginning efforts here can only mention a few (not one or two).

In fact some readers will have favorite websites other than those mentioned below, and we welcome additions to this list for the next issue. Beyond that, others mentioned in the list will be enough in fact to keep you Googling for several weeks.

General. Here are some recommendations for extraordinarily useful ones: For purposes of general information, the Health Access Foundation at www.health-access.org will keep you informed about the progress in implementing the Affordable Health Care Act in California. This group is strongly proactive in its lobbying efforts; in its own words, it “has a long history of fighting — and often winning — policy battles against HMOs that deny care, prescription drug companies that price gouge, providers that overcharge the uninsured, as well as employers that don’t provide health care for their workers.

Health Access has played a key role leading the movement for health care reform in California. In addition, quoting the website once more, “Health Access has, since its inception, been focused on expanding health coverage, [and] building public programs, employer-based benefits, or universal, single-payer proposal[s].” Members of CSU-ERFA will especially appreciate the portion of this website that discusses current bills in the California legislature.

Equally important is the site of the California Health Care Foundation, found at http://www.chef.org/. You may wish to follow their discussions of Medicaid and Medi-Cal issues; their search function brings up excellent treatments of long term care matters if you consult the “Tangled Web” article.

Medicare, Medicaid/Medi-Cal, Long-Term Care. Next, no matter which HMO you have joined, you will find the Kaiser Family Foundation (http://www.kff.org) site useful. The general knowledge discussions of Medicare and Medicaid are excellent; and if you search for the long term care topic under Medicare you will see a demonstration that at present maximum Medicare spending occurs when the recipient is age 96! In addition, it might be beneficial to subscribe to the Kaiser Family Foundation newsletter at http://khn.org. You may become drawn in to their “Morning Briefings” section, and there you also will find their subject discussions of Medicare and Medicaid of absorbing interest.

If you spend time prowling the web in search of information about Long-term care, you will encounter a useful discussion by Dave Ramsey at http://www.daveramsey.com/blog/who-needs-long-term-care-insurance.

Probably the most useful treatment is to be found at http://www.kiplinger.com/article/insurance/T066-C000-S001-navigate-a-course-for-long-term-care.html, where you will find a disquieting discussion of insurance firms who have gotten into trouble with their LTC offerings.

Advice. There is an advising location with, so to speak, a strong medicine approach found in the piece by Diane Calmus entitled “The Long-Term Care Financing Crisis” presented by the Heritage Foundation at http://www.heritage.org/research/reports/2013/02/the-long-term-care-financing-crisis?ac=1. Given the source, there are places in the discussion with a certain whining conservative ambience. But here you will see why it is the case that choosing with any precision an actuarial approach to funding long-term care is so difficult: there will be a tidal wave of baby boomer applicants needing such care in the future, and the numbers—guesses project 70% of that population—are extremely difficult to calculate because health care advances now and in the future will preserve an even larger population to and then beyond the age of frailty or enfeeblement.

CalPERS is of course a valuable resource as well. You may start by going to www.calpers.ca.gov, and for long-term care specifically go to https://www.calperslongtermcare.com/. The present shape of CalPERS LTC policies may be the most intelligently designed of all those available.

Lastly, our committee recommends The Reporter newsletter website and CSU-ERFA webmaster Mark Shapiro’s “News and Views” section at the CSU-ERFA website, www.csuerfa.org. Mark does an excellent job of posting breaking news on health and HMO matters.

Let’s start a conversation on this topic. If you have additional websites to recommend, or if you have questions for this column, please send them to: donahue_thomas@ymail.com.

In Memoriam

Chico – Philip Nordhus, Sandra Mclean
East Bay – Colbert T. Purvis, John M. Stevens
Fresno – John W. Bohnstedt, Lester J. Roth
Fullerton – Max Nelson
Humboldt – Donald W. Hedrick, Roscoe Peithman
Long Beach – Leland M. Perry
Pomona – Edward K. Mercer
Sacramento – Barbara Charlton, Robert Edwards, Kenneth Kerri, Bette Polkinghorn
San Francisco – Stanford L. Johnson, Lois Wilson
San Jose – John L. Rhoades
Reflections of an Aging Liberal
By Barry Pasternack, CSU Fullerton

At the March 2015 plenary of the statewide academic senate a resolution from the fiscal and governmental affairs committee (the committee I am currently serving on as your representative on the senate) titled “Opposition to John Wiley & Sons Requiring the CSU to Purchase Access to Unwanted Journals in its Bundling of Online Journals” was passed.

The resolution was prompted by a report from the CSU Council of Library Directors (COLD) that Wiley was raising the price charged the CSU system for electronic access to Wiley journals by more than 10%. The explanation we were given was that the increase was the result of Wiley’s including journals in their package that the CSU did not really need or want. Among other things, the resolution recommended that the faculty of the CSU boycott textbooks published by John Wiley & Sons in response to their actions.

While the statewide senate could not play a direct role in the negotiations with Wiley, we believed that the call for a boycott of Wiley textbooks might allow us to exert sufficient pressure on Wiley to return them to the negotiating table. I am pleased to report that the resolution did get Wiley’s attention with a response in the form of an April 3rd email from Reed Elfenbein, SVP International Development and Global Research Sales at Wiley, to Steven Filling, chair of the statewide senate. In the email Wiley disputed the claim that the price of electronic resources was being increased by over 10%, claiming instead that the price increase was only around 3.5% (still more than twice the percentage increase in the salaries of many full professors in the CSU).

More promising was the comment made by Elfenbein in the email “We are now engaged in developing a plan for 2016 and believe that improved communication will result in a good outcome for all concerned.” The response received from Anna Gold, Chair of COLD, was “We appreciate the statewide Academic Senate’s support for the CSU libraries as we attempt to find the best possible license with Wiley that will serve all of our students and campuses. We also appreciate the positive tone of Ms. Elfenbein’s message, and the open and constructive quality of the Wiley team’s work with the Chancellor’s Office negotiations team at their meetings this year.”

I point this out because I recently saw the following headline on the front page of the April 22, 2015 edition of USA Today: “Kochs to play kingmakers – Brothers to audition 5 GOP candidates for share of $300 million.” As I am sure you are aware, after the Supreme Court’s ruling in the Citizens United case, there are effectively no real restrictions on how much individuals can give to indirectly help a candidate’s campaign, and the Koch brothers are planning to take advantage of this to the tune of $300 million.

This got me thinking: what if voters followed a similar strategy to that recommended by the statewide senate and boycotted some of the businesses owned by the billionaire brothers? According to Wikipedia, Koch Industries (the brothers’ company) owns, among other businesses “Invista, Georgia-Pacific, Molex, Flint Hills Resources, Koch Pipeline, Koch Fertilizer, Koch Minerals, and Matador Cattle Company.” Now it would probably be difficult to boycott most of these businesses, but Georgia-Pacific has a consumer goods division engaged in the production of paper and tissue products. Their brands include: Angel Soft, Quilted Northern, Soft n’ Gentle, Brawny, Dixie, Sparkle, Ultra, and Vanity Fair (https://www.gp.com/Products/Products-Overview). So, if you want to send the Koch brothers a message about your views on their candidate funding, hitting them in the pocketbook by boycotting the products they make may be the most effective thing you can do.

(In the interest of full disclosure – I am the co-author of two textbooks published by John Wiley & Sons and my family trust owns stock in both Kimberly-Clark and Proctor & Gamble, both competitors of Georgia Pacific.)

Moving On

remaining 250 are voted on, five per day for 50 days, on Facebook. The proposal had to be very succinct so that casual Internet users would read them and vote. I proposed that we would use the vehicle to pick up the vets, who usually lack transportation as well, collect the repurposed cloth and other materials, and distribute the various products GVLA produces.

We survived the first huge cut and went on Facebook Nov. 17, 2014. Each day the top two vote getters received a new Toyota, the other three were given $1,000. GVLA came in second and was awarded the Sienna. I interpret our victory, primarily, as a reflection of the public’s general support for those who have sacrificed the bodies, minds and, all too often, their lives for our country.

During my graduate studies in the ’60’s at Cal, I became an anti-Vietnam War activist. I have remained, in general, anti-war during the ensuing half-century. However, after becoming involved with GreenVetsLA, I continue to blame the politicians for getting us into unnecessary and/or unwinnable wars. I no longer blame the veterans who saw the military as their best or only alternative for success in our vastly unequal society.

We need additional funds to equip, train and hire the veterans on our waiting list. If you know of potential sources, please contact me. Or, you can purchase one of our products on-line.
By Harold Goldwhite, CSU-ERFA Liaison to CFA

The CFA Spring 2015 delegate assembly was held in late April, conflicting again with CSUERFA’s state council meeting. Our leadership is seeking to avoid this conflict in future years.

This was a “changing of the guard” year for CFA. After 8 years President Lillian Taiz of CSU Los Angeles retired from the position, and the assembly elected Jennifer Eagan of CSU East Bay as her successor. Molly Talcott of CSU Los Angeles was elected to succeed retiring CFA secretary John Halcon. The new leadership promised that “the campaign for a fair contract will need to escalate as we build our power…”

CFA has sent a formal letter to CSU’s management to request opening negotiations on compensation changes for year two of the 2014 – 2017 contract.

Meanwhile equity pay settlements for prior years have been reached on a number of campuses and negotiations are in progress on other campuses.

On the legislative front, quoting directly from a CFA release: “The California State Assembly passed AB 716 last week, sending the CFA-sponsored bill to the state Senate. AB 716 pins down the definition of supplanting — a practice that entails moving course sections necessary for graduation out of the university that is supported by state funding and into Extended Education, where students pay the full cost. That practice was already prohibited in state education law, but the definition of supplanting was not clear enough to prevent it from happening. The impact of supplanting is a two-tier system of college education in which students with the means can pay higher costs to get the classes sooner.”

CFA has continued issuing its “white papers” on the state of the CSU entitled “Race to the Bottom.” The second and third papers cover “Salary, Staffing Priorities and the CSU’s 1%” and “Losing Ground and Losing Faith.” The full papers and other CFA news and policies can be found at http://www.calfac.org.

CSU-ERFA Charitable Foundation Announces 2015-16 Grant Award Cycle - Applications Due December 18

The CSU-ERFA grant awards committee announces the start of the 2015-16 grant awards cycle. Members of CSU-ERFA may apply for grants to support their research, scholarly, and creative activities. Completed applications must be received at CSU-ERFA headquarters by December 18, 2015.

Obtaining An Application. Detailed guidelines for the program and application forms for the 2015-16 may be downloaded from the CSU-ERFA web site. Go to http://www.csuerfa.org and then choose “Member Services,” where the link is at the bottom of the page.

Eligibility. CSU-ERFA members in good standing (a membership application may be made concurrently with a grant application) may apply for funds to support research and creative projects in accordance with the following goals: 1) scholarly research on issues important to the retiree as a continuing member of an academic discipline or community, 2) research and scholarly projects that contribute to the quality of life of the retirees in the university system, 3) research and creative projects that contribute to a given academic discipline, 4) research pertaining to the retirement concerns of faculty within the California State University System.

To Contribute to the Foundation. Funds for the CSU-ERFA grants are provided by the CSU-ERFA Charitable Foundation. CSU-ERFA makes a contribution of $50 to the foundation in memory of each deceased member. Individual members and friends also may make contributions to the CSU-ERFA foundation to support the grant awards program. Contributions can be made either by check or, in the case of members, by a monthly deduction from their CalPERS annuity payment. (Contributions made by individual members and friends to the Foundation are tax deductible.)

Typically, one to four grant awards are made each year, and the grants range from a few hundred dollars to $1,000 in value, though larger awards are possible. A minimum of $5,000 will be available for the 2015-16 grants program. Grant applications for the 2015-16 cycle may be submitted beginning May 22, 2015.

Deadlines and Notifications. The deadline for the submission of proposals for the 2015-16 grant award cycle is December 18, 2015. Proposals may be submitted at any time but must be received by the December 18th deadline. Notification of grant awards will be made February of 2016. Contact CSU-ERFA headquarters at (818) 677-6522 for application materials or for more information about contributing to the CSU-ERFA Charitable Foundation.

CSU-ERFA grant recipients are required to submit a brief year-end report describing the results of their projects.

Dying Broke a New Norm for Some

(Continued from page 4)

provided an average of two-thirds of their household income. With couples above 75, those with a deceased member received more than 60% of their income from Social Security.
The statewide academic senate dealt with three significant academic issues of interest to CSU-ERFA members at its May 2015 plenary.

ACR 73. The first was to reaffirm the faculty’s commitment to ACR 73, which called for 75% of the faculty in the CSU to be tenured or tenure-track. At the same time, the current resolution calls for the student-faculty ratio to be lowered from its current 24:4:1 (2013) to 18:1, the historic level. The resolution, “The Call for a Plan to Increase Tenure Density in the California State University,” passed after lengthy debate. The resolution asks for the trustees to work with the chancellor, senate and CFA to develop a plan to reach this goal.

Leasing Space to the Competition. A second academic issue involved campuses leasing space in foundation buildings to a program offered by an off-campus private university that competes directly with a campus based program. The particular case arose at Sacramento State University, where the foundation leased space to a “California Northstate University,” a private, for-profit pharmaceutical sciences institution, for its health sciences program that competes directly with CSU Sacramento’s health science program. The resolution asks that the chancellor modify executive order 669 to ensure consultation before a campus leases space to for-profit universities that offer similar degrees to those offered on campus.

Transfer. A third resolution expressed concern about the characterization by WICHE, the Western Interstate Commission for Higher Education, that the CSU is a signatory to its “Passport Project.” In actual fact, the CSU has not promised to accept passport outcomes as the basis for student articulation.

There were detailed reports from the four standing committees as well as GEAC (the Chancellor’s General Education Advisory Committee). The reports highlighted resolutions to be considered at the Plenary.

Budget. Governor Brown’s May Revise of the State budget indicated that revenue would be several billion dollars beyond his original proposal in January. However, due to Prop. 98, most of these funds will go to K-12 and the community colleges. UC is also getting a sizeable chunk of this change. CSU, on the other hand is, from the perspective of ASCSU and the Chancellor’s Office, not getting its fair share. Our organization needs to join other advocates to lobby the legislature for additional monies.

Board of Trustees. Faculty trustee Steven Stepanek gave a report on the Board of Trustees. He mentioned that the system-wide deferred maintenance is now approaching $2 billion. Many of the buildings in which CSU-ERFA members spent their academic careers are now environmentally hazardous and/or in need of major renovation.

Ethnic Studies. A draft of the Ethnic Studies task force report was sent out with comments requested from members of the ASCSU. Members of CSU-ERFA might want to review it as well and provide comments.

Ed Sullivan, Assistant Vice Chancellor for Research and Resources gave a report on student ethnicity in the CSU. He indicated that an important reason for the decline in African-Americans in the reporting data was due to the change in federal reporting where students were asked if they were Hispanic or not and then asked for their race (where a student could indicate more than one race). If a student checked Hispanic, then that would be the race reported. Also, students who may have previously reported themselves as African-American might now indicate multi-racial with one of the races being African-American.

New Officers. The ASCSU Executive Committee for 2015-16 was elected. Steven Filling (Stanislaus) and Christine Miller were reelected as chair and vice chair, Robert Keith Collins (San Francisco) was elected as secretary, and the balance of the executive committee will consist of Praveen Soni (Long Beach) and Darlene Yee-Melichar (San Francisco).

Resolution of Commendation for Bill Blischke. Bill Blischke will become CSU-ERFA President on July 1st for the 2015-16 term of office. He will be replaced as liaison to ASCSU by Harold Goldwhite, a very experienced and highly regarded former member of the senate. Bill was honored to receive a resolution of commendation for his eight years of service in that position. The resolution mentioned his help in establishing a $250,000 plus faculty legacy fund to assist new faculty on the Dominguez Hills campus, his election to terms totaling 20 years on local school boards, his presidency of the South Bay Cal Alumni Club, his work as executive director of South Bay Earth & Space Exploration Center and as a volunteer grant writer and consultant to GreenVets LA, his volunteering for Soles4Souls, and his many CSU-ERFA activities.
Have you moved? If so, please report your new address to the CSU-ERFA office at the above address.

Address Service Requested

Ernest Cowles (Sociology, Sacramento) and Edward Nelson (Sociology, Fresno) are co-authors of a new book on survey research, *An Introduction to Survey Research*, published by Business Expert Press. It is available as both a paperback and an ebook (http://www.businessexpertpress.com/authors/ernest-l-cowles). The book is an introduction to survey research for those who want an overview of the survey process. It is intended to describe fundamental survey components to help both students and managers use surveys effectively and avoid the pitfalls stemming from bad survey construction and inappropriate methods.

Joyce Linden, immediate past president of the CSUN Association of Retired Faculty, was honored recently with a lifetime achievement award presented by the California Educators of the Deaf in recognition of her 55 years of teaching deaf and hard-of-hearing students. Joyce has been an important part of the CSUN Center of Deafness program, which enrolls the largest number of deaf and hard-of-hearing students in the western half of the US.

George Holland, (Kinesiology, CSUN) is the author of *Nutrition, Physical Activity and Quality Aging* just released by Page Publications. He has spent the past several years working with Japanese researchers studying Japanese aging, whose population has the highest longevity of any nation in the developed world.

Walter Askin (Art, LA) recently had a lithograph included in a collaborative folio on the theme of “What I should have learned in school had I been listening.” He will have a large, galvanized and painted steel sculpture at the Los Angeles County Arboretum. Walter is also a visiting artist at Caltech.

Janet Fisher-Hoult (Education, LA) has a new book, *Body Language, Another Collection of Poems about Aging*, just published by Outskirts Press (as Janet Cameron Hoult). *Body Language* recognizes the aches and pains our bodies use to communicate when they need attention. Proceeds from both books go to the David Cameron Fisher Memorial Biology Undergraduate Scholarship / Graduate Fellowship.