The Status of Health Reform, Part II: “The Good & the Ugly”

By David F. Humphers, CSU-ERFA Director of Health Benefits

President Obama's health reform plan hangs like a piñata from a low branch and the for-profit health insurance corporations and their hirelings are swinging big baseball bats.

The gross misrepresentation and outright fraudulent claims about Great Britain's National Health Service (NHS) and Canada's “single payer” health system during this August congressional recess require a response. This report will present information to correct the misrepresentation and lies being told, information the American for-profit health insurance industry would like to keep hidden.

I enjoyed an academic year sabbatical (1976-77) studying Great Britain's National Health Service as well as observing both medical and mental health service units, and conferring with medical, nursing and social service staff. There have been a few changes since then: Prime Minister Thatcher encouraged a few more to buy private insurance, and there have been a few modest increases in co-payments, but the basic and comprehensive list of health services continues to be available to all residents of Great Britain according to medical need and without means-testing.

My lecture begins with four conclusions:

* Senator Charles Grassley (Republican, Iowa) lied to his radio audience when he told an interviewer “...countries that have government-run health care would not have given Senator Ted Kennedy, who suffers from a brain tumor, the same standard of care as in the United States because he is too old.”

Two representatives to the CalPERS Board of Administration will be elected in September by eligible active and retired members, excluding survivors and beneficiaries. These are the seats held by Charles Valdes and Kurato Shimada, whose terms will expire on January 15, 2010.

Mr. Shimada is running for re-election and is opposed by Inderjit Singh Kallirai, an information systems analyst with the California Department of Fish and Game. Shimada is a retired operations supervisor for the Oak Grove School District in San Jose and a past president of CSEA. He has served on the CalPERS board for 24 years, although the terms were not consecutive. He is known as a friend of retirees and is endorsed by the CSU-ERFA executive committee.

Valdes is not running for re-election, and five candidates are vying for the seat. The two leading candidates are Joseph (J.J.) Jelincic, a CalPERS investment officer, and Cathy Hackett, a budget analyst with...
From the President...

So, what’s next?

No, I am not going to comment on CFA matters today. That job has been passed on to Dave DuFault who, I am happy to report, has succeeded me as this organization’s liaison to the California Faculty Association.

Rather, this is my first report after succeeding Don Dewey as CSU-ERFA President – and, no, I am not going to comment on shoe sizes, either! I will say, however, that we all owe Don a big debt of gratitude for his dedication to this organization and for his leadership during a period that was not the easiest for this group.

Furthermore, on behalf of all of us I would like to use this opportunity to thank – in no particular order – Linda Zimmerman, Don Cameron, and Mark Shapiro: due to their diligent bookkeeping and monitoring of expenses – without having to cut corners, I might add! - we are financially in good shape (in contrast to certain political entities...).

So, back to the question: What’s next?

Membership. There is, of course, our long-standing and ongoing concern about membership. Yes, the numbers have been very stable for quite a while, but that doesn’t mean that we should relax when it comes to inviting new retirees to join us. Forgive me for stating the obvious: numbers (of members) count when counting (income) dollars. And while, thanks to its current membership size, CSU-ERFA has a voice that is listened to by, for example, Don Cameron, and Mark Shapiro: due to their diligent bookkeeping and monitoring of expenses – without having to cut corners, I might add! - we are financially in good shape (in contrast to certain political entities...).

What we are asking our CSU-ERFA affiliates to do at this point is to discuss these questions among themselves and to share their thoughts and decisions with the rest of us. E-mails to csuerfa@csun.edu would be the means to do it. And I would suggest “CAMPUS HELP” for the subject line.

Volunteering. We are all painfully aware that due to the current economic conditions and, in particular, the state’s fiscal crunch, our university is in dire straits. We have heard and read about severe budget cuts, cancelling of classes, the moratorium on new student enrollments, furloughs, increased student fees – and so on. Our campuses and our active faculty colleagues are under pressures that none of us retired folk ever experienced.

It was in light of all this that our executive committee at its July meeting had a lengthy discussion about whether we, as retirees, can provide any assistance to our colleagues and our campuses, and if so, how. Could some of us, for example, assist with student advising? Could we be of help to the deans by doing research that is valuable to their academic areas? Would some of us be able to teach a class that would otherwise be cancelled?

I need to emphasize that we did not come up with any clear answers to those questions. But there was consensus on two basic points:

(a) Whatever our members want to do to help has to be specific to their particular campuses.
(b) All aspects of volunteer help should be discussed not just with relevant administrators, but with the faculty on the campuses – and definitely with the local CFA chapter!

In other words, the last thing we want to do is generate the perception that we “volunteers” are going to compete with our active colleagues who are forced to make painful adjustments. And equally important: We do not want the systemwide or campus administrations to use the offer of volunteer services by retirees as a justification for eliminating jobs which should be filled by active faculty or staff.

What we are asking our CSU-ERFA affiliates to do at this point is to discuss these questions among themselves and share their decisions with the rest of us. E-mails to csuerfa@csun.edu would be the means to do it. And I would suggest “CAMPUS HELP” for the subject line.

Bob Bess. Let me conclude by referring you to the obituary for Bob Bess on page 3. I have known Bob for only a few years, but I learned very quickly to respect him as a colleague and to appreciate him as a person. It is difficult to place a value on his contributions, as chair of the Legislative Affairs Committee and an at-large member of the Executive Committee, to this organization, but there is no question that they were substantial. His passing is a great loss to all of us.

H. Dieter Renning
President, CSU-ERFA
Bob Bess, CSU-ERFA’s Director of Legislative Affairs

Robert O. “Bob” Bess, CSU-ERFA’s Legislative Affairs Director and long-time CSU administrator, died July 20, 2009 from esophageal cancer. He was 74.

He received his BA from Tufts University, MA from Columbia University Teachers College, and PhD from USC.

He served for well over 30 years in higher education, a career reviewed by Don Gerth on this page, and also volunteered for the California State Student Aid Commission; the CSU Sacramento Emeritus Association, where he was the President; CSU-ERFA, where he was Director of Legislative Affairs and authored our quarterly Legislative Report; Capital Public Radio Endowment, where he was Treasurer; and the Bear Valley Music Festival, where he was Vice President.

He traveled extensively and relished coordinating trips for his friends. He was an accomplished cook and skier.

A celebration of his life took place on August 17, 2009 on the CSU Sacramento campus, where CSU-ERFA was represented by past president Dave Elliott, current president H. Dieter Renning, newly-appointed legislative committee chair Alan Wade, and health benefits committee chair David Humphers. About 150 people attended the event, held at the Alumni Center on the CSU Sacramento campus.

Memorial donations may be sent to the Robert Bess Fund for the Arts, c/o Sacramento Region Community Foundation, 740 University Ave., #110, Sacramento, CA 95825 or contributed through http://www.csus.edu/org/emeritus/BessFund.htm.

“Stories About Bob”

by Don Gerth

President Emeritus, CSU Sacramento

The death of Bob Bess this week is a strong reminder that an era in the California State University is passing. Bob is among a limited number of individuals who gave leadership to creating the California State University. That work took time, and Bob gave generously of his time.

Bob came to California and Chico State College in the summer of 1958 from Columbia University. For three years he was Registrar at Chico State, a position once held by Guy West, the founding president of Sacramento State. Bev and I came to California and San Francisco State also in the summer of 1958, and I had responsibilities at San Francisco not unlike Bob’s. Bob and I were the two new kids on the block among a small group of individuals from then ten campuses. We would often room together at meetings. Our responsibilities, particularly as the issues in the proposed Master Plan were being explored and then as the Master Plan implementation began, were such that our group would be called together frequently in Sacramento, then the focal city of the state colleges. Per diem was not generous, and rooming together saved money. The night that John F. Kennedy was elected to the presidency in November 1960, Bob and I had a party in our room at the Senator Hotel – an event we both celebrated, but not all of our colleagues did. Memory is that the gathering moved downstairs to the Senator, the bar.

Bob went on to be the founding dean of admissions and records at Sonoma State in 1961 and his spirit contributed greatly to the breath of fresh air that Sonoma brought to the just unfolding California State Colleges “system.”

In 1964, Bob moved to the chancellor’s office as associate dean of institutional relations and student affairs, the beginning of a twenty year run which concluded with his leadership of academic affairs as the associate vice chancellor for seven years. Bob was one of a small number of “go to individuals” in the chancellor’s office to get problems solved, start a new and unconventional academic program, get the idea of “educational opportunity programs” (EOP) fixed on the campuses (remember this was 1968), cope with the Department of Finance – the list goes on. He was a key figure, with Ralph Mills and George McCabe, with the Commission on External Degree Programs, a group that made possible substantial and creative change that opened the doors of the California State University and Colleges (the system name in the 1970s) for many people and opened up moving room for faculty on the campuses. He was about students. He had an understanding of what the California State Colleges were all about and what the California State University could become. On the Sacramento campus he was responsible, among many things, for redoing the campus plan in a creative way, and that plan remains the core of campus planning today. His career of more than thirty years on four campuses and in the chancellor’s office was followed by a presidential appointment at St. Cloud State University in Minnesota.

Bob was generous with his friendship toward many, and he was willing to help others professionally and personally. His leadership in the statewide Emeritus and Retired Faculty Association has been substantial and important for both staff and faculty.

Bob Bess made a difference in the California State University and to many people – not to mention the more than 2 ½ million students who have received degrees since 1960 from the California State University he helped to build.
The Status of Health Reform
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also delivered a reprehensible insult to the people of Great Britain and the renowned physicist Stephen Hawking, who is disabled, when he wrote that “...Hawking would not have a chance in (Great Britain) where the National Health Service would say the life of this brilliant man, because of his physical handicaps, is essentially worthless.” Hawking was born and still lives in Great Britain. Interviewed by The Guardian of London, he answered the editorial writer, “I would not be here today if it were not for the National Health Service.”

* A 2008 nation-wide survey of medical doctors published in the Annals of Internal Medicine (Sacramento Bee, 8-16-09) reported that 59% favored the establishment of a national health plan. A survey of the same population six years earlier reported 49% favoring a national health plan. When a majority of physicians ask for a public health plan, it is clearly time for change.

* The modest encomium “the National Health Service is the most civilizing achievement of modern government” was issued by Aneurin Bevan, Minister for Health in 1948. Supporters of the NHS (comparable to the AMA) was involved in negotiations with Parliament. The medical society took the position that it would not oppose establishment of the NHS if the government’s primary role was limited to finance and administration of the NHS, and if the government agreed not to interfere in the practice of medicine. The physicians won. NHS primary care doctors have complete clinical freedom and discretion in treating patients.

Who are these opponents of health care reform? Margaret Talev, writing for the Sacramento Bee (8-15-09), identified them. They have adopted populist sounding names, but they are in fact well-heeled conservatives trying to protect the status quo. They are:

Patients First and Patients United. These were created by a larger group, Americans for Prosperity (AFP) and initiated by Koch Industries oil family member David Koch, a billionaire and a top contributor to conservative, free market causes. AFP’s president is Tim Phillips, a former GOP congressional staff member who worked with the Christian Coalition to build Christian grass roots support for business causes.

Conservatives for Patients’ Rights is health care entrepreneur Rick Scott’s organization. He is co-founder of Solantic Urgent Care Centers in the Southeastern U.S.

FreedomWorks is directed by Texas politician Dick Armey, former Republican majority leader in the House of Representatives. FreedomWorks supporters include Steve Forbes, billionaire flat tax proponent; Richard Stephenson, founder of Cancer Treatment Centers of America; and, Frank Sands, investment firm CEO who markets the Health Care Leaders Portfolio. A FreedomWorks spokesman said “They are on our board because they support lower taxes, less government, and more freedom.

60 Plus is a conservative seniors’ organization that seeks to eliminate the estate tax. Singer Pat Boone is the 60 Plus spokesperson.

The Club for Growth is former Indiana GOP Congressman Chris Chocola’s effort to lower taxes. He lost his re-election attempt in 2006. He announced that he will fund a $1.2 million ad campaign against health care reform.

The status quo the American health insurance industry wishes to protect is the $100 billion they collect each year as administrative costs and profit. In addition, hospitals and physicians’ offices send up to three times that much each year ($250 to $300 billion) filling out claim forms, appeals, and other interactions with insurance firms. According to Dr. James Kahn, Professor of Medicine, U.C. San Francisco (Sacramento Bee, 8-16-09) this country spends about $400 billion each year on health insurance administra-

tive costs and profit, about $1,000 for each person in the country.

Could it be that the core belief in “American exceptionalism” is so deeply held by the politically conservative that they do not believe the frequent print and video media reports that the other developed nations have found effective ways to deliver universal health care to their populations and at half the cost or less than in the U.S.?

Or is it likely that the “American exceptionalism” concept is so strongly linked to individual entrepreneurship, free markets and a distaste for government regulation that political conservatives are willing to embarrass themselves and the nation with their manufactured deceit, hoping to recruit others to share in their denial of the need for health care reform?

The British National Health Service was created in 1946, just after World War II. The NHS became operational in 1948. Parliament spelled out four basic principles as guidance for the NHS: (1) comprehensive care available to all on the basis of need rather than ability to pay; (2) freedom for both physicians and patients to take part in the NHS; (3) democratic control through Parliament to insure responsiveness to the public; and (4) established procedures to insure that the health care professions have a voice in the development and operation of the NHS.

The largest British physicians’ association (comparable to the AMA) was involved in negotiations with Parliament. The medical society took the position that it would not oppose establishment of the NHS if the government’s primary role was limited to finance and administration of the NHS, and if the government agreed not to interfere in the practice of medicine. The physicians won. NHS primary care doctors have complete clinical freedom and discretion in treating patients.

U.S. Medicare. In 1965, the American Medical Association (AMA) effectively led the opposition in defeating President Lyndon Johnson and the Democratic
CFA Report: Coping With Furloughs
By Dave Du Fault, CSU-ERFA CFA Liaison

The California Faculty Association (CFA) has had an active past two months with the final passage of the California state budget and the line item reductions by the governor.

Furloughs. CFA moved quickly to a vote by its members to approve or disapprove the CSU chancellor’s furlough proposal. On July 24th CFA announced the results: 5,800 faculty voted, which constituted 68% of those eligible to vote. Of those voting, 54% voted “yes” and 46% “no.” In the balloting process 4% of voters indicated “confidence” in the chancellor’s leadership, while 79% expressed “no confidence.” 17% did not know.

Following the completion of the vote a CFA bargaining team began discussions with the CSU administration about a side letter to implement the furlough program. The two sides signed off on the letter on July 28. The side letter can be found at www.calfac.org.

Although the complete furlough process is too long to present fully in this report, here are a few key points.

1. Between July 1, 2009 and June 30, 2010, full-time academic year faculty will have 18 furlough days.

2. Pay will be reduced 9.233%.

3. Health and retirement benefits will not be reduced.

4. One can not work on furlough days. This may be difficult to enforce.

5. Campus presidents “may designate campus closure days but instructional faculty can be assigned no more than 6 closure days as furlough days. Faculty members and “appropriate administrators” must agree on the remaining furlough days.

6. Only official work days can be designated faculty furlough days.

7. Teaching days may be used as furlough days subject to certain limitations.

8. All faculty members are subject to the furloughs. However, there are a number of exceptions. For example faculty whose salaries are 100% funded from grants and contracts, that is, not funded by the state’s general fund, are not affected.

9. A FERP participant can take a leave of absence for AY 2009-10 and preserve FERP rights.

10. Instructional faculty members can receive at least a partial workload reduction if they schedule some furlough days on teaching days.

State Budget. The recently passed budget included for the CSU $715.5 million in unallocated 2008-09 reductions and $266.1 million unallocated reductions for 2009-10. In addition, the governor rejected the legislative Conference Committee’s imposition of a 9.9 per cent oil severance tax, a concept backed by CFA in AB 656.

CalPERS Election. In an upcoming election CalPERS members will elect two members as at-large representatives to the CalPERS board of administration. CFA has endorsed Cathy Hackett for position A and Kurato Shimada for position B. (See article on page 1.) Hackett is a Budget Analyst for the California Department of Transportation. Shimada, an incumbent for 20 years, has held a number of positions within the CalPERS Board of Administration.

Ballots will be mailed on September 4, 2009 to each eligible and retired member. For more information about the candidates go to www.calfac.org

Research Grants Available to CSU-ERFA Members

CSU-ERFA is offering grants of up to $2,000 to CSU-ERFA retirees for the year 2010. The purpose is to provide financial assistance and to encourage CSU retirees in their scholarship, research, and writing endeavors important to their academic fields or community.

Special consideration will be given to scholarship work or projects that (1) contribute to a given academic discipline, (2) pertain to retirement concerns of faculty within CSU system, or (3) focus on improving the quality of life of retirees in the CSU System. Applications and proposals must be submitted by January 2, 2010. Announcements of awards will be made in late February of 2010.

All interested parties are strongly encouraged to apply. You may request applications and proposal guidelines through the CSU-ERFA office. 18111 Nordhoff Street, Northridge, CA 91330-8339. Phone: (818)718-7996. Fax (818) 718-7680.

New Reporter Editor Needed

Ted Anagnoson, editor of The Reporter since late 2006, announced his “retirement” as of the Winter 2010 issue. Anyone wishing to become The Reporter editor is welcome to contact Don Cameron, CSU-ERFA executive director, at the office address/email at the bottom of the masthead on page 2.

Reporter editor duties include assembling the four quarterly issues and editing each of the five authored columns per issue. Questions about the duties of the editor can be addressed to the current editor, Ted Anagnoson, at tanagno@calstatela.edu.

California Public Schools

According to the Santa Barbara County Superintendent of Schools, the typical American school has:

* 30% more teachers than California.
* 61% more school site administrators than California.
* 92% more counselors than California.
CalPERS Board Election

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Caltrans. Jelinic is past president of CSEA and a rank-and-file investment officer for CalPERS since 1986. He is a former garbage collector, truck driver, and an appointed member of the California Performance Review (CPR) Commission, where he conducted public hearings on making California state government more efficient in different locations across the state. He has a bachelor’s degree from St. Mary’s College of California and an MBA from Golden Gate University in San Francisco.

The other major candidate is Cathy Hackett, who has held several positions in the SEIU, been the Secretary-Treasurer of the Sacramento Central Labor Council, worked for 30 years in the public sector and has an MPA. She has been endorsed by CFA (see CFA report, page 5).

CSU-ERFA is endorsing Joseph (J.J.) Jelinic for this seat. One executive committee member who heard both candidates speak noted in particular that Jelinic stated that he would make independent judgments as a member of the board and would be responsible to all retirees as a whole.

The other three candidates are Dennis Yates, a traffic officer with the CHP, Muriel Strand, a retired air resources engineer with the California Air Resources Board, and Dan T. Villella, a CPA with the city of Huntington Beach.

The CalPERS board consists of 13 members, with six elected by the members. Two are elected by all members (the two seats up this year), one by all active State members, one by all active school members, one by all active public agency members (employed by contracting public agencies) and one elected by all retired members.

Three members are appointed, two by the governor (they must be a local government elected official and an official of a life insurer) and one appointed jointly by the assembly speaker and senate rules committee. Four officials are ex officio: the state treasurer, controller, director of the department of personnel administration and a designee of the state personnel board.

Ballots will be mailed on September 4, 2009 and are due back October 2nd. In the last CalPERS election in 2007, about 1,000 of 125,000 ballots were invalid, mostly because they were missing the signature on the outside of the envelope or were postmarked after the due date.

If a runoff is necessary because no candidate receives 50% of the vote, ballots will be mailed on November 9th and must be postmarked or received by CalPERS by December 4th. Results should be available a few days later.

CalPERS Pension Problems

Ron Seeling, chief actuary at CalPERS, recently told a seminar sponsored by the Public Retirement Journal that “I don’t want to sugar-coat anything. We are facing decades without significant turn-arounds in assets, decades of – what I, myself, my personal words, nobody else’s – unsustainable pension costs.” In July, Governor Schwarzenegger called upon the legislature to tackle the pension crisis, but they refused, calling for a fuller debate in the fall rather than during the budget debate over the summer.

CalPERS reported a 23.4% drop in the value of its assets from July 1, 2008 to June 30, 2009. Holdings were valued at $239 billion in July 2008; their current value (late August 2009) is approximately $190 billion. The Board of Administration in June adopted a “smoothing” policy that will soften the increased contributions necessary to make up the difference, spreading them out over a 15 year period. While the Governor opposed the new policy, the Board adopted it to lower the contributions to CalPERS from 24.8% of total payroll in July 2010 to 19.7%. Current contributions are 16.9%, with state (and CSU) employees paying about 4.9% of salary into the fund. Who will pay the extra 2.8% is unknown - employees or their employer.

Suit Filed to Invalidate CSU 20% Fee Increase

Students may face even fewer classes this fall and lecturers more layoffs if the lawsuit filed by the Altshuler Berzon firm in San Francisco is successful.

The suit alleges that raising fees for a second time this year, after fall semester/quarter bills had been sent, amounts to a breach of contract. A previous suit, filed by the same firm against the University of California in 2003, was successful, with the Court of Appeals finding that the university establishes a price when it bills students and that it cannot charge extra fees after billing.

Gee, and we thought things couldn’t get worse. Perhaps they can.

Joseph A. Dear, CalPERS’ new head of investments, told the New York Times on July 24th that he wanted to embrace potentially high-risk investments to obtain higher long-term returns. High on the list would be private equity and hedge funds, along with junk bonds and California real estate. As of late July, CalPERS had raised its target for private equity and related investments to about 14% of the total portfolio. The president of Benchmark Financial Services, an auditor of pension plans, stated that “CalPERS is significantly underfunded, and they have decided to roll the dice. Is this appropriate if you have just lost 25% of your portfolio? These are high-risk, illiquid, unregistered products where there is tremendous valuation uncertainty.”

In other CalPERS news, the Sacramento Bee reported on August 21 that Charles Valdes, a long-time member of the Board of Administration, received $38,600 in campaign donations from companies and individuals doing business with the pension fund just after he was re-elected in December 2005. One donor received billions in business from CalPERS in subsequent years, and another had received a line of credit from the pension fund. Valdes was chair of the fund’s investment committee at the time. The FPPC is currently scrutinizing the account after an auditor raised issues during a mandatory review.
Is Health Reform Possible?

Health Benefits Report, continued from p. 4

Congress’ effort to legislate universal health care. Medicare was adopted as a compromise. The AMA agreed to withdraw opposition to Medicare providing that (1) the plan was limited to seniors, and (2) there would be no regulations on doctors. The first regulations were introduced a few years later in President Nixon’s administration to deal with grossly fraudulent billings of Medicare. One of the most egregious was the Los Angeles surgeon’s billing of Medicare and receiving payment in three consecutive years for amputating the left foot of the same patient.

The British NHS is truly a comprehensive health service system that provides all of the following services:

- General practitioner (primary care) medical treatment;
- Specialist (hospital) medical care;
- Dental, pharmaceutical; and ophthalmic services;
- Organ transplants;
- Ambulance services;
- In vitro fertilization;
- Inpatient and outpatient mental health services and residential care;
- Hospital and community treatment for developmentally disabled;
- Occupational health services in the workplace;
- Public and environmental health services;
- Pre-school and school health services for children;
- Family planning; abortion;
- Preventive health education and services;
- Treatment and supervision for heroin addiction, drug, alcohol and other substance abuse.

Great Britain’s “single payer” arrangement. The NHS is financed by taxes. About 85% of the cost is from general taxes. The remainder comes from local government taxes covering community health programs, plus the weekly health insurance tax that employees pay. A government subsidy covers the tax for people outside the labor force. Both the employed and those outside the work force are eligible for the same full range of health services.

While all of the British population have access to the NHS, about 5% prefer private insurance or pay out-of-pocket. Many who see the NHS as their primary health care provider also buy private health insurance as a supplement. Almost all British physicians and other health care providers take part in the NHS.

Geographically, Great Britain is approximately the size of California, and with about twice California’s population density. In comparison, the geography and population distribution in the United States makes for a greater challenge in planning, distribution of resources and administration of a system to provide universal access to health care.

A frequent claim advanced by health reform opponents in the U.S. is that government-run health care always becomes second-rate, poor quality, inefficient, and that government will interfere in the physician’s practice of medicine. However, research published in the U.S. over the past three decades, comparing health care administration here and abroad, confirms that physicians in the U.S. work under significantly more interference in their practice of medicine than British physicians. In the U.S. the interference comes from private health insurance corporations telling physicians what tests they may or may not order; telling physicians what medical procedures are covered; telling physicians what pharmaceuticals are covered; securing prior approval, etc.

Medical specialists (known as “consulting physicians” in Britain) are salaried employees of the NHS, and they have a four-day work week. The fifth day may be reserved for private practice. The consulting physician has equivalent education and training to “board certified” specialist in the U.S. A grade below the consultant, the “registrar,” is comparable to the “resident” in the U.S. Consultant physicians may elect full-time, salaried appointment with the NHS or part-time.

About half of British physicians also engage in private medical practice in addition to their work in the NHS. Harley Street in London remains a popular address for private practice physicians, and it is an internationally recognized center for overseas patients who travel to Britain for medical treatment.

A Republican National Committee advertisement last week claimed that individuals in Great Britain “are robbed of their medical choices.” The British Department of Health immediately issued a rebuttal: “Not true ... everyone cared for by the NHS has formal rights to make choices about the service they receive.” Also, every person over age 16 may choose her or his own general practice physician, and the physician is free to accept the patient or not.

Primary care doctors, also known as the general practice physician or family doctor, play the key role in the NHS. The (Continued on page 8)
Legislative Report
By Alan Wade and Ted Anagnoson

President H. Dieter Renning announced the appointment of Prof. Alan Wade of CSU Sacramento as the chair of CSU-ERFA’s legislative affairs committee and an at-large member of the executive committee. Wade, the subject of The Reporter’s “Retiree Profile” in March 2009, was the first Dean of CSU Sacramento’s School of Social Work and served as campus CFA president, academic senate chair, statewide academic senator, and most recently, president of CSU-ERFA’s local affiliate on the Sacramento campus.

Wade will represent CSU-ERFA at meetings of the State-wide Coalition of Retired Employees (SCORE), where CSU-ERFA is a member, along with the California Association of Highway Patrolmen (CAHP), California Department of Forestry Fire Fighters, California State Employees Association (CSEA), and the Retired Public Employees Association (RPEA).

The appointment came too close to press time for a full report, but Alan reports:

• **Pension Reform Activity.** There are bills being introduced, articles appearing in the press, and other indications that the reform of public pensions will be engaged with more energy than in the past (see editorial, page 3).

• **Legislature.** The legislature reconvened in August to complete its regular session and could be called into special session immediately thereafter.

• **Keeping Up-To-Date.** To keep up on California politics, Alan recommends the “Rough and Tumble” web site, www.rtumble.com. To keep up on pension politics, an excellent source is Ed Mendel’s http://calpensions.com. Ed is a reporter who covered state politics in Sacramento for over three decades. He formerly worked for the San Diego Union-Tribune and for the monthly Golden State Report and the Sacramento Union newspaper.

**August SCORE Meeting.** David Humphers, who heads CSU-ERFA’s health benefits committee, attended the SCORE meeting for August, reporting that there is some uncertainly about the future of the CalPERS long-term care program, with a meeting scheduled on it at a “closed” session of the CalPERS health benefits committee on August 18, 2009.

**Other SCORE topics included:**

• **Keith Richman** is preparing another ballot initiative for the November 2010 election, although he does not as yet have funding to collect signatures.

• **California Forward,** an organization of political “moderates” from both parties, has prepared a number of proposals for the legislature and future initiatives, including an initiative to drop the required 2/3 vote on the state budget (a proposal to modify the 2/3 for both passing the budget and raising taxes failed in 2004).

• **Governor and Public Pensions.** The governor is again emphasizing public pension “reform” as he attempts to improve his legacy. Another issue for him is the state’s long-term water shortage.

• **CalPERS “High Earners.”** Only 1% of CalPERS state retirees receive a pension of $100,000 or more per year. While state employees are prohibited by SB 53 (1993) from pension “spiking,” the bill deliberately omitted local government employees from the prohibition.

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family doctor’s office represents the entry point to the NHS; that office is the link to other components of the NHS. If hospitalization is necessary, the family doctor makes the necessary referral arrangements including scheduling appointments with specialists. About 80% of general practice doctors are in group or partnership practice, often with health care teams that include nurses, midwives, social workers, and other staff. General practitioners in sparsely populated areas may work alone.

Primary care physicians are not employees of the NHS, but provide medical care under contract. The general practice physicians’ group bargains with government periodically to set fees and reimbursement. General practitioners are paid (1) a basic practice allowance; (2) special allowances for seniority, for practice in groups, for practice in under-served areas, for continuing education; (3) a capitation fee for each patient on the physician’s list; (4) payments for out-of-hours work (British doctors still make home calls); (5) payments on a fee-for-service basis for vaccinations and birth control services.

**Healthcare systems.** Only three developed nations, the Netherlands, Switzerland, and the United States have “private market” health care systems. The Netherlands and Switzerland both require their people to buy health insurance on the private market. Both countries have near universal (96% or 97%) health insurance coverage. The current estimate is that 47-plus million people in the U.S. are uninsured and do not have routine access to health care. (Visiting an emergency room is not routine access to health care.)

Only two nations, Great Britain and Sweden, have nationalized health care systems, frequently referred to pejoratively as socialized medicine. Nationalized health care systems are unique because the government takes ownership of hospitals and becomes the health care provider rather than contractor.

All of the other developed and many developing nations provide health care using the “single-payer” system. Single-payer means that one organization collects the funding
The above chart shows the per capita unfunded liability for retiree health costs in California and 28 other states. California’s per capita liability is $1,331, with three states above $6,000 and 15 above $2,000.

California’s unfunded liability for retiree health plans is actually fairly low compared with other states, according to a report from the Center for State and Local Government Excellence (www.slge.org). While California has the third highest statewide total “unfunded actuarial accrued liabilities” for retiree health care (NJ, $68.8 billion; NY, $49.7 b; CA, 47.9 b; NC, $23.8 b, etc.), on a per capita basis the amount is much less, with 17 states having higher per capita liabilities. Be happy you don’t live in Connecticut, Hawaii, or New Jersey.

**Health Benefits Report**

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and disburses payment for the state or nation’s health services; that immediately demonstrates how and why “single payer” is the cost effective system for financing health care. Currently in the U.S. with hundreds of for-profit (and a few non-profit) health insurance firms, the expenditure for administration alone is $400 billion per year. This amount does not include payment for any health care or service.

The British NHS is a single payer (nationalized) system; the U.S. federal Medicare program is a single payer; Canada and most of the European countries, and many others around the world are single payer. Some countries using the single payer arrangement also use the “employer mandate” as part of their funding arrangement. The primary advantage of single payer is reducing administrative overhead. A single payer may be a nation, a state, or a public organization such as the Veterans Administration.

The state of Hawaii became a single payer health care state with “employer mandate” in the 1970’s. While some consumer costs increased to cover the costs, the state achieved near universal health insurance coverage (96% or 97%) within a few months. Within the first year the state’s infant mortality rate dropped significantly; women began receiving prenatal care. Prior to adopting single payer, a group of for-profit health insurers were active in Hawaii, plus two non-profit health maintenance organizations: Kaiser Permanente and Blue Cross or Blue Shield. Within five years the for-profit insurance firms withdrew from the islands; they could not compete with the non-profits. One wonders why so little has been published about Hawaii’s single payer health system in the public media.

Congressman Paul Broun (R-GA), said that Great Britain and Canada “don’t have the appreciation of life as we do in our society ...” Another on-line video advertisement launched this month by the anti-tax group Club for Growth states: “bureaucrats in Britain had calculated six months of life to be worth $22,750” (Raphael Satter, Associated Press, London). “Under their socialized system, if your treatment costs more, you are out of luck” the ad says, as footage of an elder man sat weeping at a woman’s bedside alternated with clips of the Union Jack and Big Ben.

The Republican misrepresentations about the NHS and efforts to tie President Obama’s health plan to Britain’s “socialized” medicine are being received in Britain as slander. The British have responded promptly in defense of the 61-year old NHS with a stream of “we love the NHS” on Twitter.

The Department of Health in London responded to the attack with a three-page fact sheet comparing British and U.S life expectancy, infant mortality, and their per capita health care cost of $2500, less that half of the $6000 per capita U.S. cost.

Each comparison demonstrated that British NHS outperforms the U.S. on every dimension: access to care, life expectancy, infant mortality and cost containment.
In Memoriam

Chico – Robert E. Pyle
East Bay – Georgia Babladelis
Fresno – Wilbur D. Albright
Alexander H. Lark
Fullerton – Tom O’Loughlin
Long Beach – Ephraim Ben-Zvi
Alexander Lipski
John A. Torney III
San Diego – Theodore R. Brunson
Muthyla Rao
San Francisco – Ralph M. Rust
San Jose – Marie B. Carr
Thomas P. O’Neill
Lucille F. Whaley
San Luis Obispo – Fuad H. Tellew
Sonoma – Dennis E. Harris
Walter E. Kuhlman

The Ad-Hoc Post-Tenure Under-Appreciated Band

For a humorous take on all the changes affecting higher education in the U.S., you might take a gander at the faculty band from a university in Ohio.

“The Ad-Hoc Post-Tenure Under-Appreciated Band” sung at the AAUP’s annual summer institute on advocacy strategies, financial analysis, media relations, and bargaining techniques.

A short video of three of their songs is at this web location (turn on your speakers):

http://www.aaup.org/AAUP/newsroom/Highlights/AkronBoys.htm

The three songs are:
* Hey, What’s the Big Idea (of a University)?
* Disingenuous Blues, and
* Work to Rule.

Fall State Council Meeting in San Jose

The next State Council meeting will be held on Saturday, October 17, 2009 on the campus at San Jose State University, the first meeting in Northern California since a meeting in Sacramento in 2006 and the first meeting on a CSU campus. All eligible delegates are invited to attend.

Tentative agenda and other information will be mailed the first week in September. The host hotel is the Fairmont in downtown San Jose, located within walking distance (about four blocks) from the library on the San Jose campus, where the meeting will be held. Transportation will be provided if needed.

Calling CalPERS?

If you are calling CalPERS, the number is 1-888-CALPERS (225-7377). There is a new automatic call-back feature in effect if the wait is long.