

REPORTER

A publication of the California State University Emeritus and Retired Faculty Association, Vol. XIV, No. 3, Spring 2001

Feds Propose Changes to Medicare

Would Change from Defined Benefit to Defined Contribution

FEDERAL LEGISLATIVE INITIATIVES may have far-reaching effects this year on seniors. The Breaux-Frist Bill (S357), the Medicare Preservation and Improvement Act of 2001, would make sweeping changes in Medicare as we know it. There would be a standard benefits package, covering present services at some level determined by funding, subject to approval by a new board appointed by the President (HCPA being downgraded to administration of a smaller fee-for-service program). Private plans would offer a high option and a standard option, similar to the federal employees' health benefits plans, administered by a new agency. The government

would pay 85 percent of the national weighted average premium of the high option plan for those up to 135 percent of the federal poverty level (\$10,568 for an individual and \$13,334 for a couple), with no beneficiary premium. For those with incomes above this level the premium would include all costs above the national weighted average. Medicare's growth rate would be reduced by 1 to 1.5 percentage points from the current growth rate of 7.64 percent.

Outpatient prescription drugs would be covered for those up to the 135 percent of poverty level by Medicaid. All private plans would include basic coverage for prescription drugs. One plan would be a prescription-drug-only plan. Above 135 percent of poverty, a sliding scale is proposed from 135 to 150 percent,

a 25 percent universal premium subsidy above 150 percent, and 80 percent reinsurance above \$6,000 annual out-of-pocket cost. Any subsidy would be treated as taxable income.

Part A and Part B would be combined in a single trust fund. This does away with the solvency test for Part A (whether outlays were within Part A reserves and tax collections from the 2.9 percent payroll tax.) We do not know how costs in the future would be funded, whether by premiums, taxes, or general revenue. If premiums and tax levels were hard to modify, funding would be based on general fund political decisions. If general fund contributions exceed 40 percent of Medicare program outlays, Congress would be notified and would have to authorize any additional outlays or initiate public debate on increasing premiums or taxes. There would be no representation of consumers on the new agency running the HMO Medicare Plus Choice health plans. Premiums could be large and could rise unpredictably.

Details can be viewed on the Web at www.thomas.loc.gov/. Also see Websites of Senator John Breaux (LA) and for Families USA.

President George W. Bush backed this proposal in his February speech to Congress. If it should pass, it could have a profound effect on our Medicare-coordinated PERS health plans.

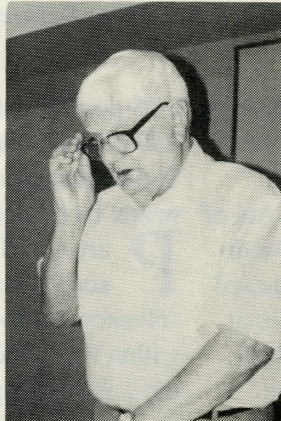
Wilma Krebs, chair
legislative committee

[See also reports from Wilma Krebs on CalPERS and HMO costs, page 3.]

... [the proposals] could have a profound effect on our Medicare-coordinated PERS health plans

President Maurer Reports

THE CSU-ERFA EXECUTIVE COMMITTEE met on February 10, 2001, in Los Angeles. All members—officers, the *Reporter* editor and the four at-large members—were present as well as **Robert Kully**, executive director, and **Linda Zimmerman**, office manager. I wish all of you could attend one of these meetings (I am just “wishing” not “inviting”), not only to hear the discussions of regular agenda items, but to appreciate the depth of experience the members have in all areas of CSU teaching and governance. I sometimes sit there thinking that I really should be paying tuition. And we must add to that the knowledge and long experience of **Wilma Krebs** in health care and retirement issues. Wilma’s contributions appear elsewhere in this issue.



Our Survey 2000 was distributed to the membership late last year and 997 responses (about one-third the membership) have been received. **Ron Kroman**, vice president and chair of the survey committee, reported that the analysis of the data was underway and that the “Strongly disagree ... Strongly agree” pages were almost complete. The committee was considering the best way to present the “Comments” page. It is not too early to conclude that the results will give the association some clear indications of which way the membership would like to move.

As co-chair of the Foundation committee I presented an almost final version of the application we must make to the State and the IRS for the CSU-ERFA Foundation. This Foundation will allow us to accept tax-deductible contributions ourselves instead of having to funnel them through the CSU Foundation, which we do now. Co-Chair Max Norton was not able to be present but he has been working towards this goal for years. The application consists of the Articles of Incorporation, By-Laws and two multi-paged forms. Members of the executive committee had reviewed the materials in one form or the other and made a number of suggestions for change. The committee approved the application and I have sent the suggested changes to our attorney who will prepare the final (well, almost final, since both the State

and the IRS get a whack at them!) version for submission.

Eleanor Price, member of the Foundation grants committee, reported that the committee had received a number of applications for CSU-ERFA grants and that they would soon make recommendations to the executive committee.

Emmett Long was appointed chair of the nominating committee. He will be looking to nominate officers, the *Reporter* editor and three at-large members of the State Council at the April 21, 2001, Council meeting in Sacramento.

After five years serving as editor of the *Reporter* and member of the executive committee, **Ralph Bigelow** will leave those positions following the publication of the summer 2001 issue. We will miss his editorial skills and more so his friendly presence.

Our next State Council meeting will be held in Sacramento on April 21, 2001. I am making my regular call to the affiliates to send informed delegates to the State Council meetings. If these delegates will be bringing special matters for the Council to consider, then send us a copy in advance so that we can include them in our meeting information packet. I look forward to seeing all the members of the State Council on April 21, 2001.

Robert Maurer, president
rmaurer@mail.csuchico.edu

Long-Term Care Program

The next open-enrollment period will go from April 1 to June 30. For the PERS California Partnership for Long-Term Care option, PERS has agreed to change the eligibility trigger for nursing home care from three activities of daily living (ADL) that you can't do without substantial assistance, to two ADLs. This makes it easier to qualify for this level of care if you should ever need it. This is the option which fits the needs of those who cannot afford to buy lifetime coverage, but can get lifetime coverage by buying a Partnership policy. If you bought a policy that would cover either two years of nursing home, or alternatively about four years of assisted living or home care, and use up all the policy benefits, you could apply for MediCal assistance. Instead of having to spend-down your non-exempt assets to \$2,000, you can keep assets up to the full amount the policy paid out and still get MediCal. You will have to be a resident of California at that time. But you won't have to be impoverished. [WK]

Legislative Report

Retirement and CSU Concerns

AB 64 (Alquist)—income tax deduction for long-term care insurance

AB 389 (Nakano)—retirement allowances would be adjusted by the consumer-price index for urban consumers

AB 824 (Cohn)—would make dependent siblings eligible for CalPERS long-term care insurance

AB 877 (Cedillo)—appointment of CSU chancellor and campus presidents disclosure 30 days before final selection, the search committee to be authorized to seek additional information, and public allowed to submit information and questions

AB 1097 (Havice)—state employees' retirement benefit equity increase, by an unspecified percentage

AB 1162 (Alquist)—increase the death benefit from \$2,000 to \$5,000

AB 1374 (Wiggins)—for those who missed initial enrollment in a PERS health plan, extends right to enroll to eligible family members who are not annuitants

SB 132 (Burton)—establishes minimum level of benefits for all retirees

SB 146 (Haynes)—requires a health plan to uniformly impose on all pharmacies any copayment or supply limit; appears to prevent PERS discount for mail order

SB 272 (Soto)—purchasing power protection at 80 percent for retirement allowances

SB 277 (Chesbro)—state university employees included in the PERS rural equity program, which subsidizes the member, e.g., by paying the Part B premium.

SB 335 (Ortiz)—vision care benefits comparable to those provided to active state employees

General Issues

There are nearly 100 energy crisis bills to maintain service, to protect consumers from high rates, to promote alternative energy resources and conservation, to give the state government power to enter into long-term contracts, to acquire transmission lines, allow equity participation in utilities, and to sell bonds to finance necessary actions. There are also a large number of bills with proposals for election reforms.

Senior issues

These include: nursing home and assisted-living facility reforms; the crisis in emergency medical services; assistance with the high cost of prescription drugs; the nursing shortage; rural health care; elder abuse, including financial abuse; HMO issues, including strained relations with providers, which can lead to service disruption; the need for tax deductions or credits to make long-term care insurance more affordable; mental health issues; the need for more support for caregivers who provide long-term care at home; unwanted telephone solicitations.

We will report further at the CSU-ERFA State Council meeting. [WK]

CalPERS Report

Members in PERSCare and PERSChoice have made their decisions whether to stay in the revised health plans necessitated by the substantial losses that showed up late last year. Fewer than two percent of the 232,000 members affected chose another health plan and most of those who did make a change switched from PERSCare to PERSChoice. It is clear that those members value their self-funded PPO insurance.

Now the focus has shifted to the HMOs, which are subject to most of the same cost increase pressures. In the initial bidding process most plans came in with premium increases in the high teen percentages. CalPERS staff felt strongly that the rates requested were not justified. On staff recommendation, the PERS Board rejected all bids and requested new bids in March. Eleven companies originally bid. PERS contemplates taking up to seven re-bids.

In the re-bid process, health plans are asked to price the current design and a lower-option design that would include a \$10 office visit co-pay and prescription drug co-pays of \$5 (generic), \$15 (formulary) and \$30 (brand name) at retail for a 30 day-supply; or \$10, \$25, \$45 for a 90-day mail order. This would include the Medicare plans. They will also explore a rate that would involve a statewide exclusive or semi-exclusive contract with PERS. PERS is working on all reasonable options to keep high quality plans at a reasonable cost.

Members can help by getting into wellness programs, disease management programs, or by being open to trying generics, which can be as effective as more expensive brand name drugs. Use mail order whenever you can to cut down on prescription costs. Prescription medicines are 50 percent of total cost in the Medicare senior plans.

Other PERS news

The CalPERS Board of administration has unanimously re-elected William Crist as president and Robert Carlson as vice present for 2001.

There will be an election this year to choose two members-at-large (total membership of PERS) for the Board. Charles (Chuck) Valdes (incumbent) and Kurato Shimada (former board member) have announced that they will run for office. [WK]

News headline in the year 2050:

**Younger Generation's Music Provokes
Outrage of Elders**

News from Members

Last fall Brown University remounted "The Quintessential G.B.S.: Selections from the **Sidney P. Albert** – George Bernard Shaw Collection" in conjunction with the Shaw Festival sponsored by the theatre arts department and Friends of the Brown University Library. The exhibit was originally mounted in 1995 upon the acquisition of Albert's over 2,000 books, ephemera and other material on the noted playwright. Brown also maintains the exhibit on its Web site at http://www.brown.edu/Facilities/University_Library/exhibits/shaw/.

Albert, emeritus professor of philosophy at CSU Los Angeles, and founding president of CSU-ERFA, will participate this spring at the International Shaw Conference in Milwaukee.

Robert Strassberg (LA) was honored last fall at the first Chinese International Walt Whitman Conference held in Beijing. Presenters came from Wales, Canada, Germany, the US, as well as from several Chinese universities. Strassberg was featured at the conference in a performance of his compositions on Walt Whitman's poems.

Strassberg is also the editor of *The Walt Whitman Circle*, a quarterly newsletter.

Charles Lambert (Ful), past recipient of a CSU-ERFA grant, has reported trips to Guam, Palau, Southern California, and Massachusetts where he and Gretchen Lambert continued their extensive research on ascidians. Lambert also presented a talk at a conference in Sapporo, Japan, last fall. They returned to their home in Seattle in time for Lambert to officiate at the wedding of his daughter after being ordained on the Internet.

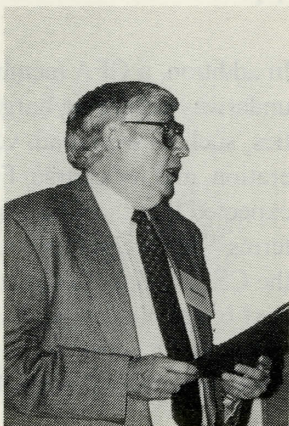
New Title Emerges at UC

With stomach churning, John Worthington forwards a letter from the travel program of the California Alumni Association (of UC Berkeley) describing a nature cruise in which the lecturer will be Gunther Barth, professor enteritis of American history.

From the *San Francisco Chronicle*



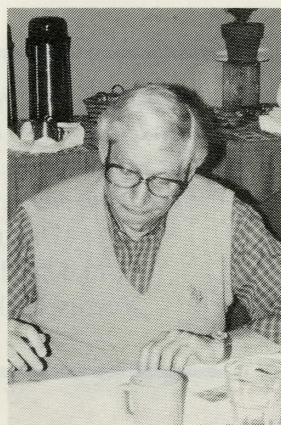
We invited **Walter Askin**, emeritus professor of art at CSU Los Angeles, to portray his vision of an emeritus professor. His whimsical drawing above, "The Unknown Professor Cooks," was happily received for publication in the *Reporter*.



*Robert Kully addresses the
CSU Fullerton Emeriti*



*Eleanor Price at the recent
Executive Committee meeting*



*Kully checks the figures
before approving the
conference room charge*

CSU-ERFA Survey 2000

The return of the CSU-ERFA membership survey, Survey 2000, has been completed with the receipt of 997 returns for a response rate of over 35 percent of the membership. The committee wishes to thank the members for this very strong response.

We will inform you of the results of part II (questions concerning the members' judgment of CSU-ERFA activities) and part III (ongoing interests of the members) when the data processing has been completed. These data will be published in a forthcoming issue of the *Reporter*.

A number of respondents included a list of their post-retirement publications. The number of citations is probably too lengthy to print in the newsletter; we will therefore explore the feasibility of a separate publication about the work in retirement of CSU-ERFA members.

Again, we thank you for your responses to the survey.

Survey 2000 Committee: **Ronald Kroman** (chair),
David Elliott, **Eleanor Price**, **Herbert Rutemiller**

Would you like to travel around the world lecturing?

Would you be interested in traveling, escorting and lecturing to tour groups to such destinations as China, East Central Europe, or Italy?

Since 1978, I have been escorting and lecturing on tours to different destinations around the world. I formed my own company, East-West International Tours, in 1985 and have organized groups for colleagues who in turn have acted as escorts and lecturers. We arrange national and local guides to oversee the day-by-day operations.

What I am looking for are faculty, primarily in the disciplines of history, political science, art history, but I am open to suggestions for different fields of study and destinations. Lecturers can be retired or still be teaching, but they must enjoy travel, sharing their expertise with tour groups, and be friendly and outgoing. My groups never exceed 25 persons. The tours are always upscale, staying wherever possible at four- and five-star hotels.

For more information see my website: <http://www.eastwest-tours.com/> where you can see our programs for 2001. My email address is info@eastwest-tours.com.

Bob Feldman, *emeritus professor of history*
CSU Fullerton

From Impasse to Impose . . .

. . . IT IS A STRAIGHT ROAD, at least in the California State University.

Last year's reopener negotiations between the California Faculty Association and the CSU administration had reached impasse by late June. By mid-August mediation had failed, and in October the parties had entered the fact-finding phase. On January 2, the fact-finding report was made public. On the same date, the CSU administration issued a statement, rejecting the recommendations of the neutral fact-finder.

In spite of that, CFA was urged by the Governor's office, as well as influential members of labor and the legislature, to meet once more with CSU administrators. For two more days the two sides bargained, but without reaching agreement. Finally, on January 24, the CSU Board of Trustees, acting on the recommendation of the Chancellor, unilaterally imposed conditions on the CSU faculty.

As has been reported earlier, the main areas of disagreement between CFA and the administration have been the Faculty Merit Increase (FMI) program and the handling of new budget allocations for faculty salaries. Specifically, the CFA considered the FMI program poorly designed and its administration seriously flawed. Accordingly, it had argued for suspension of the program during the final year of the current contract and application of the FMI funds to other salary adjustments. Based on expert testimony before the fact-finding panel, the neutral fact-finder came to the same conclusions.

THE ADMINISTRATION REJECTED, however, his recommendations, claiming, among other things, that the report "was based in some cases on inaccurate assumptions and factual errors," without identifying, though, what those were. In the final attempt to reach an agreement before imposition the parties

seemed to move in the right direction. In the end the negotiations broke down, mainly because the Chancellor required, as a condition for settlement on this year's reopener bargaining, that CFA commit to merit pay for the following three years at the same level of funding as in the current FMI program.

This kind of blind faith commitment to a program which the administration claims to be a "merit pay" program whereas faculty generally perceive it as a thinly disguised discretionary pay program, and in advance of negotiating the next three-year contract—the CFA negotiators and leadership were unable to make.

Since the announcement by the Trustees of imposition of terms there has been much debate within CFA and on the campuses generally. On January 30 the Academic Senate at Cal State Stanislaus passed a "No Confidence in Chancellor Reed" resolution, and similar actions are being considered on other campuses.

Faculty across the system also took notice of the administration's claim, in its January 24 press release, that "the CSU's proposed six percent increase to the faculty salary pool would increase the average salary for full professors... to more than \$80,000, and increase the average salary for all tenure track faculty to nearly \$72,000." This statement, one hears, has prompted a vigorous search on all the campuses for the "average professor" whose salary would match those numbers. At the time of this writing there is no indication that he or she has been found.

Bargaining for the new, three-year, contract is to start in March or April. In preparation, campus chapter representatives discussed the agenda for the next bargaining round at two conferences, one on February 16 in the south, the other on February 17 in the north.

In addition, a CFA member survey is underway regarding bargaining priorities, such as workload, year-round operation, and, of course, FMI. It is to be expected that the "imposition of terms"—the second one in a row within the CSU—and its implications for the next bargaining round will be major topics at the spring Assembly of the CFA, scheduled for April 28-29 in Sacramento.

On a different subject: The CFA-sponsored "Future of the University" hearings, which took place last year, have not gone unnoticed in other parts of the country. In Missouri they have induced the University of Missouri, Kansas City, chapter of AAUP to organize an all-day conference on "Education for Democracy: Fighting the Corporate Takeover," for March 3. "Corporate takeover" of education?

Impossible!

Check www.calfac.org for the latest information.

H. Dieter Renning,
liaison to CFA

Morality is the natural sister of conscience. . . . One should not be deprived of conscience. To lose conscience is everything.

—Dimitri Shostakovich,
In defending his setting of
Yevtuschenko's "Babi Yar."

Leo Cain Mourned

The Emeriti of CSU Dominguez Hills mourn the death of **Leo Cain**, founding president of the campus. His substantial contribution to the campus Emeriti organization enabled the association to begin granting scholarships soon after it was founded in 1996.

Here Cain is pictured with former Chancellor Glenn Dumke in 1973.



From the Senate—

DONALD MOORE, CSU-ERFA's liaison to the Academic Senate, reports regularly in the form of minutes to the Executive Committee and to the *Reporter*. Those of you familiar with academic senate minutes may appreciate our attempt to summarize Professor Moore's accounts.

The Statewide Senate regularly receives reports from its chair on the activities of the executive committee and meetings with members of the CSU administration on matters of crucial interest to the senate members. Further, the chair met with the faculty council at the new CSU Channel Islands to discuss its academic plan, general education program, academic freedom, and accreditation guidelines.

The Senate had its first reading of its CSU Master Plan document and will take action in May. The document goes beyond the Master Plan to the "State of the University."

Members of the CSU administration meet frequently with the Senate. Most recently, the director of CalState Teach discussed this distance-training program, combined with onsite classes. Further, the vice chancellor for academic affairs, discussed familiar topics of accountability, mathematics initiatives, ar-

ticulation, common calendars, remediation, and responded to questions.

Last, the Senate took up CSU mascot-naming policy. Professor Moore said "This would seem to be a no-brainer, but not the way it

Discrimination of the Humanities

A major automobile insurance provider offers discounts to select professional groups, as authorized by Proposition 103, in science and engineering. Credentialed teachers also receive the professional discount. Professors, however, unless they belong to one of the professional organizations listed, do not receive the discount.

A member brought this practice to our attention because she, as a career-long professor in the humanities, was rejected when she applied for the discount. Fortunately for her, she had a 50-year old standard teaching credential and received the benefit on that basis.

The insurance provider does state that it will consider adding more professional groups while working within the guidelines of California law and Department of Insurance regulations.

Red-lining of the humanities?

Salaries for Retired Faculty

President Maurer authorized a survey of the CSU campuses on the salary practices for retired faculty. From the 12 responses received, the picture is uniform. There are no written policies governing salary levels. Such employment is not mentioned in the collective bargaining agreement. The campuses, therefore, are able to establish salaries with retirees, sometimes after negotiation.

We urge CSU-ERFA members who may be invited to teach to ask what appointment at what salary level is being offered and to decide whether to negotiate. If you don't ask about this matter at the time of appointment, later changes are unlikely. The same, of course, is true about related factors that may be of concern, e.g., office or desk space, operating expense, student assistance.

You should remember that there are PERS annual limits on how much you may work for pay, as distinguished from unpaid volunteer activity, and these limits are stricter than those under the Faculty Early Retirement Program. [MD]

In Memoriam

Chico: **Carl E. Hein, Neil M. Ruge**

Fresno: **Robert L. Shacklett**

Fullerton: **Earl James Weaver**

Hayward: **Robert W. Moulton, John D. Walz**

Long Beach: **Kephas A. Kinsman**

Los Angeles: **Hilary Ashe**

Maritime Academy: **Robert E.**

Ferguson

Sacramento: **Henry Hansen, James D.**

Lucas, Warren A. Snyder

San Diego: **Gail A. Burnett, Kramer**

Rohfleisch, Pauline Scholmann

San Francisco: **Robert L. Brant, Rose**

Romberg

San Jose: **Harold Hailer**

San Luis Obispo: **George H. McMeen**

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Wilma Krebs (Sacramento) *legislative*

Kurt Bohnsack (San Diego) *retirement concerns*

Max Norton (Stanislaus) *Foundation grant awards*

H. Dieter Renning (Stanislaus) *liaison to CFA*

Don Moore (Los Angeles) *liaison to CSU Senate*

Sidney Albert (Los Angeles) *liaison to California Conference of AAUP*

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Son: **Ellen Amsterdam-Walker, Phillip B. Brownell, James C. Stewart, Ellen Kay Trimberger**

Stan: **Delo E. Washington**

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

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