

CSU-ERFA Reporter

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

Huge increases in prescription drug costs, more HMO pullouts and troubles in the rural and semirural areas, near insolvency in PERSCare and PERS Choice, serious disruptions as provider groups war with health plans.

We now have 15 counties and 71,000 PERS members without an HMO option. Some cannot afford PERSCare or PERS Choice, even allowing for the employer contribution, which is now \$216 a month for one, or \$411 for two persons.

What of the future? With medical costs rising 10 to 12 percent a year and prescription costs 16 to 18 percent, premiums could double in five or six years. Much of the cost increase comes from higher utilization, more days per user and increase in the cost per day. New medical guidelines call for earlier and more aggressive treatment. Drug advertising leads to more demand and sometimes inappropriate use. These forces will increasingly affect urban areas.

Cost reductions are getting harder to achieve. Members reluctantly accepted increases in copayments this year, both for office visits and for prescription medicines. While recognizing the need for this step, we are concerned about those among us who are chronically ill and have high prescription drug needs.

Last year CSU-ERFA was instrumental in getting a stop-loss for HMO members, with a cap of \$1,000 per year if you use

mail order. We are trying to get that cap lowered to \$600 a year.

Meanwhile, PERS staff has initiated intensive study of possible new initiatives. We need to formulate recommendations to CalPERS based on informed member participation. Here are

economies of scale, more bargaining power with drug companies, thus lower costs.

Some of the arguments against are: members may not trust the integrity of the new formulary, which may subtract drugs available in the present

formulary, substituting drugs for which the PBM can get deep discounts; there could be more onerous pre-authorization requirements, separation of pharmacy benefits from medical benefits in the health plan, which may

alienate doctors and hinder overall disease management; a threat to Medicare HMOs which get capitation from Medicare, based on medical plus prescription drug costs.

They may suffer even more loss of Medicare funds. This approach clearly has problems if used in HMOs.

Regional rating

CalPERS now has a statewide rating system, with a given health plan having the same premium in all areas of the

Medical insurance dilemma: CalPERS looks at 3 choices

By Wilma Krebs

Legislative Committee chair

three major proposals to evaluate:

Pharmacy carveout

Various pharmacy functions such as formulary management are carved out of health plans, administered by a Pharmacy Benefit manager (with the exception of Kaiser which has its own system). CalPERS has already issued a Request for Proposal for a PPO pharmacy benefits management contract to begin in January 2003.

The arguments for this are: increased control, increased

Rural members to get aid; Dec. hearings set

By Milt Dobkin

Member at Large

While there is one piece of good "news" for our members living in counties from which HMOs are withdrawing on Jan. 1, 2002, there has been only limited movement on the problems described by Wilma Krebs in the above article.

The "news" is that the members living in those rural counties will become eligible for the modest subsidies offered by the Rural Health Equity Program for employees and annuitants who do not have access to an HMO.

Please turn to page 6.

Please turn to page 7.

Executive Committee**2001-2002**

Robert Maurer (Chico), president; co-chair, membership
 Ronald A. Kroman (Long Beach), vice president; co-chair, membership
 Judson Grenier (Dominguez Hills), secretary
 Dominic Perello (San Luis Obispo), treasurer
 Emmett Long (Fullerton), past president
 Wilma Krebs (Sacramento), member at large
 Milton Dobkin (Humboldt), member at large
 Eleanor Price (Dominguez Hills), member at large
 _____, member at large
 Howard Seemann (Humboldt), Reporter editor
 Robert D. Kully (Los Angeles), executive director

Committee chairs

George Sicular (San Jose), dispersed membership
 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
 Howard Seemann (Humboldt), publications

Administrative staff

Linda Zimmerman, office manager
 The Retiree Center
 18111 Nordhoff St.
 Northridge, Calif. 91330-8339
 818/718-7996
 818/718-7680 (fax)
 E-mail: csuerfa@csun.edu

Howard Seemann (Humboldt), Reporter editor
 2123 H St.
 Eureka, Calif. 95501-3703
 707/445-0286
 E-mail: hls2@northcoast.com

From the president**Committee on health benefits named**

By Robert Maurer
CSU-ERFA president

There were 37 council members in attendance Oct. 21 in Los Angeles including 14 ex-officio members, four members-at-large and 19 delegates representing 13 of the affiliates. If you count the ex-officio and at-large, there were members from 16 of the 17 affiliates.

Bob Kully, executive director, and Linda Zimmerman, office manager, were also in attendance.

After brief reports from the president, vice president, treasurer and executive director, the morning was turned over to Wilma Krebs (Sacramento) for her report of health concerns and legislation of interest to us. Her complete report begins on page 1.

At the 1997 Spring State Council meeting Wilma, noting CSU-ERFA's long association with health care issues, suggested the establishment of a Health Benefits Committee. Accordingly, the State Council voted approval for an Ad Hoc Committee on Health Benefits that could advise CSU-ERFA.

Members of the committee are Les Roth (Fresno), Barbara Sinclair (Los Angeles), Norma Summersgill (San Diego), Milt Dobkin (Humboldt), Charles Farrar (Stanislaus), Jerry Beamish (Stanislaus) and Wilma Krebs (Sacramento), chair.

Wilma suggested the committee study proposed changes in health benefits and report to the State Council.

The new members will be recommended for confirmation at the Executive Committee meeting in February. We may make

it a standing committee.

Aubrey Wendling and Norma Summersgill (both San Diego) discussed a new group, the Association of Retirement Organizations in Higher Education, which was being formed to provide a forum for the development and sharing of ideas, resulting in the implementation of new models of retirement in higher education.

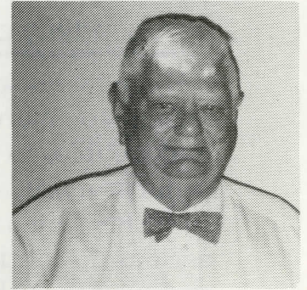
The matter was referred to the Executive Committee.

Our by-laws provide for a Dispersed Membership Committee to "articulate concerns of out-of-state association members." We know, however, that there are association members who live inside of California, but have moved away from their home campus, or any other CSU campus, so that they can not participate in any of the retiree activities.

After discussion the council approved a change in the by-laws to expand the definition of "Dispersed" to include both in- and out-of-state members. George Sicular (San Jose) was nominated chair of the committee and was confirmed by the State Council. I will work with George to select members of the committee.

I believe that as members of CSU-ERFA you are in the position to take our message to retired faculty who are not yet members.

Ask your president for materials or call our office at Northridge. ✓



Maurer

Jan. 1 deadline for grant applications

Jan. 1, 2002, is the deadline for applications for the CSU-ERFA grants in support of research and creative projects.

Maxwell C. Norton (Stanislaus) said priority will be made to applications proposing research into issues directly affecting retirement such as health care and benefits. All recipients must be members of CSU-ERFA. (More complete guidelines were published in the fall Reporter.)

Survivor's Guide in the mail

CSU-ERFA is pleased to announce that its Survivor's Guide is in the mail to members.

The guide identifies details that should be considered in advance of the death of a member or spouse and matters of concern when death occurs.

The guide was developed by the Pre- and Post-Retirement Concerns Committee: Kurt Bohnsack (San Diego), chair, Herbert Rutemiller (Fullerton) and Frieda Stahl (Los Angeles).

Welcome to new members

Bakersfield: David H. Ost

Chico: Shigeo H. Kanda, Irving Schiffman, William S. Stewart

Dominguez Hills: Noreen Larinde, Beverly B. Palmer

Fresno: Ernest A. Martinez, Adriana Slaniceanu, Lawrence Sutherland

Fullerton: Thomas E. Hanlon, Ruth D. Keran, Dindial Ramsamooj, Gary L. Shumway

Hayward: Robert G. Dunn, Corban Lepell, Donald W. Markos, Beatrice Pressley

Humboldt: Lee H. Bowker, Jane Crosbie, Joan F. Harper, Sheila M. Ross

Long Beach: Peter Baine, L. Sheila Foster, Thomas A. McCullough

Los Angeles: Louis R. Negrete, David R. Perrott, Barbara Sinclair, Kenneth Wagner, Marian S. Schilling

Maritime Academy: Ralph G. Davis

Northridge: Richard A. Arthur, Audrey M. Gruenberger, Alan C. Harris, Roy Ram

Pomona: William T. McCraw, Shiori Sakamoto

Sacramento: Margaret Goodart, Dennis K. Huff, Judy M. Quattrin, Mina Robbins

San Bernardino: Diane Halpern, Walter Oliver, Ruth C. Wilson

San Diego: Lowell J. Burnett, Douglas A. Cargille, Michael L. Harvey, Robert Penn

San Francisco: Rufus Browning, Jeffrey Chan, Virginia Malbin, Howard E. McNier, Jonathan

Middlebrook, Raymond Miller

San Jose: Nadine Barter Bowlus, Billie B. Jensen, Bill H. Takizawa

San Luis Obispo: Max E. Riedlsperger, John G. Russell, Patrick O. Wheatley, Noel C. Wheeler

Sonoma: Barry Ben-Zion

Stanislaus: James C. Hanson, Lola V. Johnson, Paul P. Reuben

State budget remains a challenge

The state budget for 2002-2003 remains a challenge, the CSU Academic Senate was told in November by Executive Vice Chancellor Richard West.

He said the two main issues are money availability and deferred maintenance.

Full funding at \$7,400 per FTE for the year has been received for the 16 campuses who will convert to year around operation.

Second reading was given to a constitutional amendment that would give larger campuses three delegates. Discussion resumes in January.

In September the Senate adopted a document titled "The California State University at the Beginning of the 21st Century." It documents the decline of the CSU.

An analysis of faculty aging found that by 2005-2006 at least 75 percent of current "tenured faculty will reach minimum eligibility to retire."

The study found that it was the "dedication of the faculty" that made the CSU so productive in an era of "scarcity of resources."

By Don Moore and Ron Kroman

In memorium

The following members of CSU-ERFA have died since the last edition of the Reporter:

BAKERSFIELD: Sumiko Fujiki

CHICO: Kenneth J. Evans

FULLERTON: Donald H. Gard

SAN BERNARDINO: Margaret K. Gibbs

LOS ANGELES: Richard Cannicott, Michael F. Grisafe, Thomas McEnroe

NORTHRIDGE: Helen Brajkovich, Elmer Eason, Seymour Eiseman, Goteti Krishnamurty, Kenneth Mangan, Lester Nypan, Richard H. Thiel, Earl Wallis

POMONA: Milo G. Lacy

SACRAMENTO: Joseph C. Pattison,

SAN DIEGO: Edgar J. Howard, Claude F. Merzbacher

SAN JOSE: John Dutton, Francis F. Huang, Joseph Richard Sorby

SAN LUIS OBISPO: John W. West

SONOMA: Thomas G. McLaughlin

(The following is compiled from information provided by the retired faculty member as noted. Readers who have continued their research or other activities after retirement are asked to send a typed copy or e-mail of the relevant data to the editor. Be sure to include name of your campus, your department and year of retirement.)

Chico

George Longazo — Longazo has written a piano reduction of Concerto for Bassoon and Orchestra. The music professor retired in 1991.

Valene L. Smith — This anthropology professor is the senior editor of a series of books on tourism. She edited *Hosts and Guests Revisited: Tourism Issues of the 21st Century* which was published in 2000. It is an introductory text which reviews the development of tourism in the past 25 years. She retired in 1982.

Fresno

S. John Dackawich — This sociology professor's novel, *The Fiery Furnace Effect*, was published in 2000 by 1st books, Bloomington, Ind. He retired in 1994.

Joel Fowler — He was the coauthor in 1998 of *Camcorder in the classroom: Using the videocamera to enliven curriculum*. The education associate professor retired in 1995.

Jerome Leavitt — This education professor has written two books since his 1981 retirement. They are *Tools for Building* and *The Bird Man of Yosemite: Herbert Sonn*.

Fullerton

Charles A. Frazee — The 1992 retiree has published several history articles including "Religion as the Basis for Balkan Ethnicity" in *Balkan Currents: Studies in the History, Culture and Society of a Divided Land*.

Julian F.S. Foster — In 1996

Foster was editor of the book, *Politics in the United States and California*, published by Kendall Hunt. He retired in 1993.

Charles C. Lambert — Research by this retiree has been aided in part by grants from CSU-ERFA. He also has taught zoology classes at the University of Washington since he retired in 1998.

Robert B. McLaren — Since his retirement in 1997, he has written and lectured on child and adolescent studies topics. Lectures he gave in Moscow and South Africa will be published in a book titled *Moral Development in a Pluralistic Society*.

Michael P. Onorato — Here's a history professor who has had three publications in 2000 after retiring in 1992. CSU Fullerton's oral history program in 2000 published an enlarged and revised edition of his *Coney Island Memories: Another Time, Another World*.

These profs are emeriti ...

Paulina June Pollak — This English professor had an article published in 1998 titled "Joyce's Use of the Structural Pattern from Mozart's *Don Giovanni* in the 'Circe' chapter of *Ulysses*." She retired in 1990.

Marlene D. Rios — This anthropology professor has had three articles published and has made five presentations on psychiatry since her retirement in 1998.

Hayward

Barbara Gallatin Anderson — This anthropology professor now teaches one class a semester at Southern Methodist University in Dallas. She retired in 1974. She also has published several articles and book reviews.

Virginia Ireys Anderson — She was co-author of an article titled "Enrout for Pike's Peak": The 1860 Travel Diary of Gurdon P. Lester" in *Nebraska History* in spring 2000. One of the men who went with Lester was Seth Foote, her grandfather.

Harold Barrett — Retiring in 1992, this speech communication professor in 1998 published his eighth book, *Maintaining the Self in Communication*.

Theodore Roszk — This history professor has written two books since retiring in 1998. Most recent is *Longevity Revolution, as Boomers Become Elders*, published in 2001 by Berkeley Hills Books.

Humboldt

George H. Allen — Allen, who retired in 1983, was editor and publisher of *Aquatic Hoop Dreams Revisited* in 1999. It was a compilation of technical reports by graduate students' research at the Arcata wastewater-seawater aquaculture ponds.

Kathryn Corbett and Kathleen Preston Knight — They have published *From the Catbird Seat: A History of Women's Studies at Humboldt State University, 1971-1996*.

Both taught in the women's studies department. Corbett retired in 1980. Knight also has had published an essay and short story. She retired in 1993. **Leela Zion** — This psychology professor has written *Expect Nothing: A Zen Guide*. Her pen name is Clarice Bryan. She retired in 1988.

Long Beach

Irmgard F. Bartenbach — Continues to produce videos about European cities following retirement in 1988. She has produced more than 100 videos.

Robert J. Brophy — After 28 years of teaching English literature, Brophy continues to read three or four papers a year as well as having articles published. He also edits and publishes a journal on Robinson Jeffers studies from Long Beach.

(Mary) Dora Polk — She retired in 1987. Her most recent book is *The Island of California: A history of the myth*, published by Univer-

sity of Nebraska Press in 1995.
Charles Trevor Walker — He has had four articles published since retirement in 1991. The most recent was "The role of attenuation in the formation of the Railroad Valley structural basin, east-central Nevada detachment-control of petroleum reservoirs."

Los Angeles

Robert G. Hadley — He has had two articles published since retirement in 1987. The most recent was "Some Thoughts about Disabilities," published by *West-side Life*, Culver City.

Leon Schwartz — Schwartz, who retired from the French department in 1987, had his article "Juifs" (Jews) published in the *Dictionnaire de Diderot*, Paris, in 1999.

Olga Termini — Now in her fifth and final FERF year, Termini has written five reviews, essays and articles on musical topics since retiring in 1996.

Northridge

Thomas D. Burrows — The eighth edition of his textbook, *Disciplines and Techniques of Video Production*, was available to students both in this country and abroad.

B.J. (Joie) Mitchell — This retired associate director of libraries has had four books published since he retired in 1981. Due out in 2001 is *The Huckenpuck Papers: The Tale of a Family's Secrets and a Young Girl's Search for Self-Esteem*. He writes under the name P.J. Pokeberry.

Ralph Seligman — The sociology professor, who retired in 1986, has produced several articles and projects. Included is the editing of *Reclaiming the Family*, published by Paragon Press in 1998.

Barbara G. Tabachnick — She is the author or coauthor of eight articles, books and workbooks since retirement in 1996. At present the psychology professor is working on an article on

exploring and screening data for analysis.

Lewis Yablonsky — The most recent book by Yablonsky is *Juvenile Delinquency: Into the 21st Century*. He has written two other books since his retirement as a sociology professor in 1994. In 2000 he was presented the William Foote Whyte Award "for outstanding application of sociological expertise to the areas of law, criminology and therapeutic communities." The award was made by the American Sociological Association's section on sociological practice.

... but they still produce

Pomona

William A. Smith — This history professor has had three publications dealing with Leopold Stokowski since his retirement in 1990.

Alvin H. Thompson — Here's an education professor who retired in 1984. He was editor of a users' guide manual for ECHOES, an IBM computer program to monitor human exposure to hazardous materials.

Sacramento

Lester H. Gabriel — This civil engineering professor has had seven articles published since retirement in 1991. Most recently was an article on "Curved Beam Stiffness and Profile Wall Stability."

Peter H. Michael — His *Palace of Yawns* was published in 2000. It is based on a one-year study of the UN's efforts in population control and comes up with remedies for its problems. The former teacher in the business college also is president of a strategic planning consulting firm. He retired in 1995.

San Diego

Charles Brashear — An English emeritus who retired in 1992, Brashear has had two works of fiction published: *Killing Cynthia*

Ann and Comeuppance at Kicking Horse Casino, and other stories.

Dorothy W. Hewes — W.N. Hailmann: *Defender of Froebel* by Hewes has been published by the Froebel Foundation. She is retired from the child and family development department. Hailmann was a noted educator from the early 19th century.

Daryl G. Mitton — Mitton has had five articles published since his retirement in 1991. One article won him a Kauffman Foundation Award for its influence on teaching in entrepreneurship and vice versa.

San Francisco

Paul E. Renzi

— A music album has been

arranged and selected by this professor who retired in 1990. It is *Bach Arias for Two Flutes*, Vol. 1. Renzi continues as principal flutist of the San Francisco Symphony.

San Jose

Gilbert Guerin — This education professor has seven publications since his retirement in 1992. The most recent is *I Can Learn, a Handbook for Parents, Teachers and Students*. He was revision editor.

Jack H. Holland — This retired business management professor has written several articles and three books since retirement in 1980. One book was the *Collected Essays of Jack Holland*.

Wanna D. Pitts — Pitts coordinated the revision of the third edition of a textbook he co-authored, *Terrestrial Plant Ecology*, in 1999. It was published by Benjamin/Cummings, Menlo Park. He retired in 1992.

J. Benton White — Two books have been published by this 1992 retiree who taught religious studies. One book, *From Adam to Armageddon: A Survey of the Bible*, was the fourth edition of his textbook. Published by Wadsworth.

Please turn the page.

CFA, CSU still at impasse

By H. Dieter Renning

Liaison to CFA

For the third time in a row collective bargaining between the California Faculty Association and the CSU has reached impasse.

In April the two sides held

More about

Our busy emeriti

San Luis Obispo

Donald P. Grant — Grant has made three contributions to architecture publications. They include an article on "The Nature of Design and Planning" in a book published by John Wiley & Sons. Grant retired in 2000 after 30 years of teaching.

Aryan I. Roeste — Roeste has had five post-retirement publications since 1990. His most recent project was *Reptiles and Amphibians of San Luis Obispo*. It was done for the city's Natural Resources Protection Program.

Sonoma

Gerald W. Haslam — Since retirement in 1997, Haslam has published seven fiction and nonfiction books. His collection of writing of California authors won the 1993 Benjamin Franklin Award. A second edition was published in 1999. Another book was a sampler of Jack London's writing about California.

Carl M. Jensen — He has focused on censorship of news and muckrakers, both before and after retirement in 1986. The communication studies professor most recently published *Censored America: An Epic Prose Poem*.

Stanislaus

Erwin A. Jaffe — After retiring in 1988, this political science professor has been a guest lecturer at the University of New Hampshire and University of Massachusetts. He also has presented or had published four articles. He now lives in New Jersey. ✓

their first bargaining session to negotiate a successor agreement to the current one (which the parties agreed to keep in force for the length of this bargaining cycle.) After several more sessions, with little or no progress on some of the most important issues — such as contract enforcement (such as handling of grievances), salaries and benefits, workload, lecturer issues, and issues related to Year Round Operations — the CFA team concluded that the negotiations weren't going anywhere and recommended to the CFA Board that it seek a declaration of impasse.

The board did so, unanimously, on June 17.

After one more fruitless bargaining session in July, the Public Employment Relations Board (PERB) issued a declaration of impasse on July 17.

The next phase in the process: mediation. The parties had their first session with the independent mediator Aug. 22 and several more since then.

At this writing, there has been no breakthrough on any of the major issues.

The parties' intention is to conclude this phase by Nov. 27. If it does not lead to a contract settlement, CFA and the CSU Administration will, again, face "fact-finding," as they did at the end of the last two reopening negotiations.

And if fact-finding does not result in a new contract, the Trustees and CSU administration are, again, in the position to impose terms and conditions of work on the CSU faculty.

Should it come to that, there is, for the first time, the possibility that CSU faculty will go on strike. ✓

More about

Good news, bad news

Continued from page 1.

The program is administered by the State Department of Personnel Administration.

CalPERS annuitants who are eligible for monthly benefits will receive a mailing in January.

If you have questions about the program, check the department's website (www.dpa.ca.gov) and click on Benefits for details.

Active CSU faculty and staff in rural locations are not so fortunate. CFA and the CSU have to complete an agreement to "participate" in the program before state Sen. Wesley Chesbro's bill (SB 277) will be moved toward enactment. Without passage of the bill, CSU actives will not be enrolled into the existing subsidy program.

Meanwhile, several conditions affecting rural members appear to exist. There is resistance among CalPERS constituent groups to implement regional ratings proposals being considered by staff. Judging by e-mail and oral comments at Constituent Work Group meetings it is unlikely that any such plan will be approved.

While Health Net appears intransigent to efforts to facilitate its return to rural counties, PacifiCare has relented in a minor way by agreeing to permit rural members who live within 30 miles of a county where service is still being provided to continue HMO enrollment.

Chesbro has announced that his scheduled hearings on rural health care have been expanded to cover access to health care generally. The hearings will be held in Santa Rosa Dec. 3 (time and place to be announced) and Dec. 5 in the Board of Supervisors Chamber in Eureka from 4:30 to 7 p.m. ✓

More about**3 CalPERS proposals**

state. Regional rating would be area-based, with higher premiums in rural and out-of-state areas to reflect higher costs in those areas.

Some areas are 50 to 60 percent more costly than others, so premiums would reflect this.

Health plans serving high-cost areas can't compete with those that serve only urban and suburban markets. This leads to withdrawals from rural areas.

The argument is that regional ratings will allow some plans to stay in rural areas. Some reasons for higher cost in rural or semirural areas include hospital costs, lack of economies of scale, higher risk because of age, sex, occupation groups, and less cost-effective procedures.

High risk groups have migrated into CalPERS plans, including PERS Choice, with this adverse selection driving up costs. PERSCare has also suffered from adverse selection, raising costs and premiums, and driving out members.

PERSCare's survival is at stake. As this spreads to suburban areas, many more members will lose HMOs, so we all have a stake in solving problems in our health plans and trying to preserve choices for the long run.

Consultants Deloitte and Touche state that a regional rating would not result in HMOs re-entering rural markets nor bring in new ones, but it might enable some HMOs to stay in existing markets. (D&T is a principal consultant to HMOs as well as CalPERS.)

Clearly regional ratings would lead to much higher premiums in rural or semirural areas. Some argue that it would allow cost-effective alternative delivery systems to function.

Larry Ozeran, M.D., president of Yuba-Sutter-Colusa Medical Society, testified before the CalPERS Health Benefits Committee: "Regional rating at the county level could easily lead to zip-code rating, discrimination against seniors or those who are overweight or smoke, or just have a genetic propensity to a certain disease."

When pressed by board members, representatives of PacificCare, Health Net and Blue Shield all said that if CalPERS HMO bidders were required to bid for statewide coverage with uniform state rates, they would do so. This would be one way to maintain HMO coverage in all counties. But of course it would lead to considerably higher premiums in the urban areas.

Direct contracting

CalPERS would contract directly with health care providers, such as physician groups and hospitals, rather than through a health plan. PERS could select a third-party administrator. Arguments in favor include:

- Some hope to eliminate current health plan profit margins.
- Physician groups and other providers hope to get higher reimbursement than they are now getting under capitation by health plans. In some rural areas this might be the only affordable option.

Arguments against:

- CalPERS might not offer enough business to make it worthwhile for providers.
- To avoid adverse selection, providers would want the contract to completely replace all health plans.

Members, on the other hand, want the ability to have a choice of providers. A rural hospital may lack the infrastructure to

administer a direct contracting model. Medical groups seem unwilling to assume significant risk. Pharmacy risk might have to be assumed by a separate Pharmacy Benefit manager.

CalPERS would have to purchase a Knox-Keene license, under California law, with start-up expense running perhaps \$3 million. CalPERS would have to clear all state legal requirements and would have to have more reliable cost estimates than are now available to determine if this approach is financially feasible.

Members want to know if there would be significant premium savings, and they want to know if they will be assured quality care. This approach would take 12-18 months to implement.

CalPERS has expressed some interest in conducting pilot programs in areas that have potentially enough total enrollment to make a Direct Contract initiative economically viable.

Meanwhile, counties that have lost their HMOs are pressing CalPERS to provide affordable alternative health care, and they are working hard to get broad community support.

Finally, there is heightened recognition that members have to participate in cost-management to make it work. CalPERS has launched a Member Outreach initiative to find new ways of improving the health status of members, utilizing health care in the most cost-effective and safe way.

Your suggestions are wanted! And also your thoughts on the CalPERS initiatives outline above. Send your ideas to Bob Kully at the CSU-ERFA office or send an e-mail to Wilma Krebs at

wilkrebs@saclink.csus.edu

Need some activity in your life? Here are some opportunities

If you are interested in taking a more active role in CSU-ERFA activities, here are some opportunities.

The CSU-ERFA bylaws require that the Executive Committee appoint a Nominating Committee early in each calendar year. The Nominating Committee finds nominees for the elected officers and the delegates-at-large to the State Council. The officers are the president, vice president, secretary, treasurer and the editor of the association's newsletter, the Reporter.

The officers serve one-year terms beginning July 1.

There are nine delegates-at-large on the State Council. Three delegates-at-large are elected each year for three-year terms.

The list of nominees for the elected officers and the delegates-at-large to the State Council shall be presented to the State Council in writing at least 30 days prior to the election meeting, which is normally the spring meeting of the State Council.

In addition, there are four members-at-large of the Executive Committee who shall be members of the State Council at the time of nomination. Two of the members-at-large are appointed each year for two-year terms.

Also, there are nominations for the standing committees: Grant Awards, Membership, Publication, Legislative, Pre- and Post Retirement Concerns and Dispersed Membership.

The chairs and members of

the committees serve one-year terms.

If a member of CSU-ERFA is interested in being nominated for one of the offices or as a delegate-at-large to the State Council, that member should call or write Emmett Long, immediate past chair of the association, and chair of the Nominating Committee. His phone number is 909/626-0865. His e-mail address is

emmettlongf@worldnet.att.net

Any member who is interested in serving or wants to suggest someone for an office, please call or write the CSU-ERFA office or Robert Maurer, president of CSU-ERFA.

If there are questions, call the CSU-ERFA office. The phone number is 818/718-7996. Or e-mail at csuerfa@csun.edu

California State University Emeritus and Retired Faculty Association

The Retiree Center
18111 Nordhoff St.
Northridge, Calif. 91330-8339

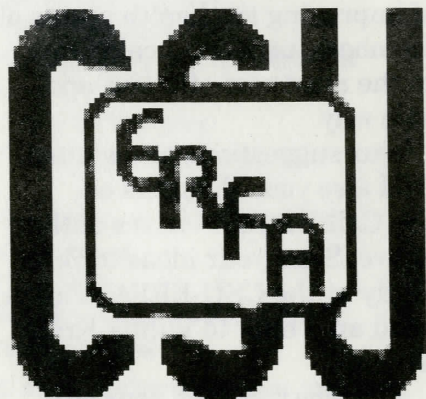
Have you moved? If so, please report your new address to CSU-ERFA office at the above address.

Address service requested

Non-Profit Org.
U.S. Postage

Paid

Northridge, CA
Permit No. 13



02336 231 0393 M5 91

San Juan Capistrano, CA 90266