



- S.S. as 'pyramid scheme,' page 3
- Kudos for Bob Kully, page 4
- State budget discussed, page 5

A quarterly publication of the California State University Emeritus and Retired Faculty Association/Winter 2003-04

Medicare Parts A and B become keys to reducing costs

By Wilma Krebs, Sacramento
Legislative Committee chair

CalPERS, faced with a steep rise in health care costs, must move all eligible members into a Medicare-coordinated health plan.

In these plans, such as Kaiser's Senior Advantage, Medicare pays a significant share of our costs, money which is badly needed to



Krebs

keep our health plans alive.

All members who qualify must have Medicare Part A and B, with the exception of some pre-1998 members who were grandfathered in by legislation. So the change affects two groups, those who turned 65 after Jan. 1, 1998, and those who turn 65 in the future.

Check your Medicare Card to see if you have both Part A (Hospital) and Part B (Medical). If you earned 40 quarters of Social Security you automatically got Part A when you turned 65. To get Part B you had to sign up and pay

a monthly fee (now \$66.60 a month). If you failed to sign up for Part B, there is now a substantial penalty to enroll late (10 percent a year compounded from the time you first became eligible.)

Some people became eligible when a spouse got Medicare, but may have been unaware or may have missed the timeline to sign up — or maybe got bad information.

If you turn 65 in the future, you will receive letters from CalPERS four months before

Please turn to page 7.

Medicare reform? Here are some clarifications

No help for prescriptions; you're already covered

By Milt Dobkin, Humboldt
Chair, Health Benefits Committee

The national administration has embarked on an ad campaign to attempt convincing retirees that the new Medicare "Reform" act will bring drug benefits without damage to other coverage.

And after CalPERS announced (see Winter 2004 "Perspective that the new drug benefit makes no difference to CalPERS members") there is reason for confusion among members.

Does the drug benefit provide some help to non-CalPERS members? Yes, at least more than they had before. A drug discount card will be available in June. But not for our

members, because we have prescription coverage through one of our CalPERS health plans.

For nonmembers who do not have other coverage as retirees,

Please turn to page 7.



Ada Mae Hardeman, Long Beach, chair of the Membership Committee, joined the CSU-ERFA Executive Committee Feb. 21 in Los Angeles. Here she confers with the CSU-ERFA president, Jerry Beamish, Stanislaus.

Executive Committee**2003-2004****Jerome Beamish** (Stanislaus), president**Lawrence Ianni** (San Francisco), vice president**Judson Grenier** (Dominguez Hills), secretary**Dominic Perello** (San Luis Obispo), treasurer**Robert Maurer** (Chico), past president**Wilma Krebs** (Sacramento), member at large**Milton Dobkin** (Humboldt), member at large**Eleanor Price** (Dominguez Hills), member at large**Iris Shah** (Northridge), member at large**Howard Seemann** (Humboldt), Reporter editor**Robert D. Kully** (Los Angeles), executive director**Committee chairs****Max Norton** (Stanislaus), foundation grant awards**Wilma Krebs** (Sacramento), legislative**Ada Mae Hardeman** (Long Beach), membership**Sam Wiley** (Dominguez Hills), pre- and post-retirement**H. Dieter Renning** (Stanislaus), liaison to CFA**Ronald Kroman** (Long Beach), liaison to CSU Academic Senate**Sidney Albert** (Los Angeles), liaison to California Conference of AAUP**Howard L. Seemann** (Humboldt), publications**Kurt Bohnsack** (San Diego), archivist**Administrative staff****Linda Zimmerman**, office managerThe 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

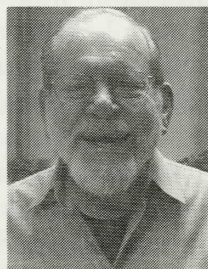
From the president ...

Proposed budget prompts deep concern**By Jerome Beamish**
CSU-ERFA president

The membership of CSU-ERFA along with most educators in California are deeply concerned about the negative effects of the governor's proposed budget on higher education in California.

Specifically, that our public colleges and universities will suffer major damage if the Legislature approves his proposals, resulting in capped enrollments, higher entrance fees which will discourage many capable students, sharply reduced funds for financial aid and diverting thousands of students eligible for admission to the CSU and/or the UC to community colleges. I am certain that many, if not all of you, share the deep concerns of our State Council member Mark Van Aken (emeritus, Cal State Hayward) about the developing fiscal crisis and its unfortunate consequences for higher education in California.

Fortunately, the California Faculty Association and the CSU Chancellor's Office have taken up the challenge and are forming "The Coalition to Save the CSU" which will launch a broad campaign to raise awareness of and take action against additional budget cuts to the CSU proposed by the governor for the 2004-2005 budget. It is hoped that the coalition will encourage diverse groups in California to participate in various ways.

**Beamish**

The Executive Committee of CSU-ERFA Feb. 21 approved its participation in the coalition.

Accordingly, a letter has been sent, over my signature, to Chancellor Charles Reed and CFA President John Travis. The text is as follows:

Gentlemen:

On behalf of the California State University Emeritus and Retired Faculty Association (CSU-ERFA) Executive Committee, I write to inform you of our concern for and our desire to assist as possible of your "Coalition to Save the CSU" to prevent further fiscal damage to the CSU.

Our association's Constitution states, in part, our purpose (Section 4) "to assist ... the California State University and its respective campuses through continual support, counsel and service in the interests of present and future students."

Since we are a voluntary association with limited fiscal resources, and are therefore unable to offer financial support, we do stand ready to ask our 3,000 members to participate in any appropriate manner that you may suggest.

You can contact me through the CSU-ERFA office at the address at the top of this page. Or you can reach our executive director, Robert Kully, at the same address.

Sincerely,
Jerome J. Beamish, Ph.D.
President

Please turn to page 4.

Analyze this: Your Social Security is not a 'pyramid scheme'

By Larry Ianni, San Francisco

CSU-ERFA vice president

(The following was published in the January issue of Off-Campus Bulletin, the emeritus newsletter at San Francisco State. The headline was "Social Security and Health Care.")

I recently attended a conference on health care as a representative of CSU-ERFA. At lunch I was seated beside one of the presenters, who is CEO of a firm that compiles and analyzes data for health care providers on the condition of their clients and what the impact of the provider's services on these clients has been. (For example, research reveals that a considerable percentage of patients do not take the medicine prescribed for them or do not take it as prescribed.)

Our conversation turned to Social Security, which she described as a pyramid scheme. That term usually refers to a fraudulent activity in which an organizer uses the income from subsequent investors to provide returns to earlier investors without there being a profit-making entity to provide those returns.

My lunch partner cited her mother's Social Security benefits as a failing of the Social Security program. Her mother has been receiving Social Security for many years after contributing during a brief period of employment prior to marriage. Since this critic does actuarial work, I felt it unnecessary to point out that many who contribute to Social Security for decades don't live long enough to collect. She knows better than most that a feature of something called "insurance" is that some buyers receive much more than they paid in while others pay for long periods and get back their investment with a modicum of interest.

Social Security is clearly a form of insurance and not a pyramid scheme. Actually, the only way in which it resembles a pyramid is that the government uses contributions for purposes other than benefits. Since the federal government is in deficit, any citizen can make his own guess about which government expenditure is being funded with his Social Security contributions.

Someone to whom I related my experience with the data analyst informed me that the term "pyramid scheme" is the latest conservative label for trying to challenge the validity of the Social Security concept. That their attack on this program is both unfair and inaccurate does not seem to diminish their credibility

with listeners and readers or the wide acceptance of their assertions.

How long can this state of affairs continue? When will the majority realize accepting these distortions is contrary to their best interests? It is one thing to recognize that a social program is flawed; it is quite another to let yourself be convinced that a sound program is ill conceived.

My chat with the expert on the statistics of health care provided a peek into health care by the numbers. A recurring back problem was bothering me that day, and I gave it as the reason for capping my dessert with a pain reliever. She told me that 90 percent of the people in the country had back pain at some time and their life and that in 70 percent of the cases, the pain went away in six to eight weeks even with no treatment.

I wonder what recommendation she would make to care providers from this fact? Would she recommend that a health care provider can claim a 70 percent success rate in treating lower back pain by simply waiting eight weeks before treatment? What would she recommend for that 27 percent of the population for whom times brings no relief (that is, the 30 percent of the affected 90 percent for whom back pain doesn't just go away)?

I suspect that this adviser to health care providers would recommend they say, "We succeed in better than two out of three cases. The persistent ones are too expensive to deal with. We hope that research will soon provide some effective and, of course, cheap treatment for these persistent cases." The cost-effective position is increasingly popular with everyone except the people in pain.

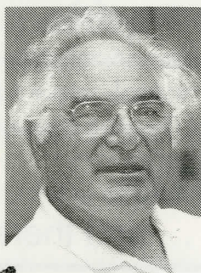
Don't we deserve a health care system that will treat all of health problems, even if the treatment is merely palliative? For example, it takes time to tell a

back pain sufferer, "Get regular mild exercise; be careful how you bend and lift and lose some of the lard you've gathered around the middle.

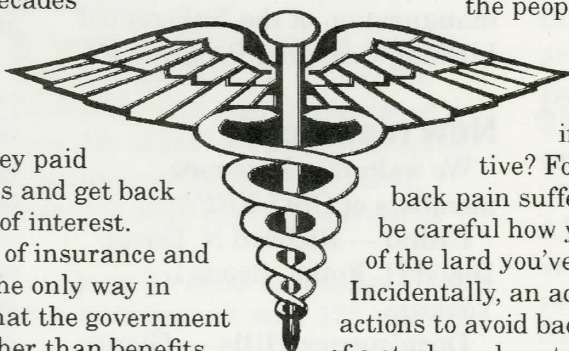
Incidentally, an additional benefit of these simple actions to avoid back pain could cut your chances of a stroke or heart attack. Your only alternative to these simple actions is an operation that offers only a 50 percent chance of feeling better."

One could argue that a health care system shouldn't have to spend time and money to dispense common sense like the preceding, particularly repeatedly.

On the other hand, lay people often don't know what common sense is until an expert tells them. Also, dispensing common sense delivers perhaps the only medicine that helps in some situations, which is to make the patient understand he has not been forgotten. ✓



Ianni



Nominating panel named

CSU-ERFA President Beamish has appointed a Nominating Committee to report to the Spring Council.

The committee will make nominations for all officers and for council delegates-at-large. Please send suggestions, including self-suggestions, to Robert Maurer, chair, Nominating Committee, c/o CSU-ERFA office.✓

Council to meet in S.F.

The next CSU-ERFA State Council meeting will be held April 17 at the Sheraton Hotel near the San Francisco Airport.

Affiliated campus retiree associations are urged to send their full delegation of delegates. If the presidents of the campus associations are not sure how many delegates their association is entitled they should call the CSU-ERFA office.

The Executive Committee, as it does for every spring State Council meeting, plans to invite a prominent person to address the council.

CSU-ERFA members with questions about the State Council, can call the CSU-ERFA office.✓

Hayakawa info sought

Gerald Haslam, English professor emeritus from Sonoma, seeks assistance in his research for a biography of S.I. Hayakawa and his wife, Margedant Peters Hayakawa.

"Any report or recollection about any aspect of his life or career" would be appreciated. Haslam also said he would be "interested in meeting with folks who don't mind my tape

recorder running, since my memory is no longer entirely reliable."

Haslam, who retired in 1997, can be reached at:

P.O. Box 969
Penngrove, Calif. 94951
707/792-2944
ghaslam@sonic.net

An op-ed piece by Haslam, "We Will Reap What We Sow in the Central Valley," was published Nov. 30 in the Los Angeles Times. Another essay, "Going, going ... Central Valley in Transition," was published Nov. 12 in the San Francisco Chronicle.

Haslam was profiled in the CaP CURE 2002 Review, the annual publication of the

From here ...

Briefs

... and there

Prostate Cancer Foundation.

Last Nov. 15 he was the keynote speaker at the inauguration of the Bakersfield Lifelong Learning Program.✓

New members

We welcome these new members of CSU-ERFA:

Chico — Richard N. Davis, David H. Rothe, Bruce L. Yoakum

Dominguez Hills — Gloria Joyce Johnson, Hyangkey K. Lee

Fresno — Norman Gullickson, Rudolph M. Najjar

Fullerton — Mark H. Shapiro

Hayward — Phyllis Kaplan, Arnold E. Stoper

Humboldt — Philip Lewis

Bright, Albert Joseph Figone

Long Beach — John R. Jung, Robert W. Kapche

Los Angeles — Harold Goldwhite

Northridge — Leland C. Gassert, William R. Hosek, Gerard L. Kneiter

Pomona — Robert G. Irvine, Norman S. Nise

Sacramento — William A. Dorman, John P. McFadden, Ian P. McGreal

San Bernardino — Ward M. McAfee

San Francisco — Jeffery P. Royer

San Jose — Daniel R. Buerger

Sonoma — Ruth Larg, Clarice Stasz✓

From the president

Continued from page 2.

Your Executive Committee trusts that our members will be willing to participate and assist the coalition in any reasonable manner. More on this later.

Kudos for Bob Kully

The Executive Committee Feb. 21, accepted the report of an ad hoc Evaluation Committee concerning the performance of our executive director, Robert Kully. The report was highly complimentary concerning Bob's dedication and loyalty to our organization and his continual willingness to go the second mile and beyond to ensure our continuing welfare.

The Executive Committee voted to grant Bob an increase in salary retroactive to Jan. 1. We can never pay him enough for what he does for us, but felt that tangible token of our heartfelt appreciation was warranted. Congratulations, Bob!✓

Governor's budget may be our biggest issue of the year

By Wilma Krebs, Sacramento

Legislative Committee chair

The governor's budget may be the most important issue we face this year.

The budget cuts funding for CSU significantly — a decrease of \$89.3 million includes eliminating support for outreach activities that encourage and prepare students for college, reducing freshman enrollment

by 10 percent, increasing undergraduate fees by 10 percent (after 40 percent last year), cutting academic and institutional support by \$52.6 million. This implies cuts in teaching and nonteaching staff.

They're also after our pensions. The pension obligation bonds have been challenged in court (because they were not subject to a vote of the people),

and there will be a trailer bill to revise and lower the amount of pension bonds.

There is also a strong movement to lower pensions for those most recently hired. Those with less than five years of service are most vulnerable. In addition there is a serious discussion of going to a defined contribution pension approach, instead of the present defined benefit method.

Studies show severe problems for employees in the defined contribution approach. The plans cost more (the charge for asset management is higher), and retirees who cash out of a defined contribution plan tend to spend much less on their retirement, threatening retirement security.

Where employees are given a choice (as in Florida and Michigan) more than 90 percent stay with the defined benefit plan.

We don't believe there is an immediate threat to those already retired, but the slant to the public is that our pensions are too generous. The average state employee at age 60 gets \$1,860 a month, with 22 years of service.

Legislation: New bills include AB 1957 (Frommer) which sets up a method for safe drug importation from Canada and SB 1958 (Frommer) which favors a purchasing coalition for prescription drugs, including CalPERS.

Since this is the second year of a two-year session, bills that were held in committee last year may emerge with new life.

And there will be a large crop of new bills to analyze and debate.✓

Budget matters dominate meeting of the Academic Senate in January

By Ronald Kroman

Liaison to CSU Academic Senate

State budget matters for the next fiscal year dominated the Academic Senate agenda at its Jan. 21-22 meeting.

Patrick Lenz, assistant vice chancellor for budget development, discussed ways the CSU can mitigate some drastic funding cuts. He noted that the governor's budget proposed cuts of 7.2 percent including:

- an increase in the student-faculty ratio of one (or about 5 percent);
- elimination of support for outreach activities as well as for Educational Opportunity Program;
- elimination of state subsidy for excess units;
- increase in fees of 10 percent for undergraduates, 40 percent for graduates and 20 percent for nonresidents.

Lenz reported that CSU will no longer be able to accept the top third of high school graduates. That number will be 25 percent.

David Spence, executive vice chancellor, told the Senate about a problem involving transfer students. He said there's an interest in Sacramento to reduce the degree requirements for graduation.

The state cannot afford for students to take courses just out of interest, he said.

A community college transfer brings in 81 units and takes 76 at a CSU for a total of 157 units. Most majors require only 125 units, he said.

There are about 55,000 transfers annually.

Meanwhile, CFA President John Travis told the Senate that a new contract with CSU has been signed. It will be in force until June 30, 2005.

Also, he told of efforts by the United Auto Workers union to organize teaching and research assistants. The chancellor and CFA have not taken a position on the UAW effort.

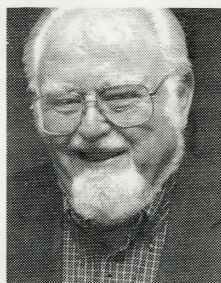
A resolution was adopted urging campuses to review a report on the Graduation Writing Assessment Requirement and adopt its implications as campus policy.✓

Analysis of last issue's survey: Support found for CSU-ERFA

By Milt Dobkin, Humboldt

Chair, Health Benefits Committee

Although the number of members responding to the Health Benefits Survey printed in the fall 2003 Reporter represented a small proportion of the membership, the results suggest strong support for the positions taken by CSU-ERFA on health matters.



Dobkin

Some responses continue to arrive in the Northridge office, but at this printing the following represents

member opinion:

ONE. Many members wish continued support for an increase in the assisted living benefit of the Long-Term Care policy. Only one member said "no" and two were uncertain.

TWO. The CSU-ERFA position on Medicare (against "privatization," the current drug coverage gap and "means" testing) were also strongly supported. Only four members were uncertain and three supported "means" test use.

THREE. Of those members using Caremark prescription services (those with Blue Shield or Kaiser not involved) 30 were satisfied and 13 were not, with three saying there had been

improvement.

FOUR. Sixty-five respondents supported the CalPERS drive for disease management, but a number did not answer the query for lack of information about the concept with three opposed to the program and eight unsure about it.

FIVE. A relatively small number (29) thought their campus affiliates would be interested in having a presentation on "healthy lifestyles" while four said "no" and 12 were unsure. (Sixty-five responding members did not answer this question.)

SIX. Not surprisingly, volunteers for a "telephone tree" were rarely willing to identify themselves. (CSU-ERFA will likely need to rely on affiliates to assist in emergency communication.)

A number of respondents offered pithy comments on health care concerns.

Here are some samples:

"The new Medicare law is scary; I've dropped my AARP membership." "The new law is a scam." "I support access to Canadian drugs."

"Some means test is wise." "Any means test should be coordinated with deductibles."

On Caremark, "They told us repeatedly they had no record of our prescription order and then mailed them back to us without filling them."

"The forms are complicated (for mail order)." "Deliveries are by snail."

A number of out-of-state members reported prescription trouble and wanted more attention from CSU-ERFA. ✓

AARP finally 'sees the light,' changes view on Medicare reform

The AARP has finally "seen the light" and is now pushing for changes in the Medicare act which it first supported.

In its February Bulletin, the AARP presented its "To Do List":

- Change the prohibition on the government negotiating lower prices for Medicare beneficiaries.
- Make it legal for Americans to buy prescription drugs from licensed pharmacies in Canada and provide the U.S. Food and Drug Administration with the funds and authority to ensure that imported drugs are safe.
- Fund research comparing drugs used to treat the same conditions, to determine which work best for the least cost.
- Require that pharmacy benefit managers (PBMs) disclose to the government the rebates they receive from manufacturers to ensure that PBMs are passing on discounts to beneficiaries.
- Require that consumers are told which medications are covered in any drug plan before they enroll in a plan.
- Reform direct-to-consumer advertising and require drug makers to disclose gifts made to health-care providers.

Following publication of these and related legislative efforts (see references on page 1 to the Kennedy and Edwards initiatives, among others), the CFA's Committee on Health and Retirement Benefits is asking that organization's PAC-LEG committee and Governmental Relations Office to support the following supplementary approach in a California Legislature Concurrent Resolution.

Please turn to page 7.

More about

Medicare clarified

Continued from page 1.

discounts will average 10 to 15 percent, with an annual deductible of \$250. Medicare will pay 75 percent of the cost between \$250 and \$2,250. Those eligible for Medicare will pay 25 percent of such costs. Over the

More about

PERS and Medicare

Continued from page 1.

your birthday and reminders. If you don't provide evidence of eligibility or ineligibility for Medicare Part A and Part B you are at risk of having your PERS healthcare coverage cancelled.

If you turned 65 after Jan. 1, 1998, you will be notified by CalPERS that you must join Medicare Part A and B, if eligible, and join a Medicare coordinated plan.

CSU-ERFA got CalPERS to promise a review process if you were given bad information, or if you would suffer undue hardship (perhaps low income, very sick, have Alzheimer's or similar condition).✓

E-mail: wilma @ winfirst.com

More about

AARP and Medicare reform

Continued from page 6

"A Resolution to Memorialize the California Congressional Delegation to Seek Adoption of an Act Titled the 'Patriotic Pharmaceutical Price Act.'"

This act should provide that:

ONE. Pharmaceutical manufacturers selling drugs in the United States are prohibited from charging a higher price to U.S. wholesalers than to such vendors in any developed (OECD) nation.

TWO. This prohibition shall not prevent the selling of pharmaceutical products at prices below manufacturing cost to vendors or other citizens of developing nations.

THREE. Violation of the provisions of this act shall result in the loss of pharmaceutical patents held by the manufacturer guilty of the violation.

At its February meeting, the CSU-ERFA Executive Committee endorsed support of the concurrent resolution if it is introduced.✓

\$2,250 the retiree pays \$100 until the expenditure reaches \$3,600 (this is the "doughnut hole"). After the \$3,600, Medicare will pay 100 percent of the drug costs.

Then why should CalPERS retirees worry? They're not eligible and their coverage is now superior.

The key word is "now." Assume that drug prices will continue to rise and that the prohibition against negotiating prices will stay unamended.

(Sen. Kennedy's and Rep. Edwards' efforts to change the coverage notwithstanding.)

With the pressure to reduce the cost of California retiree benefits continuing, how long will it be before a proposal emerges to reduce employer (state) contributions to retiree benefits by mandating participation in the Medicare drug "benefit"?

For this, and related reasons, the CalPERS Board voted to oppose the Medicare bill which was passed, and why the CSU-ERFA efforts to protect current benefits continue.✓

More about

CFA, CSU settle

Continued from page 8.

the CSU," which is engaged in a broad campaign to raise public awareness of the severe cuts to the CSU budget for the current and next academic years.

Between March 19 and 26 campus chapters plan to meet with legislators in district offices near the campuses, to discuss key budget issues and how they affect the CSU.

Furthermore, on Monday, April 26, (following its 60th Delegate Assembly, scheduled for April 24-25 in Sacramento), CFA will stage a rally at the Capitol, to let the governor know about the consequences of slashing the CSU budget and how faculty and students feel about it.

CFA and the administration are pulling together in Sacramento. However, last year the Chancellor's Office angered CFA members by condemning Gov. Gray Davis' decision to appoint Susan Meisenhelder, past CFA president, to the CSU Board of Trustees.

(This is not to be confused with the faculty trustee position, which is currently held by Kathleen Kaiser, Chico.)

Aside from the fact that the administration injected itself into the appointment process, it was the tone and content of the administration's anti-Meisenhelder publicity that caused CFA officers, campus chapters, as well as academic senates, to express outrage.

In the end, Davis did reverse himself and withdrew Meisenhelder's nomination.✓

CFA, CSU reach tentative agreement on contract to 2005

By H. Dieter Renning

Liaison to CFA

On Jan. 6 the reopener negotiations, which had started almost a year ago, finally ended when the CFA and CSU bargaining teams reached a tentative agreement on all issues.

In addition they agreed to extend the current three-year contract by an additional year, through June 30, 2005. Bargaining for a new contract is to begin in March 2005. The agreement was ratified in mid-January by the CFA Board of Directors and on Jan. 28 by the CSU Board of Trustees.

As was reported previously, more than ever before political and fiscal developments in Sacramento provided the worrisome background to last year's bargaining process. Thus all salary adjustments, agreed upon in the new settlement, are contingent on certain CSU budget benchmarks which, under the present circumstances, are not likely to be met.

Also, the prospect of serious budget wrangling between the CSU and the state for the next academic year made postponement of new contract negotiations an unfortunate but virtually unavoidable choice.

For now and, it appears, for some time to come, CFA's attention is almost completely focused on the governor, the Legislature, the state budgeting process and their impact on the health of the CSU. Thus CFA assumed a major role in the coalition of numerous organizations supporting the Budget Accountability Act, which appeared as Proposition 56 on the March 4 ballot.

CFA officers and local chapters around the state are involved in efforts to protect the CSU and its academic programs. CFA has taken the lead in forming a "Coalition to Save

Please turn to page 7.

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



ERFA

07