



## From the President...

*by Jerry Herman, PRO President*

I have good news to report to PRO members on several fronts. It's good to have positive news now and then. It just makes everyone feel a little better and puts an extra spring in one's step. By the way, when's the last time you felt *any* spring in your step?

### PRO PICNIC

PRO's first anniversary picnic was a splendid success. On June 30 about sixty retirees and their guests gathered on a gloriously sunny summer day in a magnificent redwood grove in the Roberts Recreation Area high in the Oakland Hills. From 11 am to 3 pm PRO folks arrived, greeted old friends and colleagues, enjoyed food and drink, and engaged in the most strenuous activity of the day: schmoozing. There was no softball, volleyball, three legged races or pie eating contests – just a bunch of Peralta old timers cool and comfortable in a beautiful setting, basking in the warmth of good company. We'll be sure to do it again.

Many thanks to PRO's Social Committee, chaired by Ralph Marinaro with special help from Linda Japzon and Jay Quesada for organizing this great event.

### MEETING WITH BOB BEZEMEK

On July 14, PRO vice-president Bruce Jacobs, Benefits Committee chair Alex Pappas, and I met with attorney Bob Bezemek to consult about the state of our health care benefits. You may know him as the long-time attorney for the PFT and an expert in labor law. In addition, Bezemek is probably California's most experienced attorney in representing public employee retirees, having handled many retiree cases. The first bit of good news is that he has won most of those cases, including the one where the Contra Costa CCD tried to decrease guaranteed lifetime benefits to retirees. Ultimately the Contra Costa District had to

reimburse \$18.5 million to its retirees and continue the lifetime benefits at their original level.

Bezemek has been gathering Peralta documents regarding our lifetime benefits and interviewing those responsible for negotiating the benefits policies such as Curt Steffen and Jeannette Dorsey (both of whom, incidentally, are members in good standing of PRO, so you know whose side they're on now) as well as Alex, who wrote a good deal of Peralta's health benefits policy many years ago.

Bezemek's preliminary conclusion, based on what he has reviewed so far, is optimism that a legal challenge to our current health benefits would be very weak and most likely would be defeated. The documentation that supports that position is building, but every little bit helps. So if you have or know of any documentation such as PCCD board minutes, PCCD handbooks to faculty and staff, or any other PCCD publication (formal or informal) that discusses retiree benefits, no matter how old – even back to the mid-60's when the district was formed (it is the older material that is especially hard to get from District and union sources) – let me know about it, and I'll pass the word to Bezemek ([jerrherm@sbcglobal.net](mailto:jerrherm@sbcglobal.net) or PRO, Box 1951, El Cerrito, CA 94530).

### MEETING WITH PERALTA'S CFO

At the July 6 PRO Board meeting, Tom Smith, Peralta's Chief Financial Officer, spoke to the Board about a novel proposal designed to keep skyrocketing district medical costs in check. To strip it to its bare essentials, he is proposing that the district issue bonds to be sold at a particular rate of interest in order to raise cash and make investments that will bring a higher rate of interest, thus providing the district with non-tax revenue that will be devoted to leveling off health care costs. No election is necessary for the issuance of the bonds

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since the interest on them will be paid by the PCCD, not directly by taxpayers.

The ultimate goal of the bond plan is to level off the increase in health care costs in the future so that they will not essentially bankrupt the district. Smith's budget projections to 2050 show that without a new source of income, that indeed is likely to happen.

Though this plan has been tried successfully in other states, Smith says that if Peralta implements it, the district will be the first in California to do so. He has been working on the plan for three years, and it is at an advanced stage of development though there are still aspects of it to be worked out.

The PRO Board was impressed by Smith's presentation. Logical and seemingly feasible, the plan represents a thoughtful and creative way to help work through the medical care cost crisis that plagues virtually every employer – public or private – in the country. The Board liked especially Smith's declaration that PCCD leadership "...wants very much to keep its promise of providing health care to retirees and current employees at current levels." And we'll hold them to it.

At the beginning of this column I told you I had good news to report. I hope the column lived up to that advance billing, and I hope all of you have a grand rest of the summer.

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## When You Go For a Checkup, Make Sure Your Doctor Knows the Proper Codes

*by Rick Greenspan, PFT Chief Negotiator*

*(Excerpted from an article that appeared in The Peralta Teacher. The full article is available on the PFT Website at: [http://www.pft1603.org/BensUpdate\\_4-14-05.html](http://www.pft1603.org/BensUpdate_4-14-05.html))*

Last spring, the District and its three employee unions agreed to replace our Blue Cross plan with a new plan administered by CoreSource. The new plan was presented as a "clone" of the existing Blue Cross plan, with a specific set of changes that was presented to the membership in writing.

For the last several months, the Benefits Committee has been going over the actual wording of the new

plan, called the Summary Plan Document, to be sure that it conformed to the plan our membership voted on.

Three major differences between PCCD and the employee unions remained at the end. In two of these cases, the unions finally agreed that the language in the CoreSource SPD is essentially the same as it was in the Blue Cross SPD; in the third situation, we will be filing a grievance due to a violation of Article 22 of the PFT contract.

### **\$250 Annual Cap for Adult Routine Care**

The first difference revolved around the issued of "routine physicals." For nearly 30 years, the Blue Cross contract "capped" the District's contribution towards routine care for adults at \$250 per year. Yet, during that 30 year period, the Benefits Committee never heard any complaints about unpaid claims for routine care.

Since we switched to CoreSource, the committee members heard about a number of instances in which CoreSource refused to pay claims for "routine" care over the \$250 "cap." For that reason, we asked for clarification as to what Blue Cross had paid regarding "routine" claims. The reply from Blue Cross is attached. Blue Cross claims, that, as far as they know, they did adhere to the \$250 cap.

Apparently, the recent CoreSource claim denials cropped up because of the alpha-numeric "coding" of the claim forms from the physician's office. Here's an example of the problem. The American Cancer Society recommends that adults over 50 -- even if they have no symptoms of cancer -- have a colonoscopy to screen for colon cancer. Colonoscopies cost over \$800. If the physician ordering the test "codes" the test as a "V-code," CoreSource will only pay part of the bill, because it would be considered "routine care," and fall under the \$250 cap. On the other hand, the physician does not have to code the test as "routine" -- with a "V" code. Instead, the physician can code the test with a "rule-out" code (ie, the purpose of the test is to "rule out" colon cancer). A "rule-out" code is a "number code." And since it is a "number code" and not a "V" code, CoreSource will cover the test 100%, assuming the procedure is done within the Interplan network.

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The moral of this story is simple. Beware of the \$250 cap on "routine" examinations and tests, and have your physician use "rule-out" coding, rather than "routine" ("V") coding, if you are worried about the annual costs exceeding \$250.

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## News From The Medicare Front!

*by Alex Pappas*

*Chair of PRO's Health Benefits Committee*

When retirees enroll in Medicare Part A (Hospital) and Part B (Outpatient) the cost to the District for our benefits is significantly reduced while our benefits are actually enhanced. Any cost reduction improves the District's solvency.

### **All retirees age 65 or over should enroll in Medicare.**

If you are not yet age 65 you can enroll during the three month period prior to reaching age 65 with coverage starting the month you reach age 65. This is highly recommended. You can also enroll during the three month period following your 65<sup>th</sup> birthday with coverage starting the month after enrolling.

If you are already over 65 and three months you can enroll between January 1<sup>st</sup> and March 31<sup>st</sup>, 2006 with coverage beginning July 1, 2006.

### **All premiums for Medicare coverage will be paid for by either the District or STRS.**

The Medicare A (Hospital) premium of \$375 per month is waived by Medicare for anyone receiving a Social Security pension (any amount) or has 40 quarters of paying into Medicare while working. It's "free" for life.

If you do not qualify for "free" Part A coverage then you can apply for the STRS Medicare Part A premium payment plan. You first enroll in Medicare A and B. After that complete the STRS form requesting STRS to pay your Part A premium directly to the Medicare Administration.

STRS will deduct your Part B premium from your STRS pension and send it directly to Medicare. The District will reimburse you for this premium (\$78.20 per month if you enroll at age 65). Just provide Jennifer Seibert at the District with a copy of your

STRS deduction summary showing the amount of your Part B premium.

If STRS turns down your request to enroll in the Part A premium payment plan, the District will reimburse you for both Part A and Part B.

### **Medicare Part A and B Premium Payment Verification for STRS Retirees**

How do you pay your Medicare premiums that the District reimburses you for?

The easiest way is to have them deducted from your Social Security pension, if you have one.

For those who do not have a Social Security pension, the next best way to pay them is by deduction from your monthly STRS check. Why?

1. The District only requires one annual verification of the deduction. A copy of your January 31<sup>st</sup> STRS payment voucher is all that is needed. You just have to mail or fax it to Jennifer Seibert, PCCD Benefits Coordinator, once each year.
2. You won't forget payments since they will automatically be deducted from your STRS or PERS check.

The least efficient way to pay Medicare premiums is by credit card or personal check because to get reimbursement, you must verify your payments four times per year to the Peralta Benefits Coordinator, which entails sending either copies of your credit card statement or personal checks. That's a lot of bother to you, the District, and even PRO volunteers, especially when retirees complain about not receiving reimbursement only to discover the reason is that they haven't sent in verification of their payments.

### **Consequently, PRO strongly recommends that all retirees who are not getting Social Security have their Medicare premiums deducted from their STRS checks.**

To have STRS deduct your Medicare premiums from your pension simply complete CALSTRS Medicare Payment Authorization (Form HB-0986). You can get this form by either (a) going to the PRO web site and click the link to the STRS page where you can download the form; (b) going directly to the STRS web site (click

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Information/Members) or (c) telephone STRS (800-228-5453).

STRS forms URL is  
[http://www.calstrs.com/help/forms\\_publications/Forms/index.aspx](http://www.calstrs.com/help/forms_publications/Forms/index.aspx)

**Note to PERS Retirees**

Virtually all PERS retirees qualify for a Social Security pension and Medicare so the B premiums are deducted from the SS pension. For this reason PERS does not offer the option to have them deducted from the PERS pension.

**IN MEMORIAM**

*The following Peralta retiree passed away during the last months. PRO extends our deepest condolences to her family and loved ones.*

**Dorcas Collins**

**TUTOR!**

**Use Your Skills, Stay Sharp, and Help Others**

It's a win, win situation. Recently members of the PRO Service Committee contacted the tutoring centers at the colleges, and it was determined that retirees would be a very welcome tutoring resource. Therefore, the Service Committee wishes to establish a roster of volunteer tutors who will be available to tutor students at the colleges. It is expected that tutors from many different disciplines will be needed. Please let us know if you would like to tutor, which campus you would prefer to be at, and what subjects you would be willing to tutor. Please send this information to Sondra Neiman. Her email address is:

[smneiman@earthlink.net](mailto:smneiman@earthlink.net)

Thank you.

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**Peralta Retirees Organization**  
**P. O. Box 1951**  
**El Cerrito, CA 94530**