



## From the President... Fighting for our health benefits

Our lifetime benefits may be at risk. This is serious and needs all of us to focus. As inflation soars and health care costs rise, the Peralta District claims that health care costs must be contained, cut, reduced. You know of what I write as most of us have been around Peralta long enough to know how many times we had to



*Debby Weintraub*

fight for our healthcare and how much we gave up in salary and working conditions to maintain our lifetime benefits. We cannot be complacent now. And thankfully, dozens of you have joined in our zoom meetings, voicing your concerns, offering to help and donate towards possible legal fees. I hope more will step forward and all will follow through with their pledges to contribute.

PRO was informed of a proposal for significant changes to retiree benefits by Alliant, the company that helps the district negotiate healthcare costs with Kaiser (HMO) and Anthem Blue Cross (PPO). The most significant proposed changes are to retirees enrolled in the Anthem Blue Cross PPO, but there are changes and potential challenges for all retirees with lifetime benefits.

All of us will stay on Medicare as our primary coverage. Kaiser members will stay on Kaiser Senior Advantage. PPO retirees will be moved to Anthem Medicare Advantage. Ralph Nader has described Medicare Advantage as “Medicare Disadvantage.” As you read through this newsletter and read information we have gathered, go to the links on our website that have additional information—you can draw your own conclusions. Those of us reviewing the documents, articles and information that we have, agree with Nader’s assessment.

The possible shift in our healthcare has been introduced by a proposal from Alliant to the district to save costs. Alliant has suggested that the district join SISC (Self Insured Schools of California) and stop self-funding and insuring active and retiree benefits. Joining this group means accepting one of the 17 plans SISC offers to their

members. From PRO’s review of the materials we have been provided by Alliant, we are not at all confident that the plans SISC has to offer retirees are as robust as the plans we currently have.

PRO is in a complicated place. Our former unions cannot bargain for us since we are no longer represented by them. In fact, retirees with lifetime benefits and hires without lifetime benefits have different interests and concerns. The stakes and outcomes are different for each group.

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***PRO was informed of a proposal for significant changes to retiree benefits by Alliant, the company that helps the district negotiate healthcare costs.***

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PRO is not a collective bargaining group. Though all of us with lifetime benefits have a legal contractual agreement with the district to provide us and our dependents with lifetime healthcare benefits, this agreement is individual. That is, any reduction in our current lifetime benefits that the District proposes needs to be accepted or rejected by each retiree. However, PRO has been having zoom meetings with interested members about this topic and we have decided to look into hiring a lawyer to advise us about our legal rights should the district reduce our lifetime benefits. We have also discussed other important actions to take now.

1. Write to the Board of Trustees and tell them of your concerns about the current proposal. But please first look at what we have been posting on our website so you are writing with current and correct information. Remember—

*(See President’s Message on page 8)*

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# A closer look at two percent rule to compute COLA

By Patrick McDermott

Most Peralta retirees receive a pension from CalSTRS (California State Teachers' Retirement System) or CalPERS (California Public Employees' Retirement System). There are inflation provisions in both systems giving a "Cost of Living Adjustment." The accumulated amount of all your adjustments to date is shown on your monthly warrant as "COLA." Both systems use a "2% Rule" to calculate the COLA, but the two systems apply their rules quite differently.

CalSTRS gives a flat 2% increase each October. The increase is applied to your base allowance, shown as "Normal Allowance" on your warrant. There is no compounding: the same dollar amount will be added every year.

Your CalPERS COLA, applied in May, will vary from year to year, based on the change in the CPI (Consumer Price Index, or "Cost-of-Living Index") applied to the previous year's total gross. The CalPERS 2% rule sets 2% per year compounded as the maximum total adjustment. Most people who retired more than 15 years ago have experienced average inflation of more than 2% and therefore have always received exactly 2%, and will probably do so for the foreseeable future. Recent retirees have received less than 2% per year, but note the 2% limit is applied to the period since retirement, not each individual year. If the increase is less than 2% one year because inflation runs low, the next year the increase can be more than 2% to catch up.

Both systems have another provision that benefits some long-term retirees and might affect many more of us if inflation continues to rage.

Since the Great Recession of 2008, inflation has averaged less than 2%—until this year. CalPERS retirees kept even with inflation (CalSTRS retirees actually gained). This year's inflation has changed all that. The 2021 year-over-year CPI increase was 4.7%. CalPERS members who retired from 2006 to 2014 received that 4.7% increase in May, and could receive a little more than 2% next year. Others received a smaller increase, and used up any carry-over they might have accumulated, so should expect 2%.

Both systems have another provision that benefits some long-term retirees now and might affect many more of us if inflation continues to rage. CalPERS calls theirs the "Purchasing Power Protection Allowance" (PPPA),

CalSTRS the Supplemental Benefit. These provisions will limit your loss of purchasing power to inflation, and make extra payments to maintain you at a certain level. CalPERS sets the level at 75%, CalSTRS at 85%, of your base after inflation, meaning you should lose no more than 25% of your purchasing power with CalPERS, and no more than 15% with CalSTRS.

Unlike CalPERS, the CalSTRS Supplemental Benefit is not specified in law. There are two funds to pay the increments. The fund surpluses have been large until now, but a long period of inflation as we experienced in the 1970s, could deplete the fund and the Supplemental Benefit would be reduced, or even lost.

Although our Peralta pensions are unlikely to maintain full purchasing power for the near future, we will not be completely deflated by inflation. #

*Patrick McDermott was an economist with the California Division of Labor Statistics Research for his first five years out of college. He taught programming at College of Alameda and Laney College as an adjunct for more than 20 years.*

## PRO Welcomes New Members

**Evangeline Dinke Augustin**

**Greg Marro**

**Joan Berezin**

**Esther Guerrero Catarrivas**

**Lin Nelson**

### Peralta Retirees Organization

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A LETTER TO TRUSTEES

# Alliant proposal is in violation of Peralta’s contractual commitment

By Bruce Jacobs

Dear Peralta Trustees,

I am a retired faculty member from Laney College and the current Vice-President of the Peralta Retirees Organization (PRO). I retired in May, 2004. I chose to retire at that time because I wanted to retain the promised medical benefits that were provided in the 2000-2003 PFT contract (which was extended until 2004). As you know, the language in the contract is quite specific insofar as it guarantees to retirees the benefits that were in place for active employees on the day of retirement for the rest of their lives.

I believe that the Alliant proposal (see President’s column) violates the contractual commitment the Peralta District made to provide the benefits that were enshrined in the contract in force on the day I retired from the district.

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***‘Every year, tens of thousands of people enrolled in private Medicare Advantage plans are denied necessary care that should be covered under the program.’***

New York Times

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I have received information about the proposed changes, including the slide presentation and responses to the PRO questions prepared by Billie Brown at Alliant, and recently the Anthem Medicare Advantage Plan Description and Drug Formulary documents. The slide presentation frequently includes a caveat that the information provided is not comprehensive and that the official plan documents prevail.

From the information provided so far, I have identified specific concerns:

- **Emergency Room Use Co-Pay for Non-Emergencies**

Under the Alliant proposed plan it is not clear what constitutes an emergency. The current plan defines an emergency quite explicitly—there is no co-pay provided the reason for going to the ER meets the definition. As I understand the Alliant proposal, the only time the co-pay fee is waived is if the retiree is admitted to the hospital.

Thus far, despite having looked in the plan document, I have not received anything from Alliant that defines an emergency or that describes coverage for emergency room services if the visit to the ER does not result in admission. In addition, under the Alliant proposal, the non-emergency use of the ER co-pay is raised by 40% (\$25 to \$35).

- **Treatment Abroad**

According to Alliant, under the Medicare Advantage Plan, treatment outside the U.S. is limited to emergency and urgent care while on trips of fewer than six months. Under the current plan, a retiree may move out of the country (or travel for an extended period of time) and still have full Peralta coverage. There are at least three (and possibly more) current retirees who do not live in the US. *Alliant’s plan as presented makes no provision for those retirees to continue to receive benefits or to provide benefits to retirees who decide to move abroad.*

- **Medical Necessity**

The current SPD (Summary Plan Description) defines medical necessity without reference to CMS (Center for Medicare and Medicaid) guidelines for covered services. According to Alliant under the proposed plan, “Anthem utilizes CMS guidelines for final determination on covered services.” One example of reduced coverage is that the Anthem Medicare Advantage plan being proposed reduces the number of covered acupuncture and chiropractic visits.

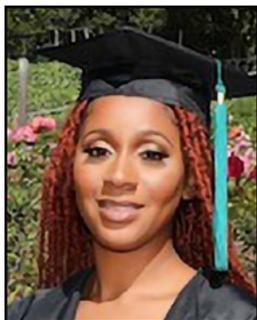
- **Drug Formulary**

Alliant has recently made the proposed drug formulary available so that we may compare it with the current drug formulary. Based on information we have received thus far from Alliant, there are differences between the two formularies.

As described in our SPD, the current formulary includes all drugs that require a prescription and are approved by the FDA (with minor and specific exceptions). Under the proposed plan, Alliant indicates that “All Medicare Part D drug classifications are covered based on nationwide CMS regulations.” The CMS drug formulary is less inclusive than the current plan drug formulary. For example, the current CMS regulations do not cover drugs for treatment of obesity and Alliant informed me that the Medicare Advantage drug program also does not cover them. The current Caremark plan covers these types of drugs for PCCD retirees.

(See Letter to Trustees on page 6)

## *PRO announces scholarship winners*



**Kenya R Pierce**  
Berkeley City College

Two years ago, college was only a dream and now I have my associates degree in sociology. It was not easy as I faced many barriers, but the Peralta Retirees Organization Scholarship helped to ease some of my financial struggles. In the fall I will be attending San Francisco State University to obtain my bachelor's degree in sociology. My career goal is to become a family therapist. College really helped me to do a lot of my own healing and I want to help others find their inner peace.



**Annie Yuen**  
Laney College

I am a second-year student at Laney College. Outside of class, I work for Laney College as a student-worker and I intern for HOPE Collaborative, a food justice organization. In addition, I am a part of the technology planning committee at Laney.

In my leisure time, I like to travel and try different foods. I studied abroad in Barcelona when I was 17. I plan to transfer to UCLA and major in sociology or communications with the hope of pursuing a career in education. Ultimately, I am striving to help equalize access to higher education in ways outside of the classroom.

I'd like to conclude by extending my warmest thank you to PRO for helping me make higher education possible. Quote: "Be stubborn with your goals but be flexible about how to get there."



**Pamela Samuels**  
Merritt College

There is an overwhelming need in our society for advocacy and social action. This momentous need has propelled me to seek a strong foundational education and a career allowing me to act on the needs of my community and the world as a whole.

I believe that using my communication skills and academic education to affect change will begin a domino effect of healing, saving lives, breaking the cycle of destitute souls, and inspiring others to make a difference. I want to be the voice for those who are under-represented and under-served. I am determined to be the voice that will fill the void for those who cannot or will not speak for themselves.

I choose change! I chose an education and a career that will enable me to not just speak it but to do something about it. Every day I aspire to live my life by my self-created motto, "We do not do this world alone, hold out your hand and I will help you up." I am very grateful to the Peralta Retirees Organization for honoring me with a scholarship that will enable me to continue to strive for academic excellence and to create change.



**Martha Tellez**  
College of Alameda

I would like to express my profound gratitude to the Peralta Retirees Organization for selecting me as the recipient of their generous scholarship. I hope to earn my bachelor's degree and the teacher credential and in the near future join the Peralta faculty as a Spanish teacher.

# Contribute to the PRO Scholarship Fund by honoring or memorializing a friend or loved one



**Yes, I want to support the PRO Scholarship Fund with a contribution.**  
*(Please print)*

**In honor of:**     **On the occasion of:**     **In memory of:**

\_\_\_\_\_

**Please send acknowledgement card to:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

**Contributor's Name:** \_\_\_\_\_

**Contributor's Address:** \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Make check payable to: **The Peralta Foundation—PRO**  
Send to: **PRO, 4200 Park Boulevard #605, Oakland, CA 94602**  
*Contributions are tax deductible to the extent allowed by federal and state law.*

### Contributions received for the PRO Scholarship Fund

From **Sue Chin**  
*In memory of  
Florence Wong and  
Jay Quesada*

From **Melva Faye Watts**  
*In memory of Booker T. Jackson*

From **Yvonne Price**  
*In memory of Jay Quesada*

From **Jack Mooradian**  
*General contribution*

From **Shirley Fogarino**  
*General contribution*

### *In Memoriam*

*The following Peralta retirees have passed away.  
PRO extends our deepest condolences  
to their families and loved ones.*

Wayne Stoker

Jay Quesada

Alan Meisel

John Greene

Suman Shah



# Health benefits at risk —how you can help

By Bruce Jacobs

The District’s broker, Alliant, has proposed major changes in the current benefits provided to retirees. Although the Alliant proposal contains some enhancements of benefits, many PRO members do not think the enhancements justify the increased co-pays and cuts in benefits that are part of the proposed plan.

A group of about 20 PRO members has met on Zoom twice to discuss the proposed benefit changes. At the last meeting there was a general consensus that PRO should seek legal advice about how to proceed, since providing the current level of benefits to retirees is a contractual obligation on the part of the District. The Zoom group voted to donate to help PRO pay for the cost of an attorney.

On June 21, 2022, former PRO President Jerry Herman, Michael Mills, one of three PRO representatives on the OPEB Board that oversees the bonds that fund retiree benefits, and PRO VP Bruce Jacobs met with an attorney recommended by the PFT attorney, Bob Beze-

mek. The attorney requested a number of documents and expects to be able to give us an assessment of our legal options soon.

## What you can do

### Consider Making a Donation to the PRO Legal Defense Fund

We estimate that the legal consultation will cost a minimum of several thousand dollars and probably more. PRO is asking members who are able to make a contribution to our legal defense fund to help pay for the cost of consulting the attorney. So far we have received contributions ranging from \$50 to \$1000 from more than 50 retirees. Thank you to those of you who have already sent contributions! They are much appreciated. If you can contribute, any amount will help. Checks should be made out to PRO and in the Memo Section please write “Legal Fund.” The check should be mailed to: PRO, 4200 Park Boulevard #605, Oakland, CA 94602. Contributions can also be made using PayPal. Go to: [https://www.paypal.com/donate/?hosted\\_button\\_id=NYKEX3KFF57W6](https://www.paypal.com/donate/?hosted_button_id=NYKEX3KFF57W6)

### Write to the Peralta Board Members

The final decision about the medical plans will be made by Peralta’s Board of Trustees. Communicating with them is crucial. You’ll find the trustees and their contact information at: <https://www.peralta.edu/boardoftrustees#>

## Letter to Trustees

(Continued from page 3)

Clearly, it is impossible to know every drug that every retiree is taking or has taken. We cannot fully determine which drugs covered by the current plan would be excluded under the proposed plan.

- **Mandatory Enrollment in a Medicare Advantage Plan**

The Alliant proposal requires retirees to enroll in a Medicare Advantage program. The current plan does not require enrollment in a Medicare Advantage Plan. These programs are problematic with higher rates of denial for services than traditional Medicare. Although many of those denials are overturned on appeal, this results in delays in receiving treatment. In some cases delaying treatment is equivalent to treatment denied. I am providing a link to a recent article in the New York Times that discusses the Medicare Advantage problems. It begins as follows:

“Every year, tens of thousands of people enrolled in private Medicare Advantage plans are denied necessary care that should be covered under the program, federal

investigators concluded in a report published on Thursday [April 28, 2022].”

<https://www.nytimes.com/2022/04/28/health/medicare-advantage-plans-report.html?searchResultPosition=12>

PRO members are documenting and sending you other instances of reductions in benefits. Yet, in order to have a thorough understanding of the differences between the current and proposed plans, it is crucial to compare the actual proposed Plan Document with our current SPD. We have just received a copy of that document and will begin the work of comparing them.

Also, although there are some enhancements of benefits in the Alliant proposal, they do not justify the increased co-pays and cuts in benefits that are part of the plan.

PRO is willing to work with the district to look at alternatives to the current self-insured program. But the District, if it makes any changes, has an obligation to provide the same benefits that each retiree had on the day of retirement.

Yours truly,  
Bruce Jacobs  
Vice-President, Peralta Retirees Organization

# PRO's Annual Picnic



In the Redwoods at the Huckleberry Picnic Area of Oakland's beautiful Roberts Regional Recreation Area

**Friday, August 19, from 11 AM to 3 PM**

Come have fun and catch up with old friends and colleagues. Bring your picnic lunch and any beverage of your choice.

Parking:  
\$5 per car  
Wheelchair  
accessible

**RSVP: Email us to let us know  
that you are coming:  
webmaster@peraltaretirees.org**



## **Driving Directions: From Highway 13 (Warren Freeway)**

Take the Joaquin Miller exit and go east, up the hill on Joaquin Miller. Turn left at Skyline Blvd. Proceed one mile to the Roberts entrance on the right.

## **From 580**

Exit on 35th Ave. and proceed up the hill on 35th, which will eventually become Redwood Road. At the intersection of Redwood and Skyline Blvd., turn left and proceed for one mile, then right to stay on Skyline. Proceed for one mile to the entrance to Roberts on the right.

## *President's Message*

*(Continued from page 1)*

ber too, that we vote: target your specific trustee in addition to the whole board. Trustees are supposed to be our representatives on the board.

2. Reach out to your former unions and tell them about your concerns and your hope that they will protect lifetime benefits. There are currently 80 active members who also are entitled to lifetime benefits.

3. Attend future PRO meetings—most likely on zoom—so you can be informed and offer help.

4. If we pursue legal actions, it will be costly and lengthy. We will need financial support. Please see our donation request and give. Your lifetime benefits save you thousands upon thousands of dollars every year. If they are reduced, the cost will come out of your pocket.

PRO has been busy on other fronts as well. I spoke on behalf of PRO at a recent Board of Trustees meeting to plead with the district along with dozens of others not to cut classes. I stressed our institutional knowledge of the damages cutting classes and services does to our community of learners and the hard road back to regaining students

who have been turned away. I also noted we campaigned for the Parcel Tax and Bond Measures. The money from them was to keep classes and services available to students. We want the district to keep their commitment to our students and our larger communities.

PRO gave out four scholarships this year. Once again, PRO members were quick to answer the call to read and evaluate the final applications. Thanks to Catherine Crystal, Patricia Dudley, Burt Dragin, Edy Chan, Jerry Herman, Mario Rivas, Linda Sanford. You can find photos and brief replies from each winner in this newsletter.

We plan to have a picnic August 19 in Redwood Park. It will be lovely to see those of you who can make it. (See details on page 7.)

PRO needs your support now more than ever. If you can donate to the specific fund for legal fees, that would be of critical importance. If you want to increase your membership dues or donate to the scholarship fund, that would be most welcome. And if you know people who are retired but may not know about PRO or have not joined, inviting them to do so would be very important. As my beloved world champion Warriors say, "Strength in Numbers!"

Stay well,  
Debra

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**Peralta Retirees Organization**  
**4200 Park Blvd, #605**  
**Oakland, CA 94602**