

AFTER-WORDS

A NEWSLETTER FOR RETIREES OF THE FOOTHILL-DE ANZA
COMMUNITY COLLEGE DISTRICT

VOLUME XXX, ISSUE 2

November 2013

"PIZZA THING" PHOTOS



Val & Bill Hardy



"Obie" Obenour, Bob Hubbs, Bev Hortin

"Pizza Thing" report and more photos on page 4. Photos courtesy of Lescher Dowling Ed Burling & Cindy Castillo

SPRING GOLF EVENT

Mark Your Calendars!

The 4th annual FODARA Scholarship Golf Tournament is scheduled for Thursday, April 10 at Seacliff. Details will follow.

HOLIDAY LUNCHEON

The Holiday Luncheon is coming up! Make your reservations now for the lunch and party.

DATE: Friday, December 13

TIME: 11:30 AM – 1:30 PM

PLACE: De Anza's Hinson Campus Center (Conference Room A & B)

There will be good food, fun and door prizes! However, the best reason for attending is to renew acquaintances with friends and colleagues. Find out what is happening in their lives. The menu includes a choice of roast beef, salmon or a vegetarian entrée, plus salad, rolls and dessert. Please bring your spouse or a friend and contact other colleagues to encourage them to attend. The cost this year is still \$22 per person. Please fill out the reservation form (p.7) and return it with your check no later than Friday, December 6, to Mike Paccioretti. Make sure you include your menu choices for you and your guest. We need to advise De Anza Food Services as early as possible so they can plan accordingly. If you have not paid your annual \$10 FODARA dues or would like to contribute to the FODARA scholarship, it will also be appreciated.

In addition, we're always grateful for raffle prizes like wine or gift certificates. Hope to see you December 13.

Mike Paccioretti
3075 Muirdrum Place
San Jose, CA 95148-2024

YOUR BENEFITS

Here are some benefits-related topics of interest to FHDA retirees.

The open enrollment for health care coverage in FHDA plan year 2014 *apparently* went smoothly without significant problems. Trouble is, it's now very difficult for FHDA to know if, or what, problems were encountered since it's CalPERS's policy to communicate with its plan members on matters regarding enrollment, insufficient funds and appeals without notifying FHDA. In short, if there were open enrollment problems, FODARA or FHDA wouldn't know about them unless the affected retirees tell us.

One potentially troubling CalPERS communication to retirees is an annual letter offering us the option to decline Medicare Part D Prescription Drug coverage. You should *ignore* this letter (i.e., keep the Part D coverage). By way of explanation, CalPERS automatically enrolls its PPO Medicare members into Medicare Part D; members are required to be enrolled in Part D if they want CalPERS prescription drug coverage; but CalPERS is required by law to send this letter, anyway. Confusing? You bet.

Despite repeated efforts to inform retirees, some FHDA Medicare retirees living in California still enroll in the PERS Choice plan when they could be signing up for the cheaper PERS Select plan with *exactly the same coverage*. That's right, the PERS Choice and Select Medicare plans offer exactly the same coverage – same network, same co-pays, same deductible, same everything. The key issue is this: if a Medicare member is enrolled in a PPO plan (any PPO plan), then the network for that member is *all Medicare providers in the*

United States.

Continuing the paragraph above, there are a couple of “gotchas”: (1) PERS Select is not available to out-of-state retirees, so Medicare retirees living outside of California can't take advantage of this duplicate but cheaper coverage, and (2) California couples with Combined (Basic and Medicare) coverage must enroll in the *same* plan, so if they are thinking about enrolling in either PERS Select and PERS Choice, they must pick one or the other, not both: if PERS Select, they get lower required contribution for the Medicare member but a smaller restricted network for the Basic member; if PERS Choice, they get a higher required contribution for the Medicare member but a bigger network for the Basic member.

Opinion: An Improving California economy along with passage of Governor Brown's Prop 30 have led to FHDA employee salary raises for the first time in several years and guarded optimism about near-term District budgets. The District unions are unlikely to push for lower health care required contributions since their first priorities appear to be salaries (used to determine CalPERS and CalSTRS retirement benefits) and helping post-'97 hires pay for their health care benefits.

Tom Strand

MORE ON FODARA'S OCTOBER "PIZZA THING"

The annual FODARA Pizza Thing on October 24 was bigger this year than ever! Over 30 people came, many who had not been with us before. Our private dining room at Tony & Alba's was decorated for Halloween by Bev Hortin and Janice Carr with help from Obie and Margaret Obenour. Many people supplied prizes that Mike Paccioretti and Janice Carr raffled off. Over a dozen people had their names drawn from the hat and were rewarded with wine, potted plants, Halloween decorations, and a generous gift certificate and wine from our host. Many thanks to Diana Vallorz, "Chief Pasta Officer" at Tony & Alba's, who made our function special. It was good to see and visit with old friends.

FODARA is going GREEN!

FODARA Listserv:

We're reducing printing & postage costs and bringing you information sooner. Each *After-Words* will be posted on our website (www.deanza.edu/fodara) and an email sent from our FODARA listserv when it's posted.

We're verifying emails for retirees and have over 600 now! Please send an email to cindycastillo@comcast.net with your first and last name in the message and we promise to use the list conservatively.

Some retirees—16 so far—prefer a paper copy of *After-Words*. You too? Then please mail your request to Cindy Castillo, 1365 Wright Ave, Sunnyvale, CA 94087. Be sure to include your name and current mailing address.

FODARA Website:

Our new website is at www.deanza.edu/fodara . We have links to district benefit information for retirees, a calendar of events, scholarship information, an "in memoriam" page, and much more. We welcome your comments, and suggestions. Send your feedback to cindycastillo@comcast.net. Continued, p.6

Thanks *Cindy*



Sue Barrera & Cindy Castillo



Jim Linthicum, Phil Green, "Obie" Obenour, Tom Giebler



Laurel Torres, Sandy & Steve Rappaport



Val Hardy, Maureen Gates, Margaret Obenour

THE MAIL



Dear Editor,

The FHDA Benefits Guide-2014 Plan Year reflects a bias in favor of employees and pre '97 retirees who are members of the Kaiser HMO health plan.

Data from the Benefits Guide support this claim. In 2014 the FHDA required contribution per month for the 2 party Medicare PERS Choice plan is \$276 (p. 32). The 2014 total monthly premium for this plan is \$614.46 (p.58). So, a person in this plan will pay \$276/\$614.46, OR 45%, of the total monthly premium.

As for the Kaiser plan, the 2014 FHDA required contribution per month for the 2 party Medicare Kaiser plan is \$198 (p. 32). The 2014 total monthly premium for this plan is \$589.94 (p. 32). So, a person in this plan will pay \$198/\$589.94, OR ONLY 33.5%, of the total monthly premium, as opposed to 45% for PERS Choice 2 party Medicare plan.

Clearly the District is providing a larger subsidy to people in the Kaiser 2 party Medicare plan than to people in the comparable PERS Choice plan. In percentage terms the subsidy is 66.5% versus 55% respectively. (In dollar amounts the subsidy is \$391/month versus \$338.46/month respectively.)

Similar preferential treatment of Kaiser members also exists in NON-Medicare health plans. The District subsidy for the 2 party Kaiser NON-Medicare plan is 7% higher than for the 2 party PERS Choice plan.

This preferential treatment of Kaiser members is unfair in the absence of good reason for the different treatment. And no good reason seems to exist. Fairness would seem to require that everyone receive the SAME PERCENTAGE subsidy regardless of the plan.

The JLMBC--the committee which sets the monthly contributions for the District health plans--sees things differently. I recently spoke with Dorene Novotny, Vice Chancellor for Human Resources and a JLMBC member. She said that before the PERS system, the District was subsidizing the UHC plan more heavily than the Kaiser plan, which was the cheapest. But once the PERS system went into effect, the total monthly premium for the Kaiser HMO health plan rose sharply. So, to offset the past heavier subsidy for the UHC plan, the JLMBC decided to more heavily subsidize the Kaiser plan.

But suppose that after the switch to PERS, Kaiser members and people in the PERS plans received the same percentage subsidies from the District. Then over the long term (combining the time before and after the switch to PERS), Kaiser members would not ON AVERAGE have excessively high monthly contributions. Recall that the Kaiser plan was the cheapest before the PERS system. By heavily subsidizing Kaiser members after the switch to the PERS system, the District is continuing to keep the Kaiser plan relatively cheap, which is not the same as creating a fair outcome for all.

Finally, most JLMBC members are enrolled in the Kaiser plan. So, the heavier subsidy of the Kaiser plan at least appears to be self serving.

Steve Rappaport

REPLY TO STEVE'S LETTER

I've attended virtually every meeting of the Joint Labor-Management Benefits Council since its inception as a non-voting FODARA representative. My strong impression is that the Council has always acted out of principle, not self-interest.

Early on in our transition from self-insured to CalPERS medical coverage, the Council decided that the District should offer one medical plan that every employee could afford. The PERS Select plan was chosen to have the lowest required monthly contribution (\$70 in 2013 for a single employee, \$77 in 2014, a 10 percent increase) because of its adequate coverage and low premiums.

Because Kaiser was the most affordable medical plan with the most members before the transition to CalPERS, the Council's operative principle was to give its members adequate time to migrate to other plans with lower premiums – and thus extend the life of the Benefits Stability Fund with a current balance of about \$10M – by gradually increasing the Kaiser required contributions (\$78 in 2013 for a single employee, \$99 in 2014, a 26.9 percent increase.) Today, Kaiser is the most heavily subsidized of all plans (about \$7.4M annually for 467 non-Medicare and 192 Medicare members, or about \$11.2 thousand per member) followed by the PERS Choice plan (about \$6.6M annually for 431 non-Medicare and 274 Medicare members, or about \$9.4 per member). But the Kaiser plan's required contributions will continue to rise disproportionately (an increase of 26.9 this year versus 10.25 percent or less for all other plans) until the required contributions more accurately reflect actual costs. Put another way, current Kaiser members should either count on paying ever higher required contributions, or they should begin planning to transition to less expensive plans.

Tom Strand

FODARA Benefits Representative

WE'RE GOING GREEN! cont'd.

FODARA Directory:

Our last project will be an online directory that is password protected giving the retiree choices in what information to display. We hope to work on this project in 2014.

Where Do Our Retirees Live?

Retirees from Foothill-De Anza live everywhere! We live in Agoura Hills CA, Kaunakakai HI, Titusville FL, Sandpoint ID, Frisco TX, Sequim WA, Red Bay AL, Mount Gretna PA, Yuma AZ, and Sisters OR.

We live in 24 states from Alabama to Washington DC, and even one in India. But over 600 of us (87%) have stayed in California. Of our neighboring states, Arizona claims the highest with 15, Oregon with 13, Washington with 11, and Nevada with 10.

A NOTE FROM OUR PRESIDENT

FODARA'S EXISTENCE

FODARA has many important functions such as communications via the *AfterWords* Newsletter and the Directory, which will soon go online. We need help from members to serve on the Board of Directors. FODARA members are needed to serve on District Benefits, Scholarships, and Social committees. These positions are not difficult and you will find them to be rewarding.

FODARA retirees please throw your hat in the ring to fill positions on the FODARA Board or fill a vacant committee position. Remember the workload is modest; the meetings are infrequent and casual. The more retirees we have helping the better our organization will be.

Thank you for your consideration,
Mike Paccioretti, FODARA President

FODARA HOLIDAY PARTY RESERVATION

Friday, December 13 from 11:30 – 1:30

Hinson Campus Center, De Anza

(Conference Rooms A & B)

Retiree: _____

Guest Name (s): _____

Fill out any information in the box below, **but only if it has changed:**

Please check menu choices for you and for your guest(s)

Retiree: Prime Rib ____ **Salmon** ____ **Vegetarian** ____

Guest: Prime Rib ____ **Salmon** ____ **Vegetarian** ____

Mail this reservation and your check to arrive not later than **Friday, December 6** to

Mike Paccioretti
3075 Muir drum Place
San Jose, CA 95148-20

Too late to mail? Mail late anyway and reserve your preferences with Mike by phone message or email by DEC 6 at (408) 274-4929 or pacciorettimike@sbcglobal.net

Please reserve _____ places for the FODARA HOLIDAY PARTY

\$22.00 is enclosed for each person attending\$ _____

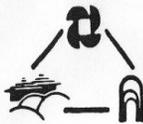
\$10 for the 2012-2013 FODARA voluntary membership dues.....\$ _____

An additional donation of \$ _____ for FODARA scholarships.....\$ _____

TOTAL (check payable to "FODARA").....\$ _____

<<<<<< FOLD, PUT IN YOUR CHECK, ADD A STAMP AND MAIL >>>>>>>>

Mike Paccioretti
3075 Muir drum Place
San Jose, CA 95148-20



FODARA

Foothill-DeAnza Retirees Association
Foothill-De Anza Community College District
12345 El Monte Road
Los Altos Hills, CA 94022

STAMP