S.O.S. NEWSLETTER

"SERVICE OFFICERS FOR SERVICE"

SERVICE OFFICER NEWSLETTER VOLUME 9-3 October 2009

EDITORS COMMENTS

This months' newsletter contains a number of articles that are affecting Federal employees and NARFE members should be aware of. We are in the period where changes to our health insurance is being discussed and I have also included a list of insurance carriers who are reducing their services or terminating enrollment in certain areas.. (See page 7) We know that our earnings are being affected with the decision to place a hold on our cost of living increase for 2010. We are also having a natural reaction about the increases in our health insurance rates and for some an increase in the Medicare rate. The information is presented to help NARFE members understand what NARFE is doing for them.

I hope that Service Officers will continue giving attention to your Service Officer duties by participating in your Chapter meetings, including information in your Chapters' Newsletter and making short presentations on subjects of interest to your Chapter members.

Mary Venerable
Chair, Service Committee

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NARFE SERVICE CENTERS IN STATE OF CALIFORNIA

1 – NARFE Service Center, Residence - P.0. Box 69, Patton, CA. 92369, (909) 862-7684 – Vaudis Pennell - By Appointment, quovau@beglobal.net
4 – Vallejo, Ca. (707) 552-2546 Gordon Triemert, - By Phone – any time 946 Heartwood Ave., Vallejo, CA 94591 jay94591@yahoo.com
8 – NARFE Federal Retiree Service Center 5440 Dudley Blvd, McClellan, CA. 95652 (916)971-2888 Mgr. Robert Johnson (916) 635-4576. Mon. & Thurs. 9 a.m. to Noon. frjohnson4@aol.com
12 - Oceanside Senior Center, 455 Country Club Lane, Oceanside, CA.92054 Josephine M. Murphy – (760) 757-5559 Wednesdays 12 Noon to 3pm. jomurphy@oco.net
#21 – Service by phone (619) 460-7992 – William Doll – after 9 a.m. imadoll@earthlink.net
35 – Residence of JoAnne Rowles 3916 Marilyn Place, Bakersfield, Ca. 93309-5924 (661) 833-1647– By Appt. jrowles@bak.rr.com

#42 – Residence of Vernon Rood, Service by Phone (707) 578-3180 –vrood@aol.com
#55 – NARFE Service Center, 1524 Jefferson St., Napa, CA 94558 – Oliver E. Sheridan – (707) 257-2228 Monday thru Saturday – By Appt.
#78 – Fresno Service by Phone Charles Hedrick, (559)299-4207.
#133 – Service by Phone, Jean Stone, – (530) 222-2321 – logeneaa@wmconnection. com
#145 – Naval Air Weapons Station, 1 Admin. Circle, Mail Stop 1323, China Lake, CA. – Donald W. Cooper, (760) 939-0978. Mon. – Friday from 9 to 11 a.m. & 1-3 p.m. dat.cooper@verizon.net
149 – Antelope Valley Senior Center, 777 W. Jackman Street, Lancaster, CA 93534 - Norma Keipe, (661) 726-4409. – Mondays 9 a.m. to Noon (except holidays)
171 – Service by phone - Gerald Sprouse, 1650 Christina Ct. Paso Robles, CA. 93446 (805) 237-0051 Jerrysprouse@charter.net.
183 – Service by phone - Bob Willis, Port Hueneme, Ca. (805) 486-1235
#202 – Norman P. Murray Com. & Senior Center, 24932 Veterans Way, Mission Viejo, CA. 92692, Bert Zucker, (949) 470-3063. 2nd & 4th Mondays 1 to 3 p.m.

Notice: The status and information about Service Centers is subject to change. For up-to-date information see the Federation's website. Please notify Jo Murphy of changes by FAX (760) 757-5559 or E-mail at JoMurphy@oco.net

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YOUR ATTENTION IS INVITED TO THE FOLLOWING WEBSITES

WEBSITES OF INTEREST

Issues of all SOS Newsletters and a Directory of Topics are available on line on the NARFE California Federation's Website in Publications at: http://www.csfcnarfe.org

NARFE National Office at http://www.narfe.org

Publications on FEGLI Life Insurance at: http://www.opm.gov/insure/life Index.htm . Or (800) 633-4542

OPM Retirement at: www.opm.gov.retire for inquiries and changes.

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NEW WEB SITE

OPM has posted a new Web Site: www.opm.gov/insure/quickguide.asp It is well organized and easy to navigate. It includes information on FEHBP, FEGLI, and civil service retirement. It also includes a section on retirement planning, tools to calculate federal income taxes, a menu of publications for downloading and printing, and links to other federal agencies as well as to NARFE Web Site,

OTHER IMPORTANT WEB SITES

Social Security and Survivor Benefit Plan for military: http://www.military.com/newcontent/0, 13190,Philpott _040105,00.html and http://www.military.com/ resources/resourcesContent/0,13964, 13964,31301,00. html Military Surviving Benefits – Covers Survivor Family Benefits, e.g. Dependency and Indemnity Compensation (DIC), Death Gratuity Death Pension , Tricare, and other survivor related benefits. http://www.military.com/benefits/survivor-benefits-family-benefits

U.S. Coast Guard, Benefits Information and Financial Education Department – Military Officers Association of America at 800-234.6622, x-106 (703) 838-8106 and website at www.moaa.org

Medicare Part D Plan premiums http://www.cms.hhs.gov/MedicareAdvtg SpecRateStats/RSD/list.asp?

Free Cell phone number for 411 Information Calls (800) 373-3411 -- (800) Free411. This also works on you home phone .

Unauthorized Email - NARFE Headquarters warns us that some members have received e-mails from an individual names Marty Kurtz promoting his own materials on retirement counseling and/or disaster preparedness. Mr.Kurtz is NOT a member of NARFE and has no authorization to use the associations name. It was also noted that NARFE did not provide Mr. Kurtz with any e-mail address of NARFE members. E-mail received from Mr. Kurtz should be treated as a spam and delete them.

California Legislative Bills: Telephone number to make your voice heard. Governor Schwarzenegger has set up a number to call regarding California Legislative Bills being processed. The number is (961)-445-2841.

White House Comment Line: (202) 456-1111 - E-mail – president@whitehouse.gov

NARFE Capitol Hill Toll Free No: (866) 220-0044 You can call these numbers, give the name of your Senator or Representative and you will be switched to their office.

NARFE Legislative Hotline by phone – (877-217-8234 (Toll-Free)

Links to Membership Renewal, Join GEMS, Update Your Record, etc., are located on the Members Home Page in the left panel under What You Can Do Online.

Links to Forms (including interactive), Publications and NARFE Online Reports are found on the Leadership Home Page in the left panel.

New Service Officer BLOG. The Service Officers Bulletin Board or SOBB can be accessed at www.narfe.org/sobb. What is a 'blog'? The word blog is a blend of the older term 'weblog' and is a website where you can enter comments that are commonly displayed and read by other users who have access to the blog. With a blog, you can access the site anytime the system is available.

Current Service Officers can now create their own messages instead of commenting on existing ones found under the 4 different categories. When you log on just click on "Create New Entry" and a screen will come up that allows you to title and write your message. David Snell, Director, Retirement Benefits Service Department suggests that you should give it a try – your will like it.

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House Approves FERS Sick Leave Bill

The House on June 24 unanimously approved a bill that would—if signed into law—give employees under the Federal Employees Retirement System (FERS) credit for unused sick leave at retirement. The bill, H.R. 2990, the Disabled Military Retiree Relief Act, revives the sick leave credit after a similar measure which would have provided the benefit was stripped out of a Senate bill earlier this month. H.R. 2990 would permit FERS employees to count unused sick leave toward their retirement annuities like their Civil Service Retirement System (CSRS) counterparts. For those under the older CSRS, the bill also would correct an anomaly in the law which penalizes federal employees who choose part-time work near or at the end of their careers and would allow FERS employees who return to federal service and redeposit their annuities to receive credit for years of service. The bill also would move federal employees in Alaska, Hawaii and outlying territories from cost-of-living adjustments (COLA) into the locality pay system, according to language in the bill. Transitioned employees would be able to elect to have any COLA paid during that period considered as basic pay for purposes of annuity computation, according to a bill summary. Colleen Kelley, president of the National Treasury Employees Union, applauded the measure. "These improvements will positively impact federal employees and retirees across the spectrum, from new hires to those nearing the end of their careers," Kelley said. "This package will help ensure that federal workers are treated fairly and receive similar treatment regardless of their retirement system." To see more, go to: www.nteu.org/PressKits/PressRelease/PressRelease.aspx?ID=1450.

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TRICARE to Save $1.67 Billion With New Pharmacy Discounts

DoD on Aug. 4 announced it will save $1.67 billion on prescription medications sold in retail pharmacies because it now will receive the same discounts that had been reserved for prescriptions distributed in military treatment facilities and by mail. Previously, DoD paid commercial rates for prescription drugs purchased in the TRICARE retail pharmacy network. The full implementation of the change, which was contained in the National Defense Authorization Act (NDAA) for Fiscal Year 2008, went into effect on May 26 of 2009. "These are significant savings to the Department of Defense and are crucial to our effort to slow the rapid growth of pharmacy costs," said Rear Adm. Thomas McGinnis, chief of TRICARE pharmaceutical operations. Beneficiaries can sign up to get e-alerts for updates to their pharmacy benefit through the "email Updates" link on the front page of www.tricare.mil. To see more, go to: www.tricare.mil/pressroom/news.aspx?fid=548.

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The following article is offered for members to help members to understand the health plan initiatives being considered. It is noted during the preparation of this newsletter that the Senate has passed on the initiative, it is believed that information in this following is appropriate.

NARFE'S POSITION ON COMPREHENSIVE HEALTH CARE REFORM AND A SUMMARY OF PROVISIONS RELEVANT TO FEDERAL WORKERS AND ANNUITANTS

NARFE as yet has taken no position on the overall health care reform legislation receiving serious consideration in the House and the Senate. That is because the status of the leading bills is extremely fluid and is subject to change, particularly after lawmakers talk to their constituents about this issue during the August recess.

The NARFE Legislative Program for the 111th Congress (2009-2010) states that "NARFE supports access to comprehensive health care for all Americans." However, the legislative program is silent on how universal access should be achieved. This position has been reaffirmed by NARFE officers and members who attended the last several national biennial conventions.

August 2009 Grass-Roots Advocacy Month Talking Points

In August Grass-Roots Advocacy Month, NARFE members discussed the following NARFE health care reform goals and concerns (each of these points is discussed in more detail in the pages which follow this section):

- Premium Conversion: NARFE supports adding a proposal to health care reform legislation which would permit federal civilian annuitants as well as active duty military personnel and retirees to join their active duty civilian colleagues in paying their share of employer-sponsored health insurance with pretax compensation. Should Congress consider taxing employees and retirees for part of the value of their employer-provided health insurance, NARFE would reevaluate its position on premium conversion (for an explanation, read the fourth paragraph of "Taxing Health Benefits").
- Opening the Federal Employees Health Benefits Program to Non-Federal Civilians: Although NARFE supports access to comprehensive health care for all Americans, the Association would oppose legislation which would open the FEHBP to non-federal enrollees without calculating their premiums separately in their own insurance risk pool (see "Federal Employees Health Benefits Program").
- Taxing Workers and Retirees for the Value of Employer-Sponsored Health Insurance: NARFE opposes (see "Taxing Health Benefits").
- Coverage for Temporary and Seasonal Federal Workers: NARFE supports the concept in the "Employer Mandate" which would encourage the federal government, as an employer, to make its temporary and seasonal workers eligible for FEHBP (see "Employer Mandate").
- Providing "Affordability Credits" to Lower Income Workers and Retirees: Some lower income workers and retirees cannot afford to pay their share of employer-sponsored health premiums. NARFE supports a provision in the House bill which would provide such individuals with income-based credits to help them pay for private or public plan premiums offered by the Health Insurance Exchanges (see "Individual Mandate" and "Health Insurance Exchanges").
- Coverage for dependent children up to age 26: NARFE supports a provision in the Senate HELP Committee bill which would provide dependent coverage for children up to age 26 for all individual and group policies, including FEHBP plans (see "Federal Employees Health Benefits Program").
- Expanding Medicaid Eligibility: The House and Senate bills would expand eligibility in Medicaid to cover millions of low-income people who do not qualify under current law. NARFE believes individuals made eligible under this expansion should include childless adults and that Medicaid long-term care benefits be available to them. (see "Medicare and Medicaid").
- Effect of Health Care Reform on Employers and Carriers: NARFE is concerned that the combination of the public plan option, taxation of health insurance, and mandated benefit packages could affect the ability of employers and carriers to ensure competition and offer the same health plan choices in group health plans like the FEHBP (see "Long Term Effects of Reform").
- Enhance "CLASS Act" Long-Term Care Insurance Program: NARFE supports financing a more generous long-term care benefit and establishing a more robust disability evaluation and benefit claims process than proposed in the "Community Living Assistance Services and Supports" (CLASS) Act, as included in the House bill and Senate HELP Committee legislation (see "Long-Term Care").
- End the Medicare Part D Prescription Drug Cost-Sharing "Donut Hole": NARFE supports (see "Medicare and Medicaid").
- Slowing the Growth of Medicare and Medicaid Provider Reimbursements: NARFE is concerned that provider payment reform could encourage some doctors and hospitals to stop accepting Medicare and Medicaid (see "Medicare and Medicaid").

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Federal Employees Health Benefits Program (FEHBP)

None of the pending measures under consideration would open the Federal Employees Health Benefits Program to non-federal civilians, nor would FEHBP become part of the public health care plan. At this point, there is no indication that Congress intends to open FEHBP to non-federal civilian enrollees. However, the legislation is subject to change and FEHBP, as a result, could be directly affected. It is also important to keep in mind that any comprehensive plan that changes insurance law, provider financing, taxation policy and health infrastructure, will have some ramifications on how FEHBP operates in the larger health system.

The NARFE Legislative Program opposes proposals which would "broaden participation in FEHBP, unless separate risk pools are created." Separate risk pools are necessary for assessing and adjusting the insurance risk of a new enrollment community.

Without the opportunity to assess the experience of non-federal civilian enrollees in a separate FEHBP risk pool, the introduction of any new community into the FEHBP could result in unanticipated premium increases.

Like other employer-sponsored health insurance plans, pending health reform measures propose no direct changes to FEHBP until 2018. That's when FEHBP would be required under the House bill to have an "essential benefits package," offer preventive services and treatments with no additional co-payments or co-insurance, and comply with a federally-mandated coverage appeals process.

(See Article on page 7 regarding Open Season Changes)

The essential benefits package would only affect FEHBP if it includes coverage not currently offered by the federal employees program. That is unlikely to happen since most FEHBP plans offer comprehensive benefits. Like the law which authorizes the FEHBP, the House bill requires that the essential benefits package contain broad categories of benefits, including hospitalization, outpatient care, prescription drugs, rehabilitative services, mental health and substance use services, maternity and well baby care. If the essential benefits package were to exceed current FEHBP coverage, insurance carriers could raise premiums and/or increase enrollee cost sharing.

Likewise, preventive services coverage without cost sharing could result in a premium increase. Some health care policy experts argue that preventive coverage would eventually save money because such services could prevent illness or catch diseases earlier when they may be treatable. However, the nonpartisan Congressional Budget Office disputes this assumption as non-quantifiable. Whether or not preventive coverage saves or costs money, many observers believe it could improve the quality of life of patients who use such coverage and comply with lifestyle changes suggested by a physician in response to diagnosis and testing.

Since 1977, FEHBP has had a disputed claims process which ensures an independent review of disputes between participating insurance carriers and enrollees. A federally mandated process would only affect FEHBP if its consumer protections were greater or less than those practiced by the federal employee program. NARFE would prefer retaining the existing appeals process or enhancing it.

The Senate HELP Committee bill would require all individual and group market health insurance plans, including FEHBP, to offer dependent coverage for children up to age 26. Currently, most child dependents loose their FEHBP coverage by at the age of 22. The NARFE Legislative Program "supports legislation to provide that children of Federal civilian and military employees and retirees be permitted to remain under government-sponsored medical insurance plans until age 25 or the age generally allowed by larger medical insurers."

Employer Mandate

With the exception of small businesses, employers would be required by the House bill -- and the Senate Health, Education, Labor and Pensions (HELP) Committee bill -- to either provide their workers with health insurance or contribute to a fund that would help finance coverage for the uninsured through the "Health Insurance Exchange" system (described below). The effect of this requirement on the federal government should be minimal since nearly all federal employees, retirees and survivors are eligible to enroll in FEHBP. However, some temporary and seasonal federal workers are not currently eligible, and as a result, their agency may either be forced to insure them or pay into the Health Insurance Exchange Fund. The Senate Finance Committee proposal does not include an employer mandate.

Individual Mandate

All individuals would be required to have "acceptable health coverage" or pay a penalty, under the three major bills. Exceptions would be granted for dependents, religious objections and financial hardships. Federal workers or retirees who choose not to enroll in FEHBP, a spouse's employer-sponsored plan, Medicare, TRICARE, Veterans health care or some other form of coverage would pay a penalty.

Workers and retirees sometimes decline FEHBP enrollment because they cannot afford to pay their share of premiums. Beginning in 2014, the House legislation addresses this problem by allowing individuals who pay 10 percent or more of their income on employer-sponsored health premiums to enter the Health Insurance Exchange program. In addition, they would be eligible to obtain income-based "affordability credit" to help pay for premiums for plans offered by the exchange.

Health Insurance Exchange System

The House legislation would create "Health Insurance Exchanges" to provide private health insurance or coverage through a public option in which individuals and employers could purchase health benefits. In 2014 and thereafter, only those workers or retirees who spend 10 percent or more of their income on health plan premiums would be eligible to participate in the exchange program (described above in the "Individual Mandate" section). Starting in 2018, all workers and retirees could decline their employer-sponsored health plan and instead enter the exchange. The legislation does not require employers to pay for all or part of an exchange plan premium. However, persons with income at or below 400 percent of the federal poverty level ($73,240 for a family of three in 2009) would be eligible for an income-based sliding scale affordability credit which would pay part of the premium for a basic private or public health plan offered by the exchange. The effect that such access would have on FEHBP would depend on how many federal workers and retirees eligible for the affordability credit leave FEHBP for the Health Exchange program.

The Senate Finance Committee appears to be embracing state nonprofit insurance cooperatives, based on a model used in Minnesota, owned and run by consumers, as an alternative to the health insurance exchanges proposed by the House or the related "American Health Benefit Gateways" in the Senate Health, Education, Labor and Pensions (HELP) Committee bill.

Taxing Health Benefits

The bipartisan group of members of the Senate Finance Committee, which continues to negotiate their version of the bill, has discussed taxing employees and retirees for part of the value of their employer-provided health insurance. Supporters of this proposal believe that excluding generous health plans provided by employers from personal income taxes insulates workers and retirees from the true cost of health care. In other words, in plans where enrollees pay little or nothing out-of-pocket, there is no incentive for enrollees to select plans, they would argue, that are more efficient and are better at containing costs, like Health Maintenance Organization options or High Deductible Health Plans. In sum, supporters of ending or reducing the tax exemption of employer-sponsored health insurance hope to end the tax code's subsidization of so-called "gold-plated" coverage and make enrollees more cost-conscious of their health care choices. As a result, overall health care spending could be contained – a proposition supported by the Congressional Budget Office. What's more, there are few other ways to raise the amount of revenue necessary to pay for health care reform.

While highly-compensated executives and professionals in the private sector are sometimes provided such "Cadillac" coverage, many average "Ford" and "Chevy" level health plans can be just as expensive when they have a high proportion of workers and retirees which generate costly medical bills. In other words, premium amounts are not necessarily an accurate measure of a health plan's generosity, particularly when, as in the FEHBP, plans are experience-rated.

NARFE opposes taxing employees and retirees for part of the value of their employer-provided health plans. There is one bit of good news for federal annuitants, however, if lawmakers opt to tax employees and retirees for their employer-sponsored health benefits. In discussions with the Senate Finance Committee, staff indicates that under options they have explored, federal annuitants would be less likely to be affected. That is because annuitants pay for their health insurance premiums with after-tax dollars, and therefore the amount they pay would not be counted as part of their income. However, federal annuitants would lose this advantage if premium conversion legislation, which would allow them to pay for their share of health insurance with pre-tax dollars, were to become law.

While none of the current health reform plans actually contains a provision taxing benefits -- and the possibility of such a proposal seems to be dimming -- final health reform policy, particularly in the Senate, has not been finalized. Indeed, as an alternative, there appears to be growing interest in taxing insurers or employers who offer insurance with premiums above a certain level. Insurers and employers would likely respond to such a tax by not providing coverage with premiums above the benchmark set in the legislation. For example, if the premium benchmark was $21,000 a year, then insurance carriers and employers would be less likely to offer plans with premiums above that amount since they would be obligated to pay a 35 percent surcharge tax on any plan with premiums above the cap level. That would force them to design benefits that would cost less than the benchmark. As a result, individuals could be prevented from buying more generous coverage. More in-depth analysis of the taxation of health care insurance was included in the September *NARFE* magazine.

Long Term Effects of Reform

The combination of the public plan option, taxation of health insurance and mandated benefit packages could affect the ability of employers and carriers to ensure competition and offer the same health plan choices in group health plans like the FEHBP. However, concerns about the public plan may have been mollified by a deal struck between the moderate and conservative "Blue Dog" Democrats, Energy, and Commerce Committee Chairman Henry Waxman. Instead of tying public plan payments to Medicare's rates of reimbursement to health care providers, as originally proposed, the compromise brokered in late July calls for the HHS Secretary to negotiate public plan rates with hospitals and doctors, just as private insurance companies do.

If carriers and the government, as an employer, can no longer offer plan competition and choice in FEHBP, the policymakers might question why the government is running a separate health care program for its employees and annuitants. As an alternative, they might suggest that federal workers and retirees be enrolled in the Health Insurance Exchange in lieu of FEHBP. For that to happen, however, the law authorizing the FEHBP would have to be amended, which the current health care reform legislation does not propose. NARFE would oppose legislation that would end FEHBP.

Currently, the House bill mandates studies in 2015 and 2019 to determine if there are significant groups (employer or employee) which would benefit from accessing the exchange. Such a study might consider that adding eight million enrollees from FEHBP, who have received comprehensive health care, could benefit the Health Insurance

Exchange's "risk pool" and economy of scale because the health care needs of feds may have been better managed under FEHBP and, therefore, their cost to the exchange could be lower

than other participants. Again, NARFE would oppose such a move.

Medicare and Medicaid

About half the cost of health care reform is paid for by reducing payments to providers in Medicare and Medicaid. Under the legislation, provider payments are not cut, but the rate at which they increase every year would be reduced. Although most doctors and hospitals are compelled to accept Medicare and Medicaid reimbursement because the programs control a huge share of all health care spending, NARFE is concerned that payment reform could encourage some medical providers to stop participating in Medicare and Medicaid. Other member groups of Leadership Council of Aging Organizations, a coalition of 53 national nonprofit organizations concerned with the well-being of America's older population, share NARFE's concerns.

Even when providers do not accept Medicare, the program, when combined with FEHBP coverage, will reimburse enrollees for physician and hospital costs. When providers don't accept Medicare, beneficiaries have to pay their bills up front, which can be unaffordable for many retirees and survivors who cannot wait for Medicare and their FEHBP plan to reimburse them.

NARFE supports a provision in the House bill which would end the "donut hole" in Medicare Part D prescription drug coverage, beginning with a $500 reduction in 2011, and completing the phase-out by 2023. In 2009, once Part D beneficiaries pay more than $2,700 in total annual drug costs, they are in the "donut hole"
(a gap in coverage) and must pay 100 percent out-of-pocket for the cost of prescription drugs until their total out-of-pocket costs reach $4,350.

Under FEHBP coverage, federal annuitants simply pay co-payments and/or coinsurance for prescription drug coverage which is more generous than Part D. For that reason, the vast majority of retirees and survivors do not enroll in Medicare Part D. The House and Senate bills would expand eligibility in Medicaid (Medical in California) to cover millions of low-income people who do not qualify under current law and either do not have access to private insurance or cannot afford it. Medicaid is funded by the federal and state governments, which pay for medical and long-term care for low-income individuals and families. The House and Senate bills would make families or individuals eligible for Medicaid if they earn up to 133 to 150 percent of the federal poverty level, or between $29,300 and $33,075 in 2009. It is not clear if the bills would allow more childless adults to qualify for the program and whether long-term care benefits would be offered to newly eligible beneficiaries. Absent additional federal funding, cash-strapped states would be hard pressed to pay for the expansion.

Long-Term Care

The House bill and Senate HELP Committee legislation includes the "Community Living Assistance Services and Supports" (CLASS) Act which would establish a national insurance program to be financed by voluntary payroll deductions to provide benefits to adults who become severely functionally impaired. To qualify for benefits, individuals must be 18 years old and have contributed to the program at least 5 years. While the CLASS Act would help Americans pay for long-term care, it has been criticized for providing a meager benefit of $50 to $75 a day and it would depend on overburdened state government Disability Determination Services examiners to evaluate and process benefit claims.

NARFE supports financing a more generous long-term care benefit and establishing a more robust disability evaluation and benefit claims process than proposed in the CLASS Act.

The NARFE Legislative Program "supports proposals that would help individuals who cannot afford long-term care insurance or have an immediate or likely need for long-term care to receive such services without impoverishing themselves."

Consultation and Information Regarding End-Of-Life Planning

Much inaccurate and false information has been circulated about a provision in the House bill which would provide insurance coverage for consultation with medical practitioners about a patient's wishes with respect to life sustaining treatment. The provision covers what already has become commonplace when anyone of any age is admitted to a hospital and is asked to consider completing an "advance directive" form or a living will. None of the language in the bill mandates the rationing of end-of-life care to Medicare beneficiaries.

Stay Up-To-Date on Health Care Reform Legislation

NARFE Members will continue to be updated through the *NARFE* Magazine, the Legislative Hotline and Action Requests. We encourage members with e-mail access to join the Rapid Response team. If you have further questions regarding comprehensive health care reform or the process, please contact the Legislation Department at 703-838-7760 or leg@narfe.org.

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2010 OPEN SEASON CHANGES

Open Season is approaching and many federal employees might find that they will have to change health insurance plans in 2010. The Office of Personnel Management (OPM) recently released information that 14 health insurance companies are

either leaving the Federal Employee Health Benefits Program (FEHBP) or reducing their service areas.

Plans leaving the FEHB Program include Plans in Arizona, Colorado, Connecticut, Florida, Illinois, Massachusetts, Missouri, Oklahoma, Ohio, and Pennsylvania.

The following is a list of Health Plan Agency's in California that are either reducing or terminating enrollment codes.

Blue Shield of California Access + HOM in Northern California (Except Tulare County) (Code SJ1 & SJ2) However, Tulare County will not be terminated because it will be merged into the Southern California Region under enrollment codes SI1 and SI2. Those affected will be notified but must make an election into the Southern California Region or they will NOT have health benefits for 2010.

PacifiCare of California (CY1 & CY2).
Enrollees in the service area being dropped who do not change health plans during Open Season will have to travel to their plan's remaining service area to obtain medical care in order to receive full benefits from the plan in 2010. The following is a list of areas dropped:
Entire counties of Alameda, Contra Costa, El Dorado, Marin, Placer, Sacramento, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, Stanislaus and Yolo.

Anthem Blue Cross (M51 & M52)
Entire counties of Butte, El Dorado, Lake Lassen, Modoc, Plumas, San Benito and Tulare

Service Officers in Northern California should make sure their members are aware of the above and that they take appropriate action.

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WARNING: 2010 Census Cautions from the Better Business Bureau

Be Cautious About Giving Info to Census Workers

By Susan Johnson

With the U.S. Census process beginning, the Better Business Bureau (BBB) advises people to be cooperative, but cautious, so as not to become a victim of fraud or identity theft. The first phase of the 2010 U.S. Census is under way, as workers have begun verifying the addresses of households across the country. Eventually, more than 140,000 U.S. Census workers will count every person in the United States and will gather information about every person living at each address including name, age, gender, race, and other relevant data.

The big question is - how do you tell the difference between a U.S. Census worker and a con artist? BBB offers the following advice:

- If a U.S. Census worker knocks on your door, they will have a badge, a handheld device, a Census Bureau canvas bag, and a confidentiality notice. Ask to see their identification and their badge before answering their questions. However, you should never invite anyone you don't know into your home.
- Census workers are currently only knocking on doors to verify address information. Do not give your Social Security number, credit card or banking information to anyone, even if they claim they need it for the U.S. Census.

While the Census Bureau might ask for basic financial information, such as a salary range, the Census Bureau will not ask for Social Security, bank account, or credit card numbers nor will employees solicit donations.

Eventually, Census workers may contact you by telephone, mail, or in person at home. However, the Census Bureau will not contact you by Email, so be on the lookout for Email scams impersonating the Census.

Never click on a link or open any attachments in an Email that are supposedly from the U.S. Census Bureau. For more advice on avoiding identity theft and fraud, visit www.bbb.org .

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Jury Duty Scam

The caller claims to be a jury coordinator. If you protest that you never received a summons for jury duty, the scammer asks you for your Social Security number and date of birth so he or she can verify the information and cancel the arrest warrant.
Give out any of this information and bingo; your identity was just stolen.

The fraud has been reported so far in 11 states, including Oklahoma, Illinois, and Colorado. This (swindle) is particularly insidious because they use intimidation over the phone to try to bully people into giving information by pretending they are with the court system. The FBI and the federal court system have issued nationwide alerts on their web sites, warning consumers about the fraud. Check it out here:
http://www.fbi.gov/page2/june06/jury_scams060206.htm

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FEHBP (SUSPEND VS CANCEL)

I find it necessary to remind members regarding the matter of Cancelling your health insurance coverage versus Suspending coverage to go to another a Medicare sponsored health plan.

I recently received a call from a Chapter member who was so upset with Kaiser that he notified OPM to cancel his health

insurance coverage. I learned that OPM sent him a letter advising him that cancelling his insurance coverage would be a permanent action. His reaction was that he was getting away from a plan he no longer trusted and besides, he had Medicare coverage. Fortunately, he was able to sign up with another Medicare advantage health plan. I say fortunately, because he could have been rejected if he had pre-existing conditions. (which his current insurance could not do).

What we fail to say to our members is NEVER NEVER DROP their FEHBP - they should SUSPEND it, for cases such as this one, but NEVER DROP it. There are other options available, such as taking the Standard Option vs. the High Option, or going with another plan which would have been less expensive, just to have some minimal medical coverage.

As another point, the retiree contribution also goes to pay for the FEHBP - and each year helps offset the overall cost of providing service to the retirees. That is one reason why the Northern CA plans cost the retiree more, than in Southern CA - there are more employees paying into the system to offset the larger costs of retiree care, where the north has more retirees and less employees - therefore we pay more to receive the same service - talk about not being fair....

Further, that is also why the requirement to obtain FEHBP in retirement is five years of government service - that ensures that people don't just jump into FEHBP and cause the cost of FEHBP to increase - it is the same as the Wyden Amendment to Health Care Reform that was the subject of the Legislative Alert - "without separate risk pools, adding new members into FEHBP could result in unanticipated premium increases."
Keep FEHBP at all costs, because when it's gone, it's gone.

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HELPFUL INFORMATION ABOUT ASPIRIN'S

1. If you take an aspirin or a baby aspirin once a day, take it at night. The reason: aspirin has a 24-hour "half-life". therefore, if most heart attacks happen in the wee hours of the morning, the aspirin would be strongest in your system.

2. FYI, aspirin lasts a really long time in your medicine chest.

WHY ASPIRIN BY THE BED saves lives...
It is important to always have ASPIRIN in the home!!!

Why have Aspirin by the Bedside?

IT'S ABOUT HEART ATTACKS:

There are other symptoms of a heart attack besides the pain down the left arm. One must also be aware of an intense pain on the chin, as well as nausea and lots of sweating, however these symptoms may also occur less frequently.

NOTE: There may be no pain in the chest during a heart attack. The majority of people (about 60%) who have had a heart attack during their sleep did not wake up. However, if it occurs, the chest pain may wake you up from your deep sleep...

If that happens, IMMEDIATELY DISSOLVE TWO ASPIRINS IN YOUR MOUTH and swallow them with a bit of water.

Afterwards, phone a neighbor or family members who lives very close by and state "HEART ATTACK!!!" and that you have taken 2 ASPIRINS

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VA Prescription Service Gets High Marks

Veterans who participated in the latest J.D. Power and Associates customer satisfaction survey of pharmacies gave high marks to the Department of Veterans Affairs (VA) mail-order prescription drug distribution service, VA said in an Oct. 1 statement. The VA mail-order pharmacies were ranked No. 3 in the *2009 National Pharmacy Study*, which surveyed about 12,000 pharmacy customers. The survey awarded the VA mail-order pharmacies the same five-star rating in the overall experience category as Kaiser Permanente Pharmacy and Prescriptions Solutions, which finished first and second, respectively, in the rankings. Every veteran enrolled in the VA health care system is eligible to receive prescription medications, and VA in 2008 provided about 126 million outpatient prescriptions to more than 4.4 million patients. VA operates seven mail-out pharmacies, which also support the Civilian Health and Medical Program for VA and the Naval Medical Center in San Diego. To see more, go to: http://www1.va.gov/opa/pressrel/pressrelease.cfm?id=1791