



MICHIGAN RETIREMENT REPORT

PRESIDENT'S MESSAGE

MARY CHRISTIAN, MEA-RETIRED PRESIDENT

Welcome to the beautiful 2009 fall colors in Michigan. I still live on our MEA school calendar and welcome the coming fall smells, activities and crickets announcing the first frost of the season. It is indeed great to be alive!

Challenges face us as we deal with House Speaker Andy Dillon's health plan proposal. Representative Dillon speaks of the great savings he can provide the state of Michigan through combining all public school employees and retirees into one state health insurance plan with all other state employees. Dillon's proposed savings would not help the state but might bring some savings to the large number of school districts, community colleges, and local government employees.

Contact your state legislator NOW and express your concern over such a drastic change in our current health plan. This plan is anti-union, anti-collective bargaining and anti-public school employee rights. State control over the health plan of public workers would strip local school districts, local government bodies and their respective employees of the ability to make the right decisions regarding what is best for them at the bargaining table with the dollars available.

While our defined pension benefits are guaranteed by the current Michigan State Constitution, health benefits are not. Retiree pensions and health care costs have been shifted to local school districts. Currently this is costing public school districts 16.54% of their payroll. Michigan school districts are experiencing significant financial difficulties due to the economic downturn. We will find increased pressure from local school districts and legislators to try to reduce the cost of retiree health benefits.

You must remain informed and continue to pressure your legislators and the MPSERS Board to retain our current benefits.

HEALTH PLAN CHANGES COMING

JUDY FOSTER, MEA-RETIRED VICE PRESIDENT

On July 23, the Michigan Public School Employees Retirement System (MPSERS) board met and approved the following health plan changes to start on January 1, 2010.

- Non-Medicare and Medicare contracts will no longer have a family deductible maximum.
- Once the co-insurance maximums have been met, Emergency Room services will be subject to a flat \$50 co-pay with no maximum. If the patient is admitted to the hospital, the \$50 will be waived.
- Healthy living will be emphasized. This will consist of non-Medicare members completing a Health Assessment within the program time frame. Those who complete the assessment will have lower co-pays and deductibles; those who do not will have higher co-pays and deductibles. This health assessment form will be available on the BCBSM Web site.
- Medicare members will not take a Health Assessment for 2010 and will automatically receive the Healthy Living fees.
- The cost for 2010 insurance maximum is \$700 and \$600 for Healthy Living.
- The deductible for 2010 is \$400 and \$300 for Healthy Living.

MPSERS is taking bids for pharmacy and medical. There is no guarantee we will have the Blue Cross Blue Shield program we presently have. However, every bidding entity must conform to the program as put forth by MPSERS.

Be alert for any Healthy Living communications and the Best of Health. BC/BS will be sending out information and time lines for non-Medicare Health Assessments. A reminder will also be sent to those who do not fill out the assessment.

Never look back; something may be gaining on you.

NEA AND MEA WORK FOR HEALTH INSURANCE REFORM

CHUCK AGERSTRAND, MEA RETIREMENT CONSULTANT

NEA supports health insurance reform that helps to guarantee that every person in America has quality, affordable health care coverage. NEA along with MEA is urging Congress to pass health insurance reform legislation that protects what works in our current system and fixes what's broken.

More than 47 million people in this country—including 9 million children—have no health insurance—and with the economy in a downturn, more lose coverage every day. In 2008, health insurance for a family of four costs more than \$12,000 a year, on average, and the cost continues to rise much faster today than inflation. America's ailing health care system is in desperate need of reform.

NOT ALL ASSOCIATION MEMBERS CAN AFFORD HEALTH INSURANCE

The majority of NEA members and retirees are fortunate to have health insurance, but we know that some association members can't afford the premiums and are forced to go without insurance.

HEALTH INSURANCE REFORM LEGISLATION MUST BE PASSED THIS YEAR

- We cannot wait another year for health insurance reform.
- Families and individuals are being crushed by escalating health care costs.
- Doing nothing to reform health insurance will ultimately result in Americans losing the choices they value most.
- The public overwhelmingly approves of, and recognizes the urgency of, health care reform.

WHY NEA/MEA-RETIRED CARES ABOUT HEALTH INSURANCE REFORM

- NEA has a long history of standing up for equal rights for all people. Quality, affordable health care is a moral imperative.
- NEA believes that the future of our nation is dependent on healthy individuals and families.
- Many public school employees have traded

salary increases for the long-term security of a comprehensive health insurance plan.

- Reducing or taxing health care benefits unfairly penalizes workers.
- Taxing health care benefits would discourage highly qualified professionals from entering or staying in education.

Quality, affordable health care for public school educators must be protected. As school districts look to cut costs, educators' health insurance coverage is often on the chopping block.

WHAT'S BEEN HAPPENING

ANNUAL SUMMER LEADERSHIP CONFERENCE

The Summer Leadership Conference was held at Saginaw Valley State University from July 28 -30. Every MEA-Retired chapter was represented. The MEA-Retired session was themed TEAM—Together Everyone Achieves More. At this session Branko Bojicic talked about the new health changes starting Jan. 1, 2010, and Chuck Agerstrand discussed the MEA-Retired phone survey results.

MEA-Retired presidents and designees enjoyed a dinner together Tuesday evening and exchanged many ideas for strengthening our locals. The overall theme of the conference was Proud to be a Union Member.

NEA-RETIRED ANNUAL MEETING/NEA RA

Twenty-seven MEA-Retired delegates represented Michigan retirees at the NEA-Retired Annual Meeting and the NEA Representative Assembly in San Diego.

NEA-RETIRED GRANTS

MEA-Retired has received two grants from NEA-Retired. One grant of \$4,160 is for the second year of the MEA-Retired Leadership Grant. Harvey Miller chairs the Leadership Committee, which oversees the use of the grant. In the past year an Emerging Leaders conference was held to encourage new members to become involved. Three attendees are now incoming local presidents. A follow-up Emerging Leaders conference will be held in October.

The second grant of \$4,160 is for the first year of a two-year MEA-Retired Intergenerational Grant. The Mentoring Committee is chaired by Karen Zyczynski.

MEA-RETIRED PHONE SURVEY

Thank you to the 420 members who responded to the MEA-Retired phone survey. Retirees were surveyed last spring and results will be available after the September MEA-Retired Board meeting. We will have more information for the next newsletter.

WHERE TO FIND MORE INFORMATION

Check out the MEA-Retired Web site at mea.org/mea-retired to find out the latest information. There are links to the Office of Retirement Services, MSPERS, and NEA. You will also find a list of chapter presidents and MEA-Retired Board members. By clicking on a name, you can e-mail that person.

STATE, FEDERAL HEALTH PLANS VERY DIFFERENT

MEA VOTES ENEWSLETTER, 8/20/09

How does a state proposal to change health insurance for public employees compare to federal health care reform?

It's a question that some MEA and MEA-Retired members are asking. The truth is, the plans are very different.

The state proposal would eliminate the right to collectively bargain health insurance and provide the same insurance for all public employees. A diverse labor coalition—including the MEA, AFL-CIO, UAW, Michigan Association of Governmental Employees, IUOE—Local 547, Michigan Nurses Association, AFT, SEIU Michigan State Council, Teamsters Local 214, Amalgamated Transit Union, Michigan Legislative Council, Michigan AFSCME Council 25, Michigan State Employees Association and IBEW Michigan State Conference—oppose the scheme. The Michigan Professional Fire Fighters Union also opposes it.

The federal proposal would extend insurance to those who currently don't have it (and allow those with insurance to keep their existing plan). President Barack Obama opposes a single-payer health care system, as does MEA. Obama doesn't want to take away your right to collectively bargain health insurance, nor does he want to force public employees into a one-size-fits-all plan.

Don't confuse the state and national efforts. Comparing them is like comparing apples and oranges—they both affect health care, but in different ways.

DILLON PROVIDES DRAFT LEGISLATION ON HEALTH CARE

This is a "first look" analysis to Speaker Dillon's Draft Bill creating the Michigan Health Benefits Program Act.

The bill clearly creates a mandatory government-run state health plan for all public employees and retirees. The bill eliminates collective bargaining rights, creates a public health plan option for individuals and private organizations, and puts state government between doctors and patients. The bill doesn't address what really matters—the real drivers of health care costs. This is not a legislative process to do good public policy: it is a tightly scripted rollout of a gubernatorial campaign.

The speaker's legislation (Michigan Health Benefits Program Act):

- creates a mandatory state government-run health plan housed in the Department of Management and Budget, governed by a state Health Benefits Board and administered by the Office of State Employer
- mandates participation of all state, local, city, college, township, and county governments, agencies, school districts, public school academies, ISDs, community colleges, and public universities as well as all public retirement systems, obtain employee health plans from the state benefits plan *Sec. 21(2), page 13*
- eliminates collective bargaining (public employers and employees would be limited in choosing from the menu of plans and plan designs approved by the Health Benefits Board) *Sec. 7(a), Page 4 and Sec. 11(c), Page 6*
- mandates that all local governments participate in the state government-run health plan—and requires that all local governments are also financially liable for any budget shortfalls in the state-run fund *Sec. 20, Page 12*
- creates a state health benefits fund in the Department of Treasury *Sec. 18(1), Page 10*
- creates a public health plan by allowing individuals and organizations in the private sector to purchase coverage from the state Health Benefits plan *Sec. 7(h), Page 7*
- creates a new level of bureaucracy in state

**There is no limit to what can be achieved
if it doesn't matter who gets the credit.**

Michigan Education Association—Retired

The Commitment Continues

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government within the Office of State Employer
Sec. 10, Page 5

- puts state government between doctors and their patients and gives government a major role in patient health care decisions by mandating “use of clinical advocates to review diagnoses and care for correct treatment.” *Sec. 12(e), Page 7*
- gives the Office of State Employer authority to create a new bureaucracy, and hire an executive director and staff to administer the program
Sec. 13(c), Page 8
- allows local governments to opt-out of the program if they pay for an actuarial study proving that the plan they offer is more than 5 percent less expensive than the state-run plan *Sec. 19(2), Page 11*

For a copy of the draft bill, contact Linda Myers via email at lmyers@mea.org.

NEW PAC YEAR

We are now in the new PAC Year. You will be receiving a PAC letter in October asking for a new PAC contribution for MEA-PAC and the NEA Fund for Children and Public Education. Money in the MEA-PAC goes to recommended candidates running in local and state races, while money in the NEA Fund goes to recommended candidates running for U.S. Congress, U.S. Senate, or President of the United States. It is important that we have money to help fund candidates who support public education and public school employees. Thank you in advance for making a PAC contribution.

Put your hand on a hot stove for a minute and it seems like an hour. Sit with a pretty girl for an hour and it seems like a minute. That’s relativity. — Albert Einstein