



Summer 2020

Ventura County Community College District Retirees' Association

The Monitor

Annual Meeting: Retirees Vote to Create “War Chest” by Harry Culotta

The highlight of this year's annual meeting came when retirees voted to create a “war chest,” consisting of donations to be used for legal services for potential future litigation. The motion was made by Al Miller, seconded by Bill Thieman, and passed overwhelmingly by the more than 100 retirees and guests in attendance.

That was the dramatic conclusion to an annual meeting that was laser-focused, not only on a comparison of health benefit plans, but also on the likelihood that health coverage would be seriously diminished if the Ventura County Community College District follows through with its intent to move retirees from the fully-insured plans, administered by Anthem Blue Cross PPO and Kaiser Permanente HMO, to plans provided by CalPERS.

The annual meeting, held on March 11, 2020, at the Wright Events Center of Ventura College, was largely a continuation of the special meeting held at the same location on February 5, 2020, and featuring the same benefits panel, consisting of Gary Johnson, Rene Rodriguez, and Marta Freixas.

At the February 5 meeting, the panel had provided the audience with its first exposure to a comparison of the current-versus-proposed PPO health plans. The presentation was based on an analysis developed by Marta Freixas, consisting of a line-by-line comparison of the current Anthem Faculty and ASCC plans to the proposed PERS Choice and PERS Care plans. The comparison was limited to the PPO plans because over 90% of VCCCD retirees and their spouses are enrolled in Anthem Blue Cross.

Retirees covered by Kaiser are cautioned that no major comparison has

been done or reported to date. It should be noted, however, that VCCCD has offered to pay retirees' premiums for the PERS Choice Kaiser HMO plans and for the PERS Choice Anthem PPO plans. The panel presentation, therefore, focused on the PERS Choice Anthem PPO plans.

CalPERS is offering two plans for VCCCD retirees under the PERS Choice schedule of benefits. The plan in which retirees would be enrolled depends on whether or not they are (or will be) enrolled in Medicare, Parts A and B combined:

1. PERS Choice **Basic** is for retirees who either haven't yet enrolled in Medicare Parts A and B or who are not eligible for Medicare coverage.
2. PERS Choice **Supplemental** is for retirees who are eligible and are enrolled in Medicare Parts A and B combined.

Both PERS Choice plans offer less generous coverage than is provided by the current Anthem plan. For the special meeting, Marta Freixas summarized the major differences of both plans. The PERS Choice **Basic** Anthem PPO plan is for retirees who have not enrolled in Medicare Parts A and B combined or who are not eligible for Medicare. Her Basic plan comparison made the following points:

1. The Basic plan has no limit on out-of-pocket costs if a non-participating provider is used.
2. The Basic plan pays nothing if CalPERS becomes insolvent.
3. The Basic plan has financial penalties for not obtaining pre-authorization (when required) for a number of medical procedures and treatments.

4. The Basic plan is stripped of California's legal protections against excessive charges by non-participating providers.

5. The Basic plan has low payment allowances for 17 common procedures (including hip or knee replacements). A member can have these procedures performed anywhere if the member is willing to pay all costs exceeding the allowances. If the procedures are performed at designated Ambulatory Surgical Centers that accept CalPERS' low payment allowances, the cost is fully covered.

6. The Basic plan's co-pays, including those for emergency services, are 20% “plus the excess” for non-participating providers (such as anesthesiologists) at participating facilities.

7. The Basic plan has more limits on mental health, autism, and expenses of organ donors.

8. The Basic plan's extent of prescription coverage cannot be determined, due to opaque language.

Marta then turned her attention to the PERS Choice **Supplemental** Anthem PPO plan. This plan is for retirees who are enrolled in Medicare Parts A and B combined. Her Supplemental plan comparison made the following points:

1. The Supplemental plan is, in fact, *supplemental* insurance to Medicare. In contrast, the current Anthem plan is *secondary* insurance to Medicare.

2. The Supplemental plan's coverage is the equivalent of Medicare Parts A and B, a Medicare supplement, and Medicare Part D. If Medicare does not cover a particular service, the Supplemental plan won't cover it either, with exceptions spelled out as “Benefits Beyond Medicare.”

3. The Supplemental plan, unlike the

Basic plan, has no financial penalties and far fewer pre-authorization requirements because it follows federal laws and regulations that apply to Medicare.

4. Under the Supplemental plan, if you choose a facility or provider that does not participate in Medicare, you will pay 100%, and there is no out-of-pocket maximum.

5. Under the Supplemental plan, if you choose a facility or provider that does participate in Medicare, many covered services will cost \$0 out of pocket because Medicare, plus the Supplement, will pay for those services. That is, Medicare pays 80% and the Supplement pays 20%.

6. The Supplemental plan's extent of prescription coverage is also unclear; however, Medicare has a slightly better formulary, but almost as many conditions for coverage as the Basic plan.

7. The Supplemental plan does have some additional "Benefits Beyond Medicare," such as Silver Sneakers, but most require paying up front, then submitting forms to CalPERS for reimbursement.

At the March 11 annual meeting, Gary Johnson, Benefits Committee chair, led the benefits panel, which consisted of Rene Rodriguez, Marta Freixas, and himself. Gary noted that the District's impetus for proposing the benefits change, besides providing salary increases for current employees, is that without the change, the current per-person plan premiums in 2020-21 will be over \$25,000 per year for classified employees and over \$22,000 per year for academic employees.

Gary expressed great appreciation for Marta Freixas, whose spreadsheets have disclosed the CalPERS PPO Choice plans in minute detail and enabled the plan-to-plan comparison. He and Marta again reviewed the spreadsheets and the other information previously provided, and they answered a number of questions from the audience throughout the meeting.

Marta stated that those eligible and enrolled in Medicare Parts A and B combined would be better off with

the PERS Choice PPO Supplemental Plan than with the PERS Choice PPO Basic Plan. As part of her presentation, Marta re-emphasized that CalPERS is a governmental entity and not a real insurance company that is subject to California laws and regulations that govern insurance companies. She also displayed two Powerpoint visuals that read:

*If you have Medicare A and B,
--CalPERS will be the supplemental insurance;*

--If Medicare doesn't pay for a service, CalPERS won't either;

--Best thing to ask a healthcare provider: "Are you a Medicare provider, and do you accept Medicare assignment?"

*If you don't have Medicare A and B,
--CalPERS will be the primary insurance;*

--There is no out-of-pocket maximum if you use non-participating providers;

--There are many procedures for which you will have to get pre-approval or for which there are restrictions on how much CalPERS will pay;

--Best thing to ask a healthcare provider: "Are you a Blue Cross provider, and is this procedure and facility covered?"

Following the action to create a "war chest" for legal services, there was a motion by Ruth Hemming, seconded by Ana Maria Valle Villa, and approved by majority vote, to authorize the Executive Board to act on its behalf as it sees fit regarding the insurance matter.

Legal services for potential litigation will be pursued if the District follows through on its intent. Should it do so, the District would be violating collective bargaining agreements and other controlling language that has been in effect, not only throughout the retirees' working careers with the District, but also after they retired. It would also violate the Settlement Agreement that was approved in January 2010 by Ventura County Superior Court.

Gary Johnson assured everyone that the Legal Fund will keep detailed records of money donated and expenses incurred, as has been done in the past. The situation, Gary noted, is overwhelming,

difficult to understand, and affects all of us differently.

Earlier in the meeting, President Rene Rodriguez welcomed Dr. Kim Hoffmans, president of Ventura College, whose graciousness allowed both meetings to be held at the Wright Events Center. Dr. Hoffmans warmly greeted the retirees, spoke briefly about Ventura College's planned 95th anniversary celebrations, and awarded door prizes to two surprised retirees.

Afterward, the audience approved accepting the minutes of the March 20, 2019 annual meeting, prepared by Marie Soo Hoo, received the treasurer's report, prepared by Patricia Gage, and received the membership report, presented verbally by Joy Kobayashi. Joy also reminded the audience the Association's dues will increase on July 1, 2020, to \$20/year or \$200/lifetime.

John Woolley, Nominating Committee chair, offered the nominations of Marie Soo Hoo to serve as Association secretary for the period July 1, 2020 to June 30, 2022, and Patricia Gage, to serve as Association treasurer for the period July 1, 2020 to June 30, 2022. Both nominations were unanimously approved.

There was also a request from Carolyn Dorrance for a bylaws change to add two (2) at-large members to the Executive Board. Carolyn was asked to draft the bylaws change and send it to the Executive Board for consideration at the 2021 annual meeting.

President Rene Rodriguez, who had convened the annual meeting shortly after 1:00 p.m., thanked everyone for attending and adjourned the meeting shortly before 3:30 p.m.

From the editor...

Our apologies for the small print on page 4, which had to be used to fit the entire report into one page.

You may have to put your reading glasses on, but it is such an important report, that it will most definitely be worth your time to read it.

Negotiations Outcome and Update on Retirees, the District, and CalPERS by Gary Johnson

After months of strong negotiations resistance, both SEIU and AFT have agreed to accept the District contracting with CalPERS. Little option was available as the District was committed to imposing its CalPERS decision and salary increases of 10.28% over three years plus a \$2400 bonus were contingent on acceptance.

The District is driven to save the \$12.4 million per year on benefit costs it envisions with CalPERS. That savings may be problematic given the Covid 19 economy and reduced tax revenues expected to result in cuts in State support for the Colleges.

The focus is now on the Retirees with the same District “hard ball” approach, though for a time likely presented in a “soft sell” appeal. As a start, the District has asked for us to share with it all avenues to reach us. In response to 80 appeal and protest letters Retirees recently sent to Trustees and the Chancellor, the District has sent a sales response to each of us, noting the plan we will be assigned to, and touting the positive attributes of the plans, and plan experiences we should expect, and the ways the District proposes to mitigate plan shortcomings.

In response to Retiree concerns and appeals over the last ten months, our voice has consistently been dismissed by three Trustees and the Chancellor with the repeated refrain that they respect and appreciate us and only have our best interests in their considerations. The result does not seem so as they propose to brush aside 43 years of contract language and the Settlement Agreement, because past commitments do not square with CalPERS edicts and current District priorities.

Contracting with CalPERS does not bring in new money to the District. It simply creates an opportunity to stealthily shift the sum of CalPERS savings from benefit costs to salary

increases. A 10/1/19 District negotiating document using District assumptions states that in moving to CalPERS on 9/1/20, as now agreed to by the unions, more than 100% of the District’s CalPERS savings over the three years of the new contracts will go to salary increases.

Retirees play both the role of manipulated pawn and predominant contributor to the District strategy of providing raises. The cost of the Retiree CalPERS Supplemental Plan for a couple (\$11,903.76) is 56.1% cheaper than projected cost of the composite rate for the 20/21 current Anthem ASCC Plan (\$27,144.16), while the Basic Plan for an active employee couple (\$17,670.72) is 34.9% cheaper. It is small wonder that the District is demanding Tier I Retirees accept Medicare as the core of their District-provided health benefit. The \$1500 proposed to reimburse Retirees who will be covered under the new Basic Plan for added out-of-pocket expenses they will experience is a paltry sum compared to the salary and bonus rewards for current employees.

Retirees have spent the last ten months studying CalPERS from every possible angle:

- The overall organization
- Detailed coverage and cost comparisons from “Evidence of Coverage” booklets of its plans and our current plans
- Where coverages and cost differences will affect Retirees
- Cost savings strategies and cost shifting means and other actions used to try to keep premiums down
- Difficulties communicating with CalPERS for information, assistance, and problem solving
- What Community Colleges contracting with CalPERS and those that have left CalPERS have to say
- The reasons CalPERS reports for 30-plus employers leaving CalPERS

during the last four years

Using what we have learned, we are prepared to regularly critique all benefit information sent to Retirees by the District. We expect there will always be more to the story than what the District provides.

Please check the Association blog regularly to learn the latest news, access relevant benefits and CalPERS information, and read our responses and critiques of the District’s proposals and materials as we receive them.

(<http://www.blog.vcccdra.org/>)

We recommend YOU DO NOT make changes in your benefits NOW merely at the urging of the District. If you are Tier II and must sign up for Medicare at 65, do so. If you want to change between Anthem and Kaiser in open enrollment, do so. If Medicare is a good choice for you now, enroll. Otherwise, wait until we provide more information and make a determination about legal action against the District.

Legal Committee Update

Leadership of the Legal Committee is being assumed by retirees Lyn MacConnaire (Vice President of Instruction, Ventura College) and Patricia Parham (District Vice Chancellor of Human Resources) as co-chairs. Lyn and Patricia have extensive firsthand experience in District contract development, negotiation, and administration. Patricia was a District negotiator in the Settlement Agreement. We are in consultation with Tom Sharpe, the attorney the Association worked with on the Settlement Agreement. Due to the negotiation status between the District, SEIU and AFT, we are reserving comment for now and will quickly bring information to the Retirees when the time and circumstances are appropriate.

Community Colleges' Experiences Contracting with CalPERS for Health Benefits by the Benefits Committee

The following are comments from the experiences reported by the Human Resources Offices of eight Community College Districts and Cal Poly, San Luis Obispo which expose a variety of difficulties the District and Retirees are going to encounter trying to work with CalPERS. The points made are self-explanatory and the common denominator is the pervasive, critical displeasure and aggravation experienced in working with CalPERS once a Resolution (Contract) has been signed.

The report also summarizes insights into why CalPERS states that at least 32 Employers terminated their contracts with CalPERS in the last four years.

In the Chancellor's 5-11-20 packet of materials to be sent to all Retirees is a response to "Areas of Concern" noted in the 80 plus letters of appeal and protest sent by Retirees to Trustees and the Chancellor in late April. "Concern" number 8 is much more significant than the number of letters which raised it, especially for the number of older Retirees in the VCCCD retired population, namely "The change to CalPERS will cause problems that Retirees are not prepared to manage".

The Chancellor's response...

"CalPERS can be contacted through phone, email, and the website. In addition, District HR personnel and our Burnham representatives can assist with questions in order to facilitate getting needed help. The District will work with the retirees to provide medical benefits according to the plan requirements of the negotiated provider specified in the Agreements with the Unions. The District will meet its contractual obligations to our active and retired employees."

should be true, as a given, but compared to the reports of sister Community College Districts, and their experiences with CalPERS, the response is unfortunately unrepresentative of reality.

LOS ANGELES COMMUNITY COLLEGE DISTRICT

- Supplemental tech staff is crucial to field questions and work with specific plans as each presents their own set of problems. LACCD has 15 techs.
- CalPERS communication is very difficult because there is no dedicated health insurance liaison between CalPERS and any contracting institution.
- There is only one source phone number to call and that number is the same for all participants.
- Messages or trouble shooting usually takes 2-3 weeks for a call back.

FOOTHILL-DEANZA COMMUNITY COLLEGE DISTRICT

- Would like to move away from CalPERS due to rising premium and coverage element costs and no ability to negotiate cost changes.
- Problems with "value based purchasing" costs with businesses in different geographical boundaries.
- Problems with balance billing when a member is treated in in-network hospital by out-of-network doctor.
- Initial Resolution Contract is very tricky to understand (i.e. CalPERS had deftly created wording which hid the fact that surviving dependents would be excluded from coverage). College has had to absorb substantial costs for survivor benefits they had promised and believed would be covered as intimated in initial discussions between the District and CalPERS.

SAN MATEO COMMUNITY COLLEGE DISTRICT

- Went from Anthem to CalPERS when college faced financial difficulty and did not have adequate reserves. Accepted \$10 million offer from CalPERS to shift.

- Are now back to drawing down reserves again due to continued CalPERS premium increases and the fact that there is no negotiability or approval process for the District with CalPERS decisions.
- Have had to hire four Human Resources employees to work through differing plans, policies, and issues.
- Difficult to communicate with CalPERS as you cannot speak to the same person and it takes a while for them to get back. No one seems to know how to handle issues. (i.e. It recently took three months to successfully transfer a faculty already in CalPERS from another Community College to San Mateo. meanwhile the new faculty member had to pay medical and prescription bills and had difficulty being reimbursed).
- Would like to return to Anthem but it is expensive to leave CalPERS because of financial penalties.

SANTA MONICA COMMUNITY COLLEGE DISTRICT

- Are attempting to leave CalPERS but it is difficult to do so because of terms of Resolution Contract. To contract with CalPERS you must hire attorneys who understand CalPERS and the health care system to work through the loopholes and "traps" CalPERS puts into its Resolutions. District lawyers are not prepared for the task.
- Plan terms of use and payment are dictated by geographical area. The costs for different people in the same plan will differ based on the geographical area where they live.
- District has no control over the plan structure or benefits.
- There is no dedicated contact person to work with the staff or covered employees and you talk to someone different every call.
- There is no communication from CalPERS to the client base, should issues arise, that could affect many members.
- CalPERS may know about an issue affecting an employee (s) but does not notify until the issue comes from the member.

OHLONE COMMUNITY COLLEGE DISTRICT & NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT

Both left CalPERS due to rising premium costs, dissatisfaction with service, and no control.

KERN COUNTY COMMUNITY COLLEGE DISTRICT

- Left CalPERS to contract with Self Insured Schools of California (SISC).
- CalPERS did not fit the District needs or those of groups within the District.
- Cost adjustments were too high and there was no ability to negotiate.
- CalPERS holds all of the power once you sign the Resolution Contract.
- If you decide to go to CalPERS make sure you have a specialized law firm that understands government contract details, health contracts, health negotiations, and powers of negotiation.
- Communication with CalPERS is non-existent for all intents and purposes once the Resolution is signed.
- There is no dedicated person to assist with troubleshooting, answering questions, or seeking information.
- Often receive confusing and different answers.
- SISC comes with a dedicated team with your plan so you have easy access to information and problem solving. Employees have not complained about SISC as compared

to complaints on the difficulties in service and pharmacy issues with CalPERS and OptumRx.

CAL POLY, SAN LUIS OBISPO

- Are looking to leave CalPERS for another health care coverage.
- CalPERS is not flexible and you cannot negotiate or have any control over benefits or cost adjustments.

SAN ANTONIO COLLEGE DISTRICT

- Classified staff left CalPERS 12/31/19. College had been with CalPERS since founding in 1946.
- Rising costs – no control over costs.
- Once on CalPERS, the District has no relationship with retirees. They are on their own and District cannot intercede to help.
- Many States do not have CalPERS networks. So out-of-network costs are high with no limits.
- Always CalPERS way or the highway. Very tiring. No say, no power, no influence over anything.
- CalPERS owns all information and will not share. Cannot keep track of retirees.
- CalPERS PPO not available in many other States (Oregon/ Washington OK). Must submit receipts for reimbursement.
- Staff consistently involved with reimbursement issues in the retiree Medicare coverage in the Supplemental Plan.
- Once retiree is transferred to CalPERS coverage in the Supplemental Plan, they are disconnected from College assistance.
- Can offer no assistance. Hard on older retirees.
- Unhappy with retiree treatment.
- Had care level – use cafeteria choice with fixed District contribution (10K).
- No Union role but salary.
- Moved to SISC.
- Premium increases (composite) 10%, 10%, 23%, 3%, 13%. Couldn't predict from year to year.
- District works through CalPERS, not Anthem.

EMPLOYERS LEAVING CALPERS:

2016 (13) Ohlone Community College District – too expensive
 2017 (9) Gavilan Joint Community College District – too expensive
 2018 (9)
 2019 (?) Mt. San Antonio College – too expensive, too many aggravations, dissatisfaction

PRIMARY REASONS CITED FOR LEAVING CalPERS per Burnham

NOTE: This information for leaving CalPERS was presented to the ASCC/District Benefits Committee by Burnham (9-5-19) at the request of the Committee and reasons given here are CalPERS' brief statement of reasons. Interviews with employers as listed in the beginning of this document provides a much more detailed list of complaints.

- Lack of flexibility/ difficult to work with (8)
- PPO Plans turning into HMO-like plans (1)
- Rates too high/ too expensive (26)
- Other post employer benefits (OPEB) liability concerns

Membership Report

BY JOY KOBAYASHI

Please join me in welcoming our valued colleagues to the VCCCD Retirees Association and in wishing them a long and satisfying retirement.

Mark Clements	Moorpark College	Maune Coburn	Ventura College
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Please join me in welcoming our new lifetime members since the Fall 2019 *Monitor*.

Christina Aguilera	Janet Archibald	John Baker	Cynthia Barnett
Lori Bennett	Grace Bodhaine	Paula Christensen	Mark Clements
Carol A. Coltrin	Diane Eberhardy	Norma Frisby	Sara Galloway
Jesus Gonzales	Peter Guicciardo	Frank Haywood	Glenn Hisayasu
Ranford Hopkins	Lisa Hopper	Carol Lawson	Daniel Lopez
Angela Marquez	Remy McCarthy	Norann McDaniel	Maria Parker
Carol B. Smith	Joan Smith	Maureen Solheim	Jerry Straughan
Caroline Tannehill	William Thieman	Albert Villegas	Sharon Woolley
Lynette Young			

Dear VCCCD Retirees,

As you probably know, our Association dues will increase to \$20 per year or \$200 for a lifetime membership on 1 July 2020.

At the General meeting in March, I made a mistake. Only 25% of the new dues amount will be allocated to the Legal Fund. (In other words, \$5 of an annual or \$50 of a lifetime membership.) I apologize for any confusion I may have caused. As a result, please consider donating an additional sum to the Legal Fund to support our efforts to preserve our health benefits.

I am still trying to collect email addresses for all the members of the Association. In addition to helping us save money on newsletter costs, giving us your e-mail address will enable you to stay current on the status of our medical insurance. Although our newsletters summarize the situation over the last few months, we also send out electronic notices and post information on the web blog when there are new developments. These are the best ways to stay informed in a timely manner. If you know of any member who is not receiving our emails, please have them send their email addresses to me at tandemstoker@roadrunner.com Thank you.

P.S. There is still time to join VCCCDRA under the old dues amount of \$10 per year or \$100 for a lifetime. Please mail your check to: VCCCDRA, P.O. Box 6216, Ventura, CA 93006-6216 before 1 July.

VCCCD Retirees' Association
P.O. Box 6216
Ventura, CA 93006-6216

Place
postage
here

ADDRESS CORRECTION REQUESTED

The Monitor

Summer 2020

Look for us on the Web at
<http://www.vcccdra.org>

In Memoriam

We honor the memory of our departed colleagues and extend our sincerest condolences to their families, friends, and associates.

Sue Johnson
Karen Van Cleave

2019-2020 Executive Board

René G. Rodriguez, President

vcccdra@gmail.com

Harry R. Culotta, Past President

hculotta@outlook.com

Carmen Guerrero, Vice President

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Larry Manson, Educational Issues Committee Chair

lmanson@west.net