VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
RETIREES ASSOCIATION

MINUTES
Annual General Meeting
March 16, 2016, 3:00 p.m.
ARC Building, Room B, 280 Skyway Drive, Camarillo Airport

1. **Call to Order**
   President René Rodriguez called the meeting to order at 3:05 p.m. and welcomed everyone to the 22nd annual meeting.

2. **Welcoming Remarks**
   René recognized Don Medley not only for being the founder of the VCCCD Retirees Association, but also for being named the City of Camarillo's Volunteer of the Year. The audience gave Don an enthusiastic applause.

   René then recognized Gary Morgan, who had nominated René for President at the annual meeting on April 1, 2015, only to pass away on April 29. René said we can live our lives to the fullest to memorialize Gary Morgan.

   René also recognized Katy Hott, current employee benefits specialist for the Ventura County Community College District and John Woolley, past president of VCCCDRA and current president of the Ventura College Foundation. He also introduced members of the Executive Board.

3. **Keynote Speaker – Katherine Raley on "Medicare: What's in it for Me?"**
   Past President Harry Culotta introduced Ms. Katherine Raley, who has served as Manager of HICAP (Health Insurance Counseling and Advocacy Program) for the last 16 years. Her office is part of the Ventura County Area Agency on Aging ((VCAAA).

   HICAP provides community education and personal counseling for seniors on Medicare, MediCal, Obamacare, Social Security, long term care, long term disability, and other related issues.

   In addition to many awards Ms. Raley has received, she is also a proud graduate of Ventura College. She praised Paulette Johnson, VCCCD retiree and wife of Gary Johnson, for encouraging her to complete her education at Ventura College.

   Ms. Raley commended the VCCCD Retirees Association for supporting the class action lawsuit against CalPERS regarding the rate increases in its long term care insurance program. [Note: This is the *Sanchez* case that was reported in the *Montor*, Spring 2016 issue.]

   Ms. Raley believes VCCCD retirees are similarly situated with federal government retirees, who had excellent benefits for many years and were encouraged not to enroll in Medicare.

Ms. Raley has examined the Anthem Schedule of Benefits for VCCCD employees and retirees. She feels it is an excellent benefit plan, and she encouraged retirees to continue working hard to preserve it. She noted very few differences between the Schedule of Benefits for faculty and ASCC retirees. On difference she noted was the faculty coinsurance for physician visits is 20%, but for ASCC it is a $20 copay.

Ms. Raley recommended that persons turning 65 enroll in Medicare Part A and B during the initial enrollment period in order to avoid the Part B 10% per year penalty for late enrollment. The initial enrollment period is 3 months before turning 65, the month of the 65th birthday, and 3 months after turning 65. Those who miss the initial enrollment period can sign up during the general enrollment period, January 1 to March 31 each year.

She encouraged those wishing to enroll to phone the toll-free number (800) 772-1213, or use the website *www.socialsecurity.gov* , or make an in-person appointment at the local Security Office (her preferred approach), to sign up for Medicare.

She noted that when Medicare is the primary carrier, enrollees may consult any provider or any facility that accepts Medicare. Most doctors accept Medicare, but some do not, including some specialists and those who practice boutique medicine.

Ms. Raley also noted that enrolling in Medicare is voluntary and is a personal decision that each person must decide for themselves, based on factors including personal and family health status. She is aware that some VCCCD retirees with the Anthem plan are not required to sign up with Medicare and that other retirees have never paid into Medicare during their careers.

The HICAP volunteers whom Ms. Raley trains do not provide personal counseling on Medicare. Ms. Raley provides that counseling exclusively because Medicare is a very complicated program.

Medicare Part B's regular monthly premium is $121.80, but can be much higher, as the rates are tiered based on the enrollee's income. Those with higher incomes pay higher premiums. New enrollees receive a form from Medicare asking them to list their other insurance coverage so that Medicare can coordinate its benefits with the other insurance.

When retirees insured by Anthem or Kaiser are also enrolled in Medicare, Medicare becomes the primary carrier and Anthem or Kaiser becomes secondary. Ms. Raley made general statements regarding physician charges to illustrate this. If Anthem's fee for service is below that of Medicare, an out-of-pocket balance may be owed. However, if Anthem provides a greater benefit than Medicare, it would most likely pay the additional benefit, and no balance would be owed.

Ms. Raley also gave an example of hospitalization. Medicare Part A has a $1,288 deductible, but if Anthem has no deductible, it would pick up that cost for the insured. She gave another

example of rehabilitation in a nursing home following hospitalization. From days 21 to 100, Medicare Part A requires a $166 per day copay, but Anthem's insurance would pick that up.

When utilizing medical services under Medicare Part B, Ms. Raley recommended that retirees not pay the bills up front, but wait for the Medicare and Anthem EOBs (Explanation of Benefits) to learn what their out-of-pocket cost will be, including the annual deductible.

Ms. Raley recommended that retirees with Anthem or Kaiser coverage not enroll in Medicare Part D because doing so would result in the loss of the insured prescription drug benefit for life, and in certain instances, possibly the whole insurance coverage.

Ms. Raley recommended that VCCCD retirees with spouses should make sure the spouse will have health insurance coverage when the retiree passes away. Medicare Parts A and B would meet that need. She has seen numerous instances in which one spouse passes away, leaving the other spouse without coverage.

Medicare enrollees who decide they no longer want the coverage may drop it at any time, according to Ms. Raley, but would have to pay a penalty to re-enroll at a later date.

If a physician refuses to bill Medicare because he/she has dropped out, Ms. Raley recommended that enrollees file the Patient Request for Medical Payment (Form CMS 1490S). When Medicare denies the claim (because the doctor has dropped out), Anthem will pick up the claim.

If a Medicare claim is denied, but should have been paid, enrollees may file the Redetermination Request (CMS Form 20027), which is the first level of an appeal. [Note: If the redetermination is also denied, enrollees may file the Medicare Reconsideration Request (Form CMS 20033), the second level of appeal.]

In 2016 Medicare enrollees should be on the watch for coding mistakes. Why? Because physicians' offices have just changed coding systems from ICD-9 to ICD-10, and there will be a learning curve. The HICAP office finds that about 9 times out of 10, insurance payment errors are due to coding errors.

Another thing to watch out for is ambulance charges. The HICAP office sees lots of complaints regarding insurance denials for ambulance charges. In some instances, ambulance companies collected from patients, then billed Medicare and collected again.

Also, Ms. Raley recommends that retirees fill their non-formulary prescriptions at Costco or Walmart to obtain the lowest possible out-of-pocket cost.

Ms. Raley is available for HICAP consultation at (805) 477-7384, her direct line, for Medicare enrollees who are having a serious problem with a claim.

The audience was grateful for Ms. Raley's excellent presentation and gave her an enthusiastic round of applause.

4. Approval of Minutes and Treasurer's Report

Don Medley made a motion, seconded by Chuck Dahl, to approve the minutes (as corrected) of the April 1, 2015 annual meeting, prepared by Marie Soo Hoo, Secretary. The motion was approved unanimously.

Pat Gage presented the Treasurer's Report, noting that in the 2015-16 fiscal year, the Association deficit-spent by about $1,300. She reported that postage is the biggest expense and memberships are the biggest source of income. The General Fund beginning balance as of April 2, 2015 was $13,457.50; during the year there was $440 in income and $1,807.38 in expenses, leaving an ending balance of $13,252.12 as of March 8, 2016. The Legal Fund balance remains at $24,000.

5. Business

a. Report from the Nominating Committee

Larry Manson reported the positions of secretary and treasurer are up for election to two-year terms. Marie Soo Hoo and Patricia Gage have expressed a willingness to serve in their respective positions for another two years.

b. Election of Officers

There was a motion by Don Medley, seconded by Bill Robinson, and unanimously passed, to re-elect Marie Soo Hoo as secretary for the period July 1, 2016 through June 30, 2018.

There was a motion by Betty Hough, duly seconded, and unanimously passed, to re-elect Patricia Gage as treasurer for the period July 1, 2016 through June 30, 2018.

6. Reports from Committee Chairs

a. Benefits Committee

Gary Johnson commended Don Medley for his foresight in establishing the VCCCD Retirees Association in 1994. This was important because in 2005, in response to significant benefits changes made by VCCCD, the Association created the Benefits Committee, consisting of 15 dedicated volunteers.

After two years of gathering information, VCCCDRA filed a class action lawsuit against the VCCCD in August 2007 and settled it in January 2010. The Settlement Agreement affects Tier 1 retirees hired on or before 1990 (most of those in this meeting's audience) and provides the most protection to the oldest retirees. Those who retired after August 2007 could not be included in the Settlement Agreement.

The Benefits Committee at present represents those Tier 1 retirees with lifetime benefits and will continue to monitor the situation on behalf of those retirees.

Gary then discussed the ASCC and Faculty Benefits Committees that meet regularly with VCCCD managers and Human Resources staff. The Association has a

representative on the ASCC Benefits Committee, but not on the Faculty Benefits Committee.

Gary called for volunteers for a second VCCCDRA Benefits Committee to represent Tier 2 retirees – those who were hired after certain dates in 1990 and before 2000 or 2001 who are responsible for enrolling in Medicare Parts A and B in order to receive their retirement benefits (a Medicare supplement). VCCCD may soon obtain an actual Medicare supplement that would take the place of Anthem.

Gary noted the historical leadership and memory at VCCCD is no longer there, as most college and district administrators (chancellor and college presidents) are new and unfamiliar with past employee contracts. VCCCD retirees possess that history and knowledge.

Gary commented on some of Medicare's shortcomings – that many anesthesiologists and other specialists are outside the system. He also commented on hospitalists (who may or may not be in Medicare and/or Anthem) that now provide contracted care in the hospital instead of family physicians. He warned about being under "observation" in the hospital, which is not covered by Medicare.

Gary brought up the problem with Express Scripts not honoring the $500 annual out-of-pocket maximum for mail-order prescriptions that affects many retirees. Intervention by Keenan and Anthem may resolve this issue in April, and those who paid more than $500 will be reimbursed.

Gary announced that SEIU has negotiated an increase in the annual insurance cap from $16,894 to $18,085 for 2016. Retirees who were required to pay the $81.19 monthly premium should be reimbursed later in the Spring.

At this point, Katy Hott, employee benefits specialist and a member of the audience, advised retirees <u>not</u> to pay the $81.19 premium in April 2016. VCCCD will send a letter with further details during the open enrollment period.

Gary also commented briefly on the lawsuit against the CalPERS long term care insurance program. This case has been certified as a class action. VCCCDRA is not a party to the lawsuit, but will monitor the case.

Gary also noted that VCCCD may bring in an outside company, OrthoNet, to process physical therapy claims at some point in the future. He compared this to ASH (American Specialty Health) which had bungled the processing of chiropractic claims in 2013.

Gary reported that in October 2015, Keenan & Associates, the insurance broker/consultant for VCCCD, had developed a proposal to move eligible employees and retirees to a Medicare supplement plan that would be a Keenan product. It is projected to save $3 - $5 million per year.

b. Educational Issues Committee

Larry Manson gave a brief report updating the meetings held monthly with three VCCCD trustees. Accreditation is presently a top priority issue.

c. Membership Committee

Don Medley asked those present to please pay their membership dues, and especially consider a lifetime membership for $100. He also announced that copies of the VCCCDRA Directory are still available for $5 each.

Don reported the Association now consists of 739 living retirees and 285 who have passed away. Please keep him aware of your current address and e-mail address.

d. Social Committee

Due to Marie Soo Hoo's illness and absence from the meeting, this report was skipped.

e. Newsletter

Harry Culotta reported the *Monitor* is alive and well. He asked for volunteers to contribute articles that would be of interest to the members.

f. Website

René Rodriguez asked for a volunteer to take over the website that he has run for the last 10 years.

7. Announcements

8. Comments from the Audience

A member of the audience asked for the name of Botti and Morison, estate planning attornies.

9. Adjournment

René Rodriguez thanked everyone for attending, wished them a safe journey home, and adjourned the meeting at 5:17 p.m.