Summer 2008

Ventura County Community College District Retirees' Association

The Monitor

Retirees Reach Tentative Agreement to Settle Lawsuit

by Rene Rodriguez

On May 15, 2008, Retirees' Association representatives, Rene Rodriguez, Gary Johnson and Bob Long, and the Ventura County Community College District representatives, Bill Studt, Sue Johnson and Patricia Parham, after a series of six lengthy meetings that began in February, finally reached tentative agreement on a proposed settlement of the lawsuit between retirees and the District regarding healthcare benefits. Chancellor Meznek met with the group afterwards to review the agreement and asked negotiators to sign off on the final draft before leaving the meeting.

On May 28, 2008, the Executive Board of the association, on the recommendation of the Benefits Committee, agreed to take the proposed settlement to the general membership for a ratification vote.

On Thursday, July 17, 2008, a special meeting of the general membership of the Retirees' Association will be held for the purpose of reviewing, discussing and ratifying this Tentative Agreement. The meeting will take place at a new site, the Ventura County Schools Conference and Educational Services Center, from 3:00-5:00 p.m. at 5100 Adolfo Road in Camarillo. Arrangements have been made to extend the meeting beyond 5:00 p.m. if it becomes necessary to allow for full discussion of the proposed settlement. Refreshments will be provided.

Directions from Ventura: take 101 South past Camarillo and go to Santa Rosa Road and turn left, go over the overpass and go two blocks to Adolfo Road and turn right. Directions from Thousand Oaks: take 101 North and just past the Conejo grade go to the Santa Rosa Road and turn right; go two blocks to Adolfo Road and turn right.)

Please study the tentative agreement (displayed below) with its eleven articles and the set-aside annual reserve requirements, and be prepared on *Thursday, July 17, beginning at 3:00 p.m.* to discuss, deliberate, and vote on whether or not to ratify the proposed settlement of the lawsuit. A separate report following the text of the Tentative Agreement explains in greater detail each article and its rationale.

This special meeting on July 17 may be the most important Retirees' Association meeting that you ever attend. It is important that you make every effort to be there. I look forward to seeing you!

René G. Rodriguez
President, VCCCD Retirees' Association

Tentative Agreement between Retirees' Association and VCCCD

May 15, 2008

1. This offer is meant to be a contingency plan for the VCCCD (the District) and its current retirees where retirees do their part against future increased costs in healthcare plans, at the same time the district is offering retirees a measure of protection against these increased costs. This is not meant to result in automatic annual increases to retiree deductibles or prescription out-of-pocket maximum (OOPM).
2. Currently, the medical deductible is $200 per individual, the prescription deductible is $50 per individual, and the prescription OOPM is $500 for mail-order prescriptions per individual in the District's Blue Cross plan covering retirees. If increases are made to the Blue Cross medical and prescription deductibles or the prescription OOPM, they will be limited as follows:

    a. Beginning July 1, 2008, the aggregate of the above will not exceed an amount equivalent to a 6% increase compounded annually and carried forward each year.

b. None of the deductibles or the mail-in prescription OOPM will increase for retirees except as an increase involving all participants (active employees and retirees) in the healthcare plan.

3. The in-network medical OOPM in the Blue Cross plan is currently $1500 per individual. Current in-network overage for this benefit is 100%. The medical OOPMs in the Blue Cross will not change unless the hospital and/or medical and physician care (while in the hospital) coverage changes. The medical OOPMs (and future changes to the OOPMs) will be the same for retirees as it is for active employees.

4. (a) Effective July 1, 2008 medical and prescription deductibles and prescription OOPM will be frozen at the plan level in effect at the time when an individual covered retiree attains the age of 80.

(b) Effective July 1, 2008 through June 30, 2013, the in-network medical OOPM will be frozen at the plan level in effect at the time an individual covered retiree attains the age of 75. This provision applies only if the retiree and/or their dependents who are eligible for Medicare Part A are enrolled in Medicare Part A (with the understanding that the retiree and/or dependent may currently enroll in Part A at no cost.)
(c) Beginning July l, 2013, the in-network medical OOPM will be frozen at the plan level in effect at the time an individual covered retiree attains the age of 80. This provision applies only if the retiree and/or their dependents who are eligible for Medicare Part A are enrolled in Medicare Part A (with the understanding that the retiree and/or dependent may currently enroll in Part A at no cost.)

5. Covered retirees and dependents will be reimbursed from the set-aside reserve (as described below) for validated out-of-pocket expenses in excess of the agreed upon maximums as stated above.

6. If any parts of the primary medical, dental, and vision plans change, other than those listed above, resulting in cost-shifting from the plan to the retiree, the individual retiree will be reimbursed for validated expenses from the set-aside reserve account below.

7. The District will fund a set-aside annual reserve with maximums as outlined below to cover validated excess out-of-pocket expenses as defined in this agreement. The reserve is to be replenished (if used in the prior year) only to the amount of the maximum required in a given year. Eligible retirees will be reimbursed for excess costs only up to the amount available in the reserve.

8. The retiree association will determine the priority of distribution from the reserve account for validated excess expenses and the district will administer the distributions. The mechanics for distribution will be determined by the district and the retiree association.

9. This agreement is contingent on ratification by the members of the Retirees' Association and the VCCCD Governing Board.

10. This agreement will be certified by the courts.

11. This agreement does not apply to persons who retired after 8/31/07.

Set-Aside Annual Reserve requirements:

July 1, 2008 - June 30, 2018
$150,000 maximum per fiscal year
July 1, 2018 - June 30, 2023
$100,000 maximum per fiscal year
July 1, 2023 - June 30, 2028
$ 75,000 maximum per fiscal year
July 1, 2028 – June 30, 2033
$ 50,000 maximum per fiscal year
July 1, 2033 – lifetime of the remaining retirees
$ 20,000 maximum per fiscal year

For Retiree Association:	*For the District:*
(signed by Rene´ Rodriguez, Bob Long, & Gary Johnson)	(signed by Bill Studt, Sue Johnson, & Patricia Parham)

A Detailed Explanation of the Proposed Settlement
by Rene Rodriguez

The numbers below correspond to the number of each article in the proposed settlement of the lawsuit, as displayed above. This description and explanation is meant to bring clarity to the meaning of each article. It is not meant to be an exhaustive treatment, but a first attempt to introduce the Tentative Agreement to members. Questions are bound to arise upon reading and studying the agreement. Please take notes and bring your questions with you to the special meeting on July 17.

1. This article introduces the agreement as a "contingency plan" that offers both retirees and the District a reasonable measure of protection against future healthcare plan changes that result in increased out-of-pocket costs. It is possible that no increases will occur for several years. Any increases that do occur will come about through negotiated agreements between the District and the active employees' unions. Because we knew our fate would be tied to the results of these negotiations, we wanted language that would protect retirees as much as possible from the consequences of potential future increases in out-of-pocket costs.

2. This article provides the first major protection against changes in medical and prescription deductibles and the prescription out-of-pocket maximum (OOPM). We have accepted the current deductibles ($200 medical and $50 prescription for individuals) and the mail-order prescription OOPM ($500 per individual)

as the floor for any future changes. These add up to a $750 "aggregate" OOPM ($200+$50+$500). Any increase in this aggregate amount may occur as follows:

a. Beginning July 1, 2008, if the $750 aggregate amount is increased, it can only increase for retirees at the rate of 6%, compounded annually. For the next 20 years, in 5 year increments, the most that the $750 aggregate amount could increase to would be as follows**: 2008**: $750**; 2013**: $1,004; **2018**: $1,343, **2023**: $1,797, and **2028**: $2,405.

In 2013 (for example), if the unions were to negotiate an increase of $500 in deductibles and prescription OOPM to a new aggregate amount of $1,250, this amount would exceed a 6% increase, compounded annually, by $246 ($1,250-$1,004= $246). The excess $246 would be reimbursable to any retiree who maxed out the sum of the medical deductible, the prescription deductible and the prescription OOPM (a total of $1,250) in that year (per Article 5 below).

b. This is a safeguard against making changes that adversely affect only retirees.

3. This article is meant to assure that there will be no changes in the in-network medical OOPM (currently $1,500) unless the hospitalization coverage (currently at 100%) and/or the physician care (currently at 100%) change through negotiations. Unless the hospitalization and/or physician care coverages change from the current 100% level, it is not likely that you will exceed the $1,500 per year OOPM. For most retirees, the only amounts that apply toward this medical OOPM are the $15 or 20% co-pay for a physician office visit. However, if (for example) the hospitalization coverage was negotiated to drop from the current 100% to 95%, if you had a hospital stay costing $100,000, your computed co-pay would be $5,000, but you would actually pay only $1,500 if the current medical OOPM was unchanged. If the hospitalization/physician care coverage was negotiated down from 100% to something lower, then the medical OOPM might also increase to a higher amount. The only retirees protected against any such potential change in medical OOPM are those who have attained a certain age, as explained below.

4. Article (a), below deals with freezing the medical and prescription deductibles and the prescription OOPM, while articles (b) and (c) deal with freezing the medical OOPM, for retirees achieving a reached certain ages.

a. This subarticle freezes deductibles and the prescription OOPM at their current plan levels ($200 medical deductible, $50 deductible, $500 prescription OOPM) from now on for retirees who are now 80 or who reach 80 while the current plan levels remain in place. If any of these items are increased through negotiations, those who are 80 and older will be reimbursed (per article 5 below) for any excess out-of-pocket costs. Retirees reaching 80 years of age after the plan levels change will be frozen at the plan levels then in effect.

b. This subarticle freezes the in-network medical OOPM at its current level ($1,500) from now on for those retirees who are now 75 or who reach 75 within the next 5 years, as long as the current medical OOPM remains unchanged. If the medical OOPM increases through negotiations, retirees age 75 and older who are frozen at the current medical OOPM ($1,500) will be reimbursed the difference (per article 5 below). Retirees reaching 75 years (through the year 2013) after the medical OOPM changes will be frozen at the medical OOPM then in effect. Enrollment in Medicare Part A for eligible retirees is required, at no cost to retirees, and saves the District money by helping keep premium costs contained.

c. This subarticle freezes the in-network medical OOPM for retirees who turn 80 years old, starting in 2013, at the medical OOPM then in effect. Retirees who are Medicare eligible must enroll in Part A (at no cost) in order to take advantage of the freeze.

5. This article assures retirees they will be reimbursed by the District for any increases in plan levels that go beyond what is agreed to in this agreement as described above.

6. This article provides that retirees will be reimbursed for any <u>other</u> changes in current plan levels that are not covered above. (**Important notice:** The word "primary" should be replaced by the term "Blue Cross." We consider this clerical error to be an honest mistake that will be corrected at our next formal meeting with the District.)

7. This article requires the District to set aside a specific amount each year to cover reimbursements to retirees by the District. The District will set aside up to $150,000 each year for the next 10 years, up to $100,000 each year for the following 5 years, up to $75,000 each year for the next 5 years, up to $50,000 each year for the following 5 years, and up to $20,000 each year for the lifetime of the remaining retirees. These amounts were developed by making certain assumptions about possible future increased costs and by using actuarial tables to estimate the lifetimes of our retirees. At the special meeting on July 17, we will share with you the information we used and the assumptions we made to assist us during the negotiations.

8. This article is to assure control by the association as to any priorities or criteria that may be used for distribution

of the set aside amounts. As the District will be responsible for distribution of reimbursements, they wanted a shared say so on the mechanics of distribution.

9. This article requires ratification by the respective parties of each organization. In our case, it will be ratified by members present at the special meeting described above on July 17.

10. We wanted the force of law to certify this agreement so that future Boards will be bound by this agreement.

11. This article identifies the retirees who will be affected by the terms of this settlement.

Considerable time, effort, and financial resources have been invested to bring us to this point. Negotiators for the retirees, as well as the Benefits Committee and the Executive Board, believe that no stone has been left unturned. We have had a strong leadership team working on this task and strong moral and financial support from the members. We believe we have taken the process as far as we could through negotiations, and that the proposed settlement of the lawsuit represents the maximum level of protection that is possible to achieve through the negotiations process.

René G. Rodriguez
President, VCCCD Retirees' Association

Benefits Committee Report
by Gary Johnson

It is hard to believe three long years have passed since the District unilaterally changed retiree medical benefits in July 2005. During that time this Benefits Committee has coordinated and overseen filing a legal claim against the District, filing a lawsuit, holding numerous meetings with Board members and the Chancellor, and conducting negotiations with the District. In the last year alone, the Committee has met 18 times, attended 6 District Benefits Committee meetings, and members throughout the process have met individually with all Trustees, met with District negotiating teams 8 times, comprising over 30 hours, in addition to maintaining frequent contact with our attorney during the lawsuit.

We have now reached a tentative settlement with the District, which the Benefits Committee is recommending to the membership for ratification. Although we have not reached all of our initial goals, the agreement meets the values and objectives primarily driving our negotiations: to provide the best possible long term health benefit protections for the oldest, longest retired members with presumably the least pension purchasing power.

The Benefits Committee unanimously believes that the agreement is the best we can achieve with the District and is prudent to accept in light of the fact that by the time we might win our case in court and successfully withstand a District appeal, 40% of our member retirees would likely be deceased.

The Committee urges you to study the agreement and make every effort to attend the Thursday, July 17, general membership meeting, which has been called to fully explain the agreement, answer questions and vote on ratifying the agreement. Those present will determine the outcome of the agreement, according to Association Bylaws.

We extend heartfelt thanks to all of the Benefits Committee members for the countless hours they have given serving all retirees in the struggle with the District over promised health care benefits. Regular members include Stan Bowers, Orlene Bowers, Harry Culotta, Barbara Hoffmann, Gary Johnson, Vivian Lockard, Bob Long, Bob Lopez, Don Medley, Gary Morgan, Gil Ramirez, Rene Rodriguez, Dave Thomas, Manny Turse, and John Woolley. Also having served on the committee are Yvonne Bodle, Barbara Buttner, Betty Creson, Barbara Hall, Don Matthews, Gail Metcalf, Gerry Olsen, Gil Putnam, and Suzanne Van Marian.

The effort has been more time consuming and demanding than anyone could have imagined. Members have shown great perseverance and have worked exceptionally well together at each step along the way. It also should be noted that most Committee members are not the primary or immediate benefactors of the agreement they are recommending.

The Benefits Committee also extends its appreciation to you -- the general membership -- for your support – both financial and practical. This has been a lengthy process, and we appreciate your patience, your ideas, your financial support, and your confidence in us to represent your interests. This experience underscores the shared values and sense of community that we have had with one another since our years of employment in the District and into our retirement. Thank you so much for placing your trust in us.

Gary Johnson, Past President and
Chair, Benefits Committee

Member Happenings
by Harry Culotta

Paul Fink writes that his book *Comparing and Evaluating the Scriptures* has been published by Summerland Publishing (Lompoc, CA). His book compares the sacred works of Judaism, Christianity, Islam, and Mormonism. Many questions are posed, and readers are encouraged to think for themselves in their efforts to attain an honest, mature overview of our religious heritage. The book is available at Barnes and Noble and Borders Bookstores. It may also be ordered directly from the publisher at *www.summerlandpublishing.com*

Summer 2008

Membership Update
by Don Medley

WE NEED ADDRESSES/PHONE NUMBERS/EMAIL.ADDRESSES FOR THE FOLLOWING PEOPLE. If you can help call Don Medley at 805-482-8761 or email to don.medley@verizon.net. Thank you for your help!

Donald Anderson	Charlene Arnold	Eleanor Austin	Madaline Braun
Patricia Burkard	Carl Burkert	Rafel Carranza	Christy Corbett
Jose F. de Guzman	Karen de la Pena	Virginia L. Dodd	Patricia Earl
Jesse "Russ" Emory	Ruby Filar	Dallas Flanigan	Lynn Greig
Peter Gucciardo	Rosalio Haro	Erlinda Tuyor Ispahani	Sandra Kinghorn
Teresa Lara	Janet Leifur	Joyce Lundy	Jeri Lupton
Angie Marquez	George Martinez	Michael McGann	Norlene Neal
Garland Orr	John Palafox	Robert (Bob) Renger	Della Rhodes
John Roach	Alicia Rosas	Patricia Rush	Barbara Smith
Carl B. Smith	Sharon Stout	Myra Toth	Mary Louise Verbeck
Gerald White	Ernest Williams	Louise Zitnik	

Please correct your roster with the following address, phone number, and/or e-mail changes:

Betty Albiston	Don C. Bowen	Robert Chatenever	Don Henderson
Nancy Lindsay	Diane Moore	Steve Price	**E-mail only changes:**
Jorita Sorensen	James Stemen	Charlene Udd	Judith Gerhart

E-mail address changes needed: All these emails were returned as undeliverable.

Rita Beahan	Tom Everton	Hitoshi Kajihara	Rosalie Souza	**Phone number change:**
Priscilla de Garcia	Virginia Lawler	Mary Taylor-Parr		Harry Korn
Armando Castillo	Rachel Santoyo	Susan van Marian		

IN MEMORIAM

WE HONOR OUR DEAR COLLEAGUES AND CHERISH THEIR FRIENDSHIPS FOREVER

Ann Grace Bond	**Paul Jacobs**	**Harriett Jarvis**	**Earl Owen**
James Moore Jr.	**Jeanette Ross**	**Loretta Russell**	**Talle Stanton**

Summer 2008

Ventura County Community College District Retirees Association

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Visit us on the Web at
http://www.vcccdra.org

Executive Board

Rene G. Rodriguez, President
Gary Johnson, Past President
Harry Culotta, Vice President
Vivian Lockard, Secretary-Treasurer
Gary Johnson, Benefits Committee Chair
Don Medley, Membership Committee Chair
Gary Morgan, Political Committee Chair

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