

NSEA-RETIRED ADVOCATE

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Lessons from Cuba

Travel to Cuba has been problematic for U.S. citizens since the 1959 revolution that put Fidel Castro in a position of political power. The complete embargo of U.S. trade did not cripple the Cuban economy as expected, although it did alter the lifestyles of the Cubans. In 1999, travel to Cuba for U.S. citizens was made “legal” for those who travelled on a “people-to-people” basis. In recent years, travel restrictions to Cuba have become more relaxed, and several travel companies have received special licenses from the Department of State to conduct travel from the U.S.A. to Cuba.

Every time that I have travelled to a foreign country, I have learned far more than I expected to learn while I was planning the trip. When you talk with citizens in another country, you realize that there is more than just one perspective on the history of their country. I’ve often found profound differences of opinion among the citizens of the countries we’ve visited. I’d like to describe Cuba for a bit, and then talk about the lessons that can be learned from travel abroad.

Cuba is truly a country frozen in time. We had a short, chartered flight from Miami to Havana. As we left the Havana Airport, the first thing I saw was a 1956 Chevy in mint condition. Cars from the U.S.A. abound in Cuba, and none of them are newer than 1959. When Castro became the leader of Cuba, trade with the U.S.A. stopped almost immediately. There are many cars that are newer than 1959 in Cuba – but most of them are East German cars with 2-cycle lawn-mower engines with bodies that rust quickly in the salt-air environment. We saw some European luxury cars that were owned by foreign diplomats. But the cars from the U.S.A. are prized possessions. We learned that Cubans now make parts for these vintage cars and export them to other countries! One of the men who spoke with us told us that when someone dies in Cuba, the first question that the surviving relatives receive is, “What will become of your old car?” Since there are no car dealerships in Cuba, the only way to obtain a U.S.A.-made car is to buy it from someone who wants to sell the car that they have.



**Roger Rea,
NSEA-Retired
President**

Cuba has two currencies: one for tourists and one for Cuban nationals. The local Cuban peso is worth about 4 cents. The tourist Cuban peso, CUC, is exchanged at 1 CUC = \$1U.S. All of the goods that we bought had to be paid for in tourist currency, while the Cuban nationals paid for their goods in local currency. One evening my wife, Liz and I had a nice meal on our own in a restaurant away from the hotel in Havana. It was early and we were the only ones eating in the restaurant. Several musicians, who were in the bar area

waiting for the midnight crowd to arrive for entertainment, started playing music for our enjoyment. At the end of their second set of songs, the group's leader approached me to offer a CD that his group had cut. The price was 10 CUC, so I offered him \$10U.S. He explained in broken English that he could not accept US currency without raising a lot of questions about how he got the money. He could hold tourist pesos, but not U.S. currency. I had enough tourist currency to buy the CD and still enjoy the excellent interpretations of old jazz standards that it contains.

We spoke with a young couple (they were about 25 years old) about their lives in Cuba. Their honesty was refreshing. The young man told us that he now had his own business making and selling jewelry to tourists from the cruise ships that visit Havana. (The only country that bans their citizens from visiting Cuba is the U.S.A.) He told us he needed to pay other artists to create the jewelry, rent space in a market area to display the items, and pay some friends to serve as clerks to sell the jewelry to interested tourists. He was extremely proud that his efforts were able to earn him a net profit of about \$2U.S. per day! When we questioned what we saw as a paltry wage, he pointed out that the average Cuban earns about \$1U.S. per day, so that his life is almost twice as "luxurious" as that of his friends.

We learned that the average Cuban has a college education, and many are trained in the medical field. Education is free in Cuba for everyone. Almost everyone takes advantage of the opportunity to earn an advanced degree. The literacy rate in Cuba is among the highest in the world, and most Cubans are significantly under-employed compared to their educational background. We asked why Cubans continue to attend college, even at an age when many are retired, when there are few jobs available that require advanced learning. The answer was simple and universal: Cubans have lost land, savings, property, and personal freedoms. They know that education is the one thing that can never be taken away from them, and they cherish learning because of that.

The Havana hotel we stayed in had underground bunkers dug into the limestone hill on which it stood that were used as potential air raid shelters for Cuban leaders during the Cuban missile crisis. We visited the Bay of Pigs, where an unsuccessful invasion attempt was made to "free" the Cuban people. The locals we spoke with gave us an entirely different perspective on the Cold War. The perceived "aggressor" in every military conflict often depends more upon who is telling the story than it does on any reality.

I learned many things on our trip to Cuba. I learned that every culture is proud of its heritage, and defends against outside attempts to change it. I learned that where some see abject poverty and conclude that the economy is on the brink of disaster, others see opportunity to make their lives better through hard work. I learned that even though outsiders may not see the value of an education in a society that has trouble putting enough food into its citizens' diets to survive, those who are struggling to survive see education as the way out of poverty and into prosperity.

My travels to foreign countries always bring my own biases into sharper focus. No matter where I have been, I've been impressed by the people I've met and the societies that they have formed. Perhaps the best summary of the value of travel comes from these words from Mark Twain. *"Travel is fatal to prejudice, bigotry, and narrow-mindedness, and many of our people need it sorely on these accounts. Broad, wholesome, charitable views of men and things cannot be acquired by vegetating in one little corner of the earth all one's lifetime."*

The world would likely be a better place if more people visited other countries to meet, talk with, and learn from the citizens there.

Fall Conference Set for Oct. 27th in Grand Island

By: Roger Rea, NSEA-Retired President

The fall conference for NSEA-Retired has been scheduled for Tuesday, October 27, 2015 in Grand Island. The conference will be held in the Bosselman Conference Center, which is part of the Heartland Events Center at Fonner Park. The day will begin with coffee and rolls at 8:30 a.m., and feature keynote speakers and various sectional breakout meetings, on topics of interest. It will conclude about 3:30 p.m. More details will be posted on the NSEA-Retired web page, www.nsea.org/retired, when the conference schedule is more complete. A tentative agenda will be included in the next issue of *The Advocate*, which will be mailed to members in October 2015.



Blue Cross and CHI Continue Negotiations

By: Roger Rea, NSEA-Retired President

Negotiations on a renewal contract between Blue Cross Blue Shield of Nebraska, BCBSNE, and Catholic Health Initiatives, CHI, reached impasse last summer. As a result, all hospitals and medical professionals who were only affiliated with the CHI network were no longer considered “in network” providers for BCBSNE as of September 1, 2014. Many of the medical professionals who had been part of the CHI network affiliated with a group that is considered “in network” by BCBSNE in order to continue to service their patients with preferred pricing that comes by being recognized as an “in network” provider.

In late 2014, BCBSNE announced that subscribers would pay the in-network deductible, copay and coinsurance at five CHI facilities: Good Samaritan Hospital in Kearney, Saint Francis Medical Center in Grand Island, St. Mary’s Community Hospital in Nebraska City, CHI Health Schuyler, and CHI Health Plainview. These five CHI medical facilities are the only full-service hospitals in these five towns.

CHI was dropped from the BCBSNE network because the charges for CHI hospitals and physician services are 10% to 30% higher than for those of other

facilities in Omaha. CHI Health included all of its Nebraska facilities under one contract, which locked out members outside of Omaha from getting care at in-network rates. The five named facilities are still “out of network,” so BCBSNE sends payments directly to the member, who is then responsible for paying the provider. CHI can still bill the member the difference between the in-network reimbursement amount and what the facility or provider charges. That difference becomes the responsibility of the member, should CHI choose to enforce the additional charges.

While the dispute between BCBSNE and CHI affects retirees younger than 65, it does not affect any Medicare supplement insured through BCBSNE. If the medical provider accepts Medicare as payment, then the supplement will pay its proportionate share of the billed amounts without fail.

At the time this newsletter went to press, negotiations between BCBSNE and CHI were continuing, but not resolved. BCBSNE has set up a web site, www.update.nebraskablue.com, to provide updated information on this matter.

EHA Rates for Retirees Younger Than 65 Set for 2015-16

By: Roger Rea, NSEA-Retired President

The Educators Health Alliance, EHA, insures almost all school employees in the state. EHA provides insurance underwritten by Blue Cross Blue Shield of Nebraska. The renewal rates for all EHA plans for the 2015-16 school year will have a 1.9% increase, effective September 1, in both the medical and dental rates for all of the EHA options. There will be no changes in deductible amounts, co-payment amounts, or coinsurance coverage for 2015-16.

This marks the 13th consecutive year that EHA rates have increased by less than 10%. Neal Clayburn, EHA Chair, cited several factors in the below-national-average rate increases over that time frame, including wise use of medical services by members, an emphasis on maintaining healthy lifestyles, the EHA Wellness Program, and ongoing dependent eligibility verification.

EHA insures more than 70,000 education employees, early retirees and their dependents in more than 400 different school groups across Nebraska. NSEA formed this statewide health care network more than 45 years ago. A 12-member board representing NSEA, the Nebraska Council of School Administrators, and the Nebraska Association of School Boards now governs the plan.

The insurance rates that will be effective on September 1, 2015 for early retirees (individuals who have retired and are younger than 65) who are insured through EHA are displayed in the table below. All rates include the charges for PPO dental coverage for the coverage levels. If you do not have full dental coverage for all of your dependents, your rates will be lower than those stated in the table. For complete details, see the EHA web page, www.ehaplan.org.

Retiree Health Plan	Renewal Rates effective September 1, 2015			
	Employee	EE & Child(ren)	EE & Spouse	EE, Spouse and Child(ren)
\$750 Deductible	\$615.62	\$1,092.26	\$1,292.78	\$1,638.38
\$1,650 Deductible	\$523.38	\$ 929.72	\$1,099.06	\$1,393.49
\$3,100 Deductible, HSA-Eligible	\$523.38	\$ 929.72	\$1,099.06	\$1,393.40

Health Insurance Options for Pre-65 Retirees Explained

By: Roger Rea, NSEA-Retired President

Having adequate health insurance is an important part of retirement security. School employees who are older than 65 when they retire will stay on the group health insurance coverage provided by their employing school district until it ends at the close of their contract year, then move to Medicare coverage. For most school districts in Nebraska, the contract year is September 1 through August 31 of the following year. Since Medicare coverage begins on the first of the month following the termination of employer-sponsored health insurance, most school employees who retire after age 65 will begin their Medicare with an effective date of September 1.

NSEA-Retired members who are insured through the Educators Health Alliance, EHA, who are younger than 65 when they retire are eligible to continue their EHA group insurance if they choose to do so. EHA provides three options for health insurance for retirees who are younger than 65: (a) a \$750-deductible policy; (b) a \$1,650-deductible policy; and (c) a \$3,100-deductible policy that is eligible for a Health Savings Account (HSA). The “default” plan for retirees is the \$750 deductible policy. When you retire, you are automatically enrolled in this plan unless you take action to enroll in a different option.

The \$3,100-deductible plan is considered a High Deductible Health Plan. Individuals who enroll in this plan are also eligible to deposit money into a Health Savings Account. Money deposited into an HSA account can be used to pay any qualified medical claims on a pre-tax basis. Unlike the flexible-spending accounts that many school employees have while actively employed, an HSA account is not “use it or lose it.” Any money that remains in the HSA at the end of the year “rolls over” to be available to be spent in the future. If funds remain in the HSA when you reach 65 and become eligible for Medicare, you can continue to use those funds to pay for eligible expenses for Medicare. More complete details on how a Health Savings Account works can be found on the NSEA-Retired web page, www.nsea.org/retired. Scroll down to find the information about health insurance after you retire.

When choosing a health insurance plan after you retire, you should take into account the coverage levels, the deductible amounts, and the premiums associated with the various plans. The \$1,650-deductible plan and the \$3,100-deductible plan have the same premiums because they are considered “actuarially equivalent” from the standpoint of potential claims. While the plans have the same premiums, the total out-of-pocket costs for individuals as well as the initial deductible amounts are different. The chart below summarizes the benefits of the three plans.

	\$750 deductible PPO plan (default plan)	\$1,650 deductible PPO plan	\$3,100 deductible HDHP, Health Savings Account (HSA) eligible
Monthly premium for retiree (includes single PPO dental)	\$615.62	\$523.38	\$523.38
Individual Deductible	\$750	\$1,650	\$3,100
Co-insurance	80/20	70/30	None
Max. co-insurance	\$3,500*	\$4,500*	n/a
Max. out-of-pocket including deductible	\$4,250* * Includes copays for medical and	\$6,150* pharmacy claims	\$3,100
Office visit co-pays	\$30, \$50, \$75	\$45, \$65, \$90	Included in ded.
Rx coverage			
Generic	25% (\$5 min/\$25 max)	30% (\$7 min/\$30 max)	Included in ded.
Formulary brand	25% (\$30 min/\$60 max)	30% (\$35 min/\$70 max)	
Non-formulary brand	50% (\$60 min/\$90 max)	50% (\$60 min/\$90 max)	
Routine care	Benefits for covered services are paid at 100%, subject to age, gender and frequency limits		

NSEA-Retired members can change insurance plans at two times during the year. Applications that are on file by the first week in August will become effective on September 1. Applications that are on file by the first week in December will become effective on January 1 of the next calendar year. Because the deductible amounts are set for a calendar year, many retirees choose to change plans for the full calendar year.

NSEA-Retired and Blue Cross Blue Shield of Nebraska conduct seminars on health insurance options for retirees, each fall. The morning session focuses on Medicare and the various components of Medicare (including Medicare Part D, the prescription drug benefit). The afternoon session deals with the EHA insurance options available for retirees younger than 65. A notice of the meeting dates, times and locations will be sent to NSEA-Retired members in late October when the schedule has been finalized.

2015 SEAN/NSEA-Retired Scholarship Winners

by Tom Black, NSEA-Retired Vice President

The winners of the 2015 SEAN/NSEA-Retired \$1,000 Scholarships are Brittany Snider of the University of Nebraska-Kearney and Amanda Volksen of Peru State College. For several years NSEA-Retired has awarded three scholarships annually to Junior/Senior SEAN members who qualified through an extensive application process of writing three essays on the reasons why they wanted to become a teacher, on their financial need, and on their personal contributions to the SEAN organization. Added to these, the applications contained three recommendations from their Faculty Advisor, from a faculty member in their Education Department, and from one of their chapter student officers.

The Selection Committee, consisting of three SEAN members and two Retired members (Walta Sue Dodd, member of the NSEA-Retired Board of Directors and Tom Black, NSEA-Retired Vice President) has selected the winners from as many as 14 applicants in the past several years. This year only two SEAN members applied for the \$1,000 scholarships. With only two applications, there was no need to assemble the usual five-member Selection Committee.

The entries of Amanda and Brittany met all the qualifications for the scholarships, so Dodd and Black awarded scholarships to both individuals. Congratulations!!

This summer all relevant NSEA Staff, NSEA-Retired, and SEAN leaders will meet to ensure that ALL eligible SEAN members receive the application forms and the encouragement to apply for these valuable financial assists to their teacher education success.



Student Education Association of Nebraska's members Amanda Volksen (left) from Peru State College and Brittany Snider (right) from University of Nebraska Kearney received the \$1,000 NSEA-Retired SEAN Scholarships this year. NSEA President Nancy Fulton (center) participated in the awards ceremony.

Legislative Session Winding Down

By: Roger Rea, NSEA-Retired President



OEA-Retired members attend hearing for LB 447.

Front row (L to R): Cheryl Richardson, Mary Morrissey, Liz Rea. Back row: Nancy Hornig, Walta Sue Dodd, John Jensen, Nancy Huston, and Roger Rea.

There are just a few days left for the current legislative session as this issue of *The Advocate* went to press. Debate on the floor of the Unicameral has been vigorous for many of the bills that have reached the full legislature for action. LB 165, introduced by Sen. Brett Lindstrom, which would eliminate the state income tax on Social Security benefits over a five-year time frame, remains in the Revenue Committee. The fiscal note for this bill, which is an estimate of the lost revenues for the state if the bill were implemented, was \$22.7 million in the first year of the phase-out, and the cost increased by about \$20 million for each of the remaining four years of the phase-out. NSEA-Retired is part of a coalition of employee groups that is supporting this bill. Since the bill has not been killed in committee, it may see debate in the 2016 legislative session.

The Legislative Retirement Committee, chaired by Senator Jeremy Nordquist, considered two bills that would change the way that the Omaha School Employees' Retirement System, OSERS, is governed. Several OEA-Retired members attended the public hearing for LB 447, which would have changed the governance model for the Omaha School Employees' Retirement System, OSERS. Senator Nordquist also introduced LB 448, which was originally intended to create a study of the advantages and disadvantages of merging OSERS with the Nebraska School Employees Retirement System, NSERS. Both bills had public hearings on March 5th.

The Retirement Committee has designated LB 448 as one of its two priority bills for this session. While LB 448 originally contained language that would study the merits of merging OSERS with NSERS, the bill has been amended to contain most of the language from LB 447 (which creates an independent governance model for OSERS), with language that moves the investments for OSERS into the Nebraska Investment Council (which invests all state money, both

retirement system money and general fund money that has been appropriated for various state projects). LB 448 also contains language that more closely aligns the retirement benefit of OSERS with the retirement benefits of NSERS.

The Committee Amendments to LB 448, which contained all of the technical language to make the transfer of assets “happen,” were adopted on May 12. The committee amendments to the bill had these broad features:

- The OSERS Board is reduced from 10 voting members to 7. The new board would consist of two certificated employees, one classified employee, one retired member, two representatives from the business community, and the OPS superintendent or a specific individual designated by him/her as an ex-officio, voting member of the board. The respective membership groups would elect all trustees, who represent the membership categories, to four-year terms.
- The OSERS staff would be placed under the direct control of the OSERS board.
- OSERS would hire its own independent legal counsel, and not be required to use the OPS school district attorney.
- All investments would be transferred to the Nebraska Investment Council.
- Retirement benefits for members of OSERS who are hired after July 1, 2015 would be reduced slightly to more closely align the retirement benefits for OSERS to those offered by NSERS.

LB 448 contains most of the provisions of LB 447. The transfer of investment authority to the Nebraska Investment Council and the alignment of benefits between the two teacher retirement plans (OSERS and NSERS) are provisions that are in LB 448 that were not in LB 447. LB 448 was on Select File consideration when O’Neill Sen. Tyson Larson offered a motion to bracket the bill until April 15, 2016. A motion to bracket the bill is a motion to delay consideration of a bill until the date specified. The motion to bracket the bill was passed by unanimous consent, effectively ending debate on LB 448 for this legislative session. Supporters of LB 448 will consider options to revive the bill for the 2016 legislative session this summer.

NEA-Retired Celebrates Social Security and Medicare Birthdays

By: Roger Rea, NSEA-Retired President

Social Security and Medicare provide the foundation for retirement security for Americans. This year marks the 80th year that Social Security has provided income replacement for Americans, and the 50th year that seniors have had access to Medicare to provide needed medical insurance protection. Prior to the passage of Social Security and Medicare, most Americans had no income replacement in retirement, and had to depend on family members to take care of them as they aged.

At the recent NEA-Retired Organizing Conference, held in Atlanta, GA, participants celebrated the 80th birthday for Social Security and the 50th birthday for Medicare with a ceremonial cake cutting. Guy Roggenkamp, NSEA-Retired District Director from Tri Valley, escorted the oldest participant in the conference, Kathleen Roberts from Massachusetts, to cut the cake. Kathleen celebrated her 100th birthday this year, and has been continuously involved in NEA activities for most of her life.



Guy Roggenkamp escorts 100-year-old Kathleen Roberts to cut the birthday cake for Social Security and Medicare.

President Franklin Roosevelt signed the Social Security Act into law on August 14, 1935. Social Security provides benefits to more than 59 million people in the country. Social Security benefits are paid to: retired workers; disabled citizens; widows, widowers, and parents; children; and spouses of workers. Two out of three retired workers depend on Social Security to provide most of their retirement income, and one-third of seniors depend on Social Security for more than 90% of their retirement income. The average Social Security benefit is about \$13,000 per year – less than full-time, minimum-wage work.

President Lyndon Johnson signed Medicare into law on June 30, 1965. The signing ceremony for Medicare took place in Independence, Missouri, at the Truman Library. Former President Harry Truman and his wife, Bess, were part of the signing ceremony. Medicare provides health insurance for people older than 65, certain disabled people, and individuals with kidney failure. In 2014, more than 54 million people were receiving Medicare benefits.

NSEA-Retired Election Results

By: Roger Rea, NSEA-Retired President

A total of 1,447 ballots were counted for the recent NSEA-Retired elections. Carol Krejci was elected to serve as the Metro District Director on the NSEA-Retired Board of Directors. She will officially take office on August 15, 2015, as provided in the NSEA-Retired Bylaws. NSEA-Retired members also elected 17 delegates to the NSEA Delegate Assembly and five delegates to the NEA Representative Assembly. The President of NSEA-Retired serves as a delegate to both of these assemblies by virtue of office. Complete election results can be found on the NSEA-Retired web page, www.nsea.org/retired.

Retirement Seminars Prove Popular

By: Roger Rea, NSEA-Retired President

NSEA-Retired has conducted retirement-planning seminars across the state for the past twelve years. This year a total of fourteen sessions were held, with total attendance of 595 members and spouses. Over the past twelve years, seminars have been delivered 243 times in 79 different locals all across the state. In all, 9,109 members and spouses have received valuable retirement planning information. More than one-third of NSEA members have attended the seminars over the years. The retirement-planning seminar materials will be updated, and the seminars will again be available to interested local associations in the fall.

Another Successful Spring Conference in Schuyler



Conference attendees focus on the agenda for the day, and the information presented by the keynote speaker, Mary Ann (McGovern) Carson, author of *Down the Tracks of Time*.



Jerry Lippincott shared his Civil War artifacts and knowledge of the war.



Spotlight on Nebraska segment: Jean Baptiste Charbonneau, portrayed by Darrell Draper

Roger Rea thanked Walta Sue Dodd for her years of service on the NSEA-Retired Executive Board.



Roger Rea and Duane Obermier prepare to cut the celebratory 30th anniversary cake for the dessert reception.



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Save the date!

NSEA-Retired Fall Conference

Where: Bosselman Conference Center in Grand Island

When: Tuesday, October 27, 2015

Time: 8:30 a.m. – 3:30 p.m.

Keynote speaker, Spotlight on Nebraska session, and MORE....

No cost for members: Non-members and guests pay \$10 per person

More details will be posted on the NSEA-Retired web page, www.nsea.org/retired, when the conference schedule is more complete. A tentative agenda will be included in the next issue of *The Advocate*, which will be mailed to members in October 2015.