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Social Security and the deficit: a connection?

Roger Rea

In February 2010, President Obama signed an Executive Order creating a National Commission on Fiscal Responsibility and Reform. The stated mission for the Commission is to "…propose recommendations designed to balance the budget, excluding interest payments on the debt, by 2015," and "…to propose recommendations that meaningfully improve the long-run fiscal outlook, including changes to address the growth of entitlement spending and the gap between the projected revenues and expenditures of the Federal Government."

The Commission has eighteen members: six appointed by the President and the remainder appointed equally by the Democratic and Republican leaders in Congress. The Commission is set to issue its final report no later than December 1, 2010. In order to issue a set of recommendations, fourteen of the eighteen members must agree to the report. The Commission co-chairs are former Wyoming Senator Alan K. Simpson and former Clinton Chief of Staff Erskine Bowles. The Commission has met four times to date, and has three more scheduled meetings – all of which occur behind closed doors. The Commission website is: **www.fiscalcommision.gov**.

Ordinarily a mundane body like a deficit reduction commission would not be accompanied with much controversy. But this one is different. While the country faces large budget deficits, the cause of the deficits is not Social Security, and the solution to the growing deficits should not include significant changes to Social Security. Yet the co-chairs of the Commission agree that Social Security and Medicare must be "on the table" for discussion. Mr. Bowles has said that the biggest area of growth in the federal budget has been Medicare, and that it must be reined in to avoid future problems. Mr. Simpson has referred to retirees on Social Security as "greedy geezers driving their Lexus out of gated communities to get their AARP discounts at Perkins." These are hardly neutral thoughts from the two co-chairs of the Commission. Let's look at some facts.

The truth is that Social Security has not contributed one dime to the federal deficit at any time in its seventy-five year existence. In fact, it has generated a surplus of funds that has grown to $2.6 trillion. The surplus amount has soared since the 1983 changes were made in Social Security in anticipation of the retirements of the Baby Boom generation.

(See **President's,** page 2)

(**President's,** from page 1)
But when asked about the Social Security surplus, Alan Simpson stated, "…there is no surplus. It is all a bunch of worthless IOUs that were spent on the Interstate Highway…." Really? Worthless IOUs? The Social Security Trust Fund has loaned money to the federal government to help pay for past deficits. Granted, there is no magic pot of money buried in the back lawn of Fort Knox with "Social Security" embossed on the pot. But there are U.S. Treasury notes that can be cashed when they come due to repay the money that was used to purchase them. That money can then be used to pay for the benefits that were promised to those who paid into Social Security. Federal bonds and treasury bills are considered among the safest investments in the world – they are secure when banks and insurance companies buy them. They should be equally secure when they are purchased with money from the Social Security Trust Fund.

Lake Research Partners completed a poll of 1,000 voters in June 2010 which shows very strong support for Social Security. The poll results:

- 9 in 10 voters indicate strong support for protecting the Trust Fund and using it to provide the promised benefits to retirees, widows/widowers, disabled, and childhood survivors.
- 8 in 10 voters strongly support the idea that money paid into Social Security comes with a commitment to be paid back to working Americans in the form of benefits.
- 8 in 10 voters reject the notion that Social Security should be cut to reduce the deficit.
- 8 in 10 voters reject the notion that Social Security is either the cause or one of the causes of the deficit.
- 75% of the voters indicate that they would react negatively to any elected official who indicates that Social Security is like any other entitlement program which should be cut to balance the federal budget.
- 6 in 10 voters reject the notion that the retirement age must be raised or that cost-of-living adjustments must be reduced.

The poll did reveal some interesting possible solutions to the long-term funding problems facing Social Security.

- 2 in 3 voters favor gradually raising the income cap on Social Security wages, so that workers earning more than $106,000 will pay Social Security tax on their income above $106,000.
- 6 in 10 voters support taxing estates valued at $3.5 million and above and using that revenue to improve the solvency of Social Security.
- 6 in 10 voters support taxing frequent trades made on Wall Street and dedicating that income to the Social Security Trust Fund.

Social Security represents the best of American values – rewarding hard work with benefits that were promised. Social Security is paid for entirely by contributions from the individuals who will benefit from the money. It is not paid for by general tax revenues.

Social Security is the finest example of the governmental right to "tax and spend." It taxes workers, and spends the money on those who have earned the benefits. I submit that "tax and spend" for Social Security is far better than what the government has done for the past several years, actions which have created the current budget crisis. For too many years the government has practiced a philosophy of "borrow and spend."

Social Security is not the cause of the current federal deficit. Logic dictates that it should not be the primary focus of a Commission created to solve the growing deficit.

On-line membership enrollment now possible

NSEA-Retired members who are annual subscribers can now renew their membership on-line. Go to the NSEA-Retired web page, **www.nsea.org/members/retired**, and click on either the NSEA-Retired membership brochure on the right side of the web page, or click on "JOIN NOW" at the top of the page. Complete the forms online, and pay by credit card on the secure web page. You can also join on-line as a life member. You will be asked where you teach as part of the application process through a "drop-down" menu of school districts. Retired members should select the school district where they last worked as their place of employment.

New options for health insurance for early retirees

By: Roger Rea, NSEA-Retired President

Starting September 1, 2010, NSEA-Retired members who participate in the Educators Health Alliance, EHA, will be able to choose from among three health insurance plans. Prior to September 1, 2010, retirees were all placed into the $600 deductible health plan with EHA. Starting September 1, 2010, retirees will be able to choose among: a $600 deductible policy; a $1,500 deductible policy; or a $2,850 deductible, “high deductible health plan (HDHP),” which qualifies for a Health Savings Account, HSA. The chart below gives a comparison of the coverage for a single individual for all three plans.

Feature	$600 ded.	$1,500 ded.	$2,850 ded. HDHP
Deductible	$600	$1,500	$2,850
Maximum out-of-pocket cost with ded.	$2,600	$4,500	$2,850
Office visit copay	$35	$50	Inc. in ded.
Coinsurance	80/20	70/30	Inc. in ded.
Drugs–percent co-pay Dollar minimums	25% / 50% $5 / $30 / $60	30% / 50% $7 / $35 / $60	Inc. in ded.
Routine care	$500 subject to ded. and coins.	$500 subject to ded. and coins.	$500 not subject to ded.
Premium savings	None	$970 per year	$970 per year plus tax break on HSA contrib.

To make a decision on which plan is best for you, compare all three plans based on what you spent for the last calendar year on office visit co-pays; deductible amount you paid for medical care; co-pay amount for medical care; and co-pay amount for prescription medicine – and include potential premium savings you would get for making a change. Be sure to determine how much you would have paid if you paid the entire cost of the office visits and what the actual cost of your medications was for the year (not just the amount that you paid, but the full cost of the medicine as shown on your quarterly drug benefit statements from Blue Cross) for the HDHP plan comparison. The chart below gives a simple comparison of potential charges under the three plans.

Hypothetical out-of-pocket cost	**$600 ded. PPO**	**$1,500 ded. PPO**	**$2,850 ded. HDHP**
$400 in covered charges	You pay entire amount $400	You pay entire amount $400	You pay entire amount $400
$1,000 in covered charges	$600 applied to ded. $400 paid at 80/20%. You pay $680	You pay entire amount $1,000	You pay entire amount $1,000
$25,000 in covered charges	$600 applied to deductible; stop-loss at $2,000. You pay $2,600 *Does not include Rx	$1,500 applied to deductible; stop-loss at $3,000. You pay $4,500 *Does not include Rx	$2,850 applied to deductible. 100% coverage after deductible. You pay $2,850 *Does include Rx

To help NSEA-Retired members better understand the differences between these three policies, a webinar and live seminar were held in July 2010. The webinar had 68 participants, and 105 participants attended the live seminar. The sessions involved three presentations: (a) Blue Cross presentation on the three options available to pre-65 retirees; (b) NSEA-Retired guide on how to sign up for a Health Savings Account with Union Bank; (c) Union Bank presentation on Health Savings Accounts. All three presentations, plus a list of Frequently Asked Questions (FAQ), are posted on the NSEA-Retired web site, **www.nsea.org/members/retired**.

Medicare and EHA seminars to be held in October

By: Roger Rea, NSEA-Retired President

The changes in retiree coverage for the Educators Health Alliance, EHA, plan administered by Blue Cross, coupled with the need to provide information to our members about changes in Medicare, have made it necessary to schedule our annual information seminars on Medicare in October this year. While the agenda is not finalized, this year seminars will be held in North Platte on Tuesday, October 26; Omaha on Wednesday, October 27; Lincoln on Thursday, October 28; and Norfolk on Friday, October 29. In early October, information regarding the exact location of each seminar, as well as the start time, will be sent to all participants of the early-retiree EHA insurance plan as well as to NSEA-Retired members who are nearing Medicare eligibility. The tentative agenda for the meetings has the Medicare seminar scheduled from 9:00 a.m. – 11:30 a.m., and the EHA early-retiree-coverage seminar from 1:00 p.m. – 3:00 p.m. at each location.

The Medicare seminar will follow the same format that has been used for the past several years. Presentations will be made on (a) what Medicare covers, how to enroll, and the costs that are pertinent for the coming year; (b) information on NSEA-Retired BlueSenior Classic, the Medicare supplement that is endorsed by NSEA-Retired and underwritten by Blue Cross of Nebraska; (c) the benefits provided by Medicare Part D, the prescription drug benefit for Medicare; and (d) a demonstration on how to use the Internet to select an appropriate Medicare Part D provider. NSEA-Retired BlueSenior Classic is a Medicare supplement that is only available to either NSEA-Retired members or participants in one of the EHA plans. It is the only Medicare supplement that provides dental coverage as part of the supplement itself. The dental coverage is the same PPO dental coverage that participants in EHA currently have. For individuals who cannot attend one of the live sessions, all of the handouts from the Medicare seminars will be posted on the NSEA-Retired web site, **www.nsea.org/members/retired**, after the seminars have been completed.

NSEA-Retired members under the age of 65 who participate in EHA early-retiree coverage can choose from among three options starting this year. All EHA early-retirees are enrolled in the $600 deductible PPO plan by default, but they may select either a $1,500 deductible PPO plan or a $2,850 High Deductible Health Plan (HDHP) that is eligible for a Health Savings Account, HSA, starting this year. The details of the three plans are described elsewhere in this newsletter. Members who want to change from the $600 deductible plan to one of the other options have two possible dates when a selection can be made. For those who wanted to start the new coverage on September 1, 2010, completed applications had to be received by Blue Cross by August 9, 2010. Since the additional deductible amounts must be satisfied during a calendar year, participants in the early-retiree coverage may choose to begin their new coverage level on January 1, 2011. In order to enroll in a different plan, members must call Blue Cross at 1-800-562-6394 to request a new enrollment packet. Identify yourself as a participant in EHA, give them your EHA identification number, and a new enrollment form will be mailed to you. You must complete the enrollment form and return it by December 1, 2010 in order to have a January 1, 2011 effective date. Members are reminded to use caution before changing plans. Once you move to a higher deductible plan you will not be allowed to change back for a period of three years.

Members who choose to enroll in the $2,850 deductible HDHP may also set up a Health Savings Account, HSA, to pay for their out-of-pocket costs on a pre-tax basis. NSEA-Retired has endorsed Union Bank of Lincoln as the preferred provider for HSA accounts for our members. Union Bank has branch banks in various locations across the state, and makes HSA accounts available to any EHA participant in the $2,850 HDHP without charge. Additional details on HSA accounts will be provided during the October seminars.

(See **Medicare** Seminars, page 5)

Medicare Seminars, from page 4

There is no need to pre-register for the Medicare seminars – attendance patterns from the past will be used to prepare handouts. To ensure that we will have enough materials for the pre-65 seminars, please go to the EHA web site, **www.ehaplan.org**, and click on the link:

2010 Early Retiree Seminars-- Register here! .

You will receive an email confirmation of your registration for this event. You may attend the seminar without pre-registration, but there may not be enough handouts for you unless you pre-register.

Mark your calendar now for the dates for these seminars, look for a mailing in early October for the location of the seminars, and plan to attend one to become better informed about the choices you have for both early-retiree coverage and Medicare. Information will also be posted on the NSEA-Retired web site when it becomes available

Health Savings Accounts part of new EHA retiree coverage

By Bobbi Hanigan, Union Bank & Trust Company

Educators Health Alliance, EHA, has three options for health insurance coverage for retirees who are not yet eligible for Medicare. One of those options, the $2,850 deductible plan, also qualifies members to establish a Health Savings Account, HSA, to pay for medical expenses on a pre-tax basis. HSAs are available to any individual or family with qualifying high deductible health insurance plans (HDHP). There are no income or employment limitations with these accounts. Retirees are eligible to open an HSA if they participate in an HDHP. HDHPs and HSAs work hand-in-hand. However, HDHPs must meet certain annual requirements in order to be considered HSA-qualified. An HDHP must limit the out-of-pocket expenses paid by the individual or family for covered benefits under the plan. The deductible, co-pays, and coinsurance amounts paid under the plan count towards meeting the out-of-pocket limit on expenses.

The annual HSA contribution limits are set by the IRS. These limits do not depend on the actual deductible amount for your health plan. The contribution limits for 2010 and 2011 are: $3,050 for individual coverage; $6,150 for family coverage; and an additional $1,000 “catch-up” contribution for members who are older than 55.

The HSA is an individual account. Just like an IRA, joint accounts are not permitted. The HSA owner is the individual who is enrolled in the HDHP. The HSA owner can designate an additional Authorized Signer on the account.

Consumers can fully fund their HSA on January 1 each year, or make periodic contributions throughout the year. Funding for the year does not have to end on December 31. Just like an IRA, an HSA can be funded until April 15 of the year following the year of coverage by the HDHP. Contributions made to the HSA with after-tax dollars can be taken as an above-the-line deduction to your income when you file your income tax return. So long as the account is used for qualified medical expenses, taxes will never have to be paid on either the contributions or the earnings of the HSA account. If a friend or family member makes a contribution to another individual’s HSA, the HSA owner can claim a deduction at the end of a year.

You can make the full HSA contribution for the calendar year even if your HDHP begins after January 1. For example, if your coverage under the HDHP does not begin until September, you can still contribute the full amount for that year. However, you must keep your HDHP coverage through at least the end of the following calendar year (2011) or you may have to pay back some of the contribution (and possibly interest and penalties).

If you drop or lose your HDHP coverage before the end of the year, you will not be able to make the full contribution to your HSA for that year. You will prorate your contribution for that year by counting only the months for which you had HDHP coverage on the first day of the month. For example, if you drop your HDHP coverage at the end of June, you would only be able to contribute 50% of your allowed contribution for that year.

HSAs are often compared to flexible spending accounts. There is one very important difference between the two. An HSA balance can be rolled over from year to year and is permitted to grow tax-deferred. In contrast, flexible-spending account monies must be spent by the end of the year, or the remaining balance will be forfeited. It is important to note that you may not have an HSA if you use a flexible spending account to pay for health-care costs.

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(**Savings**, from page 5)

The purpose of having an HSA is to pay for qualified medical, dental and vision expenses. The IRS website, **www.irs.gov**, gives a comprehensive list of qualified medical expenses. HSA funds can be used to cover many items and services that insurance may not cover, including vision care expenses (including laser eye surgery), dermatology services, and fertility treatments.

Not only can you use your HSA funds to pay for your own qualified medical expenses, you can also use them to pay for qualified medical expenses incurred by any of your dependents, including your spouse if you file your taxes jointly. Your dependents do not need to be covered by your HSA-qualified insurance plan.

You cannot use your HSA account to pay for medical insurance premiums for your HDHP. But you can pay long-term care insurance premiums as well as the monthly premiums for Medicare Part B (physician and outpatient), and Part D (prescription drugs). If you choose to use the funds to pay for non-qualified expenses, you will be required to pay income tax on those dollars and may be subject to a 10% penalty if you are younger than 65.

You can also reimburse yourself for qualified medical expenses paid out-of-pocket from your HSA. For tax purposes, you should always keep your receipts and explanation of benefits (EOBs) as proof of using these funds for qualified medical expenses.

Upon the death of the HSA owner, the surviving spouse automatically inherits the HSA, unless a beneficiary has been specified. If the surviving spouse does not have an HDHP, he/she may not contribute to the inherited HSA, but may continue to use the inherited account as his/her own HSA to pay for qualified medical expenses for as long as a balance remains in the account.

If the HSA owner is not married at the time of death, the funds in the HSA are no longer treated as an HSA but rather become part of the deceased HSA owner's estate and are subject to estate taxes. If the beneficiary is an estate, the fair market value of the account (as of the date of death) is included as part of the taxable estate. Qualified medical expenses incurred prior to death may be reimbursed from the HSA before determining the fair market value of the account.

Some institutions may also offer investment options for your HSA. This may be an important consideration as your account balance grows over time. The balance in your HSA can be invested in the same types of investments permitted for IRAs, including stocks, bonds, and mutual funds.

Institutions that administer HSA accounts can charge set-up fees, account maintenance fees, and transaction fees. Union Bank and Trust Co. will provide HSA accounts to all NSEA-Retired members at no cost, and has been endorsed by NSEA-Retired as the preferred provider for HSA accounts for its members.

MENTORS NEEDED! **Sign up today!**

Mentors are needed for the 2010-11 *Intergenerational Mentoring Program* now in its seventh year! The Nebraska program is a nationally recognized mentoring program within the NEA. This program is funded through grants from NSEA-Retired and NEA-Retired with continued support from NSEA and SEAN.

The goal of the mentoring program is to match experienced, retired teachers with college students studying education. The retiree will act as a positive support person and mentor, providing suggestions, expertise, and responding to questions from the student. It is not our intent to replace an advisor or administrator during the student teaching experience and first year of teaching but to add an additional source of support to the new teacher. The time commitment of mentors in this program is flexible and will be jointly determined by the students and mentor team. Mentors in the program must be NSEA-Retired members.

Training for this year's mentoring class will start at 1:30 p.m. on Sunday, November 7 and will end Monday, November 8 at 1:30 p.m. The training will be held at the Alumni House on the campus of Hastings College. All meals and snacks are provided. Housing is provided for those needing it. If you are interested in being a part of this year's class please contact Maureen Nickels at **maureen.nickels@nsea.org** or call her at **1.800.742.0047**.

2009-2010 Mentors, Hastings College

Greater Nebraska Fall Conference Oct. 5
Register now!

The fall meeting of NSEA-Retired will be held from 8:30 – 3:30 on Tuesday, October 5, at the Nebraska Nature and Visitors Center near Grand Island (formerly known as Crane Meadows). Conference details:

Location: **Nebraska Nature and Visitors Center**
Interstate I-80 Exit 305.
9325 S Alda Road
Wood River, NE 68883

Agenda:

8:30	Registration, Coffee & Rolls
9:00	Welcome & General Session Choices & Opportunities: Retirement Living
10:15	Business Meeting & Legislative Update
11:15	Breakout Session No. 1
12:15	Lunch
1:30	Breakout Session No. 2
2:30	Spotlight on Nebraska Tim Anderson, Author of: John Neihardt: Black Elk Speaks
3:15	Dessert Reception, Wrap up, Evaluation & Door Prizes

Tentative Breakout Sessions: Wills and Estate Planning; Fall Gardening; Memory Loss-Dementia; Digital Cameras; Facebook; Diabetes-Diet-Nutrition; EHA BCBS and Medicare; Writing for Fun; What's for Dinner?

Register online at: **www.nsea.org/members/retired**
Or call Rebecca at 1.800.742.0047

NSEA-Retired President Roger Rea models the latest Lorene Behrends' quilt to be raffled over the 2010-2011 year. Tickets will be sold at upcoming NSEA and NSEA-Retired events. With a design called "Stack N' Wack," buy a ticket, whack a President. (No, no, no; just kidding!)

This summer's NEA-Retired and Student Program Outreach to Teach activity was in New Orleans, June 27. 300 retired and student members renovated a local high school by painting, landscaping, building, bulletin boarding, washing, polishing, rearranging, and ending with lots of love and tender care. This bulletin board exemplifies the experience (history) of the retired and the exuberance (future) of the students as they partner for this annual event.

Medicare Part D "Donut Hole" to be closed

By: Roger Rea, NSEA-Retired President

Medicare Part D provides coverage for prescription medication. Medicare Part D has a deductible (which you must pay before the insurance plan pays anything); co-insurance for a period of time (you pay for part of the medication cost and the insurance plan pays the balance); a coverage gap (you pay the entire cost of the prescription medication); and catastrophic coverage (you pay for 5% of the cost of the medication and the insurance plan pays the remainder of the cost). The coverage gap is known as the "donut hole" in the coverage – it is like eating a donut from side-to-side: you "eat" some donut (coverage) for a bit, then enter the "donut hole" where you eat nothing (the coverage gap), then come to the other side of the donut where you can "eat" the donut (coverage) again during catastrophic coverage.

In 2010 the standard Medicare Part D deductible is $310 (although some plans provide for a lower deductible amount). You pay the first $310, and then pay 25% of the next $2,520 of the cost for your prescription medication. When the total cost of your prescription medication hits $2,830, the drug plan pays nothing and you pay everything for the next $3,610 of prescription medication. That $3,610 represents the "donut hole" of coverage. You qualify for catastrophic coverage once your total prescription medication costs reach $6,440. From that time forward and for the rest of the year, you pay 5% of the cost of your medication, and the drug plan pays the remainder. In order to qualify for catastrophic coverage, you have to pay $4,550 out of your own pocket from a combination of the deductible amount, your co-insurance amounts, and what you pay during the "donut hole."

The recently signed health care reform law has good news for Medicare participants who take expensive medications. Anyone who reaches the "donut hole" will automatically get a check for $250 for this calendar year to help close the donut hole a bit. Starting in 2011, Medicare Part D subscribers who reach the donut hole will have to pay only 50% of the cost of their brand name prescription medication, with the other 50% being paid by the drug manufacturers. The percent that you pay during the donut hole will gradually be reduced from 50% to 25% by 2020 through additional subsidies paid by the federal government to the insurance companies. The cost of generic drugs during the donut hole will also be reduced to 25% by 2020, but the subsidy percentages are phased in more slowly than for brand name drugs.

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Problems with Medicare reimbursement rate

Roger Rea

Congress has passed temporary solutions to the Medicare physician reimbursement rate eleven times since 2002, and each time the solution has a shorter term. An extension passed in November 2010 expired on December 31, 2010. In early December 2010, Congress acted to postpone the looming cuts on Medicare reimbursement for one year. Temporary fixes and postponements will not solve the problems inherent in the current formula for Medicare reimbursement.

Senior citizens, doctors, and advocacy groups across the country are calling on Congress to come up with a permanent solution to Medicare reimbursements before Medicare patients pay the price for inaction. The main concern: failure to find long-term solutions to physician reimbursement is likely to drive doctors out of Medicare. Medicare patients have problems now finding doctors who will treat them, finding doctors when they move, and finding a specialist when they need one. If payments to doctors become more unpredictable, that will encourage more of them to leave Medicare. What is the problem with the Medicare reimbursement rate that needs to be "fixed" so frequently? The problem is known as the "sustainable growth rate," SGR. Medicare is paid on a "fee for service" basis. The fee a physician receives for any service is based on two factors: (a) a resource-based relative value scale, which sets a relative value on each of the 7,500 individual services provided by physicians; and (b) the sustainable growth rate, SGR, which determines the price paid for each relative-value-unit. The total cost of providing medical care to seniors in 1997 was determined and set as the "base year" for Medicare expenditures. In an effort to keep the cost of Medicare on a sustainable trajectory, the total cost of Medicare was allowed to grow above the 1997 level at a "sustainable rate." The sustainable growth rate (SGR) takes into consideration the growth in the gross domestic product (GDP) of the US economy, the total number of Medicare beneficiaries served, and general medical inflation. It sounds reasonable, but let's consider how it works.

Consider the following, very simplified scenario. Let's say that an office visit has a relative value of 1.0 points, that reading a CT scan has a relative value of 2.0 points, and that open-heart surgery has a relative value of 3.0 points. These points provide the basis for determining how much money the doctors will receive. Let's assume that the amount of the GDP that was provided to Medicare physician services in 1997 was $60, and that all patients who were served had five office visits (5 points), two CT scans (4 points), and one open-heart surgery (3 points.). That is 12 points worth of services. Dividing the money that can be spent on medical services ($60) by the relative-value

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point total (12) gives you $5 per point. So the open heart surgery is worth $15, reading a CT scan is worth $10, and an office visit is worth $5. Are you with me so far?

Now let's assume that the SGR formula allows for a 5% growth in medical expenses for next year. That means that we have an increase to $63 available to pay medical claims (5% more than last year's $60). But let's assume that this year we have 6 office visits, 3 CT scans, and 2 open-heart surgeries. That is now 18 points worth of services to be paid by the available $63. Each point is now worth $63/18, or $3.50. So open heart surgery is now paid $10.50 instead of $15; reading a CT scan is now paid $7 instead of $10; and an office visit is now paid $3.50 instead of $5. We had a 5% increase in total payments for medical services, but each service got paid less than before.

This is a gross oversimplification of what is occurring in Medicare physician payments as a result of SGR. But it does give an illustration of the dynamic that leads to potential cuts in physician payments – cuts that are avoided by suspending the SGR payments that would otherwise be made, and paying physicians at the same rate that they received last year, sometimes with a small increase.

More highly valued services (those with more points) that require a greater degree of technical expertise have been growing at a faster rate than lower valued services. Since the total amount that can be paid for services is fixed by the SGR, there is a larger gap between what is considered to be "sustainable growth" and the cost of the care that is actually being delivered.

The big criticism of SGR is that it encourages a higher volume of services. If doctors get paid less for basic services, with a "fee for service" payment basis they are encouraged to provide more services in order to make the same amount of money. SGR also encourages doctors to provide more high-value services, like a CT scan instead of an X-ray. Neither of these results – more services and higher-cost services – contributes significantly to the improved health of Medicare beneficiaries. But that is what the current system encourages.

Congress needs to act to keep physician payments in line with the actual cost of providing medical care. Congress also needs to work with various other interested groups to find a permanent solution to the problems caused by SGR and the "fee for service" model. The solution should encourage payment for improving the health of patients – not for providing many, unneeded services just to run up the tab.

Great interest shown in health care seminars

By: Roger Rea, NSEA-Retired President

NSEA-Retired teamed with Educators Health Alliance (EHA) and Blue Cross of Nebraska to bring information regarding the new options that pre-65 retirees have for health insurance this year as well as changes in Medicare for 2011. Seven information sessions were held regarding the new EHA options for pre-65 retirees, and four information sessions were held regarding the changes in Medicare for 2011. The EHA sessions were attended by 237 individuals, while the Medicare sessions attracted 277 attendees. Members who were not able to attend one of the events can view the handouts used at the sessions by visiting the NSEA-Retired web page, **www.nsea.org/members/retired**.

Retirees younger than 65 now have three options for their health insurance from EHA: a $600 deductible PPO plan; a $1,500 deductible PPO plan; and a $2,850 deductible PPO plan that is eligible for a Health Savings Account. Approximately 9% of pre-65 retirees selected one of the new health insurance options for 2010-2011. The enrollment in the three plans as of December 1, 2010, is shown in the table below.

Plan	Enrollment
$600 deductible	2,830
$1,500 deductible	203
$2,850 deductible	59

NSEA-Retired members have the option to change to a higher deductible plan twice each year. A choice can be made by August for an effective date of September 1, or a choice can be made by December for an effective date of January 1. Make your decision on changing plans carefully. If you change to a higher deductible plan, you will not be allowed to change back to the lower deductible plan for at least three years (or until you turn 65 and qualify for Medicare.)

SAVE THE DATES!

NSEA-Retired Annual Meeting and Spring Conference

April 13 and 14, 2011

Metro College Culinary Arts Institute, Omaha

Location: Metro College Culinary Arts Institute
N. 32nd Street. and Sorensen Parkway
Metro College Fort Omaha Campus, Omaha

<u>April 13: 6:30 – 8:30 p.m.</u>

Four-course gourmet meal prepared by students at Metro College Culinary Arts Institute (Cost and menu TBD)

<u>April 14: 8:30 a.m. – 3:30 p.m.</u>

Annual meeting and conference

Keynote Address: Legal issues and living options during retirement, Jana Halloran, Eastern Nebraska Office on Aging

Spotlight on Nebraska: Tim Anderson, author of "John Neihardt, Black Elk Speaks"

Tentative breakout sectionals: Wills and Estate planning; Insurance options with EHA, BCBS, and Medicare supplements; Digital Cameras; Cooking for two; Diabetes and nutrition; Antique appraisal; Writing to preserve family memories

Continental breakfast, lunch, and dessert social provided free to members, $10 for non-members and guests

Register on-line after February 1, 2011 at *www.nsea.org/members/retired*
Or call Rebecca Smith, 1.800.742.0047
Registration deadline is Friday, April 8, 2011

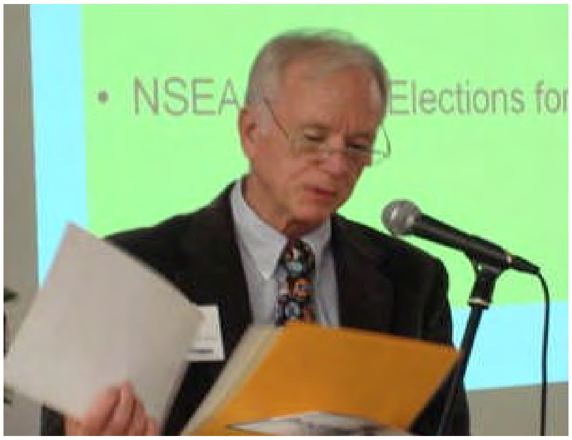
DiAnna and Herb Schimek

Former State Senator DiAnna Schimek won the 2010 Mary Hatwood Futrell Human and Civil Rights Award and joined an elite group of seven previous Nebraska winners who have won one of the 14 Human and Civil Rights Awards annually given by the NEA.

Ethnic minorities and the disadvantaged were among the multitude of those whose lives were improved by the persistent, skillful and effective labors of this fair-minded, patient lawmaker/community activist. Sen. Schimek was a "voice to the voiceless.'"

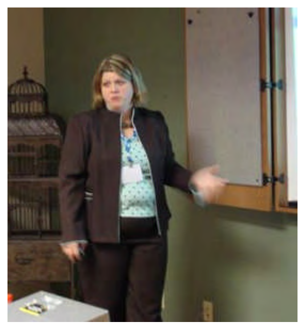
DiAnna's effort to have illegal immigrants pay in-state tuition at the University of Nebraska is symbolic of her legislative focus. Her work in the legislature earned her recognition from the Ponca Tribe (they made her an honorary member of the tribe,) the Santee Tribe, and the Mexican-American Commission. She was also named the Civil Libertarian of the Year by ACLU Nebraska.

The NSEA-Retired Greater Nebraska Conference, October, 2010



NSEA-Retired President Roger Rea welcomed members, led the business meeting, and introduced the speakers.

Barbara Fletcher, Grand Island, won the NSEA-Retired 2010 Quilt. The raffle collected a stitch less than $1000 for the NSEA Children's Fund.



Pictured: Cheri Theesen (Dementia: What you need to know,) Colleen Gnewuch (Type 2 Diabetes-the '411' on the disease,) Kristi Capek (What is Facebook?) Shannon Frink (What's for Dinner?) and Tim Black (Preservation through Poetry) Not shown: Art Tanderup, Herb Schimek, and Jerry Hoffman (Financial and Legislative presentations,) John Higgins (Estate Planning,) Kurt Genrich and Bobbi Hannigan (Pre-65 EHA Insurance and Medicare Changes,) Brad Mellema (Digital Cameras,) Tim Anderson (Author of *John Neihardt's Happy Diversion: Black Elk Speaks*,) and Celia McGonkey (Now What? Living Options for Seniors.)

A fall harvest of door prizes.

INTERGENERATIONAL MENTORING

The 2010-2011 Class

In this, the seventh year of the NSEA-Retired **Intergenerational Mentoring** Program, 32 Hastings College students and 16 retired NSEA members met on campus to learn about and eventually form 16 matches—2 students and one retired member each.

Guided by Gene Grooms, retired NEA staff consultant, the group of 48 met for two formative days in November, participating in several activities to determine the unique personalities of each.

The students and retired member of each match committed themselves to a two– or three-year program through the students' student teaching experiences and their first year as professional educators. The retired members are not judges; they are resources to use when the student teacher/first year professional educator has a question or needs a shoulder of support to lean on.

In 2003, NSEA-Retired was one of the first five states NEA-Retired invited to a meeting in Reno, NV, to initiate an opportunity to pair college teacher education students and retired members. The matches would combine the exuberance of youth with the experience of age to be there for the students during their student teaching year and the first year as a professional educator. Ideally, it would smooth the entrance of quality students into the teaching profession.

Jo Lynn Funk and Marta Walker, members of the Student Education Association of Nebraska, attended. Tom Black, then NSEA-Retired President, made the executive decision to replicate it all in Nebraska, and Maureen Nickels, NSEA Staff Liaison to the NSEA-Retired, took it from there to build the Nebraska program into one of the best in the NEA family.

This activity is important for building quality teachers, and it enables the retired members to continue their support of public education after retirement, to support our youth, and to enjoy the camaraderie of their peers.

As you can see, it is easy to recruit students but difficult to find retired members to volunteer. It's a very rewarding experience for all.

To be a retired partner in the IG program, call Maureen Nickels or Rebecca Smith, 1-800-742-0047, to be part of next year's 2011-2012 class.

ATTENTION: NSEA-Retired Elections: Look for the three nomination coupons in the January 2011 issue of the NSEA VOICE. Nominate yourself for one of the positions of Officer or District Director on the NSEA-Retired Board of Directors or as a delegate to the NSEA Delegate Assembly or as a delegate to the NEA-Retired Annual Meeting and NEA Representative Assembly. **Check it out!!**

OUTREACH TO TEACH, LINCOLN, OCTOBER 9, 2010


SEAN Leaders: Cassidy Pitkin, vice president, Hastings College, and Kyle Rotert, president, UNK, gave instructions and assignments to SEAN members and NSEA volunteers who gathered, on a nice fall Saturday, to work a day at two Lincoln Elementary Schools: McPhee and Everett.


The two schools were the scenes of the 4th Annual Outreach to Teach activity sponsored by the Student Education Association of Nebraska (SEAN) and NSEA-Retired among other sponsors.

SEAN students and an occasional retired member spent the day nailing, mulching, sawing, raking, washing and, not least of all, painting as they cleaned, built box frames for plants, and generally gave their unique tender loving care to the houses that students live in daily.


Are you ready for 10-digit dialing?

Beginning February 26, 2011, a new area code will be in town! Eastern Nebraska will have two area codes for phone numbers starting that date: area code 402 and area code 531. In anticipation of the new area code, Nebraska residents were asked to begin using ten-digit calling starting June 26, 2010. The ten-digit call number is the area code followed by the normal seven-digit phone number.

February 26, 2011, marks the date when local calls in area code 402 will require ten digits – calls made using just seven digits on or after February 26 will not be completed. The reason for the change: new area code 531 will be "overlaid" on top of the area code 402 territory. All speed dial services will need to be updated to include the ten-digit phone numbers. That includes the speed dial on your home phone, call-forwarding, and dial-up Internet devices.

The portions of the state that will have either area code 402 or 531 are shown in the map accompanying this article.

The Nebraska Public Service Commission issued these answers to some frequently asked questions:

Why are we adding a new area code? A new area code will accommodate the large number of phone lines dedicated to home phones, fax machines, pagers, home computers, and cell phone numbers. There are not enough phone numbers in area code 402 to accommodate all of the phone lines that will be needed in the future.

Will the cost of phone calls change because of the new area code? No. Calls that were local before adding area code 531 will still be deemed "local." If a phone number was charged a long-distance rate before the addition of area code 531, it will still be charged a long distance rate.

Do I still have to dial a "1" for long distance? Yes. Adding a new area code does not change which calls are long distance. For long distance, you must still dial: "1" + area code + phone number.

What about dialing 911? You will still dial just "911" to get emergency services. Likewise, 411 will get you directory assistance. Dialing 411 for directory assistance will have the same charges applied after Feb. 26 as are applied now. Any three-digit number that you currently can use (211, 311, 411, 511, 611, 711 or 811) will remain a three-digit phone number after February 26. 2011.

When will we see phone numbers issued with a 531 area code? Sometime after March 26, 2011. New phone numbers assigned after that date may have area code 531 if there are no 402 numbers available.

Will my phone number change? No. Your current phone number will remain the same. The only difference is that you must dial 402 in addition to the number.

What about area code 308? Phone numbers in area code 308 are not affected by ten-digit dialing requirements for now. When area code 308 reaches number saturation, a new area code may be established in that service area

What do I need to do to get ready for the change? You should reprogram all services, automatic dialing equipment or other types of equipment that are programmed with a seven-digit telephone number to include the area code. Some examples are life safety systems, fire or burglar alarm and security systems, security gates, speed dialers, call forwarding settings, fax machines, Internet dial-up numbers, answering machines and voice mail services. In addition, you should include area code 402 on your stationery and checks, change your voice mail greeting, and notify anyone who calls you frequently to be sure to update their calling number for you.

Lobby Day is February. 15 — Register on-line now

Coalition on making Nebraska more "tax-friendly" for retirees is on the agenda!

Tuesday, February 15, 2011, is the day that NSEA-Retired members will gather in Lincoln to address a number of legislative concerns. Tax revenue for Nebraska this year is currently lower than the expected expenditures. State Senators are discussing ways to close the gap – either by cutting back on current expenditures or finding creative ways to push costs into the future. Retirement funding is likely to be fore-square on the Legislative agenda. In addition, NSEA-Retired is working to form a coalition that will develop ideas to make Nebraska more "retiree friendly." An October 2010 article in *Kiplinger's Magazine* ranked Nebraska among the ten least-tax-friendly states for retirees. The rankings considered the taxation of Social Security benefits, exemptions for retirement income, property taxes, inheritance taxes, and sales and income taxes.

Lobby Day will start with a training session to familiarize NSEA-Retired members with the bills that are under consideration by the Legislature this year as well as an outline of some ideas that will help make Nebraska more tax-friendly for retirees. Registration and training will take place in the fourth floor conference room at the NSEA building, 605 S. 14th Street, Lincoln, NE. The tentative agenda for the conference:

8:30 Registration and coffee
9:00 Issues awareness training
10:15 Observe Unicameral and visit with Senators
12:00 Lunch and guest speaker in Governor's mansion, 1425 H St.
1:30 Legislative Committee Hearings (optional)

There is no fee for members to attend Lobby Day. Non-members and guests are asked to pay $10 to cover the costs of the program.

Please register for Lobby Day on the NSEA-Retired web page: *www.nsea.org/members/retired* or call Rebecca Smith at 1.800.742.0047. The deadline for registration and to attend the luncheon at the Governor's mansion is Friday, February 11.

NSEA-Retired members who attend Lobby Day are asked to park on the east side of the Trinity Lutheran Church parking lot at 15th and H Streets, about three blocks from the Capitol. Please do NOT park in a space marked "Reserved."

NSEA-RETIRED
Nebraska State Education Association-Retired • 605 S. 14th St. Suite 200
Lincoln, NE 68508 • (800) 742-0047 • www.nsea.org

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June 2011 V6: 3

The "value" of the Retired Organization

Roger Rea,
NSEA-Retired
President

NEA-Retired was officially founded in 1983, and NSEA-Retired was organized as the state retired affiliate in 1986. Even though the formal retired organizations are relatively young, NEA has recognized the value of retired members and has included them in the overall organizational structure for more than 60 years. In 1950, the NEA Representative Assembly (RA) adopted an amendment to the NEA Bylaws to create a membership category for retirees who had been Active NEA members "…*for at least five years prior to retirement*." NEA saw the value of retaining and recruiting retired members, and the 1983 NEA-RA adopted a bylaw officially founding NEA-Retired and giving retired members specific membership rights, including the right of representation and the right to vote on the NEA Board of Directors.

The NEA mission statement says: "*Our mission is to advocate for education professionals and to unite our members and the nation to fulfill the promise of public education to prepare every student to succeed in a diverse and interdependent world*." That mission statement is a relatively recent addition to the NEA documents, but the notion that retired and active members could work together to "…*advocate for education professionals*" has been part of the central theme for retired members since 1950. There are a number of things that NSEA-Retired does to fulfill this overall mission. Some are quite obvious to both active and retired members; others are a bit more "behind the scenes." The purpose of this editorial is to inform our members of some of the things that NSEA-Retired does to advocate for education professionals and to unite our members – both in conjunction with the active members of NSEA and as an independent organization.

Annual conferences with speakers and break-out sessions on various topics of interest to retired educators are an obvious extension of the mission to unite members of the organization. NSEA-Retired holds conferences each year. In recent years, the organization has expanded the conference agenda to include two conferences, one in the eastern part of the state and one in Greater Nebraska. Conference attendance has been high, and the conference evaluations show great support for them and solid interest in the topics on the agenda. Our most recent conference was at the Culinary Arts Institute on the Fort Omaha campus of Metro Community College. The event is highlighted elsewhere in this newsletter.

NSEA-Retired has also held an annual Lobby Day for the past several years. Members from across the state gather in Lincoln for a one-day event to become informed about issues facing the Unicameral that relate to education and retirement, and to lobby senators about issues important to education and

(See **The President**, Page 2)

The President...

education employees. On Lobby Day, NSEA Government Relations staff members present retired members with information and talking points about bills that are up for debate. Retired members use that information to lobby senators about those issues.

We completed a very successful Lobby Day in February of this year. Retired members spoke with Senators about the CIR and the need to retain state education funding at current levels. For Senators, NSEA-Retired members are not only effective lobbyists, in many cases, they are also their former teachers! That provides for more credibility for our retired members when they talk with their senators. Over the years, we have helped to gain retirement benefits, improve education funding, and block legislation that would be harmful to education. At the local level, NSEA-Retired members participate in candidate recommendation committees for NSEA, and work to pass bond issues for local school districts. Lobbying is something that retired educators do extremely well.

Health care reform has been a hot topic on the national agenda for the past couple of years, and retired members have been in the middle of that debate, too. NEA-Retired worked with NEA lobbyists in Washington, D.C., to help create a prescription drug benefit. NEA-Retired members also worked with Congress to develop a plan to begin to close the so-called "donut hole" so that all citizens would be able to retire with dignity and with the knowledge that they would have access to affordable medical care after retirement. Social Security has been in the forefront for more than a decade. NEA-Retired, as well as state retired organizations, have worked diligently to preserve Social Security and to maintain funding so that this important piece of retirement security is available to current retirees as well as future generations of retirees.

NSEA-Retired knows the value of Medicare. We worked with Blue Cross and Blue Shield of Nebraska to develop and endorse a Medicare supplement that had a prescription drug benefit before the advent of Medicare Part D. When Medicare Part D provided a prescription drug benefit for virtually everyone on Medicare, we worked with Blue Cross to develop a dental benefit that is part of our endorsed Medicare supplement – the only Medicare supplement that provides this kind of benefit. In addition, NSEA-Retired monitors the Medicare supplement plan and works with Blue Cross to develop premium structures that are affordable and understandable. Two years ago, our premium increase for the medical portion of the supplement was 0%, and last year we actually reduced premiums for the supplement. Providing that level of oversight is a valuable member benefit.

We communicate with our members through our award-winning publications: the *NSEA-Retired Corner* (which appears in each issue of the NSEA's monthly magazine, *The VOICE*,) and *The Advocate*, our periodic newsletter. We also use our web page, ***www.nsea.org/members/retired***, to post important information, handle conference registration, and provide membership background materials. Letters, postcards, and phone calls round out our member communication activities.

NSEA-Retired cooperates with the student education program, SEAN, to complete their "Outreach to Teach" activities in which they work to improve a local school site during their annual conference. We provide four $750 scholarships for SEAN members each year, and share the responsibility for selecting the winners with the members of SEAN. Our Mentoring Project pairs first-year teachers with a retired member to help make the transition from full-time student to full-time teacher a bit more painless. The NSEA-Retired Mentoring Project is recognized as one of the best in the nation.

We also provide retirement planning information to active members of NSEA. Retired members younger than 65 now have three different EHA health insurance options from which to choose. NSEA-Retired helped organize information seminars about these options, promoted the seminars through our publications, and was an active participant in the presentations. In the past two years, we have cooperated to host ten sessions attended by 362 members. Two more sessions are planned for mid-July.

When Medicare Part D, the prescription drug program for Medicare, was introduced, we organized a series of information seminars across the state to not only explain Medicare benefits and the value of NSEA-Retired BlueSenior Classic (our endorsed Medicare supplement), but also to demonstrate how to use the Medicare web site to find an appropriate Part D provider. In the past five years, we have hosted 27 sessions on Medicare, attended by more than 900 members statewide.

Our retirement planning seminars have been a big hit with active members contemplating retirement in the next few years. Over the past eight years, we have made the retirement planning presentation 175 times to more than 6,500 active members.

(See **The President**, Page 3)

The President…

NSEA-Retired is currently organizing and working with a coalition of retired workers from both the public and private sectors to develop ideas on ways by which Nebraska can become more tax-friendly for retirees. If current demographic trends are not reversed, Nebraska will likely lose one of the three seats that we currently have in the US Congress. Changes in the taxation of retirement incomes is one way to help retain the Baby Boomer generation as they retire and make decisions on where to spend their retirement years. The dollars that retirees bring into the state in the form of retirement pensions, Social Security income, and payments from Medicare for medical services are a valuable economic engine for Nebraska. The state must work aggressively to retain both retirees and the money they contribute to the state's economic well-being.

This listing, while impressive, does not take into account the many things that retirees do for their communities in the form of volunteer work, caring for both elderly parents and dependent grandchildren, and contributing to the stability of local economies.

When asked what "value" retired members provide to the organization, I often respond with a simple statement. Retirees make a noticeably important difference in the NSEA – we always have, and we always will!

Educator's Health Alliance Wellness Program Announced

By: Howie Halperin and Linda Kenedy, Wellness Council of the Midlands

Educator's Health Alliance rolled out a new wellness program to all 319 sub groups, including retirees insured with EHA, in January 2011. The wellness program began as a pilot project with sixteen groups over one year ago. The goal was to evaluate the pilot project to determine if the model worked well enough to improve wellness in the entire EHA population. Feedback from the pilot project was overwhelmingly positive. Mid-way through it, the EHA Board unanimously decided to fund a comprehensive wellness program for everyone insured by EHA. Partners with EHA for the wellness program are the Wellness Council of the Midlands and Blue Cross Blue Shield of Nebraska, two organizations that bring many years of experience in corporate wellness programs to the table.

The EHA program consists of three steps:

Training key people in each of the EHA sub groups throughout the state on ways to implement a comprehensive wellness program.

Providing an opportunity for all EHA subscribers to complete a Personal Health Assessment (PHA). This report is confidential and each person who participates receives an individual report summarizing their health risks and acknowledging their good health habits. Members receive recommendations on how to live a healthier lifestyle as part of the report.

Six on-line wellness programs are conducted during the year to address the health risks and needs that were identified by the PHA.

The pilot program is nearing the end of its first full year. Some of the comments from participants are:

"I have been doing these EHA Wellness activities for a year now and have gained insight into what is better and how to make sustainable changes for my health."

"I loved this program! It was so easy to record progress. The daily emails were wonderful!"

"This helped me with my diabetes."

"I really enjoyed this program. Since starting this program my energy level has increased. My personal behavior has very much improved. An excellent program."

It is important to have all EHA members engaged in the wellness program for total success. This fall, a second opportunity will be provided to EHA subscribers (including retirees) to enroll in the wellness program and take the Personal Health Assessment. Watch for communication on how to sign up for the PHA in the fall.

As we all know, it's not the years of life that matter, but rather it is the life in those years. The EHA Wellness program aims to give people a better quality of life by giving them the knowledge and tools to live a healthier life.

NSEA-Retired Annual Meeting and Spring Conference

Nearly 60 members and guests enjoyed a four-course gourmet dinner prepared by 40-some student chefs at the Culinary Arts Institute at Fort Omaha, the evening before the Conference in April. The next day over 120 members and guests attended the all-day Conference.

Jana Halloran (right,) of the Eastern NE Office on Aging, spoke on the Legal Issues and Living Options During Retirement. Tim Anderson (left) of the UNL Journalism Department and the author of *John Neihardt's "Happy Diversion:" Black Elk Speaks* described friendship of John Neihardt, Nebraska's late poet Laureate and Black Elk, the Oglala Sioux Holy Man.

To satisfy individual tastes, participants could attend sessions on Blue Cross/Blue Shield Insurances and Medicare; Personal Wellness and the EHA Wellness Program; Preserving Family Memories; Restoring the General Crook House; Digital Cameras; Diabetes Causes and Treatments; and the differences between dementia and Alzheimer's.

As a final activity of the NSEA-Retired Spring Conference, members had an opportunity to tour the General Crook House at the Metropolitan Community College—Fort Omaha Branch. The mansion was built in 1879 as the home of the general who, with Thomas Tibbles of the *Omaha Daily Herald* and attorneys John Webster and Andrew Poppleton, brought Ponca Chief Standing Bear into the District Court of Judge Elmer Dundy. Standing Bear had been arrested for leaving the Oklahoma Reservation to return to his northeast Nebraska homeland to bury his son. On May 19, 1879, Judge Dundy ruled that "an Indian is a person" within the meaning of habeas corpus and immediately freed him and his followers. Below are pictures of the beautiful home.

Information on pre-65 EHA options available online

There are now three health insurance options available from Educators Health Alliance (EHA) for retirees under age 65: (a) $600 deductible PPO plan (the default plan for retirees); (b) $1,500 deductible PPO plan; and (c) $2,850 high deductible PPO plan that is eligible for a Health Savings Account (HSA). Union Bank of Lincoln offers no-fee Health Savings Accounts for NSEA-Retired members younger than 65 who sign up for the $2,850 deductible PPO health insurance plan through EHA. To enroll in the Union Bank no-fee Health Savings Account, visit the EHA website, www.ehaplan.org, click on the "Retirees info" link on the left side of the web page, then click on the Union Bank logo on the "Retirees info" page. Follow the directions on the Union Bank website to apply for a Health Savings Account with Union Bank. Be sure to enter "Educators Health Alliance" as your employer, and "Retired" as your occupation as you fill out the form in order to get the no-fee Health Savings Account from Union Bank.

NSEA-Retired cooperated with EHA, Blue Cross of Nebraska, and Union Bank to provide more detail on these options through a series of seminars and webinars in May. A total of 125 individuals participated and received valuable information about the new health insurance options. You can download the presentations from these seminars and view them on your home computer by visiting the NSEA-Retired web page, www.nsea.org/members/retired. The files are all PDF files, so you don't need any special software to view the presentations. When you download them, you will see some arrows at the top of the presentation files. Just click on the "down arrow" to move through the slides. There are four files that you can download and view: (a) a Blue Cross/EHA presentation on the new retiree options; (b) a Union Bank presentation on Health Savings Accounts; (c) an NSEA-Retired presentation on how to sign up for a Health Savings Account; and (d) a list of Frequently Asked Questions (FAQs) about Health Savings Accounts and High Deductible Health Insurance Plans.

The webinar is available for viewing on the EHA web site, www.ehaplan.org. Just click on the link to the webinar.

One additional seminar and webinar will be held this summer on July 13. The seminar will be held at 9:00 a.m. at Westside Community Conference Center, 3534 S. 108th St., Omaha. A webinar will be held July 13 at 1:30 p.m. for those who cannot attend the seminar. To sign up for either session, visit the EHA website to register or receive a link to the webinar. The sessions are scheduled to last no more than 90 minutes.

By Roger Rea, NSEA-Retired President

EHA rates set for 2011-2012

There will be no change in rates for Educators Health Alliance (EHA) for 2011-2012.

EHA insurance covers retirees prior to their 65th birthday. If you are under age 65 and are insured by EHA, your premiums will not change in September. Retirees on direct bill (those who have their health insurance premium deducted directly from their checking accounts) will have the charges for 2011-2012 deducted from their checking accounts beginning September 15, 2011. The monthly rates for the $600 deductible retiree coverage with PPO dental will be: retiree only = $539.76; retiree & children = $958.54; retiree & spouse = $1,133.46; retiree, spouse & children = $1,436.48.

Retirees are reminded that they are eligible to choose two single policies rather than having "retiree and spouse" coverage. To select two single policies, both the retiree and his/her spouse must be Special Services members of NSEA. If you do not have full dental coverage for all of your family members, your rates will be slightly lower than the rates listed above. You should consult the EHA website for full information, **www.ehaplan.org**.

EHA improves benefits

Educators Health Alliance, EHA, provides insurance for most retirees younger than 65. September 1, 2011, will usher in some benefit enhancements that are a result of the Patient Protection and Affordable Care Act (PPACA) passed by Congress last year. The changes in benefits mandated by PPACA are:

- *Preventative services will be covered after September 1 at 100% and will not be subject to either deductible or coinsurance*
- *The lifetime benefit cap of $5 million per individual is removed*
- *Children up to age 26 will be allowed to receive dependent coverage under a parent's family policy so long as they meet the ACA requirements*
- *Pre-existing condition exclusions for children under age 19 are eliminated*

In prior years, preventative services were covered to a maximum of $500 per individual and were subject to an approved list of preventative procedures. In addition, the physician office visit co-payment was due under the old policy rules. Effective September 1, there is no office visit charge for preventative services if the physician codes the visit correctly. To take full advantage of the preventative services, be sure to tell your doctor that you want preventative tests when you make the appointment, and reaffirm the preventative nature of your visit while you are with the medical professionals. If the doctor does not code the visit as preventative, you will be charged for the tests as well as the office visit.

There are age, gender, and frequency restrictions on the covered preventative tests. For example, women older than 40 will receive one mammogram per calendar year; anyone over age 65 will receive one abdominal aortic aneurysm screening per lifetime; anyone over age 50 will receive one colorectal cancer screening every five years; and screening for Type 2 Diabetes is available every year for those who are at risk for the disease. For a complete listing of covered preventative services, visit the Blue Cross website, ***www.bcbsne.com***, click on the "*Health Care Reform*" tab and look for the "*preventative services*" link.

Another provision of the PPACA is the Early Retiree Reinsurance Program. This program is designed to encourage employers to retain retirees on group health insurance plans prior to age 65. EHA has applied for, and received, money from the Early Retiree Reinsurance Program. Part of the money from the program will be used to decrease overall insurance premium increases, and part will be used to reduce the premiums for retirees alone. Specific details on how the money will be applied to premium increases are still being developed. Money from the reinsurance program is one of the reasons that EHA was able to keep premium increases to zero percent for 2011-12. The reinsurance money will help to assure that overall premiums will not increase more than 4% in 2012-13. More details are available on the EHA website, ***www.ehaplan.org***.

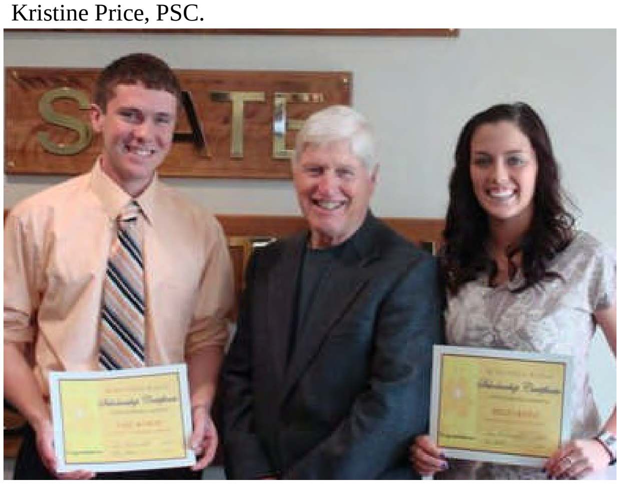
By Roger Rea, NSEA-Retired President

The NSEA-Retired delegation to the NSEA Delegate Assembly, April 2011: Standing left to right: Jan Barnason*, Arlene Rea, Guy Roggenkamp, De Tonack, John Kruse, Tom Black*, Pat Etherton*, John Jensen*, Walta Sue Dodd*, Liz Rea, Dee Gillam; Sitting left to right: Jim McDermott*, Ruby Davis*, Roger Rea*, and Art Tanderup*. Starred names represent members of the NSEA-Retired Board of Directors. Not pictured: Board members Twila Griffiths and Joyce Huggans.

Pictured left: Retiring Board members Pat Etherton, Capitol District; Jim McDermott, Vice President; and Joyce Huggans, Sandhills District.

Pictured above are Barbara Matteson, NEA-Retired President, and NSEA-Retired Board member John Jensen. Matteson ends her six-year term as national president this summer. If the current Vice President is elected her successor, then Jensen will be a candidate for the NEA-Retired Vice President. Not since the early 1980's have NSEA-Retired members been represented in national leadership roles. That's when Val Pullen, McCook, (who was a leader in the formation of NSEA-Retired) served as Vice President, then President of NEA-Retired.

Annually, NSEA-Retired awards four $750 scholarships to SEAN students in their student teaching sequences. Pictured below are this year's winners Joel Kosch, UNK, and Kelli Raile, NWU, with Vice President Jim McDermott. Not pictured: winners Kristen Tassemeyer, UNL, and Kristine Price, PSC.



Coalition looks at demographic trends

NSEA-Retired is a founding member of a coalition of retired employee groups seeking to find ways to make Nebraska more attractive to retirees. The 2010 US Census is now releasing statistical data on trends in population growth in the states. David Drozd from the University of Nebraska at Omaha Center for Public Affairs Research Department will make a presentation to the coalition at the next meeting, June 15th. David is part of the official US Census research team for Nebraska. His presentation will highlight:

- Trends in Nebraska population growth compared to other states
- Variations in population growth among Nebraska counties
- Out-migration and in-migration trends in Nebraska over the decades
- Projections on population growth in Nebraska

If current demographic trends continue unchecked, Nebraska will be vulnerable to losing one Congressional seat by 2020. Nebraska ranks dead last in the seven contiguous states (NE, KS, MO, IA, SD, WY, and CO) in providing tax relief for retirement incomes. By making Nebraska more attractive to new retirees, Nebraska will be better equipped to retain our current residents and increase population over the next decade. Given the large cohort of Baby Boomers who will retire in the next decade, population growth in Nebraska will depend largely on the ability of the state to retain retirees. The goal of the coalition is to recommend ways by which Nebraska can become more attractive for retirees. Those ideas will be communicated to Unicameral leaders for possible action during next year's Unicameral session.

By Roger Rea, NSEA-Retired President

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