

## Report from the GSRA Legislative Committee

The 2010 Legislative Session began on January 11<sup>th</sup> with revenue concerns. The Governor presented an amended budget that reduced appropriations for FY 2010 from \$16.2 billion to \$14.98 billion—a reduction of \$1.3 billion. All state departments and education are subject to funding reductions as the Appropriations Committees hold hearings with departments about their spending plans.

- Department of Community Health: DCH appeared before the Appropriations Committees and subcommittee during the month of January. DCH presented the following information about the State Health Benefit Plan:

- Benefit cost is increasing at 13.5%;
- Premiums will be increased by 10% on January 1, 2011;
- FY 2010 and FY 2011 projected savings in SHBP cost as a result of the benefit decreases on January 1, 2010 is \$307.2 million;
- FY 2010 and FY 2011 projected savings in SHBP cost as a result of enrolling retirees in the Medicare Advantage options is \$87.7 million;
- FY 2010 and FY 2011 projected savings in SHBP cost as a result of increasing enrollment in the Consumer Driven Plans (Health Reimbursement Account and High Deductible Health Plan) is \$387.1 million;
- Funding reductions require DCH to use (\$196 million) Incurred But Not Reported (IBNR) reserves, which eliminates SHBP cash reserves for covering all liabilities in a given fiscal year.

- Employees Retirement System: The employer contribution rate for the ERS remains at 10.41% of compensation for Old and New Plan members during FY 2010 and FY 2011.

A report showing an update to legislative bills can be viewed on the GSRA website ([www.mygsra.com](http://www.mygsra.com)) under the Legislation tab. The legislative bills of most interest to GSRA members that have been introduced in the 2010 Session are:

- SB 320 provides a bill of rights for Georgia teachers and was assigned to the Senate Insurance & Labor Committee on 1/28/10;

- SB 329 amends the insurance code to remove the requirement for student status for covering dependent children under age 26 for medical coverage ;
- SR 795 provides for a vote to amend Georgia's Constitution to prohibit any restriction to a person's freedom to choose medical coverage;
- SR 829 and 830 requests the Attorney General to determine the constitutionality of mandating health care coverage for Georgia citizens and providing favorable Medicaid payment treatment to some states, requiring citizens of other states to pay more than a fair share;
- HB 916 nullifies retirement for persons under age 60 who return to work within 2 consecutive months as an employee or independent contractor and was favorably reported by the House Retirement Committee on 2/4/10;
- HB 960 defines the order of payment to beneficiaries for the defined contribution plan administered by the Employee Retirement system when no beneficiary designation is on file. It was favorably reported by the House Retirement Committee on 2/4/10;
- HB 969 changes Teachers Retirement System state law to comply with the federal Internal Revenue Code regarding retirement issues, designates 60 as the normal retirement age, and provides for suspension of a pension for a member of the Public School Employees Retirement System if the member is under age 60 and returns to work in a position covered by the PSERS. It was favorably reported by the House Retirement Committee on 2/4/10;
- HB 1086 excludes release to the public e-mail addresses of employees of public and non-public school systems.

Legislative bills of significant interest held over from the 2009 Session include: SB 129 for investing ERS funds in alternative investments. The companion House Bill, HB 249, has been modified to impact only the Fire Fighters pension fund, favorably passed by the House Retirement Committee on 1/29/10. As of this date, the Senate Retirement Committee has taken no action on SB129.

## TURNING 65: WHAT DO I DO NOW ABOUT HEALTH INSURANCE COVERAGE?

Congratulations! You have reached age 65. You may change your State Health Benefit Option when you reach age 65 BUT you ARE REQUIRED TO SUBMIT INFORMATION TO the SHBP if you want to take advantage of the best SHBP premium rate. The SHBP will automatically change your premium effective on the first of the month in which you attain age 65. How the premium is changed depends on what you do.

- **If you document that you have Medicare** and do nothing else, the SHBP will assume that you wish to be converted to the Standard Medicare Advantage Plan and **will decrease your premium.**
- If you do not document that you have Medicare, the SHBP will assume that you do not have Medicare, and will continue you in your previously selected option, **and will increase your premium.**

SHBP regulations provide an opportunity to change options at the point you become eligible for Medicare. So you may review the options and premiums to determine the best option for you (and your family if you have family coverage). Premium rates, information about the Medicare Advantage Plans, change forms and policies when you are eligible for Medicare can be found at the Department of Community Health State Health Benefit Plan website <http://dch.georgia.gov/shbp>. If you want to change to any option—other than the **Standard** Medicare Advantage Plan—you must complete a form.

A shorthand version about the processes when you turn age 65 is shown in the following paragraphs. If your situation is not explained in these paragraphs, be sure to contact the SHBP Call Center at (404) 656-6322 or (800) 610-1863 for further information.

### [The First Step is to Enroll in Medicare<sup>1</sup>](#)

**If you are receiving social security benefits when you reach age 65**, the Social Security Administration (SSA) automatically enrolls you in Medicare Part A (hospitalization) and Medicare Part B (professional services), if you are eligible for both. SSA notifies you of this enrollment about 3 to 4 months before your 65<sup>th</sup> birthday and sends you a Medicare Card showing the effective dates of the Medicare coverages, which will be the first day of the month in which you turn 65. About the 1<sup>st</sup> of the month before your 65<sup>th</sup> birthday, the SSA sends a notice to you indicating the amount of the premium deduction from your social security benefit.

<sup>1</sup> Verified with Social Security Administration Customer Service staff.

SSA will deduct your Medicare Part B premium from your social security payment unless you choose other payment options. Although SSA allows you to decline Medicare coverage, GSRA recommends that you NOT decline Medicare coverage and that you allow Medicare to deduct the Medicare premium from your monthly social security payment<sup>2</sup>. If you are receiving social security benefits and you have not received notification from SSA about Medicare at least 2½ months before your 65<sup>th</sup> birthday, contact the Social Security Administration at (800) 772-1213.

**If you are not receiving social security benefits when you reach age 65**, you must contact the Social Security Administration at least 3 months prior to your 65<sup>th</sup> birthday in order to enroll for Medicare. SSA will then inform you of your eligibility for Medicare coverage. Even if you are not eligible to receive Medicare Part A coverage, you may be eligible to purchase Medicare Part B coverage. As mentioned above you are not required to enroll for Medicare, but if you are a retiree enrolled in the State Health Benefit Plan, GSRA recommends that you enroll for Medicare and one of the Medicare Advantage Plans (MAP), unless you are willing to pay a much higher SHBP premium. Don't forget: In order to receive benefits under the MAP plans, your providers must be "deemed".

### [State Health Benefit Plan Enrollment Change<sup>3</sup>](#)

The State Health Benefit Plan mails a letter to you 4 months before you reach age 65. The letter has two sections—if you are retiring or are retired and if you continue to work after age 65. If you are a retiree, only the 1<sup>st</sup> section of the letter is applicable to you. In brief, this letter advises the following:

- **You must mail a copy of your Medicare card** to the SHBP, P.O. Box 1990, Atlanta, GA 30301-1990. GSRA recommends that you place the card where it will show on the letter, copy the card with the name and address on the letter and mail. It is important that you mail the copy of the card in time for it to be received by the SHBP at least 30 days prior to the 1<sup>st</sup> of the month that you turn age 65, (example: If your 65<sup>th</sup> birthday falls between March 1 and March 31, send the

<sup>2</sup> A retiree who is covered under the working spouse's coverage may consider not enrolling in Medicare; however, the SHBP's policy is to discontinue any subsidy to the retiree's coverage unless the retiree enrolls in one of the Medicare Advantage Plans.

<sup>3</sup> All statements about SHBP enrollment in a Medicare Advantage Plan are predicated on approval of the enrollment by the Centers of Medicare & Medicaid Services (CMS).

copy of your Medicare card to the SHBP so that it arrives there no later than February 1<sup>st</sup>.)

- **The SHBP will default your coverage to the Standard Medicare Advantage Plan**
  - if the SHBP has received a copy of your Medicare card
  - with the vendor that you have already chosen
  - to become effective on the same date as your Medicare coverage
  - unless you file a change form.
- **If you have SHBP coverage for your spouse and/or dependents under age 65**, only your coverage will be changed—the dependents will retain the former option. If, however, your spouse is age 65 or older and continuing to work, you and your spouse must enroll for Medicare in order to take advantage of the lowest SHBP premium. If the spouse enrolls in Medicare, SHBP will default coverage for the spouse to the MA option also. If either of you do not enroll in the MA option, SHBP will charge the full cost for coverage.
- **If you choose to enroll in the Premium Medicare Advantage Plan**, download a Retiree/Surviving Spouse from <http://dch.georgia.gov/shbp> or contact the SHBP by phone to request a form. Complete the form and mail to the SHBP to be received by the SHBP at least one month prior to your Medicare coverage effective date.
- In order that your pension payment can be adjusted to the Medicare Advantage Plan rate, you should file a copy of your Medicare card as soon as you receive it, but so that it will be received by the SHBP **no later**

**than one month prior** to the 1<sup>st</sup> of the month in which you turn age 65.

- **If you choose to retain original Medicare and one of the non-Medicare Advantage options** after reaching age 65, you should contact the SHBP Call Center (404/656-6322 or 800/610-1863) to discuss and then follow up with a letter stating the option that you have chosen. Even though you do not enroll in a MAP you should send a copy of your Medicare Card to the SHBP so that Medicare and your chosen option will coordinate payments properly. In all probability, you will also want to enroll in a Medicare Part D prescription drug plan. When choosing a Part D plan, contact Medicare by phone or on-line at [www.medicare.gov](http://www.medicare.gov).

#### [How will I know that the Requested Change has been made to my SHBP coverage?](#)

You should receive a new ID card showing that you are covered by MAP within 3 weeks following the SHBP's receipt of a copy of the Medicare card showing—at minimum—Part B coverage. If for some reason, you delayed sending the information to the SHBP and a higher deduction has been made from your pension payment, contact the SHBP at (404) 656-6322 or (800) 610-1863. Medicare must accept you into the MAP option before the SHBP can officially accept you in MAP. If any refund for an over-deduction from your pension is due, you must request the refund; however, the SHBP cannot enroll you in MAP until Medicare accepts you.

### [Has Your GSRA Membership Expired?](#)

#### [Renew today!](#)

*The best way to renew your membership is by credit card online. Just go to [www.mygsra.com](http://www.mygsra.com) and point to the "Join Us" button, then click on "GSRA – Membership Renewal". Update your personal information on the next page if you need to, and then click "Submit" at the bottom. On the next page, click on "Credit Card" and follow the instructions. If you don't use credit cards online, just click on the "Send Check" option and follow the instructions carefully. Don't forget: Make sure your full name and mailing address, plus the words "MEMBERSHIP RENEWAL" are on the check. Make it payable to "Georgia State Retirees Association" and send it to GSRA, PO Box 2391, Newnan, GA 30264.*

*If you receive GSRA Newsletters by US Mail, your membership expiration date is shown above your name on the mailing label of this newsletter. Please renew on time by following the check-mailing instructions above. If the expiration date shown is incorrect, drop a note to GSRA, PO Box 108, Bethlehem, GA 30620.*

**[Keep your membership current – Don't miss out on important news and events!](#)**

## State Health Benefit Plan Membership Information

As reported an earlier newsletter, the Governor's budget recommendation for FY 2010, is again reducing the employer contribution to the State Health Benefit Plan in order to cut the appropriated funds to State Agencies and School Systems. The loss in revenue to the SHBP is \$74.8 million over the April through June 2010 months.

The Commissioner of the Department of Community Health, Dr. Rhonda Medows, reported to the Joint Appropriations Committees that the cost per member is increasing at a rate of 13.5% while the number of members had decreased slightly. The following table shows the number of covered members and the number of covered lives as of January 2010.

SHBP Membership – January 2010								
Members						Lives		
	Active	Retirees	Total Members	% Total Members	% Total Retirees	Active	Retiree	Total Lives
State Agencies	64,279	30,525	94,804	27.08%	33.1%	128,679	43,717	172,396
Public Schools	190,482	61,748	252,230	72.04%	66.9%	426,447	85,505	511,952
Other	3,095	2	3,097	.88%		5,024	3	5,027
<b>Total</b>	<b>257,856</b>	<b>92,275</b>	<b>350,131</b>	<b>100%</b>	<b>100%</b>	<b>560,150</b>	<b>129,225</b>	<b>689,375</b>
<b>% Active/Retirees</b>	<b>73.6%</b>	<b>26.4%</b>	<b>100.0%</b>			<b>81.3%</b>	<b>18.7%</b>	<b>100%</b>

A review of the covered membership as of January 2009 indicates that the number of active employees for both State Agencies and School Systems has decreased while the number of retirees has increased.

Membership Change 2010 over 2009				
	Active	Percent Change	Retirees	Percent Change
State	-2,731	-4.1%	838	2.8%
School Systems	-3,257	-1.7%	2,040	3.4%
<b>Total</b>	<b>-5,988</b>	<b>-2.3%</b>	<b>2,878</b>	<b>3.2%</b>

Although the greatest percentage of active members is enrolled in an HMO option, DCH's objective to move the membership to a Consumer Driven Health Plan (CDHPs) was also achieved. The percentage of members enrolled in the Health Reimbursement Account (HRA) or the High Deductible Health Plan (HDHP) increased from 16% to 29% of total members. When combining the CDHP

enrollment with the Medicare Advantage Plans [with at least one family member enrolled in MAP and the other, under age 65, in a non-Medicare option], some 45% of the members are enrolled in a CDHP or MAP option. Of the 59,856 retirees who enrolled at least one family member in one of the MAP options, 58% are enrolled in the Standard MAP and 42% are enrolled in the Premium MAP.

### ***DOES GSRA HAVE YOUR CORRECT CONTACT INFORMATION?***

Please be sure to update your **email address** with GSRA when it changes. Simply log in to [www.mygsra.com](http://www.mygsra.com) using your old email address and password; select "Our Members" and "My Profile", and then change your information using the "edit" feature.

If your mailing address changes, and you do not use a computer, please notify us of your new address by sending a card or letter to the address below.

THANKS!

## MORE REPORTS FROM OUR 2009 ANNUAL MEETING

### PART 4: "How Did the Candidates for Governor Respond to GSRA's Questions?"

At our Annual Meeting in October, we sponsored a moderated Roundtable Discussion among six announced candidates in the 2010 race for Georgia's next Governor. Candidates Thurbert Baker, Roy Barnes, Ray McBerry, Dubose Porter, David Poythress, and Austin Scott participated in the roundtable. Although all Democratic and Republican candidates were invited, Nathan Deal, Karen Handel, Eric Johnson, and John Oxendine declined to participate and Jeff Chapman could not attend because of illness. GSRA submitted a total of fourteen written questions to ALL candidates prior to the Annual Meeting,

along with a request for written responses, even if the candidate was unable to appear.

Written responses to GSRA questions #1 through #11, received from Candidates Barnes, Chapman, Oxendine, Porter, Poythress and Scott, were printed in December and January issues of the GSRA Newsletter. Printed below are their answers to our final three questions. We appreciate the participation of all six candidates' at our meeting, and also thank those who submitted written responses to our questions.

**Question #12:** As funding for public education has declined in the last four years, de facto funding for private schools has increased. How do you feel about this direct shift in funding from public to private education? What are your priorities for education in the State of Georgia.

**BARNES:** I am a firm believer in the power of our public education system, because I am a product of it. My public education allowed me to accomplish more than I thought any member of my family could. I don't believe that the government should be run for the benefit of just a few and to the detriment of many. Public schools are the key to social mobility and the glue that holds us together. We must continue to preserve the integrity of Georgia's education system by ensuring that education funding goes directly to where it's needed most - our public schools. In the past, Georgia has always made it through recessions without teacher furloughs or expanding class sizes, and today should certainly be no exception. We cannot cut \$2 billion from education over seven years and expect improvement. As Governor, I will give more attention to the areas of education that can most drastically improve performance. In the classroom, we must focus on improving early childhood education, emphasizing math and reading, and reducing elementary school class sizes. Good educators are the most valuable resource we have, and they should be encouraged and rewarded for their work, not ignored. If elected Governor, I will offer incentives to teachers who obtain national board certifications, or act as student mentors. We must also do what we can to attract teachers to the high-need areas: math, science, language, and special education, by covering certification and training fees. On an institutional level, schools that achieve more than a year's targeted growth in a given academic year should also be rewarded.

classroom teachers, I support parents having the right to educate their child in the environment they feel best for their family. Likewise, I will work for our teachers in government schools to make sure they receive pay raises and have the resources and support they need to actually teach.

**PORTER:** Since 2003, over \$2 billion has been cut from our schools forcing increased local property taxes all over the state and compromising our children's future. As governor, I will make education a priority again by working to restore funding. At this time, the state is not even funding our schools at their basic levels. We can also help teachers make a difference by adding technology in the classroom that identifies a student's abilities so teachers can better determine what each child needs to succeed. At Saxon Elementary in Dublin we added this technology in the classroom, and that school's reading test scores went from the bottom of state rankings to top. With a little bit of help from the state we can make a difference and give teachers tools they can use to make an even bigger impact in their classrooms. I voted against the *de facto* funding of private schools. As governor, I would also stop any increases in class sizes. All studies indicate that smaller classes help with learning by giving students more one-on-one time with their teachers. The days of attracting high-quality industry to our state with massive incentives alone have passed. What we must do is demonstrate that we have a healthy, well-educated workforce. Accepting progressive technology methods, empowering our teachers, partnering with parents in K-12 and strengthening our technical colleges, community colleges, and universities will secure a healthy economy for our future. Education means more people working and sharing the tax burden with us all. As governor, this is my

**CHAPMAN:** (Did not respond to this question.)

**OXENDINE:** I refuse to accept the premise of some division about schools, i.e. government schools and private schools. I am an advocate for the student and the

vision for education, which will help move our economy forward.

**POYTHRESS:** (Did not respond to this question).

**SCOTT:** Public education receives a larger percentage of the State's budget than any other single area. I believe that education creates opportunity. I know that our growth as a State will be directly tied to improving our education system. I believe in local control, accountability, and providing incentives for teachers and students to excel. My proposal for an incentive program called "Bridges Beyond" will pair the leadership of high-achieving schools with other schools

throughout the State and through a series of grants and rewards encourage partnerships beyond system borders that reward the mentor school as well as the school that they are helping to improve. By focusing on what we're doing right and by using rewards and grants to apply those concepts in areas where we need improvement, we will raise the quality of education throughout the State. I have a more personal interest in the public education system than any of the other candidates: my son is a student in public school, and my mother and sister are teachers in the public schools. As governor, I must have an education system that works for students and teachers.

**Question #13: Considering the steady long term reduction in manufacturing jobs in Georgia and the nation, and the particularly hard effect on rural Georgia, what are your priorities for the economy in the State of Georgia?**

**BARNES:** Georgia desperately needs more jobs. Given the concerns about water, education and transportation statewide, it comes as no real surprise that businesses are reluctant to locate here. Atlanta is fighting a losing battle with Charlotte for preference with companies that are establishing a presence in the South, and the rest of Georgia is not able to compete for vital plants and factories. We need to train a workforce that will attract high-tech, high-paying jobs to Georgia – jobs that cannot be outsourced. Education is inexorably linked to job creation, and so we must do all that we can to equip young Georgians for the best jobs. A couple of the key sectors we need to target are the fields of bio-medical research and the generation of bio-fuels. The state government should create incentives for medical research initiatives to be based in Georgia. The United States still has a comparative advantage in scientific technology and Georgia should seize the opportunity to be at the forefront of technological breakthroughs. Initiatives such as The Georgia Cancer Coalition could lead to revolutionary advances in medical research, and the development of processing plants for converting Georgia pine to useable bio-fuels could create scores of jobs and serve to attract even more business to Georgia. Atlanta may be a significant engine of growth and business in the state, but Georgia's heritage rests in our legacy of agriculture. Most of Georgia is rural, and it is essential that we stimulate economic development that does not demand a departure from this important tradition. Georgia produces a wide variety of agricultural products, but a lot of potential revenue is lost when the state exports only raw goods. We must develop the capacity to take Georgia's raw agricultural and energy products and process them in state, so that more of the chain of production rests with Georgia workers. This type of value added agriculture will result in products that are ready for consumers and therefore more valuable by the time they leave state lines.

**CHAPMAN:** (Did not respond to this question.)

**OXENDINE:** To have state government focus on creating jobs, jobs, and more jobs. Georgia must make the Port in Savannah and Brunswick competitive so that our agriculture products can ship as fast as possible to compete with their international competitors. Georgia must create transportation projects that allow a business to locate here and move their products to their customers in a profitable manner. Georgia must have a focus on education and health care so businesses will locate here. Georgia must expand our international economic development outreach so we attract new jobs in our state.

**PORTER:** As governor, I would increase opportunities at our technical colleges throughout the state so citizens can go back and get the training they need to compete in the competitive global workforce. Industry that brings better-paying jobs wants to locate where there is a highly-trained workforce. As I said, the days of attracting high-quality industry to our state with massive incentives alone have passed. What we must do is demonstrate that we have a healthy, well-educated workforce. Accepting progressive technology methods, empowering our teachers, partnering with parents in K-12 and strengthening our technical colleges, community colleges, and universities will secure a healthy economy for our future. This will bring jobs back to Georgia and get our economy moving forward. As governor, I will also conduct top-to-bottom reviews of all state contracts that are being outsourced. Those jobs ought to be returned to Georgia.

**POYTHRESS:** (Did not respond to this question.)

**SCOTT:** These are the end results of bad federal programs such as NAFTA and other United States policies that make it more expensive to manufacture at home than abroad. Our campaign's tax policy is specifically geared toward job creation—which is the key to an economic recovery in Georgia. Georgia must become the number

one State for entrepreneurs and businesses seeking to establish themselves and grow. I intend to lower the corporate income tax to a maximum of three percent so that Georgia will become the most competitive state for corporate relocations in the Southeast. I also intend to

reduce the capital gains tax to a maximum of two percent. I know that by simplifying regulatory compliance, lowering taxes, and improving hiring conditions, Georgia's economy will move forward. As Governor, I will see to it that these things happen.

**Question #14: How would health care reform affect your opinion on how to support State Health Benefit Plan retiree funding and benefits?**

**BARNES:** As Governor, I will fulfill our commitment to both active and retired members of SHBP – the contract that we made with our state employees is one that must and will be kept.

**CHAPMAN:** (Did not respond to this question.)

**OXENDINE:** It is difficult to answer as (at the time of this survey) America does not know what the final result will be from Washington, D. C. I will suggest that regardless of any final package, I will, as Governor, work in partnership with my fellow state employees to be sure we have an honorable plan that provides reasonable benefit to hard working state employees while respecting

the taxpayers who are our bosses.

**PORTER:** It has no impact. I have supported our State Health Benefit Plan for 27 years. We always have to adapt to any changes in national policy, but my priority is to keep the state employment plan as aggressive and competitive as it should be.

**POYTHRESS:** (Did not respond to this question.)

**SCOTT:** We will review any proposal passed by Congress. If the proposal is not in the best interests of the citizens of Georgia, we will reject it. The Scott Administration is not going to force State retirees into a system that does not work.

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**Membership Committee**

**Georgia State Retirees Association**

**PO Box 108**

**Bethlehem, GA 30620**

**ERS Launches New Website**

Visitors to [www.ers.ga.gov](http://www.ers.ga.gov) will find a redesigned site that will make retirement information easier to find. New information and additional features include legislation pages and a new events calendar (found at <http://www.ers.ga.gov/Lists/Seminars%20and%20Workshops/calendar.aspxcv>) that will be particularly helpful if you want easy access to scheduled meeting dates of the ERS Board of Trustees. In addition, some items, like Plan-specific forms and publications, may now show up in different places. Of note is that viewers can link to GSRA's website directly from the ERS Home page. Just click on "Useful

Links" at the top of the ERS home page, then click on "Georgia State Retirees Association" in blue text.

Everyone is encouraged to visit the new ERS website to get acquainted with the new features. The next meeting of the ERS Board of Trustees is scheduled for Thursday, February 18 at 10:30 a.m. at the ERS office at Two Northside 75 Suite 300, Atlanta, GA 30318. To see the agenda, visit [www.ers.ga.gov](http://www.ers.ga.gov) and click on "News". On the next screen scroll to the bottom under "Board Meetings" for a link to the agenda. Or call (404) 350-6300 for information about Board of Trustees meetings.