

# The Retiree ORGANIZER

A NEWSLETTER FOR NYSUT'S RETIREE LEADERS

December 2007

[www.nysut.org](http://www.nysut.org)

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## Action Alert:

### Congress needs to be warned about Medicare (Advantage) privatization

We need you to contact your members of Congress, as well as Sens. Schumer and Clinton, to urge them to support a measure to stop Medicare privatization. The time to act is now!

The American Federation of Teachers anticipates a vote in Congress to phase out the government's Medicare privatization scheme by year's end. Congress is expected to take such a vote to establish a "balanced playing field" between the traditional Medicare program and the new privatization scheme called Medicare Advantage. If successful, Congress would phase out a special federal subsidy now offered to private HMOs and

health insurance companies to deliver Medicare services. Under current law, private HMOs and Medicare fee-for-service companies receive a "special" 20 percent federal subsidy to deliver the exact medical services now available to people enrolled in the traditional Medicare program.

This subsidy creates an unfair disadvantage to those people receiving medical care through the traditional Medicare program: The subsidy increases the cost of the monthly Medicare Part B premium and it destabilizes the financial stability of the Medicare Trust Fund. A vote to phase out the special subsidy and stop privatization is the right course.



NYSUT VP Kathleen Donahue addresses a retirees meeting.

Phasing it out over time would lower monthly Part B premiums and protect the traditional Medicare program from insolvency.

"Congress needs to fight the effort to privatize Medicare with windfall subsidies to private health insurance companies," said NYSUT Vice President Kathleen Donahue. "It's time to create a

continued on page 4

### Dangers of failing to act:

- ➔ You, the taxpayer, will keep paying 20 percent more to private Medicare plans delivering the same health services as those enrolled in traditional Medicare.
- ➔ The New York state insurance commissioner will have less power to stop private HMOs, such as Humana, and Medicare fee-for-service plans from engaging in predatory, deceptive and fraudulent marketing practices.
- ➔ Private Medicare fee-for-service plans will continue to lure NYSUT retirees with initial offers of lower premiums and other health costs, only to stick them later with higher monthly bills and co-pays for medical care and other services, such as chemotherapy.



Representing more than 585,000 professionals in education and health care. For more, see [www.nysut.org](http://www.nysut.org).

## INSIDE

Health care checklist

Page 2

Medicare cuts in 2008

Page 3

Legislative Update

Page 3

**Reminder:** Jan. 1

New postal rates for retiree mailings take effect.  
Please plan the timing of your copy accordingly.

**Retiree Advisory Committee Meeting**

NYSUT Headquarters Jan. 9

**NYSUT Regional Membership Conferences**

RC 43 Feb. 22

**Local & Retiree Council Presidents Conference**

New York City April 9-10

**The Retiree ORGANIZER**

*The Retiree Organizer* is a newsletter published periodically for New York State United Teachers' retiree leaders. Locals, chapters and retiree councils may reprint all *Organizer* content.

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# ✓ An end-of-year health care checklist

Many people create checklists to keep track of important tasks for the busy holiday season. Here are a few items related to your health care that you should add to your list.

✓ **Flu and pneumonia vaccines:** Did you get your flu shot yet? And are you vaccinated against pneumonia? If not, it's not too late and if you have Medicare, you can get these vaccinations for free.

Review your Medicare private health plan: If you get your health benefits through a Medicare private health plan (also known as a "Medicare Advantage" plan) such as a HMO, PPO or PFFS, now is the time to review all of your options, which include original Medicare since many Medicare private health plans change their costs and benefits from year to year. Everyone with Medicare can switch health plans or sign up for one for the first time by Dec. 31. Your choice will become effective Jan. 1. You can also change your health plan between Jan. 1 and March 31, but cannot choose to add or drop Medicare drug coverage (Part D).

✓ **Review your Medicare private drug plan:** If you decide that you want to change drug plans (or sign up for one for the first time), you can do so by Dec. 31. If you choose to get Part D, you must pick a plan that works with your Medicare health benefits. If you have original Medicare, choose a stand-alone (drug-only) plan. If you are in a Medicare private health plan, you must usually get Part D as part of your benefits package. Regardless of which Part D plan you choose, most change their costs and benefits every year, so don't assume that if you liked your plan this year that it will work the same way in 2008.

If you haven't received a letter from your current plan explaining the changes, call and ask for one. Your choice will become effective Jan. 1. After Dec. 31, most people will be locked into their Medicare private drug plan until 2009. Whether you should join a Medicare drug plan for the first time depends on your current coverage and prescription needs. If you have "creditable" drug coverage from a current or former employer (coverage considered as good as the Part D), you can keep it without penalty. Otherwise, if you don't sign up for Part D when you are first eligible, you may pay a penalty if you join later.

✓ **Consider your travel plans:** Will you be traveling this winter or sometime in 2008? Make sure that the health and drug plans you choose will cover your care when you're not at home. If you have original Medicare, you can travel anywhere in the U.S. and its territories and get the medical care you need from almost any doctor or hospital. Medicare generally does not cover your medical care outside of the country, but some supplemental insurance may cover emergency care (Medigap plans C through J cover 80 percent of the cost of emergency care abroad during the first two months of a trip, with a \$250 deductible and up to \$50,000 in a lifetime). Some Medicare private health plans cover the cost of emergency care abroad, but most do not.

Call your plan to find out about their rules. You may want to buy separate travel insurance if you will be away for an extended period of time.

Make sure you have enough medicine to last you through your trip. Some drug plans have nationwide networks, so if you travel frequently or for long periods of time, these may be better suited for you. To learn more about preventive care services covered by Medicare, Medicare health plan options and how to choose a private drug plan that best meets your needs, log on to Medicare Interactive at [www.medicareinteractive.org/teachers](http://www.medicareinteractive.org/teachers), brought to you by NYSUT and the American Federation of Teachers.

# Medicare provider cuts planned in 2008

Providers (mostly doctors) are again fighting to prevent a reduction in Medicare payments, according to Doug Trapp of the American Medical Association (AMA). This time, however, the cut is in the double digits and would be the largest ever one-year cut to providers.

“Next year’s 10 percent cut to Medicare providers is bad news for America’s retirees, as 60 percent of doctors say the scheduled cut will force them to limit the number of new Medicare patients they can treat,” said AMA Board Trustee Dr. Edward L. Langston. Dr. Langston suggested Congress use the \$54 billion in excessive payments to privatized Medicare Advantage plans to offset the cut to Medicare providers. Currently, privatized Medicare Advantage plans receive an additional federal subsidy of 112 percent of the amount given to a provider delivering the same medical service for a person enrolled in the traditional Medicare program.

Adding insult to injury, the scheduled Jan. 1 pay cut to Medicare providers is twice as large as the 5 percent cut physicians avoided at the beginning of 2007. Providers avoided this year’s cut because Congress declined to adjust Medicare’s payment formula to take into account a freeze on doctors’ payments in 2007. That decision means this year’s cut has to be twice the size as usual to get reimbursements in line with the Medicare payment formula.

Fortunately, U.S. Senate and House leaders continue to work on legislation to prevent the Jan. 1 cut, as well as to phase out the excessive payments to privatized Medicare Advantage plans. In the House, Energy & Commerce Committee staff reports that leaders are sticking with a legislative fix that would increase federal reimbursements to Medicare providers by 0.5 percent in both 2008 and 2009. The increases would be paid for by phasing out subsidies to privatized Medicare Advantage plans. But a similar proposed provision was removed from consideration last September by a joint House-Senate compromise on the Child Health Insurance Program. Further, many Senate Republicans oppose cutting federal subsidies to privatized Medicare Advantage health insurance plans in order to pay for increased dollars to Medicare providers. Nevertheless, Sen. Max Baucus (D-Mont.), chairman of the Senate Finance Committee, would prefer to adopt a two-year Medicare payment fix by shifting some privatized Medicare Advantage payments to fund physician reimbursements, said spokeswoman Carol Guthrie.

continued on page 4

## LEGISLATIVE UPDATE

### Medicare Part B premiums to increase to \$96.40 per month

The Centers for Medicare and Medicaid Services announced Oct. 1 that the standard monthly premium for Medicare Part B, which covers doctor visits and outpatient hospital care, will increase by \$2.90, or 3.1 percent, to \$96.40 in 2008, the smallest increase since 2000. Premiums for about 5 percent of higher-income Medicare beneficiaries — those with annual incomes that exceed \$82,000 for individuals or \$164,000 for couples — will also pay higher monthly premiums on a sliding scale. According to CMS, individual Medicare beneficiaries with annual incomes that exceed \$205,000 and couples with annual incomes that exceed \$410,000 will pay a monthly premium of as much as \$238.40 in 2008. Individual Medicare beneficiaries with annual incomes between \$102,000 and \$153,000 will pay a monthly premium of \$160.90 in 2008. The annual deductible for Medicare Part B will increase from \$131 to \$135 in 2008. The annual deductible for Medicare Part A, which covers inpatient hospital care, hospice care and short stays in nursing homes, will increase by \$32 to \$1,024 in 2008.

### Higher premiums, reduced benefits planned for Medicare Rx

Average premiums for stand-alone Medicare prescription drug plans will increase by 8.7 percent to \$40 monthly in 2008, and many plans will reduce benefits, according to a study released by Avalere Health, a consulting firm. An analysis of CMS data found that premiums for most of the Medicare prescription drug plans with the largest enrollments would increase by \$5 to \$10 monthly. Medicare beneficiaries have the ability to switch prescription drug plans, or enroll in the program for the first time, between Nov. 15 and Dec. 31. According to CMS spokesperson Tony Salters, approximately 10 percent to 15 percent of Medicare beneficiaries will switch prescription drug plans during the enrollment period.

Source: AFT Retiree E-news 10/16/07

### Social Security COLA bumps up benefits 2.3% in January

The Social Security Administration has announced that more than 54 million Americans will see a benefit increase of 2.3 percent in January. The cost-of-living adjustment means an extra \$24 per month for the average retired worker, with average monthly checks rising from the current \$1,055 to \$1,079 in 2008. Typical retired couples who both receive Social Security benefits will receive \$1,761, up \$39 from the current \$1,722. Yearly adjustments are related to inflation, based on prices from July through September, and the decrease in energy prices in recent months has resulted in the smallest benefits increase in four years.

Source: ARA Friday Alert 10/9/07

## Action Alert: Congress needs to be warned

continued from page 1

balanced playing field in federal payments to private health care plans and services delivered by the traditional Medicare system.”

Although the AFT expects a vote to take place sometime this month, please know that it could occur any time and in many forms: Congress has a choice of fighting Medicare privatization by passing a separate bill or it could choose to attach bill language to other “must-pass” legislation. We have no time to lose. It is not necessary to have a bill number in order to contact our congressional representatives and demand they vote to save traditional Medicare from the greedy jaws of privatized health insurance companies.



### **Act Now:**

It is crucial you contact your members of Congress. Call the U.S. Capitol operator at (202) 224-3121.

Tell your federal representative to “Vote against Medicare privatization by voting to phase out the Medicare Advantage subsidy!”

## Sewanhaka retirees expand target reading in 2008

Under the steadfast direction of Julia O’Keefe, the Sewanhaka Federation of Teachers’ Target Reading program has returned to the Garden City Park and Polk Street schools this year, sharing holiday stories with their elementary students. The program is also expanding to include Washington Street School with the full support of Principal Vincent Butera and Assistant Principal John Stella.

O’Keefe and other Sewanhaka District retirees Pam Gardella and Lillian Petrillo, as well as Jeanne Robinson, recently delighted second- and third-graders at Garden City Park and Polk Street with Halloween tales. Readers do not merely read the stories, but also discuss valuable lessons to be gleaned from the tales. Joining those retirees later were Mildred Clinton, Ginny DiNonno, Barbara Mavro, Pat Raynor and Carol and Dan Mason, who shared holiday stories. While the readers are all volunteers, they are richly paid for their time and effort through the evident delight of the students.

“It is the enthusiasm of the students that keeps the program strong and makes us eager to expand,” commented O’Keefe. “Our annual Read Across America Day, which has been held exclusively for the 7th grade at H. Frank Carey High School, will expand to include Polk Street School this year.”

In February, readers including Dale Singer and Joan Natalie, will meet 5th graders to celebrate Dr. Seuss’ contribution to literature by reading Hooray for Diffendoofer Day! a story appropriate for those students who will have completed state testing.

## Medicare cuts continued from page 3

Whether Republican members would support such a compromise measure is not clear at this time.

NYSUT, as well as many other unions, called the mandatory 10 percent reduction to Medicare providers unacceptable. NYSUT urges union members to contact their federal representatives, tell them to block the mandatory 10 percent cut to Medicare providers and to protect funding for medical education programs at New York’s teaching hospitals.

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