



**COME TO THE THIRD ANNUAL MEETING OF THE  
GEORGIA STATE RETIREES ASSOCIATION  
WEDNESDAY, OCTOBER 21, 2009**

**GEORGIA PUBLIC SAFETY TRAINING CENTER  
1000 INDIAN SPRINGS DR.  
FORSYTH, GA. 31029**

**Registration and "Meet & Greet" Begins at 12:15 p.m.**

**2010 Gubernatorial Election Candidates have been invited  
for the "Meet & Greet" followed by a Candidates' Roundtable  
Discussion at 1 p.m.**

So far, six candidates, both Republican and Democrat, have agreed to participate!

Also hear Employees' Retirement System Board Chair Russell Hinton and Department of Community Health representatives discuss retirement and health insurance issues; join the plenary session to discuss the latest GSRA activities, By-laws amendments, and to elect your GSRA Officers for next year. And learn about important new members-only benefits soon to be available through GSRA!

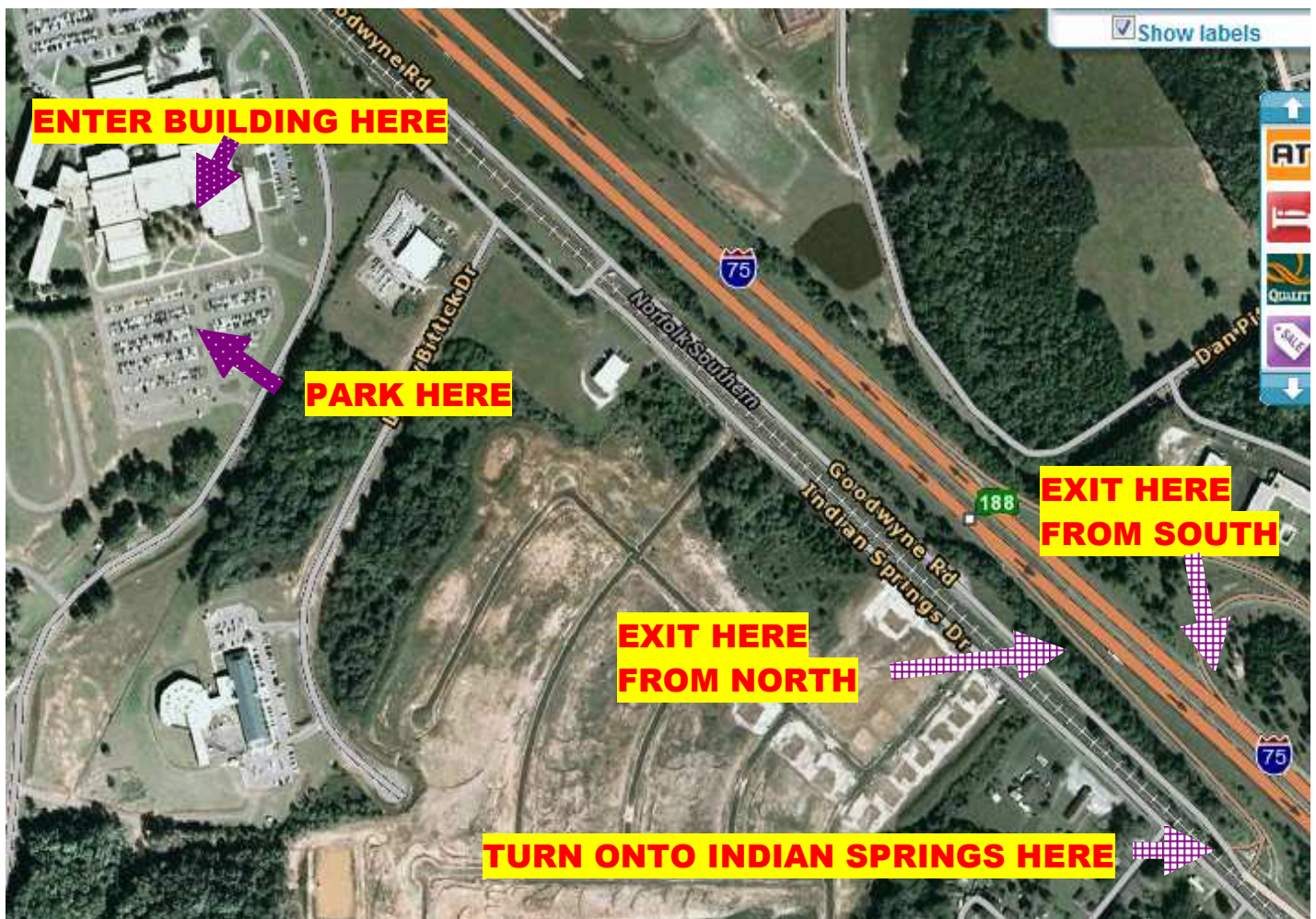
We will adjourn by 5:00 p.m.

**Note:** Our auditorium is right next to the Center's full service Cafeteria, which opens at 11 a.m. Come early for lunch at the cafeteria before the "Meet & Greet" at 12:15. Bottled water will be provided at the "Meet & Greet" and during the afternoon break.

**IMPORTANT: Please RSVP** by email to [rsvp@mygsra.com](mailto:rsvp@mygsra.com) (include in subject line the number attending), or by regular mail to GSRA, Inc., PO Box 108, Bethlehem, GA 30620, & **INCLUDE QUESTIONS YOU WOULD LIKE TO ASK THE CANDIDATES!**

**Directions:** Interstate 75 to Exit #188. G.P.S.T.C. directional signs are posted prior to the exit. If northbound on I-75, take exit #188; turn right, go under the I-75 overpass to the stop sign and turn right; Go 0.5 mile and turn left across the railroad tracks onto the Training Center access road (Indian Springs Drive). Turn right and proceed to the PSTC entrance. Bear left and drive to the parking lot on the left (south) side of the building. The entrance to the auditorium is on that side of the building. If southbound on I-75, take exit #188; turn right at the stop sign. Go .5 mile and turn left across the railroad tracks onto the Training Center access road (Indian Springs Drive). Turn right and proceed to the PSTC entrance. Bear left and drive to the parking lot on the left (south) side of the building. The entrance to the auditorium is on that side of the building.

**DON'T MISS THIS IMPORTANT MEETING! See AGENDA next page.**



**AGENDA – GENERAL SESSION - Annual Membership Meeting**

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|---|------------|
| 1. <b>Registration</b> – “Meet & Greet” with Gubernatorial Candidates and Friends   | 12:15 p.m. |
| 2. <b>Opening Remarks and Introductions</b> <i>Claude Vickers, President</i>        | 1:00 p.m.  |
| 3. <b>Roundtable Discussion for Gubernatorial Candidates</b>                        | 1:10 p.m.  |
| <i>Rick Wingo, Moderator; Thomas Turner, Timekeeper</i>                             |            |
| 4. <b>Break – Bottled water provided in the lobby</b>                               | 3:10 p.m.  |
| 5. <b>Employee Retirement System Issues</b> <i>Russell Hinton, Chair, ERS Board</i> | 3:30 p.m.  |
| 6. <b>Questions and Answers on Retiree Health Insurance Issues</b>                  | 3:50 p.m.  |
| <i>Nancy Goldstein, SHBP Division Director, Dept. of Community Health</i>           |            |
| <i>Bobbie Jean Bennett, Moderator</i>   |            |
| <b><u>(SEE NOTE BELOW.)</u></b>   |            |
| 7. <b>GSRA Plenary Session</b>  | 4:20 p.m.  |
| 8. <b>Adjourn</b>   | 5:00 p.m.  |

*(NOTE: Got a question for Ms. Goldstein of DCH about retiree health insurance, Medicare Advantage, etc., etc.? Send them by email to [communications@mygsra.com](mailto:communications@mygsra.com) or by regular mail to GSRA, Inc., PO Box 108, Bethlehem, GA 30620, by October 5. Time permitting, we will ask as many as possible!)*

**AGENDA – PLENARY SESSION - Annual Membership Meeting**

- |  |                                       |
|--|---------------------------------------|
| 1. <b>Call to Order</b>  | <i>Claude Vickers, President</i>      |
| 2. <b>Presentation of Minutes</b> (1 minute)                       | <i>BJ Bennett, Secretary</i>          |
| 3. <b>Treasurer’s Report</b> (2 minutes)                           | <i>Ronnie Mesimer, Treasurer</i>      |
| 4. <b>Review of GSRA Committee Activities</b> (5 minutes)          | <i>Claude Vickers</i>                 |
| 5. <b>Review of Legislative Activities</b> (10 minutes)            | <i>Bill Tomlinson, Vice President</i> |
| 6. <b>Membership Drive - Local Chapters</b> (5 minutes)            | <i>Archie McEuen, Mem’ship Comm.</i>  |
| 7. <b>Old Business</b> (5 minutes)                                 | <i>Claude Vickers</i>                 |
| <i>(Discussion of membership’s directions for GSRA Board)</i>      |                                       |
| 8. <b>Presentation and adoption of By-Laws Amendments</b> (2 min.) | <i>Claude Vickers</i>                 |
| 9. <b>Report of Nominations Committee</b> (5 minutes)              | <i>Jerry Crockett, Nom. Comm.</i>     |
| 10. <b>Election of Officers and Board of Directors</b> (5 minutes) | <i>Claude Vickers</i>                 |
| 11. <b>Adjourn</b>   |                                       |

**Proposed GSRA By-Laws Amendment**

As shown in item #8 above for the Plenary Session, the Policy and Operations Committee of GSRA proposes the following Amendment to the By-Laws of GSRA. The changes proposed are underlined in Article III, entitled “Membership.”

**BY-LAWS OF GEORGIA STATE RETIREES ASSOCIATION**  
**A not-For-Profit Corporation**

**ARTICLE I. NAME**

The name of the organization shall be Georgia State Retirees Association.

**ARTICLE III: MEMBERSHIP**

Membership shall be open to current and retired employees of the State of Georgia and any subdivision of the State of Georgia who are eligible for membership in a health insurance or retirement plan administered by a State of Georgia department or university system.

Membership shall be open to immediate family members of current and retired employees who are living or deceased and who meet the definition in the paragraph above. Any beneficiary receiving benefits from a health insurance or retirement plan administered by a State of Georgia department or university system shall be considered eligible for membership.

A Member in Good Standing means a member who has registered or renewed membership and submitted full dues payment according to procedures prescribed and published by the Association. Members in Good Standing shall enjoy the full benefits of the Association.

**ARTICLE XIV: AMENDMENTS**

These By-Laws may be altered, amended, repealed or added to by an affirmative vote of not less than the majority of members present at an annual or called meeting. Members in good standing shall be given notice of the proposed changes at least 15 calendar days prior to the meeting.

ADOPTED: January 11, 2007

AMENDED: October 24, 2007

AMENDED: October 15, 2008

AMENDED: October 21, 2009

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**ABOUT YOUR MEMBERSHIP - - - PLEASE RENEW!**

As your GSRA membership comes up for renewal, you should receive an e-mail (or a post card if you do not use e-mail) advising you to renew. If you provided an e-mail address when you joined, and you are not hearing from us by e-mail, it means that we do not have your correct e-mail address. Or maybe you have a new e-mail address and haven't notified us. PLEASE go to the website, log in, and update your profile with your correct e-mail address. (If you now have an e-mail, and didn't when you joined, please add that information to your profile so that you can receive GSRA information electronically.) If your mailing address has changed, you must let us know by mail so that you don't miss out on anything. **If you suspect that you are not receiving GSRA materials as you should, please send an e-mail to [communications@mygsra.com](mailto:communications@mygsra.com), or send a note to the mailing address below. Thanks!**



## Community Health Board Increases Premiums and Reduces Benefits; Approves FY 2010 Amended and FY 2011 DCH Budget Requests

On September 10, 2009 Carie Summers, Chief Financial Officer (CFO) of the Department of Community Health (DCH) presented to the Board of Community Health (Board) for approval new member premiums for CY 2010, discussed the financial status of the State Health Benefit Plan (SHBP), and proposed changes in benefits to reduce benefit costs of the SHBP. The [presentation](#) concluded with a recommendation, which was approved, to submit the FY 2010 Amended and the FY 2011 budgets to the Governor.

### State Health Benefit Plan Calendar Year 2010 Premiums

The Board approved a 10% increase in SHBP member premiums effective January 1, 2010. Although DCH had communicated to the Board and to budget authorities that only PPO and HMO rates would increase by 5% in CY 2010, CFO Summers stated:

- that the benefit expenses of the SHBP exceeded projections during FY 2009,

- that as of June 30, 2009, Fund Reserves had a balance of **only \$45 million rather than the \$154 million projected earlier**, and
- that the members' pro rata share of premium cost was below the policy of 25%.

Therefore, the employee premiums were recommended for the 10% increase.

CFO Summers presented to the Board 528 different retiree rates. Although all option rates were increased by 10%, retirees who are age 65 or older and who choose not to enroll in the Medicare Advantage Plan will see much higher premium increases. Retirees age 65 and over who choose to remain in the HMO, HDHP, HRA, or PPO will no longer receive any state subsidy and must pay the entire premium cost.

In October DCH will provide (on the personalized option change form) the new premium rates for the options for which you are eligible; however the rates for CYs 2009 and 2010 for the coverage tiers in which most retiree members are actually enrolled are shown below. Please see the DCH website for [retiree rates](#) for other coverage tiers.

SHBP Retiree Premium Rates								
Coverage Tier	HMO		HDHP		HRA		PPO <sup>1</sup>	
	CIGNA & UHC		CIGNA & UHC		CIGNA & UHC		CIGNA & UHC	
	2009	2010	2009	2010	2009	2010	2009	2010
Single under 65	91.10	100.20	49.50	54.40	56.92	62.50	86.10	94.70
Single 65+ with Full Medicare <sup>2</sup>	37.80	182.40	1.70	177.40	13.46	192.00	32.90	201.30
Family under 65	218.20	240.00	160.60	176.70	173.74	191.10	256.90	282.60
Family 65+ with Full Medicare	103.50	333.40	53.56	323.40	76.42	352.60	142.40	371.30

<sup>1</sup> SHBP Retiree Option Change Period Guide may refer to the PPO as the Open Access Plan (OAP). DCH is changing the provider network from the PPO network to the HMO-Open Access network. Providers who were included in the 2009 network may not be included in the 2010 network for the PPO—now referred to as the OAP.

<sup>2</sup> Full Medicare means Part A, Part B, and Part D.

Medicare Advantage Premiums				
Coverage Tier	Standard		Premium	
	2009	2010	2009	2010
Single 65+ with Medicare <sup>3</sup>	17.50	19.30	NA	59.30
Family 65+ with Medicare	35.00	38.60	NA	118.60

### Financial Status of the SHBP- FY 2009

The SHBP's financial status as reported by CFO Summers indicates that the SHBP reserves were lower by about \$109 million than projected only a few months earlier—only \$45 million rather than the earlier projected \$154 million<sup>4</sup>. CFO Summers discussed why the change. She stated that the lower reserve was a function of increased claims expense and reduced revenue. Although the final expense trend for the “per member per year” (PMPY) was up 8% over FY 2008 as opposed to earlier projections, the trend was still below the market trend of 10.5%. The overall increase in claim expense was 9.6%, which includes a 1.6% growth in membership and 8% growth in PMPY cost.

Summers provided enrollment facts to show that DCH achieved its objective to move many of the members into a Consumer Driven Health Plan (CDHP). She also reported that all options show an increase in utilization of health care; however, of particular interest were the trends in the Health Reimbursement Account (HRA). This option had substantial increases in short term cost in preventive care which is projected to produce long-term savings and had a 24% increase in claimants whose claims exceeded \$100,000 during the year. Also generic drug utilization was lower as a percentage of all prescriptions in the HRA than other options.

Although expense increased, employer revenue decreased by 20% because of the reduction in the employer contribution rates to use reserves, and member premium revenues increased by 3.3%. As a result of the increase in expense and decrease in revenue, final FY 2009 unaudited results are shown below.

FY 2009 Revenue & Expense Statement (000s)	
<b>Revenue</b>	
Employer Contributions	\$ 1,691.4
Member Premiums	645.1
Other Revenue	14.0
<b>Total Revenue</b>	<b>\$ 2,350.5</b>
<b>Expense</b>	
Cash Expense	\$ 2,778.0
<b>Total Expense</b>	<b>\$ 2,778.0</b>
<b>Deficit (Covered by 6/30/08 Reserve)</b>	<b>\$ (427.6)<sup>5</sup></b>
<b>Fund Balance (\$472.9 less \$427.6)</b>	<b>\$45.3</b>

<sup>3</sup> Medicare means Parts A and B or only Part B.

<sup>4</sup> DCH Presentation August 2009.

<sup>5</sup> Rounding difference.

### DCH Announces Benefit Reductions Effective January 1, 2010

DCH staff announced that the financial projections for FY 2010 and FY 2011 included premium increases and benefit changes. Since the benefit changes were not submitted for Board approval, evidently the Board is no longer required to approve benefit changes nor the change in policy to eliminate any State contribution to the PPO, HMO, HRA, and HDHP premium rates for retirees age 65 and older. DCH staff simply announces such changes without comment from affected members.

CFO Summers stated that the benefit changes are designed to continue to encourage members to move to the Consumer Driven Health Plans during 2010. The benefit reductions announced by the staff are shown in the following chart.

Benefit Changes – January 1, 2010						
Benefit	HMO/PPO		HRA		HDHP	
	2009	2010	2009	2010	2009	2010
Deductible (Single)	\$ 500 <sup>6</sup>	\$ 600	\$ 1,000	\$ 1,100	\$ 1,150	\$ 1,200
Out-of-Pocket Maximum (Single)	1,500 + copays	2,000+ copays	2,000	2,500	1,700	1,800
Member Coinsurance	10%	20%	10%	15%	10%	Not Mentioned
Office Visit Copay/Coinsurance	30	35	10%	Not <sup>7</sup> Mentioned	10%	Not Mentioned
Emergency Room Copay/Coinsurance	100	150	100	Not Mentioned	100	Not Mentioned
Prescription Drug Copay/coinsurance	\$10 Generic \$30 for Preferred Brand	\$15 Generic \$40 for Preferred Brand	10% Subject to Deductible	15% Generic 25% for Preferred Brand	20%, subject to Deductible with \$10 Min & \$100 Max	Not Mentioned

### SHBP Financial Status – FY 2010 and FY 2011

Prior to applying premium increases and benefit modifications, the projected **deficits in FY 2010 and FY 2011 are \$251.1 million and \$303.4 million**, respectively. Premium increases are 10% for all options as stated in the companion article, and the above mentioned benefit changes shifts cost from the plan to the members. By applying these changes, DCH projects that the **FY 2010 deficit of the SHBP is reduced from \$251.1 million to \$114.7 million, and the deficit for FY 2011 is reduced from \$303.4 million to \$4.3 million**. DCH reports that all of the changes mentioned in companion articles leave the **SHBP Fund Balance at a negative \$69.5 million** as of June 30, 2010.

DCH further reported that the department will submit a “request to the Governor’s Office of Planning and Budget that will. . . address the remaining **fund balance deficit.**” However, the staff did not indicate what the request would entail. The DCH presentation indicated that there was no premium increase assumed for January 2011 and that any increase “will be up to Governor and General Assembly.”

<sup>6</sup> \$400 deductible for HMO in 2009.

<sup>7</sup> “Not Mentioned” means that the DCH Presentation did not mention a change and that the provision will presumably not change; however, members should review enrollment materials, which should be furnished in October by the SHBP, for clarification.

One of the policies that has guided the funding for the SHBP for over 25 years has been the joint House and Senate Resolution establishing the members' pro rata share of the cost of the medical plan at 25%. Although the employer revenue was significantly reduced during FY 2009, and the Other Post-Employment Benefits (OPEB) reserves are being liquidated and used during FY 2010, DCH states that the members paid only 23.2% of the cost during FY 2009. However, the premium increases and benefit reductions being implemented on January 2010 result in raising the members' share of FY 2010 expense to 24.6% (almost at the 25% target).

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**LOCAL CHAPTERS GROWING  
START ONE IN YOUR AREA!**

GSRA local chapters continue to organize. There are now four more emerging chapters, in Northwest Metro Atlanta, the Jesup/Wayne County area, the Dalton area, and even a 'local' chapter of retirees of the Department of Education, which actually covers the state and includes some members who live outside Georgia! Congratulations to all of these new chapters. We are sure that the newly elected officers of these chapters would tell you that finding a meeting place and calling together some of their retired friends was not a lot of work --- YOU can do it too! Just check out the Guidelines on the Website! If you have no computer, just send a card or letter to the Membership Committee at the address below for more information.