

## The Best Annual Meeting Yet!

GSRA opened a new era of annual meetings when members from all over the state converged in October on Athens, Georgia for the 2013 Annual Meeting. The new location, the expanded format, the robust program, reception and after hours extras, plus the hospitality exhibited by the Athens Area GSRA local chapter contributed to an Annual Meeting that the attendees proclaimed the best to be held yet.

The event started with registration on Monday, October 14 at the Classic Center in Athens. Attendees could avail themselves of free blood pressure screenings offered in the lobby by Athens Regional Medical Center representatives, greet and visit with old friends and former colleagues or visit the vendor booths. They could also view the (over \$3,800 in value) door prizes displayed in the lobby.



GSRA President Bill Tomlinson opens the 2013 Annual Meeting as Athens Mayor Pro Tem Mike Hamby waits to welcome attendees

Monday afternoon's General Session brought a warm welcome from GSRA President Bill Tomlinson and Athens Mayor Pro Tem, Mike Hamby. The audience was subsequently treated to motivational speaker Representative Brooks Coleman, who had a wonderful store of anecdotes and a fondness for his childhood hero, Roy Rogers. He urged the attendees to consider

themselves among the luckiest people in the world, enumerated the reasons why they should feel lucky and provided suggestions for ways to bolster that feeling.



Rep. Brooks Coleman motivates GSRA members and attendees at the opening session

After the rousing opening, members were treated to tours of the Georgia Museum of Art or the UGA Special Collections Library. UGA buses provided excellent transportation service to the tour venues and back to the Classic Center or the reception venue. Those who toured either venue reported that they enjoyed the outing and found the information interesting and insightful.

The Welcome Reception on Monday evening was a huge hit, with attendees connecting with each other and enjoying the live jazz ensemble at the "The Melting Point." GSRA members enjoyed the opportunity to mingle with old and new friends from across the state and with the Local Legislative delegation—Rep. Tommy Benton and Sen. Frank Ginn, and Legislative panel member, Sen. Fran Millar.

On Tuesday, attendees chose to participate in two of four different concurrent sessions on topics that GSRA members had suggested. Members reported that the sessions' provided interesting and helpful information. In between sessions attendees were thronging the door prize

display tables to consider and cast their tickets for a truly inspiring selection of door prizes donated by businesses and individuals from all over the state through the efforts of GSRA local chapters.



GSRA Legislative Liaison Chuck Freedman introduces the legislative panel while President Bill Tomlinson looks on. Panel from left is Rep. Terry England, Rep. Stacey Abrams, Moderator Tim Bryant, Sen. Jack Hill, and Sen. Fran Millar

In the afternoon, attendees were treated with a series of presentations around the 2013 theme of *State Government: It Matters!* First, UGA's Carl Vinson Institute demographer, Mathew Hauer, presented a look at the Georgia of the past, present and future based on demographics. OPB Director Teresa MacCartney then provided a look at the Governor's vision for the state over the next several years. The third feature was a Q&A discussion panel moderated by Athens WGAU Radio News Director Tim Bryant. Panel members were Representatives Stacey Abrams (House Minority Leader) and Terry England, (House Appropriations Chair) and Senators Jack Hill (Senate Appropriations Committee Chair) and Fran Millar (Senate Retirement Committee

Chair). Commissioner Clyde Reese III, Esq. and SHBP Chief Lurline Craig-Burke along with Blue Cross Blue Shield of Georgia staff conducted the last session of the day—a Q&A session regarding the State Health Benefit Plan changes for 2014.

Following a short business meeting, the 2013 Annual Meeting was closed with GSRA President Bill Tomlinson overseeing a drawing for 39 door prizes. Members had cast their two tickets into buckets corresponding to the door prizes they wanted and now eagerly awaited the drawing results. Two lucky attendees won two prizes each!



Lucky door prize winner, Susan Anderson

The energy and excitement level at the end of the Annual Meeting was as enthusiastic as it had been at the beginning, as members prepared to make their way home. Numerous comments and compliments reinforced the overall impression that the 2013 Annual Meeting was a complete success.

## Legislative Panel Provides Insight/Not Much Hope for COLAs

GSRA Legislative Liaison, and former Vice President, Chuck Freedman welcomed four senior legislators to discuss issues important to – and submitted by – GSRA members. A panel consisting of Senators Jack Hill (Senate Appropriations Committee Chair) and Fran Millar (Senate Retirement Committee Chair) and Representatives Stacey Abrams (House Minority Leader) and Terry England (House Appropriations Committee Chair) fielded questions from moderator Tim Bryant (News Director of radio

station WGAU in Athens). In general, the panel opined the following:

- State employees are important because employees represent state government to the public, and an employer is judged by the quality of its employees.
- To retain competent state employees, it is important that the employees are adequately compensated, have tools necessary for performing their jobs, and feel both appreciated and sense of accomplishment.

- It is unlikely that state employees and/or retirees will receive cost of living adjustments (COLAs) in FY 2015. The reasoning is because leadership is uncertain that state revenues will continue to grow, and because they have greater funding priorities (Medicaid, education, building “rainy day” reserve fund, etc.) for any growth in revenues. None of the panel members said they would advocate on behalf of actives and retirees receiving COLAs. None of the panel commented on whether (let alone how) to provide equitable treatment for members of ALL state retirement systems. Disappointingly, Senator Hill justified the inequitable treatment by using the erroneous and often effectively discredited opinion that TRS members contribute 6% of their pay to their retirement fund, while ERS members only contribute 1 1/4%. (For clarification of this point, see [page 2 of Talking Points 2007](#).)
- The state’s retirement systems are well-managed. They are well-funded and should remain so. The state must meet its Annual Required Contribution retirement funding obligations in order to maintain its AAA bond rating. Maintaining this rating is critical for the state to borrow money for the lowest available interest rate.
- On how to reduce the unprecedented and onerous increases in State Health Benefit Plan costs to employees and retirees, Representative Abrams advocated accepting federal funding for Medicaid expansion which would at least partially compensate the state for supplements and credits granted to service providers which provide *pro bono* services to destitute patients. The other three panel members of the panel

(England, Hill and Millar) all dodged the question. Rep. England and Sen. Hill opposed receiving federal funding for Medicaid expansion because of the partial shift of the federal funding to state funding after three years. Sen. Millar suggested there would be value in the state waiting some period to see how the program shakes out with other states.

- There is not much need for increasing state sales tax by 1½% to increase K-12 education funding.
- The panelists expressed that there is limited support in the General Assembly as a whole for eliminating the state income tax and making up the revenue loss with increases in the state sales tax – actions which would be quite costly to individual retirees. Representative Abrams expressed opposition to it. Rationale for these positions centered on the importance of a diverse revenue stream/broad tax base for the state to maintain its AAA bond rating. Panel members also dispelled the contention that a state’s income tax rate is a priority consideration for firms considering relocation to that state.

Freedman and President Bill Tomlinson asked panel members for future support for the state to honor its promises to retirees. They thanked the panel for their presence and for their honest and informative responses. GSRA attendees showed their appreciation with a round of applause.

### Coming Soon!

Watch for the 2013 Annual Meeting album of photos on the GSRA Facebook page--soon.

## GOVERNOR DEAL’S REPRESENTATIVE STATES THAT REVENUES ARE POSITIVE, BUT THERE ARE MANY NEEDS

President Bill Tomlinson welcomed Office of Planning and Budget (OPB) Director Teresa MacCartney who spoke to GSRA on behalf of Governor Deal. MacCartney began by thanking retirees for their contributions to fulfill state government’s services to Georgia citizens. The following are highlights of her presentation:

- The Governor’s willingness to meet regularly with legislators and solicit their viewpoints has created

a great working relationship. Therefore, the Governor’s position generally reflects the legislators’ position.

- Current year revenues considerably exceed the appropriated FY 2014 budget amounts. For the first time in 6 years, the Administration will not be asking agencies for cuts in the current or FY 2015 budget requests. However, the Governor and General Assembly remain cautious in the use of



revenues because of the economy's fragile condition.



The Governor's representative, OPB Director Teresa MacCartney, addresses the audience

- There are many demands to raise various programs' current funding back toward their funding levels prior to FY 2009, but restoring funds to make up past cuts is not possible. Although the Governor is sensitive to these needs, he also desires to roughly double the rainy day reserve fund to about \$600 million. Ms. MacCartney noted that the \$600 million is not a large amount when considering that the state used up more than \$1 billion in just one year during the economic crash.
- Eliminating the income tax (which currently provides about \$9.6 billion in annual revenue) and raising sales tax so that total revenue would not decrease requires the sales tax to be raised about 10.6%, which would increase tax costs for retirees. GSRA points out that simply raising the sales tax for revenue neutrality increases tax costs for retirees because retirees over the age of 65 currently exclude retirement income of up to \$65,000 from taxable income.
- The Governor is advancing several education initiatives:
  - He is placing emphasis on providing postsecondary education (technical certificates, 2-year degrees, and 4-year degrees) to a larger portion of the public so as

to have a better educated workforce to drive economic development.

- He wants to provide reading mentors to lower grade students with the goal of having all students reading at grade level by the 7th grade. Improving reading ability is critical to improving high school graduation rates.
  - He supports expanding digital learning programs.
  - Rural hospitals and other health providers are facing major challenges with the changes in health care cost issues. Although the Governor does not have any solutions at present, he believes that some must be found.
  - Traffic congestion is a problem in the Atlanta Metro area. The Governor is supporting adding hot lanes to the I-75 corridor. MacCartney did not mention public transit.
  - The Governor believes it critical to deepen Savannah port channels to handle larger ships. The port contributes 7.6% of the state's gross domestic product (GDP); therefore, it must remain competitive with other ports. The Governor and General Assembly have committed \$231 million for deepening the Savannah port.
  - The Governor understands it has been seven years since retirees last received a cost of living increase (COLA). He is sympathetic to retirees needing COLAs to help offset increases in health care and other costs. He also believes it critical to maintain a strong workforce for the state, but funding a COLA is "not quite there yet" for retirees or actives. It "is a top priority" but difficult to fund because of other needs. Ms. MacCartney said each 1% increase for state employees will cost \$125 million. The \$250 million for a 2% COLA would be very difficult to fund.
- Ms. MacCartney then fielded questions from members. The following summarizes highlights of those interchanges.
- Ms. MacCartney acknowledged that the state's true cost of a COLA is less than the stated amount because some of it is returned to the economy when the money is spent by recipients and some is returned to the state as taxes.

## GSRA Elections

GSRA Officers and Board members were elected for 2014 as follows:

**President** Claude Vickers

**President-Elect** Russell Hinton

**Secretary** Gelane Hamilton

**Treasurer** Beryl Renfroe

### Board Members for 2014-2015

John Keys

Kip Mann

Beth Morgan

### Local Chapter Presidents appointed by President Tomlinson

Allan Hill Savannah Coastal Chapter

John Latta Athens Area Chapter

Sally Mason Valdosta Chapter

Bob Pollock SW Georgia Chapter (Albany)

- The Governor is working to increase the percentage of employer contribution to the retirement fund to meet the ERS's actuary's

projected annual required contribution (ARC)--a necessity for the state to maintain its AAA bond rating.

- The Governor is not advancing specific mass transit solutions for reducing traffic congestion. However, he is working with the MARTA board to shape long term plans. The General Assembly needs to be willing to fund transit.
- Why not fund Medicaid expansion? The answer is complicated. The Governor is very concerned about the requirement that the state must pick up 10% of the funding at the end of three years—the period of time that the federal government would pay 100% of the cost. Also, the federal government does not have a good track record in keeping its funding promises (shutdown, debt ceiling, etc.), so the state's funding exposure may be greater than just the 10%.

Tomlinson thanked Ms. MacCartney for her attending and her presentation. Members then applauded their appreciation.

## SHBP Q&A with Commissioner Reese and Staff



DCH Commissioner Reese and SHBP Chief Lurlene Craig-Burke participate as part of a Q&A discussion of SHBP changes in 2014

GSRA members submitted 51 questions about the State Health Benefit Plan to be asked of the

Department of Community Health Commissioner Clyde Reese III, Esq. at the Annual Meeting. Chief of the SHBP Lurlene Craig-Burke joined the panel discussion with the Commissioner, as did Rita Kidd, Medicare Advantage Plan (MAP) director and Natasha Sherman, MAP associate manager from Blue Cross Blue Shield of Georgia. GSRA Treasurer, BJ Bennett, moderated the panel and stated that the SHBP staff had been asked to respond to each of the 51 questions in writing, but that in the interest of time only a few of the questions could be answered at the meeting.

Commissioner Reese opened with a statement that he was pleased to participate in forums such as the GSRA Annual Meeting, to respond to SHBP members' questions. SHBP Chief Craig-Burke stated that although she had worked with the SHBP for 4

years beginning in 1999, she had just returned to the Plan and she wanted to “beef-up” member advocacy. She expressed concern for the members because of the delayed Open Enrollment/Retiree Option Change Period and stated that the Decision Guides would be posted to the DCH/SHBP website by October 18, 2013. The questions and responses to a few of the questions follow.

**Question:** Since DCH states that the Medicare Advantage Plan (MAP) for 2014 will mirror the 2013 benefits and premiums, what drug company will be used and will drug cost/copays remain the same?

**Answer:** *Express Scripts will manage the drug plan for MAP. The drug copays will be the same as in 2013.*

**Question:** Will MAP include coverage for Silver Sneakers?

**Answer:** *Yes.*

**Question:** Some retirees say that they get better coverage by dropping the SHBP and enrolling in original Medicare with a Medicare Supplement. Can you comment on that statement?

**Answer:** *Should a person desire to drop the SHBP and go with original Medicare and a Medicare Supplement – called Medigap -- that person should know that he/she cannot re-enroll in the SHBP. In addition, the individual would need to enroll in original Medicare, Medicare prescription drugs (Part D), and the Medigap plan to have the same breadth of coverage as the SHBP MA plan. Although it may be possible to almost eliminate your out-of-pocket costs for medical services, it is questionable whether the total cost (including all premiums) would be less expensive than the SHBP MA plan.*

**Question:** Please comment on the fact that some providers, such as Mayo Clinic, will not become a member of any MAP although you say that MAP will pay for any Medicare eligible provider.

**Answer:** *Members are not penalized for using an “out-of-network” provider as long as that provider is in the Medicare system. The provider must, however, agree to treat the patient and only bill the MAP. The SHBP member will most likely be required to accept the payment (if any) and pay the provider directly.*

**Question:** The wellness program has been a truly great benefit. Will the new options support wellness and preventive care?

**Answer:** *For under age 65 retirees, the Bronze, Silver, and Gold options include many preventive care benefits and treat wellness actions as an incentive. A member can receive as much as \$480 extra—added to their HRA<sup>1</sup> monies—during 2014 by complying with the wellness requirements.*

**Question:** One of my biggest fears is that my current physicians will not accept this insurance. What is being done to ensure adequate physician/facility coverage and acceptance, including out-of-state?

**Answer:** *BCBS has one of the biggest provider networks in the State of Georgia and throughout the United States. Ninety-seven percent (97%) of UnitedHealthcare and CIGNA providers are included in the BCBS network. If your provider is not in the network, you can nominate the provider to be included in the network.*

**Question:** Would you comment on the concern that patients will be required to pay provider “charges” rather than “allowed amounts” at the same time as the medical service. Some members are already experiencing providers requiring the member to sign agreements upfront that they may be charged amounts above “allowed amounts.”

**Answer:** *We encourage our providers and most will agree to file the claim and then bill the patient.*

**Question:** What is the percentage of premiums that the members will be paying in 2014?

**Answer:** *By combining projections for member premium payments for all options, we project that the members will be paying 27% of the total premium payment.*

**Question:** What is the DCH policy about maintaining a health plan that is comparable with most “large” employers?

**Answer:** *We will be benchmarking the SHBP with other state plans in the future.*

<sup>1</sup> Health Reimbursement Account includes for “employee only coverage” from \$100 to \$400 (depending on option) for the member’s use for medical service. The HRA amount reduces the deductible (and maximum out-of-pocket).

**Question:** To whom could an SHBP member address a complaint about the SHBP after being shifted from the insurance company to SHBP and then back to the insurance company?

**Answer:** *Commissioner Reese stated that the member should go through the insurance company to receive service, but that he would like to receive that kind of complaint personally at [creese@dch.ga.gov](mailto:creese@dch.ga.gov). Ms. Craig-Burke stated that she was also available to receive complaints at [lcraigburke@dch.ga.gov](mailto:lcraigburke@dch.ga.gov).*

**Question:** A member stated that she had been told that BCBS did not have a provider contract with Emory and Piedmont Hospitals.

**Answer:** *The provider network for the SHBP will include Emory and Piedmont.*

**Question:** If I do not want to change my MAP option from Standard or from Premium, do I have to do anything?

**Answer:** *No, you will be transferred to the BCBS option in which you are currently enrolled—Standard or Premium. You only have to process a change if you want to change from Standard to Premium or vice versa.*

GSRA attendees showed their appreciation with a round of applause.

## Hauer Paints Georgia's Future

Matthew Hauer, Public Service Assistant for Governmental Services and Research at the Carl Vincent Institute of Government at the University of Georgia, leads the Institute's [Applied Demography Program](#), which provides state and local leaders with current demographic data and detailed population projections so that they can more effectively address issues and plan for the future.

Mr. Hauer spoke of demographics that portend the future for Georgia. They are not predictions, rather statement of fact, which unless the facts change foretells the future face of Georgia, its citizens and the areas in need for government services in the future. He set the table for the other presentations to come and provided a point of reference to compare the other presentations against.

Mr. Hauer relayed the following demographic information for Georgia:

- Georgia's population has grown from 8 million to 10 million people from 2000 to 2010 or 2 million people, representing a 25% population increase.
- Georgia's race distribution has changed from 1980 from a population which was 79% white and 26% black to a population which is now 56% white 30% black, 9% Hispanic and 5% other. The annual growth rate for whites (0.6%), blacks (2.5%), others (6.4%), and Hispanics (7.8%) shows an increasingly multi-racial picture in the future.

- Birth rates show the highest birth rates are Hispanics, followed by blacks, followed by whites.
- Most rapid growth in Georgia's population is among Georgia's youngest and oldest segments of the population.
- Demography is destiny.

Thus Georgia no longer has a black and white citizenry, but an increasingly multi-racial one that eventually will be a plurality with no single majority race. Also, the state is becoming increasingly older and the two largest groups are the very old and the very young, with less people of working age in the middle.