

“GSRA Day” Events Best Yet!

2015 GSRA Day at the Capitol and the joint GSRA-GPHSA Legislative Reception enjoyed mild weather and great turnouts. GSRA members from around the state spent the day and evening on Capitol Hill to provide their legislators with important information about retiree concerns and visit with them in a social setting.



Members with Governor Deal

Close to seventy GSRA members met Wednesday, February 4 at 9:30 AM in the House Chamber for a photograph with House Speaker David Ralston and then gathered on the North Capitol stairs to have their pictures taken separately with Lieutenant Governor Casey Cagle and Governor Nathan Deal. Afterwards, members convened in a conference room to receive instructions and pick up information bags to be delivered to legislators. They also heard an informative briefing from John Keys, GSRA Legislative Liaison Capitol Volunteer and GSRA’s new Legislative Liaison, Chuck Clay, regarding GSRA’s strategy and goals for the 2015 Session, before fanning out across Capitol Hill to distribute the bags and talk with legislators and their staffs.

During lunch on their own, members had the opportunity to visit with old friends and colleagues. Following lunch, members again converged on the Capitol, this time to committee room 403 to sit in on a joint meeting of the House and Senate Retirement Committees. While the

committees did not take up any substantive issues, they did recognize and thank the large contingent of GSRA members for attending. Besides identifying the Senate and House committee members in attendance, the meeting allowed GSRA members to hear Directors from the ERS and TRS systems address the committees and provide a brief status of each pension system.



ERS Executive Director Potvin addresses joint Retirement Committees

Once the joint Retirement Committees meeting adjourned, GSRA members in attendance made their way over to the Empire Room, at the West Floyd Tower, where they met to help prepare for hosting legislators at the joint GSRA-GPHSA Legislative Reception from 5:00 – 7:00 pm.

As GSRA and GPHSA members visited with their legislators and staffs, they were treated to an assortment of finger foods and beverages. At 6:00 p.m., the highlight of the event,—the awards ceremonies—took place as both GPHSA and GSRA recognized their annual awards recipients.

GPHSA President James Binnicker first presented GPHSA’s 2015 *Friend of Children* award to House Judiciary Chair Wendell Willard, based on his work over several years in securing passage of several pieces of landmark legislation in support of children. The legislation included the Child Protection Law, the Juvenile Code Modernization Act in 2004, recognizing positive outcomes

in Georgia's foster care system legislation in the 2014 session and legislation he is currently preparing that will strengthen Georgia's child welfare system.

President Binnicker then presented the award to Melissa D. Carter, Executive Director of the Barton Child Law and Policy Center. Ms. Carter, who is also a Clinical Professor of Law at Emory University, focuses on the legal rights and interests of children and youth involved with the juvenile court, child welfare and juvenile justice systems. She led the effort to rewrite the Juvenile Code and has served as the state's Child Advocate. She is also a member of the Child Welfare Reform Council.

Following the GPHSA awards, GSRA President Russell Hinton presented Senator Josh McKoon (R-29) with the GSRA Senate 2014 *Legislator Service Award*. Senator McKoon was selected for his yeoman like efforts during the 2014 Legislative Session working with GSRA to amend SB 346 to improve transparency and input from stakeholders in the Department of Community Health process for developing and maintaining the State Health Benefit Plan. The amendment would have required that two members of the Board of Community Health be active and retired Employees Retirement System (ERS) and Teachers Retirement System (TRS) members and created an advisory council comprised of active and retired ERS and TRS members. Hinton then presented the GSRA House 2014 *Legislator Service Award* to Representative Buzz Brockway (R-102), who worked with GSRA during the 2014 session championing the amendment to SB 346 and is the first named sponsor in the 2015 session to craft and sponsor a bill related to the Department of Community Health process for developing and maintaining the State Health Benefit Plan that covers active and retired state employees and teachers. HB 240, released by Representative Brockway on February 4, is basically the same as the 2014 legislation in increasing transparency and input from stakeholders in the DCH process and requires that two members of the Board of Community Health be active and retired Employees Retirement System (ERS) and Teachers Retirement System

(TRS) members and creates an advisory council comprised of active and retired ERS and TRS members.



Members and legislators visit at the reception



Reception attendees enjoy an assortment of finger foods

Although the General Assembly recessed on Wednesday afternoon for the remaining week, more than fifty legislators, plus a number of legislative staff attended the GSRA reception. All told, more than 200 people, including legislators, legislative staff, GSRA and GPHSA members, enjoyed a reception that capped off a very successful day.

New Legislative Liaison Briefs Members

At GSRA's Day at the Capitol event, Chuck Clay gave a packed committee room of GSRA members an overview briefing on communicating some "do's and don'ts" with legislators and staff. His remarks were right on target and

followed similar comments previously posted for GSRA members' use in communicating with elected officials.

Clay emphasized the need for all GSRA members to develop an ongoing relationship with their individual legislators— making contact year-round at home, in addition

to during the Legislative Sessions. This deepens our organization's effectiveness and backs up our Capitol liaison (Clay and his firm's team), so that when Clay or one of his team members talks with a legislator at the Capitol in Atlanta, that official knows Clay is speaking for YOU at home as well.



Chuck Clay and John Keys prepare to address members

At the briefing session, John Keys, one of GSRA's Legislative Liaison Capitol volunteers, discussed some specific bills and GSRA issue concerns, including transparency legislation and COLA concerns. He suggested that GSRA members shouldn't avoid talking about

legislation out of fear that they may not know "all the details" of bills, but simply let legislators hear their personal story on how the item discussed affects them as retirees of the State. And, as noted by Mr. Clay, grass roots, ongoing contact should always be done!

At both the Joint House-Senate Retirement Committee meeting in the afternoon, and our Reception that evening, GSRA members' work at the Capitol was indicated through wide participation throughout the day, and by great Legislators' and staff participation in the joint GSRA-GPHSA Legislative Reception that night.



Chuck Clay with team member Elizabeth Newcomb

Thank You to our GSRA-GPHSA Legislative Reception Sponsors!

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Governor's Budget for SHBP Cuts Membership

Governor Deal's FY 2016 budget recommends that SOME non-certificate employees of the local school systems who work less than 30 hours per week be eliminated from State Health Benefit Plan coverage. In addition, the FY 2016 budget shows substantial differences in the projections submitted to the Community Health Board in August 2014 and those presented to the Joint Appropriations Committee

in January 2015. For the most part, the "difference between revenue and expense" projections show a greater surplus (reduced loss) than that presented in August.

The Governor stated that His recommendation to eliminate 11,500 part-time non-certificate employees (primarily bus drivers and lunchroom personnel) from the SHBP effective January 1, 2016, is based upon establishing

“fairness” among various groups of persons who are eligible for benefits. He stated that none of the part-time employees of the state agencies may enroll in the Plan; therefore, eliminating these personnel who work less than 30 hours per week would establish a greater degree of fairness among eligible populations. This recommendation has been met with much opposition from many educational entities and the public. The House of Representatives included language in the Amended FY 2015 budget that “The General Assembly finds that non-certificated school employees are an essential part of the education delivery system and directs

that any such report [by DCH] include an examination of options to provide health benefits to these workers.”

Table A below displays the “Net Surplus/(Deficit) as projected in August 2014 and as presented to the Joint Appropriations Committees. The Surplus for FY 2014 is decreased by \$1.9 million, increased by \$88.2 million in FY 2015, and increased by \$95 million in FY 2016 and the “deficit” decreased by \$97.5 million in FY 2017. The changes are apparently a result of summarizing items that provide a greater “procurement savings” than reflected in the August presentation and a restatement of the renegotiated Medicare Advantage Procurement Savings.

State Health Benefit Plan Budget Projections – August 2014 & January 2015				
	FY 2014	FY 2015	FY 2016	FY 2017
Net Surplus/(Deficit) – August 2014	\$371,189,711	\$208,477,681	\$119,523,699	(\$189,704,865)
Net Surplus/(Deficit) – January 2015	369,314,688	296,723,693	214,535,088	(92,165,345)
Difference	(\$ 1,875,023)	\$ 88,246,012	\$ 95,011,389	(\$ 97,539,520)

The Governor’s recommendation also provided for a study to be presented to the Governor and General Assembly by June 30, 2015 that examines why SHBP costs are higher

than other comparable government employee health plans and describe a variety of options for reducing costs without further diminishing the value of health benefits received by members.

Governor’s Zero Based Budget Report on SHBP

In addition to presenting a financial budget for the State, Governor Deal published a FY 2016 Zero Based Budget (ZBB) report based an analysis of targeted budgetary programs. The Governor’s Office of Planning and Budget OPB utilized a ZBB approach to select and analyze the State Health Benefit Plan during the fall of 2014. Some analyses and recommendations are reported in the following paragraphs and others will be reported in the March newsletter. GSRA members should review these analyses and recommendations which may become important to maintaining adequate medical coverage.

OPB Issue 1: SHBP medical cost trends have been below the national average, but higher than the health plan offered to Board of Regents (BOR) employees. Also the 2014 study by The Pew Charitable Trusts found that under some circumstances SHBP total costs are nearly 25% higher than other southern states' employee health plans' costs and nearly 16% higher than all other states' employee health

plans' costs. Additionally, the cost of SHBP plans was substantially higher than that of similar plans offered on the Federally Facilitated Marketplace (FFM) in 2014.

OPB Recommendation: Examine why SHBP's costs are higher than other comparable government employee health plans and develop options for reducing the SHBP's costs without further diminishing the value of health benefits received by members. Submit a study detailing the cause of SHBP's costs and options for reducing costs to the Governor and General Assembly by June 30, 2015.

OPB Issue 2: In FY 2014, SHBP expenses for pre-Medicare retirees were almost 30% more than those of active employees who were enrolled in the same plans. Retirees, younger than age 65, are ineligible for Medicare. These retirees enroll in the same plans as active employees until they become Medicare-eligible. When pre-Medicare retirees’ costs are separated out from active employee costs who are enrolled in the same plans, the expenses for pre-

Medicare retirees are 30% higher, largely because the pre-Medicare retiree population is, on average, older than the active employee population

OPB Recommendation: Examine and report on alternative options for providing health care benefits to pre-Medicare retirees. These potential alternatives may include different plan designs for these retirees, moving these retirees to a private exchange with defined contribution, or differential premiums for these retirees. Submit a study detailing alternative options for providing health care benefits to pre-Medicare retirees to the Governor and General Assembly by June 30, 2015.

OPB Issue 3: Medicare-eligible retirees have limited choices for supplemental Medicare-coverage in the SHBP because the plan offers only two Medicare Advantage plan choices with the vendor(s) offering commercial SHBP plans. The Board of Regents Health Plan (BORHP) is planning to transition its Medicare-eligible retirees to a private health benefit exchange in Calendar Year 2016. Under this plan, BORHP will offer its Medicare-eligible retirees a defined contribution which can be used to purchase a supplemental Medicare coverage plan of the member's choice on a private health benefit exchange.

Recommendation: Contract with a benefit-consulting firm that offers a private supplemental Medicare coverage exchange, and allow Medicare-eligible retirees to purchase coverage through an exchange for Calendar Year 2016. Provide these retirees with a defined contribution to purchase this coverage, and allow them to buy-up or buy-down depending on each individual members' needs. Coordinate with BORHP to provide similar options for both BORHP and SHBP Medicare-eligible retirees.

OPB Issue 4: Local Educational Agencies (LEAs) are separate entities from state government, and leadership of many LEAs have expressed the desire to comparison shop health benefit plans to determine if SHBP is the most cost-effective means of providing health coverage benefits to their employees. Currently, statute allows LEAs to opt out of SHBP for their non-cert employees, but it does not allow them to opt out of SHBP for their teachers.

Recommendation: Review legislative changes that would be necessary to provide flexibility to LEAs in the provision of health benefits for all of their employees, and

recommend any necessary changes to provide this flexibility to the General Assembly during the 2015 legislative session.

OPB Issue 5: The plan's Other Post-Employment Benefits (OPEB) liability, the actuarially calculated liability for retiree benefits, is currently not funded.

Recommendation: Utilize any reserve funds remaining after allowing for the plan's Incurred But Not Reported (IBNR) liability plus 10% of plan expense to fund the accrued liability portion of the Annual Required Contribution (ARC).

Plan Now for Sunny Savannah!

Exciting news! Based on member input, and after considering several sites statewide, the GSRA Board has voted to hold the 2015 Annual Meeting in Savannah. Because GSRA members voted yes to change the GSRA by-laws to allow for alternative dates every other year, this year's Annual Meeting will take place August 17-18, to take advantage of better rates in Savannah.

We're excited about this opportunity to host members in a new location and expect to bring you the best Annual Meeting yet! Stay tuned for periodic updates as the Annual Meeting Planning Committee works through all the details, and make your plans now to be in Savannah in August.

GSRA DAY AT THE CAPITOL AT A GLANCE



Endorsed Benefits

The Georgia State Retirees Association (GSRA) makes many member only benefits available to its members. GSRA endorses the following member benefits:

- Long Term Care / Home Health Care Policy
- Life Insurance
- Medical Air Services Association (MASA)
- Travel Discounts
- Car Rental Discounts
- Tax-Deferred Annuity
- Cancer Treatment Policy
- Medicare Supplement Insurance
- Identify Theft Protection
- Hotel Discounts
- Computer Discounts

Review your benefits at: www.myAMBAbenefits.info/gsra



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Welcome SHBP RETIREES

We're back!

We are honored and look forward to serving you in 2015!




Plans are insured through UnitedHealthcare Insurance Company or one of its affiliated companies, a Medicare Advantage organization with a Medicare contract. Enrollment in the plan depends on the plan's contract renewal with Medicare.

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