



Capitol to Coast NARFE News

CHAPTER 236

OLYMPIA –TIMBERLAND

Thurston, Mason, Lewis & Grays Harbor Counties, Washington

President's Message:

October 2008

Chapter Meeting
Tuesday
October 21
1:00 p.m.
National Forest HQ
1835 Black Lake Rd
Olympia
Speaker:
Marv Kopp, of
Edward Jones
discussing
Managing Your
Assets in Time of
Crisis

NARFE: "A perfect storm" coming for benefits- Be ready to take part in the fight.

In these troubling times, your membership and participation in NARFE couldn't be more important than it is right now. We are all concerned about the present economy and what has transpired with Congress. With the upcoming elections, we know there will be change regardless of who is elected and there will be new congressional members who will not be aware of our issues.

Mr. Dan Adcock, NARFE Legislative Director, definitely got everyone's attention at the National Convention when he reported that there is a "perfect storm" gathering that threatens federal retirement benefits. Entitlement programs such Federal and military retirement benefits, Social Security, Medicare and Medicaid are all in the path of that legislative storm.

There is already talk about an entitlement commission which will likely take place in 2009 to overhaul entitlement programs. Federal retirement benefits are considered an entitlement program even though you earned them. There is a distinct possibility of attack on government programs to reduce the size of the debt created for the bailing out of the failed financial systems.

Because of inflation, COLAs may be a full 6%. While it sounds great for those receiving it, it paints a large target on Federal retirees, because non-government retirees do not receive COLAs. Remember the diet-COLAs of the past (not getting the full COLA or delayed COLAs)? We may very well see that happening again.

What can NARFE members do to prepare to defend your benefits? Mr Adcock recommended that we start by:

Forming telephone trees and calling committee so NARFE rank-in-file can contact our members of Congress

within 48 hours. Bills often come to the floor with little notice so there is little time to muster grass-roots defenses.

Redouble our recruiting and recruiting efforts. In a recent poll, 41 percent of federal employees erroneously believe that the federal government does not have the ability to change their retirement benefits. Believe me, they do! Remember, there really is power in numbers. The more people supporting an issue, the better our chances of being heard. Now is the time to ask every active and retired employee you know to join us and for those already a member, remember to renew.

Become involved in political campaigns or, at the very least, remember to vote. Read up on the candidates and where they stand on issues that may affect you as a retiree or active employee.

Donate to NARFE-PAC for campaign contributions to Fed-friendly members of Congress. To read Mr. Adcock's entire presentation, go to the NARFE website, (www.NARFE.org)

I would like to briefly report on what transpired at the National Convention and what was passed or rejected.

Margaret Baptist was re-elected as President and did an outstanding job of chairing the meeting. The delegates decided to retain the position of National Vice President, and elected Joseph Beaudoin to fill it. Nat Brown was retained as Secretary and Dick Ostegren as Treasurer. The pay of those two offices was equalized. Lanny Ross was re-elected to his seventh and final term as our Region's Field Vice President.

One resolution that was approved was to discontinue new Honorary Life Memberships (over 85 and more than 20 years of NARFE membership).

This does not affect current Honorary Life Members who pay no national dues. A new

(Continued on page 2)

Chapter Officers for 2008

President:

Sandy Cagle
 456-8509

1st VP

Al Driemeier
 456-3718

Secretary:

Ida Sevier
 432-9201

Treasurer:

Betty Fugazi
 491-4970

Committee Chairs

Legislative:

Sam Sevier—National
 432-9201

Al Driemeier—State
 456-3718

Membership

John Cornette
 456-8558

Alzheimers:

Charlotte Hopper
 438-5296

Service Officer

Loretia Cornette
 456-8558

NARFE-PAC

Sam Sevier
 432-9201

Newsletter Editor

Sam Cagle
 456-8509



“Perfect Storm” - President’s Report

(Continued from page 1)

category, “Distinguished Member”, who will continue to pay NARFE dues, but will receive a pin and certificate to honor their continued membership.

A major change that was approved would allow the National Executive Board to select the national convention sites, rather than have them determined by the convention delegates. This will go into effect with the convention in 2014. In the meantime, the 2010 convention will be in Grand Rapids, Michigan and the 2012 site will be the Nugget Hotel in Reno, Nevada.

The Single Dues concept was presented, but narrowly defeated by 80 votes less than the required 4,109.

Washington State Federation was recognized as having the highest total donations in the nation, \$60,845, for Alzheimer’s research. The goal of \$8 million has almost been reached. The new goal is \$9 million by the time NARFE Association reaches its 90th birthday in 2011.

I want to thank the other five delegates, John and Lorita Cornette, Sam and Ida Sevier and Sam Cagle, for representing our chapter.

Despite the change in date and time, we had a pretty good turnout at the last meeting. Our next meeting will be the regular third Tuesday (Oct 21) at 1:00 p.m. at the Forest Service HQ. Our program will be presented by Marv Kopp, an Edward Jones, Financial Advisor. In light of current financial events, I’m sure we will gain some information to help us better handle our financial future as federal retirees and active employees.

Just a reminder that the election of officers will be at the November meeting at our traditional Thanksgiving luncheon. It isn’t too late to submit your name to the nominating committee. We need lots of help and volunteers. Ida Sevier would be happy to talk with you and explain the jobs if you are interested.

Our local Health Fair will be on October 24, so take this opportunity to talk with the different representative to review your health care options.

Sandy Cagle
President

Our only Health Fair in Olympia October 24 at National Forest Headquarters

The only FEHBP Health Fair to be held in Thurston County this year will be on Friday, **October 24, 10 to 11:30 a.m.** at the Olympic National Forest Building. This will be your one opportunity to speak to plan representatives face to face. In addition to various program changes in the plans, the overall premium rate is expected to increase 7 percent, the Blue Cross/Blue Shield Standard plan is set to go up 13.3 percent, “and that enrollees will pay significantly higher copayments and coinsurance for brand-name prescription drugs in 2009.” Please put this on your schedule and plan to attend.

Prior to the upcoming “Open Season,” November 10, 2008 through December 8, 2008, OPM will mail CSRS and FERS annuitants detailed information about costs and benefits in FEHBP and about the Dental and Vision plans, now in their third year. Availability of dental and vision plans, along with their premiums and benefits will vary, are not dependent upon enrollment in the FEHBP, and unlike the health insurance plans, enrollees will pay the full cost of any elected option.

2009 premiums for employees and retirees are available as Adobe ® files on the OPM web site, www.opm.gov. That means files in a portable document format (pdf) are available at <http://www.opm.gov/insure/health/09rates/index.asp>. Both the November and December issues of *NARFE* magazine will provide the additional coverage begun in the October issue, pages 26-32. The NARFE web site, www.narfe.org, will also provide additional information.

Membership Notes

We would like to recognize **Mary Gail Skinner**, who picked up the membership of her husband, Cortland, following his recent death.

Seventeen members were sent second renewal notices in August. Hopefully, a number of them will have renewed by the time this is published.

Two Chapter members moved out of state in August. **James Entenman** moved to Emmett, Idaho, and **Frank Grube** moved to Lompoc, California.

In November, thirteen Chapter members will have their annual memberships up for renewal. They are:

Robert Gillett, Lacey; **Donna Lonergan**, **Donald Rector**, and **Suzanne Taylor**, Olympia
William Hughey and **Kathryn Hailey**, Shelton
Phyllis Knechtel, Rochester; **Marianne Wallis**, Centralia

Ronald Pfeifer, Randle, **Clinton Weed**, DuPont
Glen Jackson, Taholah

The process that NARFE Headquarters uses is to send out a renewal notice two months before the expiration date. We would certainly encourage you to renew quickly, and, if possible, sign up for a multiple year membership or Dues Withholding. Currently, 72 chapter members are on Dues Withholding. If you join them, you will receive a one-time \$10 rebate check, plus a dues reduction of \$5 annually. OPM takes less than \$3 monthly out of your allotment, and you never have to worry about renewing your annuity payment.

Whichever approach you use, please renew. Chapter 236 and NARFE value your continuing membership.

Legislative Report

Status of NARFE-supported legislation in Washington State as of August 2008

HR82 – Repeal GPO/WEP. 342 Co-Sponsors. Yes: Inslee, Larsen, Baird

S206 – Repeal GPO/WEP. 39 Co-Sponsors, Yes, Murray, Cantwell.

HR1110 – Premium Conversion, 341 Co-Sponsors. Inslee, Larsen, Hastings, Dicks, McDermott, Smith.

S773 – Premium Conversion. 61 Co-Sponsors. Yes, Murray, Cantwell.

HR 1110 and S773, as introduced in March, both amend the Internal Revenue Code to permit: (1) federal civilian and military retirees to pay Federal Employees Health Benefits Program (FEHBP) and TRICARE supplemental premiums on a pretax basis (i.e., exclude premiums from gross income); and (2) a tax deduction (available to itemizers and nonitemizers) for TRICARE supplemental premiums or enrollment fees.

President Baptiste responds to OPM Health Plan proposals

Responding to the Office of Personnel Management's September 25th release of Federal Employee Health Benefits Program (FEHBP) rates for the 2009 plan year, NARFE President Margaret L. Baptiste acknowledged that while the overall average FEHBP premium increase of 7.0 percent for 2009 is within the range of increases in other large group health insurance plans, she is troubled that the share paid by employees and retirees in the program's most popular plan (Blue Cross/Blue Shield (BC/BS) standard option) will jump by 13.3 percent and that enrollees will pay significantly higher copayments and coinsurance for brand-name prescription drugs in 2009. However, NARFE is pleased that a hearing aid benefit will be added to FEHBP plans and that OPM decided that a separate and controversial Medicare "Sub-Option" is not currently acceptable. The entire press release has been posted on the NARFE web site.

"Even the six percent cost-of-living adjustment federal annuitants and Social Security beneficiaries are likely to receive next year will do little to help us keep pace with the larger increase in health plan premiums and the spike in prescription drug cost-sharing," said President Baptiste. "In sum, we are losing ground. That's why, more than ever, the 'premium conversion' tax relief that workers enjoy must also be offered to retirees living on fixed incomes." Towards that end, NARFE supports legislation which would allow federal civilian retirees and active duty military personnel and retirees to pay for their share of health premiums with pre-tax compensation.

Moreover, Baptiste said that FEHBP costs could have been lowered if it were not for the Administration's repeated decision to decline a payment available to other public and private employers who provide drug coverage as generous as Medicare. "OMB and OPM leave \$1 billion on the table, which could be used to lower worker and annuitant premium costs," she said. The 2003 Medicare reform law provides such employers a payment as an incentive to retain their retiree drug coverage. as military personnel. Other issues are still to be resolved before this legislation would be sent to President Bush.

Continued on Page 4

COLA UPDATE

The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) decreased 0.5 percent in August 2008 according to the Bureau of Labor and Statistics (BLS). Released on September 16th, the CPI-W for August is 215.247. For purposes of calculating the next COLA (cost-of-living adjustment) the July/August average index (215.775) is currently 6.0 percent above the 2007 third quarter average base index of 203.6.

September inflation figures will be released on October 16, 2008.



Local contacts for Senators and Congressmen

Senator Patty Murray

<http://murray.senate.gov/>

950 Pacific Avenue, Suite 650

Tacoma WA 98402

Phone: 253-572-3636

Senator Maria Cantwell

<http://cantwell.senate.gov/>

915 Second Avenue

Suite 3206

Seattle, WA 98174

Phone: 206-220-6400

Brian Baird (3rd Congressional District – Thurston & Lewis)

U.S. House of Representatives

www.house.gov/baird/contact.htm

120 Union Avenue, Suite 105

Olympia, WA 98501

Phone: (360) 352-9768

Norm Dicks (6th Congressional Dis- trict—Mason)

U. S. House of Representatives

www.house.gov/dicks

500 Pacific Ave, Suite 301

Bremerton, WA 98337

(360)479-4011

Adam Smith (9th Congressional District – Thurston)

U.S. House of Representatives

<http://www.house.gov/adamsmith/>

3600 Port of Tacoma Rd, St 106

Tacoma, Washington 98424

1-888-764-8409

NARFE Chapter 236 Meeting information

**Tuesday, October 21, 1:00 p.m., National Forest HQ, Black Lake Blvd, Olympia
Health Fair, Friday, Oct 24, 10 to 11:30 a.m., National Forest HQ
Tuesday, November 18, To Be Announced**

NARFE Response to OPM FEHBP Plans

Continued from Page 3

Higher Prescription Drug Copayments a Burden to Enrollees

The NARFE President was particularly alarmed by an 85 percent increase (from \$35 to \$65) in copayments for brand name prescription drugs under the BC/BS mail order program. "Although we understand that the cost of brand name drugs should be contained, it is also clear that many workers and annuitants have no other option than taking such medication, especially when there is no generic version of the drug available," said Mrs. Baptiste.

Expansion of Health Savings Accounts Questioned

Additionally, Baptiste questioned the decision to allow United Healthcare to offer controversial high deductible/health savings accounts (HSAs) in 25 states and the District of Columbia as well as Paramount Health Care's and Humana's new HSAs, when fewer than 25,000 out of nine million FEHBP participants have joined them. "It makes no business or health care policy sense for the Administration to devote more resources to an option that has proven to be unpopular and which could undermine our group health insurance system," Baptiste said.

NARFE believes that HSAs could increase premiums for comprehensive plans since relatively healthy enrollees with higher incomes could be siphoned off into HSAs. Indeed, the nonpartisan GAO issued a report in January 2006 which found that HSAs in FEHBP tend to attract younger and wealthier enrollees.

Decision to Drop Medicare Sub-Option Pilot Project Praised

Last March, OPM encouraged FEHBP insurance carriers to create separate health plans for Medicare-eligible federal annuitants called a "sub-option." While OPM said that enrollees in the Medicare pilot "sub-option" would pay the same premiums set for their counterpart FEHBP plans, NARFE was concerned that a plan specifically created for Medicare-eligible federal annuitants could have opened the door for separately rated retiree plans in the future with substantially higher premiums than other FEHBP plans. "We are happy that OPM exercised the due diligence necessary to determine that the proposed option was not acceptable, the NARFE President said. "NARFE stands ready to work with OPM to ensure that FEHBP's plans continue to provide comprehensive coverage and that premiums and cost-sharing are affordable for not just retirees, but for all enrollees."

Published monthly, September through June, by NARFE Chapter 236, Olympia, WA