



April 2010 Issue 7  
Academic Year 2009-2010

# Retirees Newsletter

Professional Staff Congress

## CHAIRMAN'S REPORT: JACK JUDD

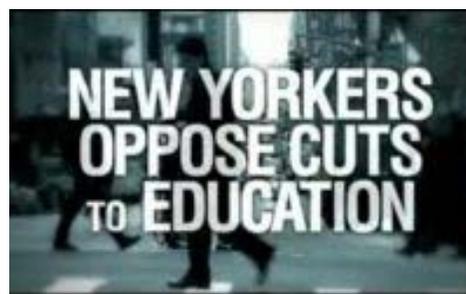
This Newsletter is packed with important and interesting information. I will let the individual items speak for themselves. As we have seen for the past four years, the summaries of the remarks made by the monthly speakers have been so capably prepared by Jim Perlstein, our Vice-Chairman.

### I. "We Need Revenue Enhancement, Not Spending Cuts" -- Bowen and London Address Retirees on the State of the Union.

President Barbara Bowen and First Vice President Steve London updated the chapter on the current crisis and its impact on both state and city budget negotiations and prospects for the PSC contract with CUNY, which expires in October.

Bowen pointed out that, absent the tax cuts pushed by both Democratic and Republican administrations since 1972, New York State would not now face a budget deficit. But thanks to those cuts we now have a deficit of \$9 billion. The Governor and the legislature propose to deal with the deficit by massive cuts to public services, including cuts of between \$84 million and \$106 million to CUNY's senior colleges. The Mayor, for his part, would handle the city's deficit problems by reducing support for CUNY's community colleges by \$29

million. As enrollment continues to increase, as federal stimulus funds run out, and as tax surcharges expire, enactment of the proposed budget cuts will prove devastating to public higher education here in New York City.



The PSC bought TV ads

The PSC's response to proposed budget reductions, which, incidentally, come on top of state and city cuts to CUNY for the last two years, has been to produce ads and to lobby intensively in Albany, at City Hall and at the borough offices of elected officials, to turn the conversation from cuts to revenue enhancement. We didn't cause the present crisis, the PSC argues. Neither we nor our students, who are equally blameless, should be made to bail the state out. "User taxes," such as tuition hikes or transit fare increases, weaken rather than strengthen the local economy. We need to tax the individuals and

institutions that can afford to pay and have benefited most from the “financialization” of the economic system.

With respect to the contract, Bowen and London urged retirees to sign up for the Committee of Five Hundred. This committee, an innovation in the upcoming fight to hold and enhance our contractual gains, will commit its members to specific actions in support of the union as the contract campaign develops. Of particular importance to retirees is the ongoing struggle to induce the city to enroll CUNY adjuncts in the municipal health plan. We are the only public institution whose part-time employees are excluded. Success would radically reduce stress on the PSC-CUNY Welfare Fund, which currently must cover health care coverage for part-timers, and would thereby render retiree benefits under the Fund more secure. We are urged to email the Chancellor, urging him to press the city on this issue.

The President noted, in conclusion, that we are not alone. The recession hits the private as well as the public sector, the employed and the unemployed, the organized and the unorganized, citizen and non-citizen, documented and undocumented, people of every race and ethnicity, and every community in this city. Evidence mounts that there is a shared consciousness of our common plight, witness the unprecedented mobilization of unions, immigrant rights groups and community organizations for a May Day march and rally for immigrant rights, worker rights and jobs for all.

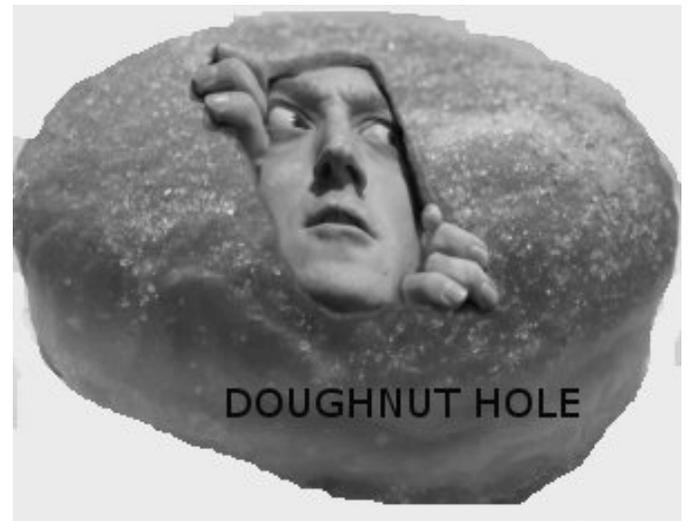
**II. The Kaplan Report.** A very timely report from Lawrence J. Kaplan, Chairman Emeritus.

### **Health Care Reform**

Although the health care reform bill, officially titled: “The Patient Protection and Affordable Care Act, 2010,” was signed into law by President Obama on Tuesday, March 23<sup>rd</sup>, 2010, some of the details were changed by the Reconciliation Act which became law towards the end of March. Some of the pages of the health care law will have to incorporate the

changes and that will take a few weeks. The final version of the law is scheduled to be available some time during the month of May.

Of the estimated 46 million uninsured Americans for health care, a goal of the new law is to cover about 32 million of these uninsured Americans, which would bring about 95% of the population insured by 2019. Currently, about 83% have some form of health insurance. The new law would bring the U.S. as close to universal health care as can be expected. Those not covered are mainly undocumented immigrants. With the changes made, health care can begin to offer preventive services instead of the more costly emergency room services for serious illnesses.



Another important change in the new law is that the “doughnut hole” gap in prescription drug coverage will be phased out. The “doughnut hole” currently begins when a member has spent \$2,830 out of pocket, and ends after a member has spent \$6,440, after which assistance begins again. The new law provides a \$250 rebate in 2010 only for those seniors who fall into the hole, and beginning in 2011 seniors in the hole will receive a discount of 50% of the costs of their prescription drugs. By 2020 the “doughnut hole” will be completely eliminated. Fortunately, New York City retirees do not face the “doughnut hole” problem since they benefit from the welfare funds of their respective unions that have no “doughnut hole.”

The health care reform law, according to the Alliance for Retired Americans, currently does the following:

1. Covers preventive services: in 2011 seniors in Medicare will receive free annual check-ups.
2. Supports early retiree coverage, providing financial assistance to employer health plans that cover early retirees;
3. Encourages doctors to coordinate care and improve quality, creating incentives for providers to work together and reduce wasteful care like repeated tests.
4. Removes obstacles to changing Part D prescription drug plans, allowing Part D enrollees to make a mid-year change in enrollment if their plan makes an unexpected change;
5. Expands the Medicare Part D low-income subsidy, which will significantly help struggling seniors afford their health care costs;
6. Enacts new long-term care assistance for seniors and the disabled;
7. Enacts new criminal background checks on long-term care workers who have access to residents or patients; and
8. Eliminates wasteful overpayments to Medicare Advantage plans while creating incentives for coordinated, high quality care across the health care spectrum, extending the solvency of the Medicare Trust Fund by 9 years and improving Medicare for generations to come.

Within the next six months some of the provisions of the new law, the so-called “early deliverables,” are immediately effective. The law:

1. Provides a \$5 billion reinsurance fund to help employers who provide health benefits to early retirees ages 55 to 64;

2. Eliminates pre-existing conditions for non-dependent children up to age 26;
3. Prohibits insurers from placing lifetime limits on coverage;
4. Restricts new plans’ annual limits on coverage;
5. Provides \$5 billion to states to create a high risk insurance pool for those denied insurance due to pre-existing conditions and who have been without insurance for six months;
6. Prohibits rescission, or dropping coverage, when individuals become sick;
7. Creates a public health and wellness fund, and requires new private insurance plans to offer preventive services without co-payments;
8. Provides up to 35% tax credits to small businesses that offer health care coverage, and
9. Creates a new and independent health insurance appeals process for consumers.



Changes were made by the Senate-passed Reconciliation Bill, passed by the House of Representatives on Thursday, March 25<sup>th</sup>, 2010, by a vote of 220-207. The law includes the following provisions:

1. The law increased subsidies to help moderate-income Americans to buy private insurance.
2. To help pay some of the costs of the new law the Medicare payroll tax was increased, taking effect in 2013.
3. The law delays the start of a new tax on high-cost employer-sponsored insurance to 2018.
4. It clarifies a provision requesting insurers to allow adult children to remain on their parents' insurance policies until their 26<sup>th</sup> birthday.
5. Attached to the new law is a broad restructuring of federal student loan programs, providing a large increase of money for Pell grants. It also helps lower- income graduates in getting out from under crushing student debt.

Misinformation has been spread on how the health care reform will affect veterans' care.

President Obama has strongly supported a 16% budget increase in 2010 for the Department of Veterans Affairs, the largest in over 30 years. TRICARE, the U.S. Department of Defense's military healthcare program, will continue to be available for all eligible servicemen and women, and their families.

Americans can now enjoy Health Care Reform benefits. President Obama's first historic achievement has revitalized his presidency. It is a landmark victory, and he became a

President who didn't back down, who was not merely intellectual and idealistic but tough enough to accomplish a goal that so many thought was impossible. Many other areas, both national and international, require this same type of leadership.

**III. June Luncheon.** Make your reservations now for the June 21st Luncheon.

**IV. Vote Cope.** Look for the COPE brochure. The PSC's legislative work is essential to defending the University, especially at the municipal and state levels of government. As retirees, we know it's a priority of the union to defend and improve the retirement and health benefits we receive from the PSC/CUNY Welfare Fund. We also know that the union's ability to negotiate is greatly enhanced by its ability to carry out a strong political effort.

**V. ARE YOU INTERESTED IN BECOMING A MEMBER OF A RETIREES BOOK GROUP?**

The Retirees Chapter has successfully organized a book group that meets monthly. Several individuals have inquired about joining, but the group is already too big. However if enough people are interested, the chapter could organize a second book group. Members of the original book group are willing to help establish a new one. Interested? If so, email John Hyland at [LagSoc@aol.com](mailto:LagSoc@aol.com).

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