



May 2010 Issue 8
Academic Year 2009-2010

Retirees Newsletter

Professional Staff Congress

CHAIRMAN'S REPORT: JACK JUDD

I. MY FINAL CHAIRMAN'S REPORT: This is my last report to you as Chairman. After serving in this capacity for four years, I determined that it was time for new leadership. You have chosen well in electing Jim Perlstein, as Chairman, and a strong supportive cadre on the Executive Council. I now begin a new status as Chairman Emeritus along with Lawrence Kaplan and Irwin Yellowitz. However, I will remain actively engaged in providing information of interest to you as the editor of the Newsletter.

I do expect to see many of you at the June luncheon where I may be able to personally greet you.

As in the past, the summary of remarks, delivered at the May chapter meeting, was so well and succinctly prepared by Jim Perlstein. He will be followed in that capacity by Joel Berger, the newly elected Vice-Chairman.

The Gentrification of Harlem

At the May meeting of the Retiree Chapter, Natasha Florentino, a grad student in Film and Media Studies at Hunter, showed her award-winning documentary, "The Gentrification of Harlem", which recorded the struggle between

developers and community residents over the rezoning of 125th Street. Tom Angotti, Professor of Urban Affairs and Planning at Hunter, partnered with Florentino and situated the 125th Street controversy in the history of urban gentrification.



No zoning protesters call for recall of local politicians

The film portrayed the efforts of developers to win city approval of the rezoning of 125th Street. The rezoning, finally approved in 2008, will license the conversion of the street, between Second Avenue on the east to Broadway on the west, from low-rise commercial to high-rise residential and commercial. In the process, rezoning opponents argued, the transformation of this spine of Harlem will not only displace

established businesses and residents, substituting the rich for the poor and the service of local needs with luxury shops, but also will undermine the unique character of a community historically central to African-American culture.

Florentino, who directed and co-produced the film, moves artfully among the interconnected issues of architecture, planning, development, race, class, political power and the potentials of grass roots mobilization. In so doing, her film laid out the ultimately tragic if commonplace story of how the profits and promises of real estate development trumped community concerns.

Profesor Angotti, in his introductory remarks and in response to audience questions, explained that what we call gentrification is the process whereby landowners capitalize on rising property values by raising rents and sale prices, which ultimately push the poor—here read people of color—out of the market and out of the neighborhood. In a city like New York this means ever-shrinking and ever-denser working class communities. Yet despite Harlem's gentrification, which proceeds apace, Harlem remains a community that is two-thirds African-American, Caribbean and African, and that is still class-diverse. Moreover, Angotti argued, if we step back and look at the gentrification process historically, we can see examples of successful community mobilization and creative initiatives that combined development with community preservation.

II. WELFARE FUND SURVEY. An analysis of the results found in the Welfare Fund's survey of November, 2009, was prepared by Patrick Smith, Director of Communications, PSC-CUNY Welfare Fund, and is herewith provided to the retirees.

Benefits Survey: Rx Drugs, Dental and Communication are Key

The Welfare Fund member benefits survey conducted in November 2009 was proposed at



the fall 2008 meeting of the Welfare Fund Advisory Council as a way of finding out what Fund members know about the Fund's benefit programs, the extent to which they are taking advantage of them, and their degree of satisfaction and/or dissatisfaction with the programs. About 35% of all active full-time and retiree Welfare Fund members were asked to participate through random sampling. As many retirees do not use the Internet, a paper questionnaire went out to the retirees. Full-timers and adjuncts were e-mailed a link to an online questionnaire. All 1,300 adjuncts were sent e-mail links in an effort to avoid under-sampling this group.

In brief, the results showed that the Medco prescription drug plan is the most highly regarded and most used benefit among full-time actives and retirees who responded to the survey; they feel the dental benefit is skimpy (though they like their dentists), and they want more regular benefit communications from the Welfare Fund. Here's a summary of the most significant survey results:

Participation

The total number of survey respondents was 1,246—about 8% of all Fund participants.

- 31% of retirees responded (538 out of 1,750 invited participants).
- 18% of full-timers responded (635 out of 3,475 invited participants).
- 5.6% of adjuncts responded (73 out of 1,300 invited participants).

A probable factor in the lower adjunct response rate may be that many part-timers do not regularly use campus e-mail accounts, the only e-mail addresses available to the Fund.

Demographics of Responders

- Gender: 56% of full-timers and 59% of adjuncts were women, while 67% of retirees were men.
- Age: The median age of full-timers was 52 years, adjuncts 54, and retirees 75.
- Years of Service: Full-timers had 17 years of service on average, adjuncts 16, and retirees 30 years of service.
- PSC or Management status: 15% of full-timers responding to the survey were or had been in management positions, as had 21% of retirees. (The Welfare Fund serves both management and PSC union members.)

Responders' Knowledge of the Welfare Fund Benefits Program

As the Welfare Fund staff and Advisory Council members regularly receive inquiries from members unaware of, or confused about, their benefits, the survey asked members to rate their own understanding of the Welfare Fund (WF) programs:

- 34% rated their knowledge as Good or Very Good.
- 42% rated their knowledge as Fair.
- 24% rated it as Limited or Poor.

While 41% of retirees considered their knowledge Good or Very Good, only 27% of full-timers and 21% adjunct faculty were as confident. The overall results in this area indicate the need for a renewed effort to disseminate benefits information to Welfare Fund members.

Members' Primary Sources for Benefits Information

- 39% rely on printed materials.
- 26% contact the Welfare Fund Office.

- 23.5% go to the Welfare Fund website, psccunywf.org.
- 20% use their campus benefits office.

It was no surprise that most retirees prefer printed materials and that only 22% of them have used the Fund website. Half of all full-timers, however, chose the website as their preferred source for information; 54 % have used the website.

Which Fund Benefits Are Used Most Often?

- 72% regularly or frequently use the Medco Rx drug plan.
- 40% regularly use the Guardian or Delta dental plans.
- 22% regularly use the optical benefit.
- 4.7% regularly use the Extended Medical Benefit attached to GHI.

As might be expected, 84.5% of retirees indicated they often use the Medco plan; however the same was true for 59.3% of full-timers.



What Fund Benefits Are Most Valuable?

- 66% rated prescription drugs as first or second most valuable.
- 54% rated the dental benefit as first or second most valuable.
- Only 25% rated the optical benefit as first or second most valuable, but fully 56% rated it as the third most valuable.

There was general agreement between full-timers and retirees on the relative value of the programs offered by the Fund. Although the prescription drug program was rated as more

valuable than the dental program, the dental plan is clearly an important benefit.

What Fund Benefits should be Targeted for Improvement?

- 67% chose dental as first or second priority.
- 46% chose Rx drugs as first or second priority.
- 36% chose optical as first or second priority.

Again full-timers and retirees agreed. It is significant that the program considered most valuable, prescription drugs, is cited as less in need of improvement than the dental plan by both groups.

What Optional Benefits should be Prioritized for Improvement?

- 63% chose Long Term Care as first or second priority.
- 59% chose Catastrophe Major Medical as first or second priority.
- 41% chose Term Life Insurance as first or second priority.
- 37% chose Extended Disability as first or second priority.

Comments from Members

The survey questionnaire included room for written comments. As might be expected, criticism significantly outweighed compliments among the 1,319 comments that survey participants registered. Those who were relatively satisfied with their benefits (a plurality as indicated by the ratings in answer to the survey questions) were less likely to add written comments than those with specific grievances. However, these critical comments are valuable in pointing out problems.

Some trends were expected, others less so. While dissatisfaction with the dental benefit is well-known, and was borne out by the comments, it was the optical plan that took the most heat. Members disparaged the quality of

the lenses and frames available under the plan, the amount of the discount offered through the participating vendors, and accused particular business outlets of misdirection, i.e., pretending to offer a discount to PSC members without reducing charges at all.

The other common thread running through the comments was the desire for better and more regular communication from the Welfare Fund on what the benefits are and how to make use of them. One of the practical suggestions was for the Fund to send out e-mail notices to members anytime significant changes are made to the benefits programs. The Fund intends to act on this proposal, and will be offering members an opportunity to be placed on a mailing list for e-mail news releases in the near future.

A more detailed report on the survey results will be made available on the Welfare Fund website, psccunywf.org, later this spring.

III. KAPLAN REPORT. Chairman Emeritus Lawrence Kaplan again provides us with a timely economic report. These reports take hours of research and careful preparation of tables included in such reports.



Health Care Spending Rose in 2008, But at a Slower Rate

Lawrence J. Kaplan

Health care spending topped \$2.3 trillion in 2008. The rate of growth was 4.4 percent, down from 6 percent in 2007 and an average increase of 7 percent a year in the decade from 1998 to 2008. The 4.4 percent growth rate in 2008 was the slowest pace of growth in 48 years. See attached table.

Health care spending accounted for 16.2 percent of U.S. Gross Domestic Product in 2008, up from 15.9 in 2007, according to a report published in the *Journal of Health Affairs*. The current recession is responsible for slowing the growth of health care spending, achieving what public officials tried to accomplish over the years, but unsuccessfully. However, the long-term outlook for continued increases in health spending remains the same. As baby boomers age, they will require greater health care. In addition, the increased use of technology will add to medical costs.

National health care spending averaged \$7,681 a person in 2008, up 3.5 percent from 2007. A few of the highlights for 2008 are the following: the largest dollar increase in health care expenditures occurred in Hospital Care, \$718.4 billion in 2008 as compared with \$687.6 billion in 2007, an increase of \$30.8 billion.

Retail spending on prescription drugs increased 3.2 percent in 2008, continuing a trend that began in 2000. Prescription drugs account for 10 cents of every dollar spent on

health care in the United States, \$234 billion of the \$2.3 trillion total.

Per capita use of prescription drugs declined slightly in 2008 in part because of concerns about product safety. The report points out that some people split doses because of the cost, and the number of new products entering the market was relatively low.

Prescription drug prices increased 2.5 percent in 2008, more than in the previous year, but well below the 4.1 percent average annual increase in drug prices from 1997 to 2007.

Spending increases varied among health care providers in 2008, rising 4.5 percent for hospital care, 4.6 percent for nursing homes, 4.7 percent for doctors' services and 9 percent for home health care.

Hospital care spending for Medicare beneficiaries rose 7.7 percent, reflecting an increase in hospital admissions after two years of decline; and an increase in the number of people in private Medicare Advantage plans, operated by private insurance companies, subsidized by the government. Spending on private plans grew 21 percent in 2008, to \$108 billion. President Obama and many members of Congress are eager to cut payments to the private Medicare Advantage plans as part of the effort to reduce health care spending.

**U.S. Health Care Spending, 2007 and 2008
(\$ Billions)**

	Expenditures (\$ billions) 2008	Increase 2008 over 2007	Percent increase 2007	
Hospital care	\$718.4	\$687.6	+\$30.8	+4.5%
Physicians and clinic services	496.2	472.6	+23.6	+5.0%
Podiatrists, optometrists, chiropractors	65.7	62.2	+3.5	+5.6%
Dental services	101.2	96.4	+4.8	+5.1%
Schools, military, community care	68.1	66.3	+1.8	+2.6%

Nursing home care	138.4	132.4	+6.0	+4.6%
Home health care	64.7	59.3	+5.4	+9.0%
Prescription drugs	234.1	226.8	+7.3	+3.2%
Eyeglasses, hearing aids, appliances	26.6	25.5	+1.1	+4.1%
Non-prescription drugs and sundries	39.0	37.4	+1.6	+4.2%
Private health insurance	159.6	158.4	+1.2	+0.7%
Government health expenditures	69.4	64.8	+4.6	+7.1%
Research	43.6	42.5	+1.1	+2.6%
Structures and equipment	113.9	107.5	+6.4	+5.9%

Total Health Care Spending \$2,338.7 \$2239.7 +\$99.0 +4.4%

Note: The above data are the latest information available.

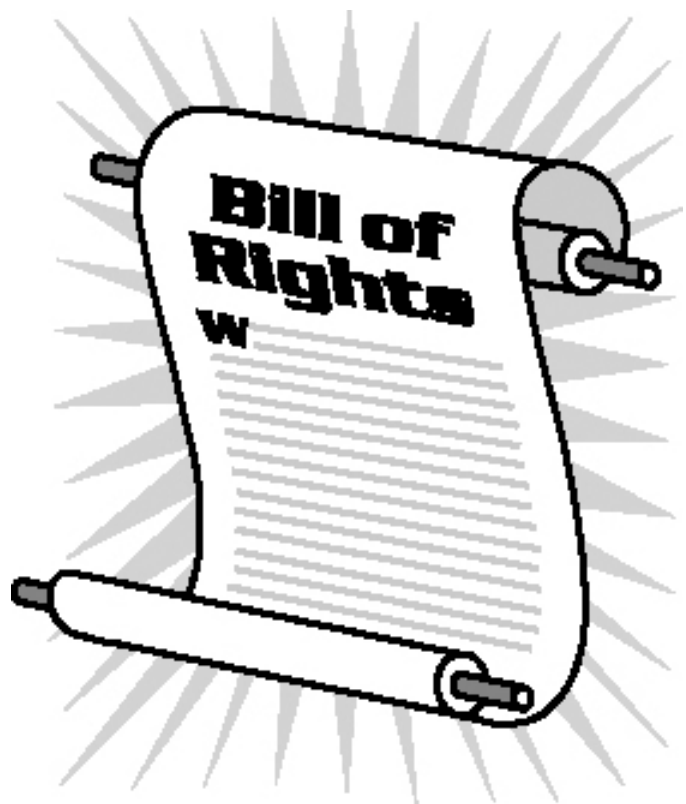
Source: Centers for Medicare and Medicaid Services, Office of the Actuary.

IV. SENIOR BILL OF RIGHTS. It is with some relief that we learn that there are members of Congress who have the welfare of senior citizens on their radar. Recently introduced in this session of Congress, and now before the House Committee on Education and Labor, on May 6, 2010 is the following House Resolution #1342, without all the Whereas clauses.

SENIORS BILL OF RIGHTS

1 *Resolved*, That it is the sense of the House of Representatives that the Congress should unwaveringly uphold the dignity and independence of older Americans by supporting efforts that guarantee for them—

- (1) financial security,
- (2) quality and affordable health and long-term care,
- (3) protection from abuse, scams, and exploitation,
- (4) a strong economy now and for future generations, and
- (5) safe and livable communities with adequate housing and transportation options.



V. LUNCHEON REMINDER: For those who have not sent in their reservation for the June 21 luncheon now is the time to do so. We will begin the day with coffee and danish at 10:30 am, followed by our End-of-Year meeting at 11:30. At lunch, we will hear from Professor Josh Brown on, "Art as Political Protest." It certainly is a lively topic.

Please tear off the bottom portion of this page and mail it with your check for \$24 per person to the following address: Professional Staff Congress, 61 Broadway, 15th floor, New York, NY 10006. Please fill out the form below and remember to include a check for \$24 per person. Come and join us on June 21.

In case we do not meet at the luncheon, have a good summer.

Name (s): _____

Address: _____

Phone Number: _____

My choice of main course is: _____Chicken Francese _____Tropical Salad
_____ Tuna Salad _____ Pasta Primavera _____ Poached Salmon _____ Pepper Steak

MBJ:lrs
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