

PrimeTime

News & Information for AFSCME Retiree Members

Chapters in Action

Texas



In February, AFSCME's Texas Retired Public Employee Council held a legislative forum in Austin to prepare for the state's 2011 legislative session. More than 50 retiree members attended and heard presentations by State Sen. Kirk Watson (D) and Ann S. Fuelberg, executive director of the Employees Retirement System of Texas, (pictured above right with AFSCME Texas Retirees Coordinator Caryl Yontz and Sam Merrell, organizing committee chair). In addition, the retirees discussed the tough political climate in the Legislature, where the focus is on budget cuts, and developed a legislative strategy to protect retiree health benefits from expected attacks. Addressing other business, the retirees started planning for their founding convention, when they will be chartered as an official AFSCME retiree chapter.

Pennsylvania Retiree Chapter 13



Last fall, nearly 300 delegates from subchapters across the state turned out for Pennsylvania Chapter 13's annual convention in Grantville.

Ohio Retiree Chapter 1184



The officers of Ohio Chapter 1184 take the oath of office at the chapter's biennial convention, held in Columbus in September.

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Pensions Threatened in Attacks on Public Service Workers

By now, most AFSCME members know that public service workers and retirees are under attack across the country. We've become the scapegoats for a band of recently-elected governors who don't like unions and have contempt for government workers. For them, state budget shortfalls are a convenient excuse to cut wages, benefits and jobs and bring us to our knees.

WAR IN WISCONSIN. A prime example is Gov. Scott Walker (R) of Wisconsin – the state where AFSCME was founded in 1934. In February and March, Walker declared war on the teachers unions and AFSCME by trying to overturn Wisconsin's 1959 law that guarantees collective bargaining rights for public employees. At the same time, he demanded more money from workers' paychecks for pensions and health benefits.

Ironically, while Walker was attacking public

“Their actions have awakened a powerful movement and we will not allow them to steal our power or our future.”

- International Secretary-Treasurer Lee Saunders

service workers for being a drain on the state budget, he was also cutting taxes for corporations. “That's why we're certain the governor's actions were politically motivated, not dictated by fiscal concerns,” said International President Gerald W. McEntee. “Walker wants to destroy unions so he can eliminate the strongest opponents of wage and

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Don't Let Budget Cutters Destroy Medicare, Medicaid and Social Security

AFSCME always says that voting is important and elections matter. Certainly that was proven last November, when Democrats took a beating at the polls due to a bad economy and low turnout among the party faithful.

DIVIDED GOVERNMENT. The upshot is that a new crop of anti-union governors now control some key states and, in Washington, DC, a divided government struggles to come to grips with starkly opposing views. At one end of Pennsylvania Avenue sits President Barack Obama, a Democrat still in charge at the White House. At the other end sits the new Republican majority in the House of Representatives, led by Speaker John Boehner (R-OH). In the Senate, Democrat Harry Reid is still Majority Leader, but his working majority has shriveled from 59 out of 100 seats to only 53.

Quick to take advantage of their new strength, Republicans are trying to change the national debate to reflect their priorities. Despite polls that show the still shaky economy has Americans more concerned about jobs than reducing the deficit, the GOP is focused on the latter. And even though deficits can be reduced by revenue raisers as well as spending cuts, they reject tax increases – even for the wealthiest Americans.

RADICAL GOP BUDGET. The best illustration of House Republican priorities is the fiscal year 2012 budget bill introduced in April by Budget Committee Chairman Paul Ryan (R-WI). It imposes a Draconian freeze on nearly all domestic programs and imposes new rules that will make it harder for people to qualify for everything from housing assistance to college aid. At the same time, it includes \$4 trillion in tax cuts – primarily for wealthy people and corporations.

But the worst part of the Republican budget is its attack on the benefit programs that provide basic income and health care to senior citizens: Medicare, Medicaid and Social Security.

• **Replaces Medicare with Vouchers:** The Republican budget would end the Medicare program we all know for people who turn 65 after 2021. Medicare's guaranteed set of benefits would disappear. Instead, seniors would get vouchers to buy coverage from private insurance companies, even though it's doubtful that insurers will accept *all* seniors at affordable premium rates (companies would be allowed to charge higher rates based on age, gender and pre-existing conditions). Private insurers have had a long

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**Call your two U.S. Senators today, toll-free,
at 1-888-340-6518**

Tell them to vote “NO” on any budget bill that cuts Medicare and Medicaid and threatens Social Security. Say “hands off” these lifelines for older Americans!

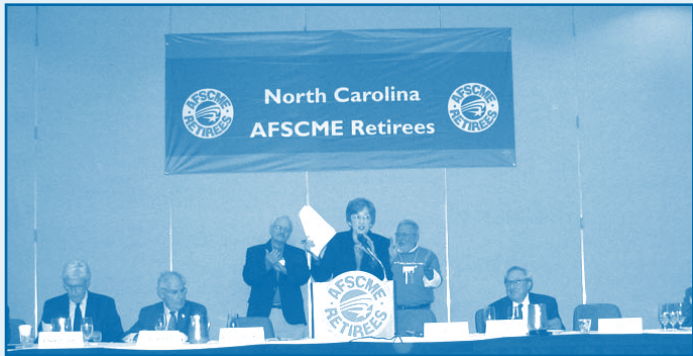
New Mexico Chapter 18



Chapter 18 held its election of officers in March. Barbara Pardo was elected chapter president; Tim Zagorski, vice president; Eva Lujan, recording secretary; and Loretta Naranjo Lopez, secretary-treasurer. Lopez is AFSCME's endorsed candidate for a seat on the board of New Mexico's Public Employees Retirement Association (PERA).

Pardo (right) and Lopez (left) are pictured above with chapter board member Silviana Diaz D'Ouille at a recent Santa Fe rally in support of Wisconsin public employees. New Mexico employees and retirees have also been under the gun. From the opening of the 2011 legislative session in January, Chapter 18 retirees have been working hard to beat back changes in retirement benefits. Proposals include increasing the pension contributions of state workers and public school employees, while reducing employer contributions.

North Carolina Retiree Subchapter 165



Secretary of State Elaine Marshall addresses the annual convention of AFSCME's North Carolina subchapter in October in Raleigh.

Retiree Chapters 1199 C and J



More than 500 retiree-members of Philadelphia District 1199C and New Jersey District 1199J traveled to Atlantic City last fall for their annual joint education conference. The day included speakers, a luncheon and some time at the hotel casino.

Florida



Braving a morning thunderstorm, more than 40 delegates attended the founding convention of AFSCME's West Central Retiree Subchapter in Tampa. In addition to adopting a new subchapter constitution, the conven-

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State Pension Battles Loom

In more than 30 states, AFSCME is fighting legislation to reduce pension benefits and shift more of the pension costs to public service workers and retirees.

Depending on the state, proposed changes include higher worker contribution rates, lower cost-of-living adjustments (COLAs) for current and future retirees and various combinations of the following requirements that would make it harder to earn a public pension: longer vesting periods (five years to 10, for example); higher retirement ages; more years of service; formulas that look back at more years to determine Final Average Salary (for example, switching from the highest three wage years to the highest five); and reduced benefits for early retirees.

Also, some states would change the structure of traditional public pension plans, replacing them with defined-contribution/private-investment-accounts plans for all new hires. These plans would lack basic protections and benefit guarantees for future workers and retirees.

States that are considering (or have already made) pension changes include: Arizona, California, Colorado, Connecticut, Delaware, Florida, Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Minnesota, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Utah, Vermont, Virginia, Washington and Wisconsin, as well as the District of Columbia. ■

Pensions Threatened (from page 1)

benefit cuts and the defenders of public services.”

Providing more proof is the fact that, from the start, our members agreed to contribute more for their benefits – the equivalent of an 8 percent pay cut. It was a good faith effort to help reduce the state deficit. But our members drew the line at ending collective bargaining and destroying the union's ability to negotiate for future wages, benefits and working conditions.

MIDDLE CLASS ASSAULT. In the state Legislature, Walker had the support of big Republican majorities in both chambers, whose members seemed surprised to see thousands marching on the state Capitol – day after day – to protest the governor's actions. The huge response came not only from union members, but from friends and neighbors as well, who recognized that the threat to workers' rights was really an assault on the middle class.

Unfortunately, the governor won the first round when the Republican-controlled Legislature rammed through his bill to end collective bargaining in Wisconsin. But AFSCME is fighting back hard, starting with an effort to recall the state senators who helped the governor do his dirty work.

Similar fights are shaping up in other locations. In all, over 700 bills that attack public employees have been introduced in dozens of states. For example, with the backing of the Ohio Legislature's solid Republican majority, Gov. John Kasich (R) recently signed a bill to end collective bargaining. But Ohio workers aren't taking it lying down. Encouraged by public support, AFSCME and other unions are considering ways to counterpunch, including a statewide public referendum this fall to restore workers' rights.

OHIO PENSION "REFORM." But Kasich is attacking pensions, too, and hopes to sign a pension "reform" bill this summer. To start, he wants to reduce the employer contribution by two per-

cent and increase the worker contribution by the same. The legislation would also cut the annual COLA, raise the retirement age and lower initial benefits by changing the formula.

Michigan is another state where AFSCME has a lot at stake. The new governor, Rick Snyder (R), rammed through a law in March that allows him to take over local jurisdictions. Now, wherever he chooses, he can appoint a manager who will have authority to cancel contracts, cut worker and retiree benefits and fire duly-elected office-holders such as mayors and county supervisors.

CORPORATE TAX CUTS. If that weren't bad enough, Snyder is proposing a state budget that makes deep cuts in schools; raises taxes on seniors and the working poor; and eliminates the tax exemption for pensions. At the same time, Snyder wants \$1.8 billion in tax cuts for businesses.

Similar formulas that penalize public employees, the poor and middle class, while cutting taxes for the rich and powerful, have taken shape in Arizona, Florida, Georgia, Iowa, Kansas, Maine, Pennsylvania, South Carolina and other states.

“Governors Walker and Kasich as well as other politicians are attempting to change the rules to silence workers so that corporate influences can go unchecked,” said AFSCME Secretary-Treasurer Lee Saunders at a rally in Memphis, Tennessee, on the anniversary of Martin Luther King, Jr.'s assassination. King was killed on April 4, 1968, while supporting Memphis sanitation workers in an AFSCME strike.

DIGNITY AND FAIRNESS. Saunders compared the quest of the sanitation workers for dignity and fair treatment to the current efforts of public service workers to defend their jobs and their unions. He said our attackers “have awakened a powerful movement and we will not allow them to steal our power or our future.” ■

Senators Defend Social Security



In April, Senate Majority Leader Harry Reid (D-NV) led a rally to protect Social Security from deficit hawks who want to cut benefits. He was joined by fellow U.S. Senators Richard Blumenthal (D-CT), Al Franken (D-MN), Tom Harkin (D-IA) and Bernie Sanders (I-VT), as well as a dozen average Americans who discussed the importance of Social Security in their lives. More than 400 people attended the rally, including more than 100 AFSCME retirees.

New Health Care Law Fights Medicare Fraud

Thanks to the passage of the Affordable Care Act (ACA), law enforcement officials now have important new weapons to stop Medicare fraud and put those who defraud Medicare behind bars. It's about time!

Over the years, stealing money from Medicare has become big business. It is estimated that fraud costs the system about \$60 billion every year. Medicare fraud is now one of the most profitable crimes in America. A recent *60 Minutes* report said that in South Florida, Medicare fraud has now pushed aside cocaine as the number one criminal enterprise.

PROFITABLE CRIME. The perpetrators include not only a few unscrupulous doctors, but also corporate insurance executives, mobsters and violent criminals. Said Brian Waterman, an FBI special agent stationed in Miami, "There are entire groups and entire organizations of people that are dedicated to nothing but committing fraud [and] finding a better way to steal from Medicare."

With the passage of the new health care reform law, the "risk" of being caught for committing these crimes has increased. That's because the ACA contains important tools to help combat Medicare fraud. These include tougher criminal sentencing guidelines, stronger monetary and civil penalties, criminalizing the act of "obstructing a fraud investigation," and a special \$350 million fund to help hire more law enforcement professionals. What's more, the law requires that the savings from these efforts be used to strengthen Medicare and help pay for new Medicare benefits.

\$4 BILLION RECOVERED. Recently, the new ACA program started showing results. In 2010, more than \$4 billion was recovered – the highest annual amount ever recovered from people who attempted to defraud seniors and taxpayers. Also, 726 defendants were convicted for health care fraud-related crimes, many of whom were forced to trade in their pin-striped suits for prison stripes.

So far, 2011 has brought more bad news for Medicare criminals. In February, the Medicare Fraud Strike Force charged 111 defendants in nine cities, including health care company

Stealing from Medicare

Medicare fraud comes in many shapes and sizes. It can be a tiny strip-small clinic that never seems to serve a patient, but bills Medicare for thousands of non-existent services. Or it can be a huge conglomerate like Hospital Corporation of America (formerly Columbia/HCA), owner of hundreds of private hospitals that once bilked Medicare for a fortune in fraudulent over-billing.

You may recall that Columbia/HCA pleaded guilty to multiple felonies and ultimately paid \$1.7 billion to the government in criminal and civil penalties.

And who was the CEO who presided over this Medicare fraud and was forced to resign in 1997 in the midst of the FBI investigation? **It was none other than Rick Scott (R), now the ultra-conservative governor of Florida.** Ironically, Florida's voting population includes the highest percentage of Medicare beneficiaries of any state in the nation.

executives, doctors and nurses, for their alleged participation in Medicare fraud schemes. These alleged criminal enterprises involved more than \$225 million in false billings for services that were unnecessary or never provided.

President Obama has repeatedly said that the improvements to Medicare contained in the Affordable Care Act can be paid for by cracking down on those who commit crimes and by preventing Medicare fraud from happening in the first place. Clearly, every dollar stolen from Medicare is a dollar not being used to treat the sick. It's good to see that our government has finally gotten serious about recovering Medicare dollars from the pockets of criminals and putting them back into medical care for seniors. ■

Chapters (from page 2)

tion delegates passed three resolutions pledging to defend Social Security, the Florida retiree health insurance subsidy and the Florida Retirement System's defined benefit pension plan. The subchapter also elected its first slate of officers, pictured here, left to right: Treasurer Peggy Goodale, Trustee Ulises Del Rosario, Secretary Linda Rued, Vice President Barbara Giorgio and President Judy Drake (Trustee Brenda Horne is absent from photo).

Later this year, two additional founding conventions will be held for subchapters in West Palm Beach and Jacksonville – leading to the establishment of a statewide Florida Retired Public Employee Council/AFSCME Retiree Chapter 79.

Washington

In Memorium: Norm Schut

In March, AFSCME Retirees lost one of our pioneers with the passing of Washington State's Norm Schut at age 89. From 1952 to 1974, Schut was executive director of AFSCME Council 28 – the Washington Federation of State Employees. While representing workers, he began to see senior citizens as a largely untapped political resource.

So, when he retired from AFSCME and state service, Schut founded the Retired Public Employees Council of Washington (RPEC). Since the late 1970s, RPEC has lobbied the Legislature on behalf of public retirees and has built an outstanding record of protecting and improving retirement benefits.

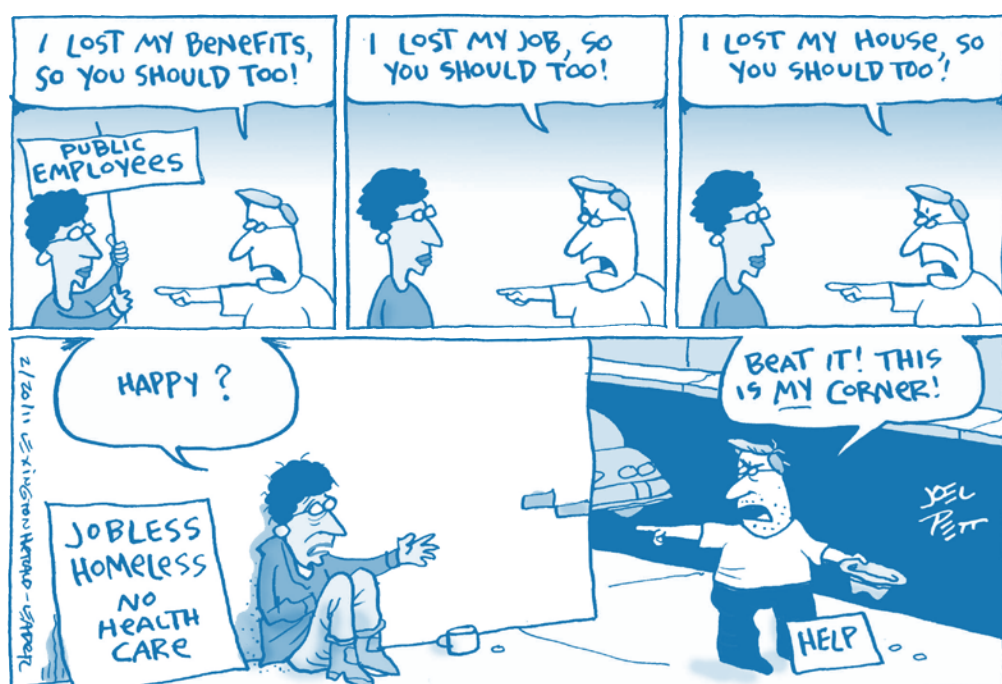
Pointing to RPEC as a model, Schut encouraged the International union to build a nationwide retiree organization. RPEC was one of the original chapters that formed the AFSCME Retirees program in 1980.

In Washington State, Schut also founded the Senior Citizen Lobby, a broad-based organization that combined union retirees and other senior activists. He served as its president and chief lobbyist for seven years.

Norm Schut had a long and distinguished career in public service. Before he joined AFSCME, he worked for U.S. Representative Thor Tollefson of Tacoma and in the administration of Gov. Arthur Lange, where he helped establish the state civil service system. He also worked for Gov. Albert Rosellini and helped develop policies to eliminate political patronage. Toward the end of his life, Schut said that it was his years representing seniors that were the most rewarding. His volunteer work gave him "a feeling you just can't get from a paid job."



PrimeRIB



The cartoon above, called "Race to the Bottom," is drawn by Joel Pett and originally printed in Kentucky's *Lexington Herald Leader* (March, 2011). It reminds us of a little joke that's in current circulation: A millionaire, a tea partyer and a union member sit down to share a box of doughnuts. From an even dozen, the millionaire quickly grabs 11. Then he whispers to the tea partyer: "Better watch that union guy. He's trying to steal your doughnut." It's a funny joke, but it actually under-states the awful truth: corporations and the rich are taking *all* the doughnuts and the rest of us are fighting over the crumbs.

ConsumerTIME

Say "No" to Brain Drain

A recent study by the University of Illinois at Champagne/Urbana and the University of Pittsburgh found some good news about maintaining memory as we age. The research was based on a body of evidence that regular exercise generally benefits overall health.

Earlier studies showed that exercise could lead to small improvements on mental tests for older adults and also reduce brain atrophy for people in the beginning stages of Alzheimer's disease. Researchers at the two universities wanted to know how those improvements occur. So they recruited 120 sedentary adults and engaged them in physical activity for 40 minutes a day, three days a week. Half the group did stretching and muscle-toning exercises, while the other half did brisk aerobic walking.

Both groups had some memory improvement, but the walking group showed an amazing result. The walkers experienced a near 2 percent increase in the size of the hippocampus – the brain component directly related to memory. Normally there's a slight shrinkage in the hippocampus as a result of aging, but the study showed that the shrinkage could be reversed by aerobic exercise that increases heart rate and blood flow to the brain.

So head out tomorrow morning and take a brisk walk around the block. It will exercise your mind as well as your body.



Budget Cutters (from page 1)

and disturbing record of abandoning seniors whenever the cost of care crowded out sufficient profits.

Vouchers would have a face value that would grow with *general inflation* rather than faster-growing *health care inflation*. As a result, the value of the voucher could eventually fall behind the cost of coverage, requiring seniors to pay more and more from their own pockets. Many believe that the only way the GOP budget can show savings from this plan is to deliberately set the value of vouchers below the projected cost of coverage.

The GOP plan has no cost containment features. It merely shifts costs from the government to senior citizens.

While the voucher plan would not apply to current Medicare beneficiaries, it would still affect them. As younger retirees enter the new program, the oldest and sickest would remain in the "real" Medicare. With a shrinking pool of increasingly costly beneficiaries, Medicare would go into what the insurance industry calls a "death spiral." Medicare spending would go up and seniors who remain in the Medicare group would probably see their costs go up as well.

• **Repeals the Affordable Care Act:** The House Republican budget would repeal most of the Affordable Care Act (ACA) – the law enacted in 2010 to provide affordable health coverage for nearly all Americans, including over 30 million who are currently uninsured. Repeal would probably cancel all the new Medicare benefits provided under the ACA (see ad on this page for a list of these benefits).

• **Destroys Medicaid with Block Grants:** Medicaid is a state/federal program that covers all low-income people who meet specific eligibility standards, including seniors who become impoverished paying for nursing home care (Medicaid pays for about 62 percent of total long-term care). The House Republican budget resolution would sharply restrict coverage under Medicaid by funding the program through block grants. Costs would be shifted to the states, where budget constraints will make it extremely difficult to maintain benefit levels and cover all the people who would normally qualify for coverage. As a result of this proposal, estimated cuts in Medicaid funds would total a whopping \$1.4 trillion over 10 years, forcing at least 15 million Americans off the rolls.

• **Orders a Trigger for Social Security Cuts:** The rules governing the congressional budget process prevented the House Republican resolution from attacking Social Security directly, but it clearly

lays the ground work for benefit cuts. It establishes a "trigger mechanism" for any year that the Social Security trustees project an actuarial deficit in the trust fund over the 75-year outlook period. At that point, the trustees would be required to propose remedies for the deficit and send them to the President, who would submit legislation to Congress. Congress would then consider this Social Security legislation under a fast-track process.

Language in the budget resolution's summary implies that revenue-raising measures would be off the table, leaving benefit cuts as the only remedy for Social Security shortfalls.

As the budget battle moves from the House to the Senate, AFSCME Retirees Director Steve Regenstreif is urging all AFSCME retiree members to call your Senators right away and let them know you won't stand for the kind of attacks on Medicare, Medicaid and Social Security that are included in the House budget bill. "Tell your Senators they should not support cuts and drastic changes to

these critical programs, particularly in a budget that also gives tax breaks to corporations and millionaires!" ■

The 4 million members of the *Alliance for Retired Americans* celebrate

the 1st Anniversary of the Affordable Care Act

- Lowers prescription drug costs
- Closes the "Doughnut Hole" in Medicare Part D
- Eliminates co-pays and deductibles for preventive tests and screenings
- Provides free annual wellness visit with your doctor
- Helps early retirees keep their health care
- Assists middle-class families with cost of long-term care
- Adds 12 years to solvency of Medicare Trust Fund and cracks down on Medicare fraud

CONGRESS: Help America's seniors by preserving these benefits

Call your two U.S. Senators today, toll-free, at 1-888-340-6518

Tell them to vote "NO" on any budget bill that cuts Medicare and Medicaid and threatens Social Security. Say "hands off" these lifelines for older Americans!

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