



## PRESIDENT'S UPDATE

*Larry D. Ridgeway, AURA President, 2017-2018*

Dear Friends,

Happy New Year! I hope 2018 has gotten off to a good start for all of you. While I have enjoyed the beauty of the snow and the warmth of my fireplace, I am looking forward to warmer weather.

As described in Gerald Johnson's article, the outlook for education retirees in the upcoming legislative session is positive. Having had no cost-of-living increases in more than ten years, we are pleased with the prospect of a modest one-time, lump-sum payment of \$400 provided for in SB21.

As you probably know, the judge's favorable decision on the AEA lawsuit challenging the PEEHIP premium increases effective October 2016 has been appealed by the Retirement Systems of Alabama (RSA). It is our understanding that AEA and RSA representatives are working on a resolution. Hopefully, we will know something soon.

AURA Board members were very pleased with the quantity and quality of the responses to our health care survey last October. I encourage you to review the results in Gerald Johnson's analysis elsewhere in this newsletter. Gerald's

analysis and the verbatim comments of all respondents were forwarded to the RSA/PEEHIP officials in mid-November. Hopefully, this feedback will help improve the United Healthcare coverage and services for Medicare-eligible retirees. We very much appreciate those of you who took the time to complete and return the survey.

Approximately 100 AURA members enjoyed our fall dinner meeting catered by Terra Cotta's Chef Lee and which featured Dr. David Bronner as our guest speaker. The food was superb, and Dr. Bronner gave an informative, entertaining, and optimistic assessment of the status of the Retirement Systems of Alabama. We appreciate that, as in years past, Auburn Athletics covered one-half the costs.

We are excited to sponsor a seminar by the Alabama Securities Commission at the Harris Center on February 23. You'll remember that the commission's director, Joe Borg, received the Wilford S. Bailey award at our annual meeting last May in recognition of his agency's efforts to protect seniors from deceptive and illegal financial practices. Please see the RSVP form in this newsletter to register for this informative and timely program.

I look forward to seeing many of you at the seminar or our annual meeting at Saugahatchee in May. ♦

## AURA ANNUAL MEETING

*Please mark your calendars for AURA's annual meeting at noon on Thursday, May 24, with lunch at Saugahatchee Country Club.*

The spring newsletter in April will provide the details and instructions for making reservations. The annual meeting includes the installation of AURA officers and new board members and the presentation of the Wilford S. Bailey Award.

All members are encouraged to attend.

# SEEKING BAILEY AWARD NOMINATIONS

The Auburn University Retiree Association (AURA) Board is accepting nominations for the Wilford S. Bailey Award. The award was established in honor of the pioneering work of Dr. Wilford S. Bailey, who recognized the need for an organization to advocate on behalf of Auburn University retirees. Dr. Bailey was instrumental in the creation of AURA, which advocates for and protects retiree benefits and provides social and educational opportunities for the association's members.

The purpose of the award is to honor an individual or organization for contributions made to society and to the welfare of retirees from the educational community. Organizations or individuals whose character reflects the ideals and standards exemplified by Dr. Bailey may be considered for the award.

Candidates should have demonstrated high moral character and a unique and significant association with activities concerning the benefits and welfare of education community retirees. Additionally, candidates should display social and professional qualities that are commensurate with the education community and educational institutions. Individual candidates must be citizens of the United States, and organizations must have been established within the United States.

## Past award recipients include:

2017: Mr. Joseph Borg

2016: Rep. Pete Turnham

2015: Janice Charlesworth

2014: Dr. Gerald Johnson

2013: Auburn Osher Lifelong Learning Institute

2012: Dr. Stanley Wilson

2011: The Auburn University Athletics Department

2010: Dr. Wayne Teague

2009: Gov. Albert P. Brewer

2008: Speaker Seth Hammett

2007: Dr. Harry M. Philpott

2006: Sen. Henry "Hank" Sanders

2005: Dr. Paul Hubbert

2004: Dr. David Bronner

Letters of nomination should include biographical information regarding the candidate and an explanation of why the candidate is deserving of the award. Please submit nominations to:

AURA Awards Committee

Attention: Mrs. Karen Sharpless

P.O. Box 1436 • Auburn, AL 36831-1436

REPORT OF AURA LEGISLATIVE AFFAIRS COMMITTEE

## "Education Retiree COLA on 2018 Legislative Agenda"

Gerald W. Johnson, Ch.



The Alabama Legislature convened on January 9 for an election-year regular session of no more than 30 days within 105 calendar days. The session must conclude no later than April 23. The Legislature begins its session early in election years to allow for campaigning for the June Primary Election for local, state, and national offices, including all statewide constitutional offices and all legislative seats.

Generally, election-year legislative sessions are quiet, noncontroversial, and generous. This may be especially applicable this session as the state's economy is relatively stronger and thus, stronger revenue projections for both the General Fund and the Education Trust Fund budgets will allow for additional spending, pay increases for state and education employees, and a COLA for education retirees.

The incremental revenue increases, however, will not be sufficient to address the ongoing major problems facing the state—prisons, Medicaid, children's health insurance, mental health, roads and bridges, and education.

During the first week of the 2018 session, 373 bills were introduced – 202 in the House and 171 in the Senate – most of which will never get out of committee much less be enacted into law.

Fortunately for education retirees, the 2018 Legislature, overall, seems to be less disposed to dismantle or cut retiree health care and retirement programs. Both programs appear to be adequately funded and will not require increase payments or premiums from education retirees.

AURA and AERA worked with legislative leaders during the interim to prepare and pre-file bills for the 2018 legislative session that will provide some form of a COLA for education retirees, either a thirteenth check or an across-the-board, lump-sum payment. The projected cost of the payment will be close to \$50 million and, at this time, appears to have the support needed for enactment.

AURA, through its Legislative Affairs Committee and in collaboration with AERA's Local Advocacy Network, will monitor the progress of the proposed bills and will participate in the legislative session as needed.

Over the past two years, under the leadership of AURA President Larry Ridgeway and AERA Executive Director Janice Charlesworth, substantial progress has been made in protecting and in advocating for the welfare of AURA members and education retirees. The active participation of AURA members, and all Auburn University education retirees, in the upcoming legislative session will bring this progress to fruition.

AURA is the only organization that exists to support and protect the interests of AU retirees. Membership in AURA and your participation in the efforts of AURA to protect and advocate for retiree interests are essential for success. ♦



At the January AURA Board meeting, President Larry Ridgeway presented a resolution to retiring Alabama Education Retirees Association (AERA) Executive Director Janice Charlesworth. The resolution granted Janice an honorary lifetime membership in AURA and was accompanied by a gift certificate to a restaurant in her new hometown of Lafayette, La.

# AURA Membership PEEHIP and UHC Survey Analysis

## INTRODUCTION

Based on anecdotal comments by AURA members about the current health insurance services provided by UnitedHealthcare, the current PEEHIP administrator of the public education Medicare-eligible retiree health insurance program, the AURA Board of Directors decided to survey the membership.

A copy of a four-question survey with a stamped and addressed return envelope was included in the fall issue of the AURA Newsletter and sent to 382 AURA members. An additional 182 questionnaires were sent to 2016-17 AU retirees. One hundred and eighty-five responses were returned, of which 161 were Medicare-eligible members. The total response rate was 33%. However, that includes the 182 2016-17 retirees. The response rate for active members is more likely to be closer to 48% based on the 382 active membership.

## SURVEY RESULTS

Question 1 asked respondents to grade the overall performance of PEEHIP (Public Education Employees' Health Insurance Plan), the administrator of the plan for the RSA (Retirement Systems of Alabama). Respondents gave PEEHIP a positive grade—68% A-B and 3% D-F. The A-B grade was 86% for responses that graded PEEHIP.

**1. The health insurance program for Alabama education retirees is administered by the Retirement Systems of Alabama (RSA) through the Public Education Employees' Health Insurance Plan (PEEHIP). Overall, what grade would you give PEEHIP?**

|                               |     |
|-------------------------------|-----|
| A                             | 37% |
| B                             | 31% |
| A-B                           | 68% |
| A-B percent that gave a grade | 86% |
| C                             | 8%  |
| D                             | 2%  |
| F                             | 1%  |
| DK                            | 21% |

PEEHIP changed the administrator of the plan for retirees who are Medicare eligible from Blue Cross Blue Shield (BCBS) to UnitedHealthcare (UHC) on January 1, 2017. Question 2 asked respondents if they thought the current services are better or worse since the change. Some 46% responded that the services are much or somewhat better with 18% responding somewhat or much worse.

**2. Overall, do you believe your current health care program and services is better or worse since the change in administrators in January?**

|                 |     |           |     |
|-----------------|-----|-----------|-----|
| Much Better     | 12% | Better    | 46% |
| Somewhat Better | 34% | No Change | 27% |
| Somewhat Worse  | 15% | Worse     | 18% |
| Much Worse      | 3%  | Other     | 11% |

Respondents were asked what positive changes, if any, they have noticed in the services since the change in administrators in January 2017. Of 348 responses, 18% responded incentives and rewards, 17% additional services and 17% more information.

**3. What positive changes, if any, have you noticed in your health care services since the change in administrators was made in January? (CIRCLE ALL THAT APPLY)**

|                   |    |                          |     |
|-------------------|----|--------------------------|-----|
| A Lower costs     | 4% | F More information       | 17% |
| B More accessible | 8% | G Additional services    | 17% |
| C More efficient  | 8% | H Incentives and rewards | 18% |
| D Better services | 8% | None                     | 12% |
| E Easier to use   | 7% | Other                    | 3%  |

Respondents were asked what negative changes, if any, they have experienced in the services since the change in administrators in January 2017. Of 154 responses, 46% responded none. Higher costs were mentioned by 17%.

**4. What negative changes, if any, have you experienced?**

|                   |     |                    |     |
|-------------------|-----|--------------------|-----|
| A Higher costs    | 17% | F Less information | 3%  |
| B Less accessible | 3%  | G Fewer services   | 2%  |
| C Less efficient  | 8%  | None               | 46% |
| D Worse services  | 6%  | Other              | 12% |
| E Harder to use   | 3%  |                    |     |

Respondents were asked to provide any additional comments or questions about the current health insurance plan. Of the 161 Medicare-eligible respondents, 98 (61%) provided one or more comments. The responses addressed a broad range of topics of which 33% were positive and 65% negative. The single-highest response was that UHC has more mailings and paperwork and concern about costs of such (13%). The second-highest response involved concerns about the home nurse program (12%).

# AURA Membership PEEHIP and UHC Survey Analysis continued...

Please provide any additional comments or questions you may have about your current health insurance plan.

|  |     |  |     |
|--|-----|--|-----|
| More, too much mailings and calls—costs                          | 13% | Required to send lab work off site                           | 1%  |
| Intrusive Home Nurse calls,<br>not needed—Interferes with doctor | 12% | Cannot get correct address to all parts of UHC               | 1%  |
| No problems—satisfied  | 9%  | Service superior   | 1%  |
| Like Silver Sneakers   | 4%  | UHC too big, insensitive and cumbersome                      | 1%  |
| Friendly and efficient   | 4%  | Never heard BC/BS say “Thank you”                            | 1%  |
| Doctor does not accept UHC                                       | 4%  | Sign-up complex and confusing                                | 1%  |
| More and more expensive co-pay                                   | 3%  | International travel benefits reduced                        | 1%  |
| Good incentives and rewards                                      | 3%  | Requires 6-month rather than 12-month prior<br>authorization | 1%  |
| Prescription drug program more restrictive                       | 2%  | Co-pay office visits   | 1%  |
| Like one card  | 2%  | Home visit good  | 1%  |
| BC/BS was cost effective and easy to use                         | 2%  | More paper work  | 1%  |
| Use incentive money to lower costs                               | 2%  | Doctors not paid promptly                                    | 1%  |
| UHC employees not knowledgeable                                  | 1%  | Medication cost increases                                    | 1%  |
| UHC does not cover prescriptions as well                         | 1%  | Like wellness emphasis                                       | 1%  |
| Approval time wait   | 1%  | Strange calls—foreign accents                                | 1%  |
| Prescriptions cheaper  | 1%  | Ignore correspondence  | 1%  |
| Covers eye and ear exams   | 1%  | Cost higher  | 1%  |
| Constantly change prescriptions                                  | 1%  | Possible go back to BC/BS                                    | 1%  |
| Better   | 1%  | Not accepted in Oxford, MS                                   | 1%  |
| Still do not know costs  | 1%  | Co-pay easier and cheaper                                    | 1%  |
| Do not remember BC/BS incentives                                 | 1%  | PEEHIP watch out for cost increases next year                | 1%  |
| UHC not easily accessible  | 1%  | More services  | 1%  |
| Feel bribed with \$50 to get physical                            | 1%  | Providers unhappy  | 1%  |
| Like UHC   | 1%  | EAMC not in UHC network                                      | 1%  |
| Less coverage and claims pay less than BC/BS                     | 1%  | Co-pays too low  | 1%  |
| Problems should be shared with members                           | 1%  | Other  | 11% |
| UHC more proactive   | 1%  |  |     |

(171 responses. Rounding up causes the total percentage to be more than 100.)

## SUMMARY

Overall, the survey results show a significantly favorable evaluation of PEEHIP and UHC and clearly identify strengths of UHC—additional services, incentives, and rewards. The data also identify concerns—mailings and home nurse program.

In addition to a significantly strong response rate, the data have substantial internal validity. That is, the data confirm what might reasonably be expected. For example, incentives and rewards are always popular. And, anecdotal reports from members expressed concerns about the substantial UHC mailings and the assertive and intrusive home nurse program.

# FALL DINNER MEETING

AURA held its annual fall dinner meeting on Thursday, November 2, 2017, at the Auburn University Alumni Center.



## SEMINAR ON FINANCIAL LITERACY AND FRAUD PREVENTION FOR SENIORS

**DATE:** February 23, 2018      **TIME:** 9:30 a.m. till 11 a.m. with registration beginning at 9 a.m.

**LOCATION:** Harris Center, 425 Perry Street (across from the Auburn post office)

**RESERVATIONS:** Contact Kim Trupp at [trupski@auburn.edu](mailto:trupski@auburn.edu) or 334-744-3452. **Reservation deadline is February 20** or until all seats are filled, whichever is sooner.

AURA is pleased to sponsor this seminar to educate our members on making sound investment decisions and avoiding investment fraud. Col. Dan Lord, the Education and Public Affairs Manager for the Alabama Securities Commission (ASC), will be our presenter.

### ABOUT COL. LORD

*Representing the ASC, a state government agency, he organizes events and makes presentations to inform citizens about enforcement activities, fraud prevention, and financial education programs.*

*Dan received a national award in 2005 from the North American Securities Administrators Association (NASAA) for state and national contributions to investor education. He consults on the development of many investor education and fraud prevention materials and outreach programs nationwide with partners and counterparts from NASAA, Financial Industry Regulatory Authority, AARP, the Investor Protection Trust, and other organizations. He holds a board position with the Alabama JumpStart Coalition and provides advisory assistance to the Department of Education Commerce and Information Technology Advisory Committee to develop programs that better prepare high school students to enter the Alabama business community.*

*Dan is a retired Air Force Lieutenant Colonel who commanded four training squadrons, taught ROTC at the University of Michigan, and managed an \$800 million programming budget for the Air Force General Skills Training programs. Dan's hobbies include saving and investing wisely.*

# For your dues status, check the newsletter address label!

If “p followed by a year” shows after your name, your dues have been paid through December of that year. No further action is required at this time.

*If you have not paid your AURA dues for 2018, you will find an “n” after your name. Please complete the form below and mail it with your 2018 dues payment:*

## AU-AUM Retiree AURA Membership Form

Name \_\_\_\_\_ AU \_\_\_\_\_ AUM \_\_\_\_\_

Address \_\_\_\_\_

Phone \_\_\_\_\_ Email \_\_\_\_\_

- |                                      |         |                             |         |
|--------------------------------------|---------|-----------------------------|---------|
| _____ Single Retiree .....           | \$25.00 | _____ Surviving Spouse..... | \$10.00 |
| _____ Retiree and Spouse .....       | \$25.00 | _____ Sponsor.....          | \$25.00 |
| _____ Retiree & Retiree Spouse ..... | \$25.00 | _____ Gift Contribution \$  | _____   |

If you have any questions, please contact Sandy Johnson at 334-703-0223 or sandyjj130@gmail.com or contact Larry Ridgeway at 662-816-5805 or larryridgeway23@gmail.com .

**Make your check payable to AURA and mail to: AURA • P.O. Box 1436 • Auburn, AL 36831-1436**



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