



RETIRED PUBLIC EMPLOYEES' ASSOCIATION OF CALIFORNIA



Have A Healthy & Happy Summer!

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President's Report



George Linn
RPEA PRESIDENT



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RPEA NEWSLETTER

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Attention: Changes of Address

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A Message From President George Linn

Hoorah!!! Director of Membership, Rosemary Knox, and I are happy to share with you that our membership is skyrocketing. Over 1200 new members have recently joined our organization. Thank you for joining in the fight to retain the benefits that we have earned. It is encouraging to see so many new members who believe in our Mission Statement and believe that together that we have the power to protect our pensions and health benefits. Rosemary and I encourage each of you new members to attend your next chapter meeting and RPEA Board and Committee meetings. Our challenge is for our new members, as well as the total membership, to become active in an association that welcomes State and Contract Agencies. Together we have the power to make change.

Our current members know the benefits of RPEA membership, due to both the RPEA Board's advocacy with the CalPERS Committees and Board, as well as advocacy within the legislature through the association we have with Aaron Read & Associates and Marketplace Communications. The CalPERS retirees who are not members receive the benefits of these relationships, and we need

Headquarters a comment about how informative they found the RPEA Media Survey to be. This is a concept for RPEA that was started by Past President Harvey Robinson and is now produced by Marketplace Communications. I think is important for all of our members to be informed, and I thank Harvey for initiating this communication tool. To sign up for this email service provided by RPEA, please contact RPEA Headquarters.

Your RPEA Board met at the end of June. The next meeting will be held at the Doubletree Hilton Hotel in Orange, CA, on September 25-26. Important issues discussed at the June Board meeting included the preliminary review of the 2017/2018 budget. Per our Bylaws, a final budget will be approved at the September meeting. Strategic Planning Committee Chair, Wes Stonebreaker, presented an update. The RPEA Strategic Plan is a living document that we should all have on our desks for ready reference. If you have not seen this document, please contact our Headquarters Office. Other business included review of plans for the 2018 General Assembly also being held at the Doubletree Hilton in Orange, CA. Director of Legislation, Jim Anderson, reviewed our positions on legislation currently being considered by the California Legislature.



to convince those non-members that their support by way of their membership is important.

Our chapter members can help with another aspect of member retention. Each month our chapters receive a listing that shows members who have not renewed, have cancelled their memberships, etc. It would be great if each chapter could find a volunteer to help the Chapter Membership Chairperson make contact with these "fallen away" members. The goal would be two-fold—1) convince them to renew; and, 2) find out why they didn't renew. So far this year we have over 500 in this "fallen away" category. Rosemary Knox is developing a tool that will help in this task.

One of our members recently sent

The Board also heard presentations by two CalPERS staff members. Kim Malm, CalPERS Division Chief of Operations, spoke regarding the new process for voting for CalPERS Board members. Liana Bailey-Crimmins, CalPERS Chief Health Director and Shari Little from her staff, presented the process for health care acquisition. Both responded to questions from the Board.

Michael Flaherman, our endorsed candidate for Seat A on the CalPERS Board, gave a presentation. We are working to elect Michael because we know he will represent our interests at the CalPERS Board and that his education and work experience is exactly what the Board needs. **I ask that you vote for Michael when you receive your ballot in September.**

Vice President's Op/Ed



By Al Darby, Vice President

Well, the good news just keeps coming. Not only did CalPERS have a good return on its investments this year, it had a banner year—11.2% return on investment (ROI). This is not as big a year as some in the recent past, but it is double-digit and sorely needed. We need several more years just like this. The pension fund (PERF) needs to grow to 80% of full funding to be considered healthy by the pension fund rating agencies (Moody's, S&P, and Fitch). To achieve this higher-return environment, there is a heightened interest on the part of the CalPERS investment committee to find the right leverage formula to achieve this necessary goal. Private Equity (PE) is the other asset class that is on CalPERS' radar to enhance ROI.

At the CalPERS Board offsite workshop in July, many initiatives were reviewed to "beef-up" ROI. Two important methods were identified. One is to use leverage by investing borrowed funds acquired at a low interest rate, and to place these funds in higher-return financial instruments that would, in effect, add additional interest/appreciation earned to the PERF. These would be investment earnings that are in addition to the ROI from the investments of the current funds in the PERF. An interesting point that emerged from this discussion is the fact that public pension systems in Europe use leverage on a very large scale to achieve their ROI goals. Secondly, CalPERS is seeking a larger profile in private equity (PE) to try to enhance its returns from this higher-earning segment of the investment arena. CalPERS is aggressively seeking opportunities in this asset class due to PE's potential for higher returns on investments.

The next piece of good news is the fact that our membership is growing again. We now have close to 23,500 members. That's up from 21,800 one year ago. AMBIA, our member benefits provider and new member recruiter, is responsible of more than half of this increase. The other half came from your efforts at the chapter level and all other methods we employ to seek new members. We are looking at many new approaches to enhancing our membership and thereby increasing our influence at CalPERS.

We now know that the new management at AMBIA has stepped up the solicitation mailings they do to

recruit new members for RPEA and sell group dental and vision insurance to these potential new members. They are also looking at new populations of public employees to solicit—new members who can be Active, Affiliate or State Associate members.

We must now welcome these new members to chapter meetings, give them a free lunch, explain our mission and encourage them to bring their friends to RPEA as new members. It appears that we have touched the right button to find new members. We must work hard to advance this formula to sustain the current growth pattern that we are now witnessing in our membership.

"The next piece of good news is the fact that our membership is growing again. We now have close to 23,500 members. That's up from 21,800 one year ago."

This is vital because we all know that next year we will likely see renewed efforts to reduce our pensions in one way or another. There seems to be a continuing belief that reducing our pensions is somehow good for the economy. All it is truly good for is to put more money in the pockets of rich people.

The middle-class spends almost all of their money thereby helping the economy. Rich people don't spend much of their money, and that stifles the economy. That's not good for the middle-class or the rich people. 70% of our economy is based on consumer spending. Our battle with public pension haters will go on until they recognize that retirement security is good for everyone and they begin to support retirement plans for all.



RPEA Health Benefits Update



By Donna Snodgrass, Director of Health Benefits

Summer time! Vacation, gardening, iced tea, lemonade. Heat stroke, heat exhaustion, lack of appetite. Enjoy your summer, but be alert to health issues that affect us more and more. If you are working outside, take frequent breaks to cool down. Have plenty of water by your side to keep hydrated—or just pour it over your head to cool off!! **LIBERALLY APPLY SUN BLOCK! SPF 30 or higher and reapply frequently.**

I have been traveling and speaking at chapter meetings, and I have learned so much in the last month. When I think about RPEA and our members, I usually think—CalPERS. Sure, we represent the interests of our members at CalPERS to protect our pensions, but what about the many members who do not have medical benefits through CalPERS? I visited one chapter whose members are retired classified employees of a school district. Not a single one of them have medical benefits through CalPERS. The same holds true with another chapter that has retired city employees. The city provides the medical benefits, but not through CalPERS.

While I was discussing these issues with a group of members in Southern California, I was informed that ambulance services are not necessarily covered for some

of our members. I thought, “Well, at least RPEA can provide immediate help in at least one situation!”

Hopefully you are signed up to receive the Health Benefits Updates. My Update #2 for May/June provided information to fill the gap for emergency ambulance service. Through Association Member Benefits and Insurance Agency (AMBIA) RPEA provides a very valuable package of benefit plans for our members, and one of those benefits is Medical Air Services Association (MASA). This is not a medical insurance plan. It is a well-rounded package of emergency medical services to assist you when you need ground or air transportation in an emergency.



Call (844)442-6242, identify yourself as a member of RPEA, and the AMBIA staff will provide detailed information on the cost to be a member of MASA.

RPEA members receive a large discount as well!

If you want to receive future updates directly send an e-mail to healthbenefits@rpea.com. Provide your name, address, phone number, chapter number (if you know it) and your e-mail address. If you don't have an e-mail address, don't worry. Just call the RPEA Headquarters Office and request to have the updates mailed to you. No problem at all! **(Continued on page 5)**

MASA
Medical Air Services Association
When Seconds Count, Count on Us

ENDORSED AND RECOMMENDED BY YOUR ASSOCIATION

The Retired Public Employees Association of California (RPEA) has endorsed Medical Air Services Association (MASA). MASA is dedicated to providing life-saving emergency assistance from home or while traveling anywhere in the world. MASA provides coverage 24 hours a day, 365 days a year, to protect members against catastrophic financial loss from emergency transportation.

The Platinum Membership Includes:

- ✓ Emergency Air Ambulance / Medical Evacuation
- ✓ Commercial Air Transportation
- ✓ Return Transportation
- ✓ Vehicle Return
- ✓ Organ Retrieval
- ✓ Ground Ambulance - Unlimited
- ✓ World Wide Coverage
- ✓ Non-Injury Transportation
- ✓ Repatriation/Recuperation
- ✓ Escort Transportation
- ✓ Mortal Remains Transportation
- ✓ Organ Recipient Transportation
- ✓ Helicopter Transportation

Many people are surprised to learn how affordable coverage is!
Monthly, annual, 5-year, and lifetime memberships are available for RPEA members.

Learn more, or enroll over the phone by calling:
844-442-6242

Proud benefits provider for the Retired Public Employees Association of California
Association Member Benefits & Insurance Agency
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RPEA Health Benefits Update



CalPERS Long Term Care CLASS ACTION

Litigation Update – April 2017

As reported in our last update, Towers Watson, the actuarial firm responsible

for setting CalPERS' premiums for the LTC Program in 1995, filed a Motion for Summary Judgment seeking the dismissal of plaintiffs' claims on the grounds that they were barred by the statute of limitations and that Towers Watson did not owe the plaintiffs a duty. However, before the hearing on that motion could take place, Towers Watson and Plaintiffs reached a preliminary settlement.

Under the terms of the settlement, Towers Watson will be paying \$9.75 million to settle the claims against it. Importantly, this partial settlement only impacts the claims against Towers Watson and will not impact the claims asserted against CalPERS as the main defendant in this case. The case continues against CalPERS, which is set for trial in October of 2017.

This partial settlement was reached at mediation on February 16, 2016, which was conducted after the briefing was completed on Towers Watson's Summary Judgment Motion but before the March 8, 2017 hearing. This was viewed as a logical time to convene mediation because of the risks associated with the fully dispositive Motion for Summary Judgment. Towers Watson asserted throughout this litigation that it is not responsible for the 85% rate increase, and it made two primary arguments in its Motion for Summary Judgment as to why the case against it should be dismissed.

First, Towers Watson argued that the two-year statute of limitations for the claims asserted against it had expired since the negligent conduct alleged by

Plaintiffs (mispricing of premiums) occurred prior to 1995, and Towers Watson had not had been involved in the LTC program since 2004. Second, Towers Watson argued that it owed no duty to the Class since it was hired by CalPERS, and not by the Class Members, to provide the actuarial services that were at issue in the case. If either of these arguments were to be accepted by the Court, all of the claims asserted against Towers Watson would have been dismissed.

In reaching this partial Settlement, Class Counsel has considered the benefits of the partial settlement and balanced these benefits with the risk that the claims against Towers Watson would be dismissed. Plaintiffs also took into consideration the value that a partial settlement would bring to the overall litigation and the claims they will continue to assert against CalPERS.

Class Counsel will shortly be filing a Motion for Preliminary Approval of the Partial Settlement with the Court. Assuming the proposed settlement is preliminarily approved by the Court, notice will be sent to the Class with details on the terms of the partial settlement and Class Members will be given the right to object to the settlement. These objections, if any, will be considered by the court at a Final Approval hearing. The deadlines for objections and the date of the Final Approval hearing will be included in the notice sent to the class.

Class Counsel have also been working on an opposition to a Motion for Summary Judgment filed by CalPERS. The opposition papers on behalf of the Class were filed on April 28, 2017, and the Motion is set for hearing on June 2, 2017. The briefing relating to CalPERS Motion for Summary Judgment have been posted online at <http://www.calpersclassactionlawsuit.com/court-documents.html>.

Message from the Editor



By C.T. Weber, Director of Public Relations

I would like to start by mentioning that I believe this publication has a responsibility to our members to expose threats to our defined benefits, CalPERS pensions, social security, health care benefits, Medicare and Medical. In addition, there are a number of issues that affect the quality of life—not only for older people, but for everyone else as well. We should share information with you that may affect your quality of life. I am interested in giving you, our members, the opportunity to respond to articles either in support of what you read, or to present a different point of view. It's your newsletter, and your voice is important to us. I encourage you to send your thoughts, suggestions and ideas to Editor@rpea.com. One issue is leisure.

Well, it's that time of the year again — vacation time. Of course, many of us don't have to wait for summer any longer. We can go whenever and wherever we want. Last year I went to Cuba in late April. While I was invited by the Cuban Labor Federation to attend an international labor conference, I spent time traveling to the south coast of the island and hiking in the mountainous interior through a tropical rain forest. Back in Havana, I was in the viewing stands when nearly 1,000,000 people marched by in a festive celebration of International Workers' Day. In all, I had a really great time, and while I was there, the first cruise ship arrived as the barriers to travel were relaxed.

In September, Tatiana, my other half, and I were able to visit China. In Beijing, the capital city of 23,000,000 people, we visited Tiananmen Square, the Forbidden City, Summer Palace and Temple of Heaven, among others. Ofcourse, we had Peking duck. Then, on our way to the Great Wall, we stopped at a jade factory. I didn't know that jade came in so many different colors!

The wall is indeed one of the seven new wonders of the world, and yes we walked on the wall. We then went to a small village of only 8,000,000 people, Xi'an. This is the city where the 8,000 life-sized terracotta soldiers were buried with China's first emperor, Qin Shi Huang. A memorable evening was a dinner of dumplings and a colorful musical of the Tang Dynasty. Of course, we spent the night in Chengdu so that we could see the giant pandas before going to Guilin, a city on the Li River insouthern China known for its dramatic landscape of limestone hills. In Shanghai, the final city, we toured the futurist Pudong area with its distinctive skyline, across the Huangpu River from the historic Bund, a waterfront area where, along with us old-timers, many newlywed couples were posing for pictures. One evening we were treated to a show of acrobatics. We visited a couple suburbs before we flew home. In Suzhou, we visited a silk museum and watched the process of silk production, and a Chinese garden with large ornate rocks. In Tongli, referred to as the Venice of the east, we took a small gondola around the canals. Naturally, we had Chinese food every night.



Tatiana Weber on the Great Wall of China



The 1974 discovery of buried vaults at Xi'an filled with thousands of terra cotta warriors stunned the world.

Legislative Update



By Aaron Read and Pat Moran of Aaron Read & Associates

BUDGET

A

s the Legislature heads toward summer recess (July 21-August 21), there is a sense of urgency

consuming both houses and the administration as they try to get a cap-and-trade deal finalized prior to the beginning of the summer recess. As you may know, cap-and-trade is one method for regulating and ultimately reducing the amount of pollution emitted into the atmosphere. It is viewed as a fairer solution to regulating pollution than a carbon tax as it creates a commodity out of the right to emit carbon and allows the commodity to be traded on the free market. While California lawmakers are hoping to reach a deal to renew California's cap-and-trade law, some lawmakers are trying to leverage their support in an attempt to address the state's widening housing crisis.

The Budget Act of 2017 – contained in AB 97 Conference Report and AB 120/SB 105 Budget Bill Jr. – was on time and balanced.

The Budget Act of 2017 includes \$127.5 billion in available General Fund resources, \$125.1 billion in General Fund spending, and \$9.9 billion in total reserves – including: \$1.4 billion in the regular reserve and \$8.5 billion in the Rainy-Day Fund. Total spending, including special funds and bond funds is approximately \$184.5 billion.

CalPERS

Of particular interest, the Governor proposed, and the Legislature passed a one-time \$6 billion payment to CalPERS in 2017-18. This action doubles the State's annual payment and will mitigate the impact of the increasing pension contributions and Board's recent action to lower its assumed investment rate from 7.5% to 7%.

This payment would be funded by a loan from the state's portion of the Surplus Money Investment Fund, which is a part of the state's short-term savings account. The General Fund would repay its portion of the loan through future required debt payments under Proposition 2. If all goes as planned, it is estimated to save the state \$11 billion over the next two decades by more rapidly paying down the pension debt.

LEGISLATIVE UPDATE

June 2nd was the legislative deadline for bills to pass out of their House of Origin. Bills that failed to meet this deadline have become two-year bills and will likely

be dealt with in the second half of the 2017-18 legislative session, which begins in January of 2018.

Support

AB 275 (Wood, D-Healdsburg) – Current law imposes various notice and planning requirements upon a long-term health care facility before allowing a change in the status of the license or operation of the facility that results in the inability of the facility to care for its patients or residents, including a requirement for written notification to the affected patients or their guardians at least 30 days prior to the change. Under existing law, these requirements also include taking reasonable steps to medically, socially, and physically assess each affected patient or resident prior to a transfer due to the change, and, when 10 or more residents are likely to be transferred due to a change, the preparation and submission of a proposed relocation plan to the department for approval. This bill would expand the notice and planning requirements that a long-term health care facility provides before any change in the status of the license or in the operation of the facility that results in its inability to care for its residents. As of this writing, AB 275 is on the Senate Floor. *RPEA is in support.*

AB 315 (Wood) – This bill would require pharmacy benefit managers, as defined, to be registered with the Department of Managed Health Care, as prescribed. The bill would require the department to develop applications for the registration, and would specify certain information to be provided in those applications. The bill would authorize the department to charge a fee for registration, as specified. The bill would authorize the director of the department to suspend the registration of a pharmacy benefit manager under specified circumstances. As of this writing, AB 315 is awaiting a hearing in the Senate Appropriations Committee. *RPEA is in support.*

AB 444 (Ting, D-San Francisco) – The Medical Waste Management Act generally regulates the management and disposal of medical waste. This bill would authorize the California Environmental Protection Agency to develop a statewide program for the collection, transportation, and disposal of home-generated medical waste. As of this writing, AB 444 is in the Senate Environmental Quality Committee awaiting a hearing. *RPEA is in support.*

ACR 98 (Kalra, D-San Jose) – This measure proclaims and acknowledges the month of June 2017

Legislative Update



as Elder and Vulnerable Adult Abuse Awareness Month. It is currently in the Senate on their Special Consent Calendar. *RPEA is in support.*

SB 17 (Hernandez, D-Azusa) – Current law requires health care service plans and health insurers to file specified rate information with DMHC or DOI, as applicable, for health care service plan contracts or health insurance policies in the individual or small group markets and for health care service plan contracts and health insurance policies in the large group market. This bill would require health care service plans or health insurers that file the above-described rate information to report to DMHC or DOI, on a date no later than the reporting of the rate information, specified cost information regarding covered prescription drugs, including generic drugs, brand name drugs, and specialty drugs, dispensed as provided. DMHC and DOI would be required to compile the reported information into a report for the public and legislators that demonstrates the overall impact of drug costs on health care premiums and publish the reports on their Internet Web sites by January 1 of each year. As of this writing, SB 17 is in the Assembly Appropriations Committee awaiting a hearing. *RPEA is in support.*

SB 294 (Hernandez, D-Azusa) – Current law authorizes licensed hospices to provide, in addition to hospice services authorized under the California Hospice Licensure Act of 1990, specified preliminary services, including preliminary palliative care consultations, for any person in need of those services, as determined by the physician and surgeon, if any, in charge of the care of a patient. This bill would, among other things, expand the definition of palliative care to mean patient and family centered care that optimizes quality of life of any patient. The bill would also expand the definition of skilled nursing services to include palliative, supportive services required by patients with a serious illness, and would define serious illness to mean a condition that may result in death, regardless of the estimated length of the individual's remaining period of life. As of this writing, SB 294 is on the Assembly waiting to be referred to committee. *RPEA is in support.*

Oppose

The following three Constitutional Amendments, also authored by Senator Moorlach, are not subject to the same deadlines as regular bills; however, they require

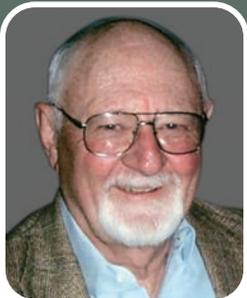
a 2/3 vote on the Floor, which is extremely unlikely in the face of our opposition.

SCA 1 – This bill would prohibit the state from incurring any liability for payment of the retirement savings benefit earned by program participants in the California Secure Choice Retirement Savings Program. The measure would also prohibit the appropriation, transfer, or encumbrance of moneys in the General Fund for the purposes of the program, including any unfunded liability that the program may incur, unless the appropriation, transfer, or encumbrance is for funding the startup and first-year administrative costs for the program. SCA 1 was heard in the Senate Public Employment and Retirement Committee and failed passage. It is now a two-year bill. *RPEA was opposed.*

SCA 8 – This bill would permit a government employer to reduce retirement benefits that are based on work not yet performed by an employee regardless of the date that the employee was first hired, notwithstanding other provisions of the California Constitution or any other law. The measure would prohibit it from being interpreted to permit the reduction of retirement benefits that a public employee has earned based on work that has been performed, as specified. The measure would define government employer and retirement benefits for the purposes of its provisions. Essentially, this bill changes an employee's retirement mid-career. As of this writing, SCA 8 is in the Senate Public Employment and Retirement Committee awaiting a hearing. *RPEA is opposed.*

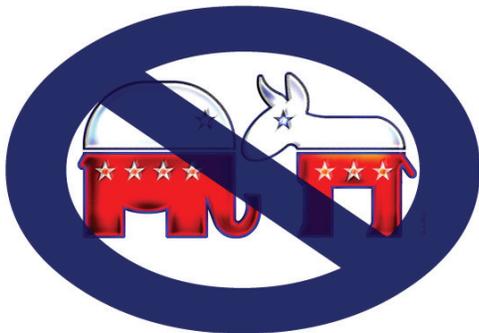
SCA 10 – This bill would prohibit a government employer from providing public employees any retirement benefit increase until that increase is approved by a 2/3 vote of the electorate of the applicable jurisdiction and that vote is certified. The measure would define retirement benefit to mean any postemployment benefit and would define benefit increase as any change that increases the value of an employee's retirement benefit. The measure would define a government employer to include, among others, the state and any of its subdivisions, cities, counties, school districts, special districts, the Regents of the University of California, and the California State University. As of this writing, SCA 10 is in the Senate Public Employment and Retirement Committee awaiting a hearing. *RPEA is opposed.*

RPEA Legislative Update



By Jim Anderson, Director of Legislation

I have been asked why our advocacy is not more even-handed between Democrats and Republican legislators. My initial reaction is that RPEA is not partisan, and our political activities are directed toward those who support the “Mission” of RPEA. Our political activities are directed primarily to representing RPEA members with respect to actions of the legislature and CalPERS. However, after thinking about what is going on in the California legislature and the actions of the U.S. Congress, there may be a significant reason why RPEA would favor one political party over the another.



For instance, there were several bills introduced in the California legislature targeting the benefits of public employees. These were authored by Republican representatives; and, for the most part, called for serious restructuring of the way retirement earnings were managed by CalPERS. RPEA officially OPPOSED these bills, even though with the Democratic Party in the majority, they were very unlikely to pass and become law.

A brief summary of these bills shows their intention to take away benefits or public employees: SB 454 changes the way health benefit support is calculated; AB 1311 adds two more Governor appointees to the CalPERS Board reducing the power of members regarding board decisions; SB 601 requires CalPERS to set the discount rate of investment returns to the 10 year U.S. Treasury rate; and SB 681 allowing agencies contracting with CalPERS to terminate their contract and withdraw their deposited funds.

In addition, a proposed constitutional amendment (SCA 10) was introduced that would place on the next ballot a measure that was straight out of the Reed/DeMaio last-years playbook. This proposal would require any proposed increase in the benefits for public employees of the state or any subdivision of the state to be subject to approval by a two-thirds vote of

the people. The effect of this proposal would require elections in all school districts, cities, counties, special districts and the state if an increase in benefits was negotiated in new contracts. This idea was floated last year as an initiative and was so unpopular that the petitions were not even circulated.

For the most part, these bills represented the same old arguments. That is public employees are not entitled to retirement security because the taxpayers were not given a voice in the management of the retirement package or the distribution of the deferred compensation the employees earned. As one opinion writer stated, “Joe Taxpayer should not be required to support exorbitant pensions and ridiculous early retirement.”

There is a recurring theme that public employees should not have union organization among those who oppose public employee compensation and retirement benefits. They point out that in private business, union membership has decreased and organized labor has diminished except in the public sector. This may be a continued process because repetitive work is more likely to be done by robots, and fewer workers will be needed. However, work for the public is more involved in carrying out public policy and still needs hands-on management. Making sure that the law and rules are followed is a unique process and needs well-trained people. (Spoiler alert: Most of my public career was in management, although in my earlier years I worked to organize Sacramento County Employees.)

Public employees will need to continue to organize and negotiate fair terms of employment, including pension and health benefits. These terms need to include how workers’ lives will be maintained after leaving public employment. The media continues to be critical about the so-called \$100,000 club of high retirement. There is little recognition that most of the people receiving these high pensions were the high earners in the government. They were the generals and colonels of agencies and rose to that level of compensation though recognized competence in the job, just like in the military.

RPEA will continue to work with the legislature and the CalPERS Board to improve and maintain the benefits earned by public workers. RPEA will advocate with those of either political persuasion who agree with the mission of RPEA. We will try to persuade those who disagree with us, but will vigorously oppose those who would do us harm.

RPEA Legislative Position & Tracking Chart



2017 RPEA LEGISLATIVE TRACKING & POSITION State and Federal Legislation - 2017 - 2018

July 21, 2017

BILL NUMBER & AUTHOR	LEGISLATIVE INTENT	CURRENT STATUS	RPEA POSITION
AB 275 (Wood) Introduced 2-1-17 Long Term Care Notice of Lack of Care	This bill would expand the notice and planning requirements that a long-term health care facility provides before any change in the status of the license or in the operation of the facility that results in its inability to care for its patients. The bill would require a facility to provide 90 days' notice to the affected patients or their guardians and 90-day written notice to the State Long-Term Care Ombudsman. The bill would modify who may perform the required assessments of the affected residents.	Passed Assembly passed Senate returned to Assembly for CONCURRENCE with Senate Amendments	S ₂
AB 315 (Wood) Introduced 2-10-17 Pharmacy Benefit Management Amended in Senate	This bill would require pharmacy benefit managers and designated pharmacy benefits manager representatives to be licensed by the California State Board of Pharmacy and would establish qualifications for the designated pharmacy benefits manager representative license. Amendments removed monetary penalties but suspends registration if a violation of this law	Passed and referred to Senate Appropriation Committee	S ₃
AB 444 (Ting) Introduced 2-13-17 Medical Sharps Amended 4/18/17	This bill would require Cal/EPA to develop a statewide program, in consultation with stakeholders, for the collection, transportation, and disposal of home-generated medical waste. Requires funds in the Budget Act to allow for implementation	Passed and referred to Senate Envir. Quality 2-year bill	S ₃
AB 940 (Weber) Introduced 2-16-17 Long Term Care Facilities	Would require long term care facilities to notify the local ombudsman any time a resident has been notified of a transfer or discharge. Failure to notify would include penalties	Passed Assembly and in Senate Appropriation	W
SB 17 (Hernandez) Introduced 12-5-16 Drug Price Increase Notice Amended in Assembly 7/5/17	This bill would require public and private purchasers of health care and health care coverage be given advance notice of price increases for the costs of prescription drugs. Minor amendments in the Assembly	Passed Senate referred to the Assembly Approp.	S ₂
SB 294 (Hernandez) Introduced 2-9-17 Hospice and palliative Care	This bill would additionally authorize a licensed hospice to provide palliative care services for any person in need of those services as determined by the physician and surgeon in charge of the care of a patient, and would authorize these services to be provided concurrently with curative treatment to a person who does not have a terminal prognosis or who has not elected to receive hospice services only by licensed and certified hospices.	Passed Senate referred to the Assembly 3rd reading file	S ₂
SB 562 (Lara) Introduced 2-17-17 The Healthy California Act	It is the intent of the Legislature to establish a comprehensive universal single-payer health care coverage program and a health care cost control system for the benefit of all residents of the state. And, to establish the Healthy California (HC) program to provide universal health coverage for every Californian based on his or her ability to pay and funded by broad-based revenue. Further for the state to work to obtain waivers and other approvals relating to Medi-Cal, the state's Children's Health Insurance Program, Medicare, the PPACA, and any other federal programs so that any federal funds and other subsidies that would otherwise be paid to the State of California, and health care providers would be paid by the federal government to the State of California and deposited in the Healthy California Trust Fund.	Passed the Senate to Assembly. Held at Desk 2-year bill	W ₁
SCA 8 (Moorlach) Introduced 2-15-17 Constitutional Amendment allowing reduction in benefits for work not yet performed.	This measure would permit a government employer to reduce retirement benefits that are based on work not yet performed by an employee regardless of the date that the employee was first hired	Senate Public employment and constitutional amend. Hearing cancelled by author	O
SCA 10 (Moorlach) Introduced 2-15-17 Constitutional Amendment to require a vote to change public employee benefits	This measure would prohibit a government employer from providing public employees any retirement benefit increase until <u>that increase is approved by a 2/3 vote of the electorate</u> of the applicable jurisdiction and that vote is certified. would define a government employer to include the state and any subdivisions,	Senate Public employment and constitutional amend. Hearing cancelled by author	O

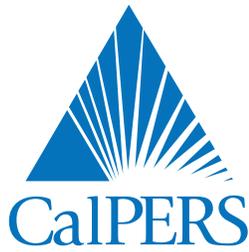
Federal Legislation

HR 1205 (Introduced 2-21-17) Rep. Rodney Davis (R. Ill) 142 cosponsors/37 frm Calif. Social Security Fairness Act 2017	Congressional bill to repeal the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO)	House Ways and Means Committee	S
S 915 (Introduced 4-24-17)\ Sen. Sherrod Brown (D. OH) 8 cosponsors Social Security Fairness Act 2017	Senate bill to repeal the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO)	Senate Committee on Finance	S

LEGISLATIVE SUPPORT POSITIONS: The following categories are used in your legislative summary reports:

SPONSOR – Sponsored or co-sponsored bill. **SUPPORT 1 (S1)** – Highest priority support bill. **SUPPORT 2 (S2)** – Moderate support.
SUPPORT 3 (S3) – Lowest level of support. **OPPOSE (O)** – Judged to be detrimental. **WATCH 1 (W1)** – Of more than casual interest.
WATCH 2 (W2) – Of interest or concern. **?** – Will show up in our screening from time to time.

Two New Ways to Vote in the 2017 CalPERS Board of Administration Election This Fall By Kim Malm, CalPERS Division Chief of Operations, Support Services Division



There is big news for the upcoming CalPERS Board Member-at-Large election. Now for the first time ever, members will be able to vote online or by telephone. Paper ballots will still be mailed to members' homes, but the two new options can mean voting in seconds.

The new voting options are designed to be convenient and easy to use. Members can vote using their desktop, laptop, tablet, smart phone, or landline. Securing members' information has been the highest priority. Each member will receive a randomly generated eight-digit PIN and use a unique identifier – the last four digits of their SSN. This will allow each member the ability to login into the system and securely vote.

A Member-at-Large position represents all active and retired members throughout the state. The two positions will be identified on the ballot as Position A and Position B. The four-year term goes from January 16, 2018, to January 15, 2022.

The 13-member CalPERS Board is responsible for the largest defined benefit public pension fund in the U.S., with nearly \$320 billion in assets. The Board holds significant responsibility in administering retirement benefits for more than 1.8 million current and retired California state, public school, and local public agency employees, and their beneficiaries on behalf of more than 3,007 public employers. The Board also administers health benefits for 1.4 million members and their dependents. The Board consists of elected, appointed, and ex-officio members.

Active members as of July 1, 2017, are eligible to vote in this election. Retired members (excluding survivors and beneficiaries) whose effective date of retirement is on or before July 1 are eligible to vote in this election.

Look for the Candidate Statement Booklet that will be mailed on September 1 to all members who are eligible to vote. The booklet will include a ballot, information on the candidates for the two separate Member-at-Large seats, the randomly generated PIN, and instructions on how to vote. Online, telephone, or paper ballot votes must be received by October 2, 2017, to be counted.

The election results will be announced later in October. If a runoff election is necessary, those results will be announced in December.

Your Board Members at Work!



RPEA Chapter 061-MISSION CITY President, Bill Wallace; RPEA Director of Membership, Rosemary Knox; CalPERS Board member, J. J. Jelincic and Kathy Miller, President of RPEA Chapter 031 – SANTA CLARA COUNTY attended the July 21/22 CalPERS Educational Event at the Santa Clara Marriott Hotel in Santa Clara, CA. Approximately 750 individuals were expected to attend this event.

CalPERS WATCH DOGS



ENDORSED BY JJ JELINCIC

I wholeheartedly endorse Mike Flaherman and Margaret Brown. They have shown that they have the experience and commitment to safeguard our pensions.

MICHAEL FLAHERMAN
flaherman.com

-JJ Jelincic

MARGARET BROWN
brown4calpersboard.com

MICHAEL FLAHERMAN FOR CALPERS BOARD



Hello, I'm Michael Flaherman, RPEA's candidate for the CalPERS Board!

We're all worried about CalPERS. For now, our retirement checks keep coming, but how secure is the future with the retirement system only 62 percent funded? Medical costs keep increasing, but can we expect CalPERS health benefits to keep pace? I think I am especially well-qualified to represent the CalPERS members. I held senior roles in the investment business for more than ten years and invested billions of dollars. I also worked in healthcare, having served on the board of both a publicly-traded pharmacy benefit manager and also on the board of a large privately-held drug company. Prior to that, I served on the board of CalPERS for eight years and was elected to represent local government employees. I am a CalPERS retiree but am currently a visiting scholar at UC Berkeley, where I have done ground-breaking research into how investors like CalPERS get cheated by outside investment managers.

Look for your ballot in the mail after Labor Day, and thanks for your support!

Is your current Medicare health plan still right for you?



CalPERS retirees:

Consider a Kaiser Permanente Senior Advantage (HMO) Medicare health plan for:

- **Affordable, high-quality care**
- **Your choice of great Kaiser Permanente doctors** and a wide range of specialists. And all of our available doctors welcome Kaiser Permanente Medicare health plan members.
- **The Highest-Rated Medicare health plan** in California – with 5 out of 5 Stars – for 6 years in a row 2012-2017.*

To learn more and find out how to enroll through CalPERS, call a licensed sales specialist toll free:

 **1-877-619-7752**
(TTY 711) 7 days a week,
8 a.m. to 8 p.m.

 Or go to kp.org/calpers

Medicare evaluates plans based on a 5-star rating system. Star Ratings are calculated each year and may change from one year to the next. *Centers for Medicare & Medicaid Services Health Plan Management System, Plan Ratings 2012–2017. Kaiser Permanente contract #H0524. Benefits, premiums and/or copayments/coinsurance may change on January 1 of each year and at other times in accord with your group's contract with us. This information is not a complete description of benefits. Contact the plan for more information. Limitations, copayments, and restrictions may apply. The provider network may change at any time. You will receive notice when necessary. In California, Kaiser Permanente is an HMO plan and a Cost plan with a Medicare contract. Enrollment in Kaiser Permanente depends on contract renewal. You must reside in the Kaiser Permanente Medicare health plan service area in which you enroll.

 **Please recycle.**
MRM 60585629 June 2017

Joining RPEA Helps Us Support YOUR Retirement Security

RETIRED PUBLIC EMPLOYEES'

ASSOCIATION OF CALIFORNIA

Membership



Application

Have a scanner app on your smart phone?

Visit our website: www.rpea.com

Join online!



Become a Member in Three Easy Steps!

STEP 1: Tell Us About Yourself

Your Name: _____ Date of Birth ____ / ____ / ____
 M F
 Spouse: _____ Date of Birth ____ / ____ / ____
 M F (Additional Applicant Name)
 Address: _____
 City/State/Zip: _____
 Phone: (____) _____ - _____ Email: _____
 Retired From: _____ Retirement Date: _____
 RPEA Chapter Number or Name if Known: _____
 Referred By: _____

STEP 2: Select One Membership Type

- Retiree (CalPERS Annuitant) Beneficiary (Beneficiary of a CalPERS retiree)
 Associate Member (Supporter of RPEA's goals)

STEP 3: Select One Payment Method

Option 1: MONTHLY CALPERS DEDUCTION: I authorize the California Public Employees Retirement System (CalPERS) to deduct for each applicant on this form \$5.00 per month from my retirement allowance until revoked by me in writing. **Only available if one applicant is receiving a CalPERS retirement payment.**

 Signature Social Security Number or CalPERS ID + Last 4 of SSN

Option 2: CHECK OR MONEY ORDER: As payment for the first year's dues, I have attached a check or money order for \$60.00 for each applicant on this form. I will be billed annually for subsequent renewals. Make check payable to RPEA.

Option 3: CREDIT CARD AUTHORIZATION: As payment for the first year's dues, I authorize \$60.00 for each applicant on this form to be charged on my credit card. I will be billed annually for subsequent renewals.
 Card Number: - - -
 Expiration Date: / CVV/CVC: (3 Digit code on the back of card)

 Signature

A/July/2017

Why Join RPEA?

RPEA protects the interests of retirees at the state level to ensure your retirement remains secure. We retain a professional lobbyist who represents our interests before the Governor, Legislators and CalPERS Board. We also have access to a federal lobbyist who keeps us informed on federal retiree issues.

RPEA continues an active and ongoing relationship with CalPERS by serving on their Advisory Committee concerning CalPERS plans and proposals. We also monitor every CalPERS committee and frequently testify at these meetings on behalf of our members.

Every RPEA member receives a bi-monthly statewide newsletter with general information as well as legislative and health care updates.

Members also gain access to numerous member-only benefits including dental and vision plans and a wide array of merchant discount programs. For only \$5.00 a month you get even more back in benefit savings!

THANK YOU for joining RPEA!

Return your completed application to:
 RPEA • 300 T Street • Sacramento, CA 95811-6912





Retired Public Employees' Association of California (RPEA)

300 T Street, Sacramento, CA 95811-6912

Toll Free: (800) 443-7732 Phone: (916) 441-7732 Fax: (916) 441-7413

Website: www.rpea.com

Facebook www.facebook.com/RPEACalifornia • Twitter @rpea_ca

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ROSTER OF 2016/2018 VOLUNTEER BOARD OF DIRECTORS

NAME	TITLE	HOME ADDRESS	PHONE	FAX	E-MAIL ADDRESS
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Bill Houk ANY TIME	Area Director IV	1904 Devonshire Ave Modesto, CA 95355	209 578 4420 (H) 209 606 5779 (C)	NONE	sixteenthb@aol.com
Ellen Knapp ANYTIME	Area Director V	28319 N. Azurite Pl. Valencia, CA 91354	661 607 2072 (C)	NONE	eknapp@roadrunner.com
Wes Stonebreaker ANY TIME	Area Director VI	1060 Country Club Dr. Riverside, CA 92506	951 784 1060	951 781-3960	lindaandwes@aol.com
Dennis Cassella 8AM -- 5PM	Area Director VII (Interim)	205 Cypress Hill Dr. Grass Valley, CA 95945	530 272 2130	SAME (CALL FIRST)	ncdennisc@aol.com
Kathleen Collins ANY TIME	Area Director VIII	11865 Susan Avenue Downey, CA 90241	562-884-8891	NONE	kcespresso@hotmail.com
Larry Sullivan ANYTIME	Area Director IX	1602 Sunset Gardens Rd. Albuquerque, NM 87105	505 242 4981	SAME (CALL FIRST)	houseofspirit@earthlink.net

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