

S.O.S. NEWSLETTER

“SERVICE OFFICERS FOR SERVICE”

SERVICE OFFICER NEWSLETTER

Volume 1 - 5

APRIL – JUNE 2002

Editors Message

I am so pleased with the reception of our SOS Newsletter. We are still having problems with many Service Officers not receiving the Newsletter and we are still trying to find the problem. Fortunately, for those, who have access to the internet NARFE Members and Service Officers can now download a copy of our SOS Newsletter. The Federation's NARFE Net address is www.csfnarfe.org Service Officers are encourage to get a copy of the newsletter to use for article in your Chapter's Newsletter and short presentations at your chapter meeting. I am continuing to ask for ideas on subjects to cover in the newsletter.

Mary Venerable Chair, Service Committee

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NARFE SERVICE CENTERS IN STATE OF CALIFORNIA

35 – 2105 Carrere St., Bakersfield, Ca.
(805) 399-5048 – Leo Lawrence – By
appointment.
8 – NARFE Federal Civilian Service
Center 5440 Dudley Blvd, McClellan, CA.
95652 (916)971-2888 or 2889 – Bob
Johnson. Mon. & Thurs. 9 a.m. to Noon.
Now has 24-hour message recorder.
1 – NARFE Service Center, P.O. Box
69, Patton, CA. 92369., (909) 862-7685 –
Vaudis Pennell - By appointment
21 – Elderhelp of San Diego, 4069 30th
St., San Diego, (619) 284-9281 – William
Doll – Thurs. 9 a.m. to 12 Noon.
42 – Santa Rosa Senior Center, 704
Bennett Valley Rd., Santa Rosa, CA.
(707)545-8608 - Vernon Rood - 1st
Monday Ea. Mo. – 1 p.m. to 3 p.m.
(except holidays)
145 – Naval Air Weapons Station,
China Lake – Rm. 8, Safety & Security
Bldg (760)939-0978 – Theresa Gonzales
– Mon – Fri. 9 - 11 a.m. & 1 - 3 p.m.
4 – Mare Island Naval Shipyard, Bldg
535, 2nd Floor, Vallejo, Ca. (707) 562-3179

Everett Crockett, - Mon. & Wed. (except
last Monday of mo. – 12 Noon to 4 p.m.
171 – Residence of Katie Karikka, Los
Osos, CA. (805) 528-2422 – Questions &
Service by phone 24 hr.
183 – Residence of Emile Lapointe,
Port Hueneme, (805) 984-3341
Questions & Service by phone.
149 – Antelope Valley Senior Center,
777 W. Jackman Street, Lancaster -
Norma Keipe, (661)726-4400. – Mondays
9 a.m. to Noon (except in July and
August).
12 - Oceanside Senior Center, 455
Country Club Lane, Oceanside -
Josephine M. Murphy - (760)433-8933 -
Weds. 12 Noon to 3 p.m.
78 - Fresno Veterans of Foreign Wars,
530 N. Parkway Dr., Fresno, CA.
(559)266-9604 – Victor Horg – 1st & 3rd
Tuesday – 1 p.m. to 5 p.m.
55 - NARFE Service Center, 1524
Jefferson St., Napa, CA 94558 – Oliver E.
Sheridan - (707) 257-2228 Monday thru
Saturday – By appointment.
133 – NARFE Service Center, Mem I
Credit Union, 1380 Hilltop Dr., Redding,
CA 96003 – Glenn Shaw – (530) 222-6060
4th Wednesday each mo. From 10 a.m.
to 2 p.m.

Notice: The status and information above
is subject to change. For up-to-date
information see the Federation's website.
Notify Jo Murphy of changes by FAX
(760) 439-5277 or E-mail at
mjojo@worldnet.att.net
Remember Volunteers are needed!

WEBSITES OF INTEREST

Issues of this SOS Newsletter are now
available on line through NARFE California
Federation Web Site – <http://csfnarfe.org>
NARFE National Office at
<http://www.narfe.org>
FEGLI Life Insurance at [http://
www.opm.gov/insure/life/index.htm](http://www.opm.gov/insure/life/index.htm)
NARFE Info – www.narfe.org

For PIN Number –

<mailto:retire@opm.gov> - - Be sure to have CSA or CSF number

To access Services Online –

<http://www.servicesonline.opm>.

For assistance accessing Service

Online – mailto: retHelp@opm.gov.

New Websites for Seniors –

www.benefitscheckup.com - a free and easy to use service that identifies a federal and state assistance programs for older Americans.

SSA online Services -

www.ssa.gov/ibkubservices/

MESSAGE FROM THE VICE CHAIR

In reviewing letters from the Social Security Administration (SSA) sent to women and other retirees that are affected by Government Pension Offset (GPO), I find they all have one thing in common. They are denied the economic dignity they were led to expect in retirement. Two Thirds of the women were affected by GPO. The women did not understand the appeal rights of the overpayment letters sent to them and many had to sell their homes to pay this overpayment that was not their fault!

In reviewing many of the overpayment letters from SSA, I've yet to find a letter that did not have erroneous information from an official source within the SSA. If the women report all changes in their status to SSA in a timely manner, they should be "Without Fault". 42 U.S.C. Section 404(b) There should be no recovery from persons without fault. The women and other retirees should ask for assists from her Service Officer in their Chapter.

The SSA letters also informs the women that they can have a representative (Form SSA-1696-U4) to assist them in completing the required forms. "Request For Waivers Of Overpayment, Recovery Or Change In Repayment Rate SSA-632-BK, and Request for Reconsideration SSA-561-U2", but SSA does not tell them that they can also Request For Hearing By Administrative Law Judge Form HA-

501-U5. I will have more information in the next issue.

Bill Gould

Vice Chair, Service Committee

OVERLOOKED CHANGES IN FEHBP

Last month I received a telephone call from a Service Officer regarding a letter received by a Kaiser member that required the member to sign over his Medicare Benefits to Kaiser.

My first reaction was "They are trying to force Federal retirees to sign up for Medicare". The discovery was that ALL Federal Health plans made this change through OPM effective January 1, 2002. In this case, there were 15 changes noted in the Kaiser Plan brochure. The requirement to sign over Medicare benefits to Kaiser was No. 12. which stated: If you have Medicare Part B benefits, we now require that you assign your Medicare Part B benefits to the (Kaiser) Plan. **HOW MANY KAISER MEMBERS READ THE CHANGES?**

The result was that I had to notify the Service Office of the new requirement. The annuitant was advised that he must sign over his Medicare benefits in this case to Kaiser. I understand that a number of FEHBP plans now have the "sign over" requirement effective January 1, 2002. Blue Cross-Blue Shield does not.

An important point to understand is that there is **no requirement** for a Retiree or Surviving Spouse to sign up for Medicare Benefits at age 65 if they do not wish to. This was confirmed by NARFE first and then by OPM. **Again, it pays to read.**

Last month must have been the month for Kaiser problems because another inquiry from a NARFE member came in regarding her recent change to Kaisers Senior Advantage plan. It seems that she used the term "suspend" in her notification to OPM and was subsequently change to a "Medicare Sponsored" Kaiser HMO enrollment. Unfortunately, the assignment of her Medicare benefits to Kaiser and the change to a Medicare-Sponsored Coordinated care plan (MCCP) rather than the FEHBP Senior Advantage

Kaiser plan was a mistake. There is much to consider in this type of enrollment. Most Kaiser enrollee's will find the benefit of staying in the FEHBP Senior Advantage Plan. Fortunately, the member notified OPM as soon as the problem was discovered and action is now being taken to correct the mistake.

From this mistake, I learned that Kaiser has a MCCP plan that uses the Medicare Benefits at 65 but does not have the same annuity deduction arrangement with OPM

LONG TERM CARE

The following includes information about Long Term Care (LTC) Insurance that all retirees should be aware of. by no means attempts to replace reading the LTC material that will be sent to each retiree soon.

LONG TERM CARE SECURITY ACT

(PL 106-265) signed 9/19/2000.

OPM OPEN SEASON - July 1 –

December 13, 2002

(For 20 million members of Federal family)

LTC PARTNERS –

John Hancock and Metropolitan Life Insurance Company's

ELIGIBILITY:

All who qualify for FEHBP (no age limit but must pass Underwriters regulations. Spouse and Children over 18 Adopted Child and Step Children Parents (living with you) Surviving Spouse 1.6 million older and disabled persons reside in 17,000 nursing homes nationwide.

40% of Americans who receive LTC are between age 18 and 64.

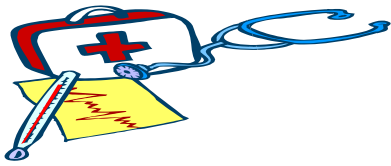
60% of Americans who reach 65 will need LTC at some point in their lives.

OTHER FACTS:

The typical nursing home resident is a white female over age 75 and a Medical or Medi-cad beneficiary.

The average resident requires assistance with 3.75 of five activities of daily living (ADLs)

1 out of 4 Americans are age 85 or older actually live in nursing home. Costs for a year in a nursing home range from \$35,000 to \$95,000 depending on the area. Over 90% of private-pay nursing home residents are impoverished within a year after admission.



LTC INSURANCE FACTORS

Persons eligible may not be acceptable to the LTC insurer

- LTC Insurance is more suitable for persons with an estate to protect.
- LTC premiums should not exceed 7 to 10% of annual income.
- LTC applicants will be subject to full underwriting (review of medical history to determine if applicant is a serious risk).
- LTC is not for everyone.
- LTC Insurance is more suitable for persons with an estate to protect.
- LTC premiums should not exceed 7 to 10 percent of annual income.
- LTC applicants will be subject to full underwriting (review of medical history to determine if applicant is a serious risk).

GLOSSARY OF TERMS

DAILY BENEFIT AMOUNT (DBA)

This is the maximum amount the plan will pay in any single day if the cost of the care you receive in a single day costs less than your DBA, the difference is carried over to you to use later. Choices include from \$50 to \$300 in \$25 increments. The cost of care depends on the facility to be reimbursed at up to 100% of the DBA if the cost of the care you receive in a single day is less than your DBA, the difference is carried over for you to use later.

(Average cost in California in 2000 was \$137 a day – without inflation protection cost will grow in 14 yrs. To 50% of the cost of care).

BENEFIT PERIOD - This is the length of time your Maximum Lifetime Benefit will last if you receive care every single day at a cost equal to or more than your DBA. If you receive services that cost less than your DBA, or don't receive services every day, your benefits will last longer. You choose your benefit period either 3 years or 5 years. (*The Benefit Period is used as a multiplier, along with your DBA, to calculate your Maximum Lifetime Benefit*).

MAXIMUM LIFETIME BENEFIT – your plan would pay This maximum. You arrive at the figure by taking the DBA times Benefit Period (in days) equals Maximum Lifetime Benefit. Example: If you choose \$100 DBA and 3 year Benefit Period, the Maximum Lifetime Benefit would be \$109,500 (100 X 1095 days (which is 3 yrs. At 365 days/year) = \$109,500.

WAITING PERIOD - The waiting period is the number of days during which you must be eligible for benefits and receiving covered service before your benefits start. Only need to satisfy the waiting period once in your lifetime. Days need NOT be consecutive, or associated with the same episode of care. They are added together to satisfy the waiting period. You select the waiting period - the standard is 90 days but you may choose 30 days instead.

FUTURE PURCHASE OPTION – This allows you to buy additional coverage every two years at an extra cost. The increase offered in your DBA is based on the increases in the Medical Consumer Price Index (MCI). With the Future Purchase Option that will be offered every two years, you can assess the costs of care in the future and make a decision to upgrade when you can afford to. The premiums will of course each time you increase coverage.

FACILITY COVERAGE:

Most skilled, intermediate and custodial care is received in nursing homes that are licensed as "skilled nursing

facilities". LTC policies cover this kind of care.

HOME HEALTH CARE:

Every long-term care insurance policy called "Home Care Only" or "Comprehensive Long-Term Care" (after 1/1/93 must include at least 6 mandated Home Care benefits and consumer protection, which should make it easier to receive care at home. Home Health Care is skilled nursing care or other professional services in your residence.

IMPAIRMENT IN ACTIVITIES OF DAILY LIVING (ADLs)

ADL's are used to measure a person's physical ability to qualify for benefits. Impairment in 2 out of the following 6 ADL's: bathing, dressing, transferring, eating, toileting and continence. Another impairment called Ambulating may be included which means walking or moving around inside or outside the home regardless of the use of a cane, crutches, or braces.

Impairment in Cognitive Ability means that a need for supervision or assistance to protect the individual or others because of mental deterioration caused by Alzheimer's disease or any other organic mental disease.

Medical Necessity means that your doctor has certified that the medical condition of the person will deteriorate if care recommended is not received.

DECISIONS REGARDING LTC

- How much LTC Insurance to Buy?
- Daily Benefits range from \$50 to \$300 (**Increments of \$25.**)
- Length of LTC Coverage Needed
- AGE at purchase is a consideration.

Options: 3 years

30 day waiting (FPO) & (ACIO)
90 day waiting (FPO) & (ACIO)

Option: 5 years

30 day waiting (FPO) & (ACIO)
90 day waiting (FPO) & (ACIO)

(FPO) *Future Purchase Option*
 (ACIO) *Automatic Compound Inflation Option*

Long Term Care Insurance

By Mike Causey

If you know how LTC coverage works, you can buy a high-quality policy at a reasonable price. Here's how to do it: Buy enough coverage, but don't over buy. As you'd expect, buying a policy that pays a \$100 daily benefit costs about twice as much as a policy with a \$50 daily benefit. Chances are, sales rep will try to sell you a policy with a \$100 or \$150 or even a \$200 daily benefit, if that's the average cost of a nursing home in your area.

You probably don't need that much coverage, however. To calculate your true need:

- Establish how much income from other sources (Social Security, government pension, bank interest, investment income) will be available to pay nursing home bills.

- Subtract that amount from the nursing home costs in your area, and buy a policy to bridge the gap.

Example: Suppose you estimate you'll have \$50 per day from other sources of income (\$1,500 per month, or \$18,000 per year). If nursing homes in your area average \$130 per day, you can buy an LTC policy that will pay \$80 per day.

Buy Early but Not Too Early Buying LTC insurance at age 60 or 65 has certain advantages: (1) You'll lock in a premium that's about half of what you would pay at age 70 or 75; (2) You'll be covered in case you need nursing home care before 70 or 75, and (3) You'll eliminate the chance that a subsequent illness will make it more difficult for you to find insurance.

On the other hand, don't buy before age 60. You're too far removed from your likely nursing home years to be paying premiums and the risks mentioned above (early institutionalization, serious illness) is not that great at this age.

Don't Buy Lifetime Coverage Such policies will pay the promised benefits for as long as you're in a nursing home, even if that's 10 or 15 years. However, LTC policies with lifetime coverage are extremely expensive. The average stay in a nursing home is

2.1 years for men and 3.2 years for women, so you probably won't need lifetime coverage.

To cut costs, buy a policy that pays benefits for up to four years. With a four-year benefit period, you'll have time to transfer assets to loved ones after institutionalization begins and the LTC policy starts paying.

Under current law, you may apply for Medical coverage 36 months after transferring assets. This will keep your assets intact and provide for government funding in the unlikely event your nursing home stay lasts more than the four-year benefit from your LTC policy.

Don't Buy a Home-Care-Only Policy

Such policies won't protect you if you need to go into a nursing home, and that's when you'll really need coverage. Instead, buy one policy that will cover both nursing home and in-home care, making sure you can use the policy benefits in either situation.

Make Your LTC Policy a Family Affair

Suppose LTC insurance still looks pricey, after taking the steps described above. Coverage for you and your spouse will be \$4,000, say, while your budget won't stretch further than \$2,500 per year.

Ask your children to make up the shortfall -- \$1,500 per year in the above example. They may well be willing once you point out that these payments will keep their inheritance intact and reduce the chance they'll have to provide in-home care or help to pay your nursing home bills some day.

Annualize Your Premiums Once you lock in your premium obligation, shop the market for the best deal on an "immediate annuity." A 65-year-old, for example, might spend \$60,000 to buy an annuity that pays \$4,000 per year, after tax, for life.

Once that annuity has been purchased, you're guaranteed the money you need for LTC premiums. The remainder of your assets likely will be preserved for yourself and your family: they won't wind up in the pocket of a nursing home operator.

VISIT WEBSITES and Retirement Life:

www.ltcfeds.com

www.opm.gov/insure/ltc

www.nccnhr.org

www.aarp.org/indexes/health.html

If you have questions or you don't receive enrollment materials, you should call 1-800-582-3337 or visit www.ltcfeds.com on the Internet. Important details about the program will be mailed out to retirees. Before the Open Season period OPM's website (www.opm.gov/insure/ltc) is another source of information for Service Officers on the new program.

"Service is the rent you pay for room on this earth."

By Shirley Chisholm

None of us could have reached this day entirely on our own. Each of us can look back at moments in our lives when we've been helped or encouraged by another person. A family member, teacher, sponsor, or friend may have offered us mentoring or unconditional love. The words or example of a stranger, a public figure, an artist, or a writer may have afforded us inspiration at just the moment when we needed encouragement.

We can do no less for others as we continue our own journeys. We do not have to take responsibility for others' lives, nor should we disregard our own needs. However, there are many ways we can make a difference, each according to our preference. We can offer time and talent to our community, recovery program, or family of choice.

We can share our experience, strength, and hope with individuals or groups. We can show up and do some of the work that's necessary to maintain the institutions that have offered so much to us. We can keep it by giving it away.

Today, I express my gratitude through service, freely given.



NARFE SERVICE OFFICER FOR SERVICE (SOS)

NEWSLETTER

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Published by NARFE Service Committee Chair

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**Service is Our
Federal Personnel
Business**

TO:



www.narfe.org

NEXT ISSUE:

OFFICE OF WORKERS' COMPENSATION PROGRAM (OWCP)

One of our discussions will include information about Workers' Compensation. We have a number of retiree's who are on workers' compensation paid by the Department of Labor. We plan to have details regarding the matter of a Federal retiree who elects to receive workers' compensation and the arrangements with the Office of Personnel Management (OPM) to suspend payment of his or her Federal retirement benefits.

SOCIAL SECURITY ADMINISTRATION (SSA)

Our next issue will include details for Service Officers to follow in the handling of Request for Waiver of Overpayment Recovery and Request for Reconsideration of overpayment of monies paid by Social Security to surviving spouse. Our Vice Chair Bill Gould has been very successful in over five cases in which Social Security took action to collect large sums of money from surviving spouses that was paid to the widow and later found to be incorrectly paid. In all cases, the widow had no knowledge of the "overpayment" and the receipt of such was through no fault of the widow. The typical action by Social Security was to notify the widow of the overpayment and to arrange for a monthly amount to collect the overpayment. Some widow's have sold their home to make the payment. However, in many cases, the widow was referred to Bill who was able to get the court to waive the overpayment. Of course, there is a lot more to this situation and we will try to give you the benefit of his experience to help in future cases the Service Officer may become aware of.

NEW FORMS FOR SERVICE OFFICERS

FH-10 (11/01) SERVICE OFFICER GUIDE - This guide has been updated by NARFE and is now available to request on the F-18 Narfe Requisition Form for printed supplies.

F-107 (4/02) SERVICE OFFICERS & CENTERS PAMPHLET "WHAT EVERY NARFE MEMBER NEEDS TO KNOW". This is a new brochure was suggested by Rocky Sheridan, Napa County Chapter. The idea was taken to headquarters by Helen Zajac and given to Margaret Baptiste, National VP who obtained National Office approval. *This is a valuable tool to give to Chapter members regarding services provided by the Service Officer. An example of someone's good idea getting action.*