

# Living **power**

For all who have made a living **I** and now wish to make a life

## General Assembly Moves Toward Adjournment

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*(Editor's Note: As of July 21, the General Assembly appeared to be moving toward adjournment by the end of the month. The House and Senate continued to work on the final details of bills dealing with legislative ethics and lobbying reform.)*

This legislative session has been characterized by rapid development of the amended budget for 2006-07, major increases in expenditures for public education and employee salaries, and legislative ethics reform. From the perspective of retired government employees, this proved to be a somewhat disappointing session. However, the General Assembly did approve Cost-Of-Living Adjustments for all governmental retirees, maintained the current levels of deductibles and co-payments in the State Health Plan and provided another payment on monies owed to the state retirement system.

This legislative session began in May with high expectations. State revenue collections exceeded projections, providing the General Assembly with a surplus of more than \$2 billion. In the opening days of the session, Governor Easley presented

proposed changes to the state budget for 2006-07 that included a recommended 3.7% Cost-Of-Living Adjustment for retired teachers and state employees. Several legislators introduced separate bills that would have provided state retirees with COLAs as high as 5%. However, in the end, the budget adopted by the General Assembly provides a state COLA for 2006-07 that was well below the proposal offered by the Governor and fell short of covering the increase in the Consumer Price Index (3.4%).

### State COLA

Retired state employees, teachers, legislators, and members of the state judicial system received a 3.0% Cost-Of-Living Adjustment, effective July 1. In order to fund this increase, the General Assembly appropriated an additional \$27.1 million to supplement the gains available in the Teachers' and State Employees' Retirement System (TSERS). The undistributed gains in the system would only support a 2.1% COLA. The 3.7% increase proposed

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## **NCRGEA News & Views**

The annual meeting of the NCRGEA Board of Directors was held on June 22, 2006 at the North Carolina State University Club in Raleigh. President Peggy Lowdermilk of Granite Falls chaired the meeting.

Ed Regan, NCRGEA's Executive Director, updated the Board on the HearPO hearing aid discount program. According to a survey, Association members who have utilized the program seem very satisfied with the plan.



**PEGGY LOWDERMILK, PRESIDENT**

Susan Warren, Office Manager, gave a dental plan update. Over 10% of our members participate in the plan. Susan also detailed the Association's investments.

Board Member Dempsey Benton provided the Nominating Committee report. Officers approved for 2006 - 2007 include the following:

Leroy Henderson	President
Willis Whichard	Vice President
Nancy MacCormac	Treasurer
Dennis Ducker	Secretary

Nancy MacCormac presented the budget for the next year. The budget was approved.

Willis Whichard presented a plaque to outgoing President Peggy Lowdermilk in appreciation for her tenure.

In Lowdermilk's closing remarks, she said, "As Martha Stewart would say, the Association is a good thing!" Ms. Lowdermilk will continue to serve on the Board as Immediate Past President.

*Living Power* is published to provide current information for NCRGEA's membership. Newsletters are printed bimonthly and mailed to all members of NCRGEA. Your comments are welcome.

### **Editor**

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**ED REGAN, EXECUTIVE DIRECTOR**

Tina McCormick, Director of Communications, reported on district meetings as well as the success of the new Financial

Readiness Workshops held in conjunction with the State Employees' Credit Union.

According to JoAnn Tart, Director of Membership, NCRGEA's membership continues to grow. There were 11,857 new retirees in 2005. In addition, we welcomed over 3,400 new members in 2005.

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## Some Medicare Beneficiaries Still Have Time to Change Their Coverage

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With all the details, options and deadlines surrounding Medicare PDPs, it's no wonder that people got confused. And, if you're like a lot of seniors out there, you might have enrolled in a PDP simply to beat the May 15 deadline, regardless of whether or not you understood what you were signing up for. And now, you might feel stuck. Well, if you fall into one of several categories, you might not be stuck after all; in fact, if you are already enrolled in regular Medicare (i.e. Parts A and B) and have also already enrolled in a Medicare Part D Prescription Drug Plan (PDP), it's not too late to switch your Medicare coverage.

To determine if you qualify for this last-minute coverage change, keep reading and/or contact the Department of Insurance's Seniors' Health Insurance Information Program (SHIIP) at 1-800-443-5394.

- If you currently have a Medicare Advantage plan that includes prescription drug coverage, you can switch to another Medicare Advantage prescription drug plan OR you can enroll in original Medicare and a Part D PDP. However, you cannot switch to a Medicare Advantage plan that does not provide Medicare prescription drug coverage.

- If you currently have a Medicare Advantage plan that does not provide prescription drug coverage, you can switch to another Medicare Advantage plan without prescription drug coverage. However, you cannot switch to a Medicare Advantage plan that includes prescription drug coverage. You may also switch to original Medicare, but you cannot enroll in a Medicare Part D PDP.

- If you currently have original Medicare in addition to a Medicare Part D PDP, you may switch to a Medicare Advantage prescription drug plan. However, you cannot switch to a different Medicare Part D PDP or to a Medicare Advantage plan without prescription drug coverage.

Another tricky situation arises for people who are new to Medicare Advantage plans. If this is your first time enrolling in a Medicare Advantage plan with prescription drug coverage, you can “voluntarily disenroll” within the first 12 months of coverage. If you do this, you will have a special enrollment period that allows you to get original Medicare (Parts A & B) and a Medicare Part D PDP or join a different Medicare Advantage plan with prescription drug coverage.

Obviously, this is a confusing topic for most people, but SHIIP is available to help you and work through your options with you. If you have any questions or concerns about your Medicare options are, call SHIIP at 1-800-443-9354.

## General Assembly Moves

*(Continued from page 1)*

by Governor Easley would have required a \$48 million supplemental appropriation.

The supplemental appropriation approved by the General Assembly slightly increases the state's employer contribution to the TSERS from 2.34% to 2.66% of total payroll. The employee contribution rate remains at 6.0%.

### Local COLA: Major Policy Change

The treatment of the Cost-Of-Living increase for retired local government employees this year by the General Assembly marks a major change in policy. Historically, the General Assembly has approved the Cost-Of-Living Adjustments for all governmental retirees. However, the Local Governmental Employees' Retirement System (LGERS) receives no money from the state. The system is funded by the employer and employee contributions from 874 participating local governments as well as investment earnings.

The General Assembly did not include a COLA for retired local government employees in the state budget. Rather, by taking no action, the legislature has allowed the decision on a local COLA to revert to the Board of Trustees of the Retirement Systems. The Board has the statutory authority to make the final decision regarding benefit enhancements for members of the LGERS.

Effectively, the decision regarding the local COLA for 2006-07 was finalized at

the April meeting of the Board of Trustees. At this meeting, the board approved a recommendation to provide a 2.8% COLA for local retirees. The 2.8% increase utilizes all of the gains that were available in the local retirement system following adjustments in liabilities that were made after the recent release of the 5-year experience report. The local COLA became effective on July 1.

### Other Retirement Benefit Changes

The State budget also includes pension adjustments for retired firefighters, rescue squad workers, and National Guard personnel. These increases, which are summarized below, were effective on July 1.

#### Firemen's and Rescue Squad Workers' Pension Fund

The monthly benefit is increased from the current \$163 to \$165. The monthly member contribution remains at \$10.

#### N.C. National Guard Pension Fund

The monthly minimum and maximum benefit amounts were increased. The monthly benefit for retired NCNG personnel with a minimum of 20 years of military service was raised from \$75 to \$80. The maximum monthly benefit for Guard retirees with 30 or more years of service was increased to \$160.

#### Retirement Program Consolidation

The N.C. Public Employee Deferred Compensation Plan has been transferred from

the Department of Administration to the Department of State Treasurer. This step effectively consolidates the operation of all state level pension funds and supplemental retirement plans under management of the Dept. of State Treasurer.

### Repayment of Escrowed Funds

The General Assembly included \$30 million in the budget for partial repayment of monies that were withheld from the Teachers' and State Employees' Retirement System in 2001. This appropriation is the fourth installment of a 5-year plan that was adopted by the General Assembly in 2003. The fifth and final payment which includes the remaining principal (approximately \$45 million) plus accrued interest will be addressed in next year's budget.

There was a bill introduced this year that would have accelerated the repayment of the escrowed funds. House Bill 2064, introduced by Rep. McGee and co-signed by 56 other members of the House, would have repaid the entire remaining balance plus accrued interest. The bill was referred to the House Committee on Appropriations and remained in committee at the end of the session.

### State Health Plan

There will be no changes this year to the benefits, deductibles, or co-payments of the State Health Plan. The General Assembly appropriated sufficient funds in 2005 to cover the projected costs of the Plan through the 2005 - 07 biennium. The

state's employer contribution rate for hospital and medical benefits will remain at 3.8% of state payroll for 2006 - 07.

However, two bills covering important State Health Plan policy were considered during this session. The General Assembly approved a major change in State Health Plan benefits for future state employees. Senate Bill 837 changes the vesting period for post-retirement coverage by the SHP. The bill is intended to control the long-term costs and liabilities of the Plan.

Currently, teachers and state employees become fully vested in the State Health Plan after completing 5 years of service. The new law establishes graduated vesting requirements with the state covering 50% of the premium for post-retirement State Health Plan coverage after 10 years of service and 100% of premium at 20 years of service.

The new vesting requirements only apply to employees hired for the first time on or after October 1, 2006 and legislators who first take office on or after February 1, 2007. The changes in vesting do not affect the Health Plan benefits of any current state retirees or employees.

The Senate approved House Bill 1059 which would enact a number of changes to the state Health Plan. The bill authorizes the Executive Administrator and the Board of Trustees to approve Plan coverage of over-the-counter medications and to establish incentives programs to encourage healthy lifestyles.

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## HURRICANE PREPAREDNESS TIPS

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This fact sheet contains health and safety tips for families preparing for a hurricane from the U.S. Department of Health and Human Services and its agencies, including the Centers for Disease Control and Prevention and Food and Drug Administration.

### Hurricanes and Your Health and Safety

- The great majority of injuries during a hurricane are cuts caused by flying glass or other debris. Other injuries include puncture wounds resulting from exposed nails, metal, or glass, and bone fractures.
- State and local health departments may issue health advisories or recommendations particular to local conditions. If in doubt, contact your local or state health department.
- Make sure to include all essential medications — both prescription and over the counter — in your family’s emergency disaster kit.

### Water Quality

- Hurricanes, especially if accompanied by a tidal surge or flooding, can contaminate the public water supply. Drinking contaminated water may cause illness. You cannot assume that the water in the hurricane-affected area is safe to drink.
- In the area hit by a hurricane, water treatment plants may not be operating; even if they are, storm damage and flooding can contaminate water lines. Listen for

public announcements about the safety of the municipal water supply.

- If your well has been flooded, it needs to be tested and disinfected after the storm passes and the floodwaters recede. Questions about testing should be directed to your local or state health department.

### Water Safety

- Use bottled water that has not been exposed to flood waters if it is available.
- If you don’t have bottled water, you should boil water to make it safe. Boiling water will kill most types of disease-causing organisms that may be present. If the water is cloudy, filter it through clean cloths or allow it to settle, and draw off the clear water for boiling. Boil the water for one minute, let it cool, and store it in clean containers with covers.
- If you can’t boil water, you can disinfect it using household bleach. Bleach will kill some, but not all, types of disease-causing organisms that may be in the water. If the water is cloudy, filter it through clean cloths or allow it to settle, and draw off the clear water for disinfection. Add 1/8 teaspoon (or 8 drops) of regular, un-scented, liquid household bleach for each gallon of water, stir it well and let it stand for 30 minutes before you use it. Store disinfected water in clean containers with covers.
- If you have a well that has been flooded, the water should be tested and disinfected after flood waters recede. If you suspect that your well may be con-

taminated, contact your local or state health department or agriculture extension agent for specific advice.

### Food Safety

- Do not eat any food that may have come into contact with flood water.
- Discard any food that is not in a waterproof container if there is any chance that it has come into contact with flood water. Food containers that are not waterproof include those with screw-caps, snap lids, pull tops, and crimped caps. Also, discard cardboard juice/milk/baby formula boxes and home canned foods if they have come in contact with flood water, because they cannot be effectively cleaned and sanitized.

- Inspect canned foods and discard any food in damaged cans. Can damage is shown by swelling; leakage; punctures; holes; fractures; extensive deep rusting; or crushing/denting severe enough to prevent normal stacking or opening with a manual, wheel-type can opener.

- Undamaged, commercially prepared foods in all-metal cans and retort pouches (for example, flexible, shelf-stable juice or seafood pouches) can be saved if you do the following:

- Remove the labels, if they are the removable kind, since they can harbor dirt and bacteria.

- Thoroughly wash the cans or retort pouches with soap and water, using hot

water if it is available.

- Brush or wipe away any dirt or silt.
- Rinse the cans or retort pouches with water that is safe for drinking, if available, since dirt or residual soap will reduce the effectiveness of chlorine sanitation.

- Then, sanitize them by immersion in one of the two following ways:

- (a) place in water and allow the water to come to a boil and continue boiling for 2 minutes, or

- (b) place in a freshly-made solution



- consisting of 1 tablespoon of unscented liquid chlorine bleach per gallon of drinking water (or the cleanest, clearest water available) for 15 minutes.

- Air dry cans or retort pouches for a minimum of 1 hour before opening or storing.

- If the labels were removable, then re-label your cans or retort pouches, including the expiration date (if available), with a marker.

- Food in reconditioned cans or retort pouches should be used as soon as possible, thereafter.

- Any concentrated baby formula in reconditioned, all-metal containers must be

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## **Hurricane Preparedness Tips**

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diluted with clean, drinking water.

- Thoroughly wash metal pans, ceramic dishes, and utensils (including can openers) with soap and water, using hot water if available. Rinse, and then sanitize them by boiling in clean water or immersing them for 15 minutes in a solution of 1 tablespoon of unscented, liquid chlorine bleach per gallon of drinking water (or the cleanest, clearest water available).

- Thoroughly wash countertops with soap and water, using hot water if available. Rinse, and then sanitize by applying a solution of 1 tablespoon of unscented, liquid chlorine bleach per gallon of drinking water (or the cleanest, clearest water available). Allow to air dry.

### **Frozen and Refrigerated Foods**

If you will be without power for a long period:

- ask friends to store your frozen foods in their freezers if they have electricity;
- see if freezer space is available in a store, church, school, or commercial freezer that has electrical service; or
- use dry ice, if available. Twenty-five pounds of dry ice will keep a ten-cubic-foot freezer below freezing for 3-4 days. Use care when handling dry ice, and wear dry, heavy gloves to avoid injury.

Your refrigerator will keep foods cool for about four hours without power if it is unopened. Add block or dry ice to your refrigerator if the electricity will be off longer than four hours.

- Thawed food can usually be eaten if it is still “refrigerator cold,” or re-frozen if it still contains ice crystals.

- To be safe, remember, “When in doubt, throw it out.” Discard any food that has been at room temperature for two hours or more, and any food that has an unusual odor, color, or texture.

### **Sanitation and Hygiene**

It is critical for you to remember to practice basic hygiene during the emergency period. Always wash your hands with soap and water that has been boiled or disinfected:

- before preparing or eating
- after toilet use
- after participating in cleanup activities; and
- after handling articles contaminated with floodwater or sewage.

If there is flooding along with a hurricane, the waters may contain fecal material from overflowing sewage systems and agricultural and industrial waste. Although skin contact with floodwater does not, by itself, pose a serious health risk, there is risk of disease from eating or drinking anything contaminated with floodwater.

If you have any open cuts or sores that will be exposed to floodwater, keep them as clean as possible by washing them with soap and applying an antibiotic ointment to discourage infection. If a wound develops redness, swelling, or drainage, seek immediate medical attention.

Do not allow children to play in floodwater areas. Wash children’s hands fre-

quently (always before meals), and do not allow children to play with floodwater-contaminated toys that have not been disinfected. You can disinfect toys using a solution of one cup of bleach in five gallons of water.

### **Immunizations**

Outbreaks of communicable diseases after hurricanes are unusual. However, the rates of diseases that were present before a hurricane may increase because of a lack of sanitation or overcrowding in shelters. Increases in infectious diseases that were not present before the hurricane are not a problem, so mass vaccination programs are unnecessary.

If you have wounds, you should be evaluated for a tetanus immunization, just as you would at any other time of injury. If you receive a puncture wound or a wound contaminated with feces, soil, or saliva, have a doctor or health department determine whether a tetanus booster is necessary based on individual records.

Specific recommendations for vaccinations should be made on a case-by-case basis, or as determined by local and state health departments.

### **Mosquitoes**

Rain and flooding in a hurricane area may lead to an increase in mosquitoes. Mosquitoes are most active at sunrise and sunset. In most cases, the mosquitoes will be pests but will not carry communicable diseases. It is unlikely that diseases which were not present in the area prior to the

hurricane would be of concern. Local, state, and federal public health authorities will be actively working to control the spread of any mosquito-borne diseases.

To protect yourself from mosquitoes, use screens on dwellings, and wear clothes with long sleeves and long pants. Insect repellents that contain DEET are very effective. Be sure to read all instructions before using DEET. Care must be taken when using DEET on small children. Products containing DEET are available from stores and through local and state health departments.

To control mosquito populations, drain all standing water left in open containers outside your home.

### **Mental Health**

The days and weeks after a hurricane are going to be rough. In addition to your physical health, you need to take some time to consider your mental health as well. Remember that some sleeplessness, anxiety, anger, hyperactivity, mild depression, or lethargy are normal, and may go away with time. If you feel any of these symptoms acutely, seek counseling. Remember that children need extra care and attention before, during, and after the storm. Be sure to locate a favorite toy or game for your child before the storm arrives to help maintain his/her sense of security. Your state and local health departments will help you find the local resources, including hospitals or health care providers, that you may need.

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## New to Medicare? SHIIP Can Help You Navigate the System

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As the nation's population continues to mature, Medicare will be seeing a new wave of enrollees who need coverage. If you are among the many people who will begin receiving Medicare benefits this year, or if you are a baby boomer trying to prepare for the next phase of your life, you probably have several questions about how to navigate the Medicare system. The following are frequently asked questions in the Department of Insurance's Seniors' Health Insurance Information Program or SHIIP:

### **How do I enroll in Medicare?**

If you are currently receiving Social Security benefits and have paid into the Social Security system for at least 40 quarters, you will be automatically enrolled in Medicare. If you are not receiving Social Security benefits and have paid into the Social Security system for at least 40 quarters, visit your local Social Security Office to apply for Medicare.

### **What if I don't meet the 40-quarter requirement?**

If you are an American citizen or lawfully admitted non-documented citizen who is not eligible for premium-free Medicare, you may purchase the insurance. If you have worked fewer than 30 quarters, you will pay \$393 per month for

Medicare Part A (hospital insurance). If you have worked 30-39 quarters, you will pay \$216 per month for Medicare Part A. Everyone who receives Medicare pays \$88.50 for Medicare Part B (medical insurance).

### **If I'm not automatically enrolled, when should I apply for Medicare?**

You have seven months when you can apply for Medicare — the three months prior to your 65<sup>th</sup> birthday, your birthday month and three months after your birthday. However, choosing to enroll during this seven months determines when your Medicare coverage begins. If you enroll in Medicare during the three months prior to your 65<sup>th</sup> birthday, your Medicare coverage will begin the first day of your birthday month. If you enroll during the month of your 65<sup>th</sup> birthday, your coverage begins on the first day of the following month. And if you enroll during the three months after your 65<sup>th</sup> birthday, your coverage is delayed two months after the month that you signed up; for example, if Mrs. Johnson turns 65 on Aug. 18, 2006, and enrolls in Medicare on Sept. 1, her coverage will not be effective until Nov. 1.

### **Do I need any other insurance besides Medicare?**

Medicare's basic benefit (Original Medicare) has several significant gaps in coverage, so it is recommended that you should have supplemental coverage. Your employer group retiree health plan can act

as secondary coverage to Medicare, or you can purchase a Medicare supplement policy to fill the gaps. You can find an interactive Medicare supplement comparison guide on SHIIP's Web page, [www.ncshiip.com](http://www.ncshiip.com). This program features information about all companies that sell Medicare supplement insurance in North Carolina including up-to-date premiums.

### **How do I pay for my prescription medication?**

Medicare Part D provides prescription drug coverage for people with Medicare who enroll in a stand-alone prescription drug plan or join a Medicare Advantage plan. These plans vary and are offered by private insurance companies.

### **What are Medicare Advantage Plans (Part C)?**

Medicare Advantage Plans are an alternative health insurance option to Original Medicare. This includes Medicare managed care plans such as Medicare health maintenance organizations and preferred provider organizations. The newest option in North Carolina is the private fee-for-service plan. Each year people with Medicare may choose among the Medicare Advantage Plan choices available in their area. No matter which Medicare Advantage Plan a person with Medicare chooses as their Medicare coverage, they will continue to pay the Medicare Part B premium. All three of these Medicare Advantage options are offered in North Carolina; however, all

three options may not be available where you live.

The Medicare system has seen many changes in recent years, and SHIIP has trained employees who are educated about these changes and who understand that enrolling in Medicare can be a daunting task for some people. If you have any questions or concerns about your Medicare options, please call SHIIP at 1-800-443-9354.

*Information for this article was provided by SHIIP. For more information, call 919-733-0111 or 1-800-443-9354. You may also visit SHIIP's website at [www.ncshiip.com](http://www.ncshiip.com).*

## **General Assembly Moves Towards Adjournment**

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Also, the bill modifies the subrogation rights of the Plan in the case of third-party liability awards to Plan members. Any liens by the Plan on third-party liability awards would be limited to no more than 50% of the recovery.

Finally, the bill sets a limit on the number of local governments that can be authorized to join the State Health Plan. No more than eight local units may be included.

House Bill 1059 was approved by the Senate on July 21. The bill was pending in the House when this article went to press.

*- Ed Regan*

## Upcoming Meetings for NCRGEA Members

**Sept. 18 Greensboro District Meeting**  
Guilford and Rockingham Counties

**Sept. 19 High Point District Meeting**  
Davidson, Guilford, & Randolph Counties

**Sept. 20 Winston Salem District Meeting**  
Davie, Forsyth & Stokes Counties

**Sept. 26 Wilmington Financial Readiness Workshop**

**Sept. 27 Fayetteville Financial Readiness Workshop**

**October 9 Tarboro District Meeting**  
Edgecombe, Martin & Wilson Counties

**October 10 Roanoke Rapids District Meeting**  
Halifax, Hertford, & Northampton Counties

More information and invitations for these meetings will be mailed to Association members in these regions in upcoming months.

## Important Phone Numbers to Remember

NCRGEA .....	1-800-356-1190
MetLife Dental .....	1-888-466-9073
NC Retirement System .....	1-877-733-4191
CIGNA (Medicare Administrator) .....	1-800-633-4227
Seniors' Health Insurance Information Program ..	1-800-443-9354
Medical Review of North Carolina .....	1-800-722-0468
NC State Health Plan .....	1-919-881-2300
Blue Cross/Blue Shield .....	1-800-422-4658 (State Health Plan Administrator)
Social Security Administration .....	1-800-772-1213
State Employees' Credit Union .....	1-888-732-8562
Local Government Federal Credit Union .....	1-888-732-8562