



Retirees Chapter Professional Staff Congress/CUNY

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March Newsletter

I. CHAIRMAN'S REPORT: Jack Judd:

A. Chairmanship: In the Retiree Newsletter of February 6, Irwin Yellowitz announced that he was about to step down from the chairman's position. As the Vice-Chairman of the Retiree Chapter, I assumed the role of Acting Chair. At the April 6 meeting of the Retiree Chapter, nominations will be in order and an election will take place for the chairmanship in order to complete Irwin's term of office, which would have ended in 2007. A call for that election is contained in this month's Meeting Notice.

Retirees owe a tremendous debt of gratitude to Irwin Yellowitz for his years of dedicated and outstanding service on behalf of PSC retirees. For his achievements on behalf of retirees, he will be duly recognized and honored at our luncheon on June 12. You will receive more news of the luncheon in the Newsletter for April.

B. Contract: The contract negotiations continue. PSC President Barbara Bowen has stated that both formal and informal negotiations are maintained almost on a daily basis. The PSC continues to pursue three major goals. They are: to obtain a "solution to the issues facing the Welfare Fund," "funding the entire list of equity items on which we reached agreement in November," and that the union "would be willing to support the major structural change of extending the time to tenure if management restored the enhanced sabbatical pay to 80% that had been part of the November framework."

Watch the PSC web site for developments.

C. TIAA-CREF Issues: Special Meeting of the TIAA-CREF Issues Committee. The meeting originally scheduled for March 6 had to be postponed in order to have time for the candidates' debate held that day. The new date for the TIAA-CREF Issues Committee is April 3, following the scheduled chapter meeting. The Committee will meet in Room 8301 at the Graduate Center.

D. PSC-COPE: Members of the Retirees Chapter responded to the letter Irwin Yellowitz and I sent urging them to contribute to COPE. Checks immediately began to arrive at the PSC office, and with more donations still expected, some 368 retirees provided contributions of \$8,080.

E. Brooklynites Unite: This Newsletter contains a flier announcing the first venture by the Retirees Chapter into organizing a special local meeting for those members residing in a particular borough. We chose Brooklyn as the location for this first meeting. Professor Emeritus Elmer Sprague is very eager to enlighten all who attend about the sculptural and artistic richness of Civil War monuments located in Brooklyn.

F. Educational Conference: It has been brought to our attention that the Retirees Association of District Council 37, AFSCME, will hold an all day conference on Saturday, April 8, from 9 to 3, on national, state and local legislation relating to retirees. Congressional, state and local representatives will be both speakers and discussion participants on legislation already enacted, e.g. Medicare and Medicaid, along with pending legislation. Both breakfast and lunch will be provided.

The meeting will take place at the headquarters of District Council 37 located at 125 Broadway. For reservations call Audrey Iszard at (212) 815-7508 as soon as you receive this Newsletter.

II. HEALTH CARE ISSUES: Jack Judd: This month's report by Larry Kaplan coincides with a major article in The Wall Street Journal (WSJ), under the banner headline: "U.S. Needs a New Prescription to Slow Health Care Spending." Kaplan's analysis of costs associated with health care covered the years 2003-04. A recent report issued by the Organization for Economic Cooperation and Development, an organization supported by 30 countries, projected health care costs to the year 2050. It is their estimate that government spending will increase from 6.7% of gross domestic product (GDP) today, to 12.8% by 2050. The article also stated that "Overall U.S. health care spending, public and private, this year is projected to equal 16.2% of GDP."

The Retirees Chapter, both separately and in conjunction with the Professional Staff Congress, has been a sponsor of the organization Rekindling Reform since its inception. Its goal is to create a universal health plan. In an effort to further that goal, Rekindling Reform and the Five Borough Institute, a sister organization advocating health care reform, will jointly hold a major session on Thursday, May 18, 2006 at 6p.m. at the headquarters of 1199/SEIU, 330 W. 42nd Street on the timely subject: "The Labor Movement & United Action For Health Care For All." Please try to attend.

III. A: SPEAKERS: I thank Jim Perlstein for the following report of the two

guest speakers at our March 6 meeting.

Judith Rudman spoke to the March meeting of the chapter from her vantage point as a retiree representative on the NYSUT Executive Board about the structure and function of NYSUT and the role of retirees therein. She spoke eloquently of the 10-year effort to win retiree representation on the Executive Board and the ongoing struggle to increase that representation. Rudman outlined for the audience the services and training available to retirees through NYSUT, the various humanitarian and political campaigns with which NYSUT is engaged, and the ongoing work of Vote COPE. She closed with the exhortation to remember that NYSUT is only as strong and effective as its members are active. She urged PSC retirees to use NYSUT as a vehicle to engage the issues of the day.

Our second speaker at the March meeting was Susanne Paul, founder and President of Global Action on Aging, an NGO based at the UN that engages in research and advocacy on problems of aging worldwide. The organization focuses on issues of economic security, access to health care, and elder rights. As an illustration of the commonality of problems facing the elderly worldwide, she pointed out that in the responses to both the tsunami and Hurricane Katrina the elderly were ignored and underserved. And yet, as the population ages and longevity rises, the resources needed to sustain the elderly increase. The impact of the neglect of the elderly, Paul argued, extends to the rest of the community, as the elderly are so often caregivers to others.

Assaults on pensions and benefits are also virtually universal problems. The union movement, Paul maintained, is key to the assertion and defense of the rights of the elderly. And PSC members are positioned, because of their “intellectual horsepower” and expertise, to make a significant contribution as seminar leaders, policy advisors, and spokes-people. The aging movement, she said, needs a “brains trust.”

Global Action on Aging can be contacted at www.globalaging.org <<http://www.globalaging.org>>.

B: THE DEBATE: I thank Francine Brewer for the summary of the debate which was held under the auspices of the Retirees Chapter. For their assistance in helping to organize and prepare mailings, thanks are due to Debbie Bell, PSC Executive Director, and Linda Slifkin of the PSC staff.

PSC President Barbara Bowen is the New Caucus candidate for President, and Rina Yarmish is the CUNY Alliance candidate. Peter Jonas spoke as a New Caucus candidate for a retiree seat on the Executive Council and Sheila Chustek spoke as a CUNY Alliance candidate.

Each candidate gave an opening statement. President Bowen declared she was grateful to retirees for their strong support of the union during the six years she has been president. CUNY has exerted pressure to cut retiree benefits, but the current leadership has insisted that retiree benefits be maintained. While retirees participated in union demonstrations for a new contract, both Rina Yarmish and Sheila Chustek did not, Bowen said. Bowen

said she wants to keep fighting for a contract and for Welfare Fund benefits. Her slate has a record of accomplishments, she said: salary increases that were the best in a decade, a reversal in negative funding for CUNY, defending retiree benefits, and a 40% increase in membership. She said she wants to continue “the principled and energetic fight for a contract.”

Rina Yarmish announced that she was Chairperson of the Mathematics Department at Kingsborough Community College and was the chapter chairperson

for 8 years. She declared that something must be done about the state of the Welfare Fund. Her slate consists of a wonderful and high quality group of people, Yarmish said, and she wants to focus on the “bread and butter” issues such as the contract and the Welfare Fund. She asserted that it was impossible for the current leadership to negotiate a contract because they do not have a good relationship with the Chancellor.

Sheila Chustek said she retired in 2003. In representing retirees, she said, “the pleasure is mine, the future is yours.” She said she wants to do the best for all retirees for it is a “sacred trust.” She believes that her bringing new blood to the union and retiree environment is a good thing.

Peter Jonas pointed out that for the first time we will have two seats on the Executive Council. What has the opposition done for retirees, he asked, for CUNY and for the faculty? Jonas indicated that, although he is a member of TRS, he is a member of the TIAA-CREF committee, and has worked to

equalize reimbursement of Medicare Part B contributions between the two pension systems.

Retirees asked the candidates many questions. Some of the main questions referred to the experience of the candidates, their participation in union activities, the problems of the Welfare Fund, and how to best negotiate with management.

Each candidate then provided closing statements. Two other candidates for retiree seats on the Executive Council did not participate in the debate. They were Jim Perlstein for the New Caucus, and John Donoghue for the CUNY Alliance.

IV. Larry Kaplan's report presented on March 6: U.S. Health Care Spending, 2003 and 2004:

The annual report on U.S. health care spending indicates that spending increased from \$1.7 trillion in 2003 to almost \$1.9 trillion in 2004. This increase was larger than the increase in the economy or in consumer prices. With a U.S. population of 299 million, average health care spending per person amounts to \$6,280. This spending accounted for 16 percent of U.S. Gross Domestic Product, a 0.1 percent increase over 2003.

Spending on prescription drugs increased from \$174.1 billion in 2003 to \$188.5 billion in 2004, an increase of 8.3 percent. While the increase was sizeable, it represented a slowdown in the rate of increase; the first year

of single-digit growth in retail drug expenditures since 1994. These figures do not reflect the cost of the new Medicare D prescription drug benefit, which became effective on January 1st, 2006.

The slowdown in drug spending in 2004 resulted from greater use of low-cost generic drugs instead of brand-name products; increased use of mail-order services for purchasing drugs; and lower consumption of certain drugs because of safety concerns. A few of the leading companies that dispense drugs by mailorder, known as pharmacy benefit managers, include Caremark Rx, Express Scripts, and Medco Health Services.

While drug spending slowed down in 2004, spending on hospitals and physicians' services surged, and the nation spent far more for these services than for prescription drugs. The 8.6 percent increase in spending for hospital care and the 9 percent increase in payments to physicians were the highest recorded since 1961. Spending for hospital care totaled \$570.8 billion in 2004 and spending for physicians' services climbed to \$399.9 billion. Physicians are performing more services and more complex services for which they charge higher fees.

Payments to independent home health agencies have been rising more rapidly than any other category of health spending. They increased 13.4 percent in 2004 to \$43.2 billion.

Spending on nursing home care rose 4.3 percent in 2004 to \$115.2 billion.

While health care spending grew more slowly in 2004 than in the three previous years, the long-term spending trend is upward, driven by new medical treatments, rising prices, and growing utilization. Rising costs are a growing burden for households, businesses, and governments. Universal health care makes more sense with each passing day.