

Official Publication of the Retired Employees of the City and County of San Francisco

NEWS & VIEWS

A MEMBERSHIP ORGANIZATION WORKING FOR ALL CITY RETIREES

Blue Shield and Sutter Health Contract Dispute

By Director, SF Health Service System,
Catherine Dodd PhD, RN

As of Jan. 1, 2015, Blue Shield of California was unable to reach an agreement on new contract terms and rates with Sutter Health Systems. The California Department of Managed Health Care (DMHC) has approved a transition plan for eliminating Sutter from the Blue Shield network. According to Blue Shield, contract discussions with Sutter are continuing, and this contract dispute may be resolved before any network changes take effect. If the contract negotiations are unsuccessful, the following changes will take place:

Blue Shield Access+ HMO

HSS members who have a Brown & Toland or Alta Bates Medical Group primary care physician can continue to receive care from their Brown & Toland physicians. However, effective July 1, 2015, Brown & Toland medical group physicians will no longer be admitting Blue Shield enrollees to Sutter hospitals and facilities.

Effective April 1, 2015, HSS members who have a Sutter-affiliated personal physician (not in Brown & Toland or Alta Bates Medical Group) will be re-assigned a new physician and medical group. These members will not be able to obtain service from Sutter-affiliated physicians or hospitals as of April 1, 2015. From now until March 31, 2015, these HSS members may continue to receive services from Sutter physicians and hospitals.

Physicians in Hill Physicians Medical Group and other medical groups not affiliated with Sutter are not affected by this contract dispute.

Access+ enrollees should call Blue Shield at (800) 642-6155 if they need more information about the following:

- to confirm they will be required to change a primary care physician, medical group, and/or hospital network;
- to learn which non-Sutter physicians, medical groups and hospitals are available in their service area;
- to review Blue Shield's planned reassignment of a primary care physician, medical group or hospital network; and
- to receive information about how to apply for Blue Shield's Continuity of Care Program.
- Details have not yet been released to HSS on changes that may affect enrollees in Blue Shield 65 Plus Medicare Advantage plan (MAPD). Members in 65 Plus can call Blue Shield at (800) 776-4466.

Blue Shield members who need emergency services should call 911 or seek care at the nearest hospital. The Blue Shield plan continues to provide coverage for emergency room services, including services provided at Sutter facilities.

Blue Shield has issued the following information to address member concerns: makecareaffordable.org.

Retirement Committee Report

By Herb Meiberger, CFA,
Claire Zvanski, and Herbert Weiner

Fiscal Year 2015/14 Earnings:

- Six months into FY 2014/15, earnings were +.20%; Plan Value of \$20.0 Billion. For December, the Fund lost 1.03%.

Actuarial Return Assumptions are adopted!

- *You are members of a Defined Ben-*
continued on page 2

February Calendar

Regular Meeting

Wednesday, Feb. 11

New permanent time!

Refreshments & program: 10:15 a.m.

Business meeting: 11 a.m.

Irish Cultural Center

45th Ave. & Sloat Blvd.

News & Views

Editorial Committee Meeting

Tuesday, Feb. 17, 9 a.m.

Taraval Police Station

All interested parties welcome.

Executive Board Meeting

Tuesday, Feb. 17, 10 a.m.

Taraval Police Station

All interested parties welcome.

Public Meetings:

Retired Firemen &

Widows Association

Thursday, March 19, 1 p.m.

Irish Cultural Center,

45th Ave. & Sloat Blvd.

Veteran Police Officers

Tuesday, Feb. 10, 11 a.m.

Pacific Rod & Gun Club,

520 John Muir Dr., at Lake Merced

Retirement System

Wednesday, Feb. 11, 1 p.m.

New address!

1145 Market St., 6th Floor

Health Service System

Thursday, Feb. 12, 1 p.m.

City Hall, Room 416

UESF Retired Division

For time/location, contact

Diane Doe at (415) 822-2099 or

Ddoe@mac.com.

SEIU 1021 West Bay

Retirees Chapter

Monday, Feb. 23, 12-2 p.m.

Union Hall, 350 Rhode Island St.,

100 South Bldg.

Contact: Claire Zvanski at

(415) 341-3085 or

czvanski@hotmail.com.

Retirement Committee Report

continued from page 1

efit Plan (DB Plan), wherein your benefits are determined by age, years of service, and salary for a “service pension.”

You receive your pension for the rest of your life, and perhaps for your survivor—which is a “life estate.” *You have absolute certainty that you and your loved ones will not outlive your assets.* [For Defined Contribution Plans (DC Plans), your assets may not be enough to pay benefits if the assets drop in value and/or if you live “too long.”]

- DB Plans require key assumptions to determine how much money is needed to fully fund the plan. The most important assumption is the rate of return on the assets (the “*actuarial return*”). If the actuarial return is lowered, then higher contributions are required (and vice versa).
- These important assumptions directly affect the funding of the Plan, and the “hurdle rate” for the Supplemental COLA.
- Contribution rates for employees are determined by law and labor agreements. Contribution rates for the employer (i.e., the “City”) are determined by the Retirement Board.
- Janet Brazelton, SFERS’s *actuarial services coordinator*, and Cheiron, the *consulting actuary*, recommended the following assumptions for FY 2016/15, which passed with a five to one vote (Meiberger, dissenting).

Actuarial Return:	7.50%
Price Inflation:	3.25%
Wage Inflation:	3.75%

Useful Phone Numbers

S.F. Retirement System

Web site: www.sfgov.org/sfers

Phone Numbers:

(415) 487-7000 • (888) 849-0777

Health Service System

Web site: www.myhss.org

Phone Numbers:

(415) 554-1750 • (800) 541-2266

Phone Hours for both:

8 a.m. to 5 p.m.

New Members

Felix T. Duang	USD
Anny Grajeda	DPH
Marge Healy	LHH
Henry Hinds	DBI
Carolyn E. Nielsen	GHD
Johnie Wong	PUC

- The actuarial return assumption decreased from 7.58% for the previous fiscal year.

Finalists for the General Investment Consultant are selected!

- The general investment consultant provides advice to staff on most investment matters; most importantly, asset allocation, manager selection, and monitoring.
- Six candidates applied for the job. Bill Coaker, the chief investment officer, recommended four finalists: Angeles Investment Advisors; Hewitt EnnisKnupp; NEPC; and Wilshire Associates. These consultants were approved by a five to one vote.
- Angeles Investment Advisors is the incumbent, and recommended and oversaw the currency overlay program. Angeles is a strong proponent of hedge funds, and drew attention recently because of its own hedge funds and its failure to notify board members, as reported in previous investment committee reports.
- Commissioner Meiberger moved that these four candidates be approved, as well as one other; PCA, Pension Consulting Alliance. PCA had superb experience and references from important public funds, including CalPERS (California Public Employees Retirement System), CalSTRS (California State Teachers Retirement System), New York Common, State of Oregon, and others. PCA has a strong, deep, consulting team. Commissioner Meiberger failed to persuade the Board to vote to add this important candidate, and voted against staff’s recommendation.

Supplemental COLA of 0% is approved:

- Two conditions must be met to pay the Supplemental COLA: The Plan must be fully funded; and must earn more than the actuarial return for the previous fiscal year. The Fund earned 18.73% in FY2014/13, well above 7.58%. However, since the Plan was not fully funded on 6/30/2014 based on market value, the second condition was not met; therefore, no Supplemental COLA will be paid.

Questions? Comments?

Contact Herb Meiberger at herb.sf@gmail.com or Herbert Weiner at h.weiner@sbcglobal.net.

Rest In Peace

The following members have recently passed away.

Frances J. Ahern	GEN	Robert J. McFadden	BOE
Leo Dinneen	HRD	Alice Mori	DPH
Ellen M. Johnson	BOE		

President's Message

By Claire Zvanski

Happy New Year! It's time to renew your 2015 membership, and to let us know what programs you'd like to be presented at our general membership meetings.

Our January meeting focused on the Blue Shield/Sutter Health issue. Clearly, none of our members want to have to choose a new primary care physician; so negotiations continue.

One of RECCSF's major goals is to move RECCSF more swiftly into the new electronic age. It occurs to me that we currently have tech-savvy members who could help redesign our Web site, and create great Facebook and Twitter pages. If you can contribute your skills, please contact me; this also provides a great opportunity for newer members to get more involved in the organization.

2015 promises to be a challenging



Protect Our Benefits

By Sharon Johnson

Protect Our Benefits is an independent political action committee which falls under the provisions of the San Francisco Ethics Commission. The opinions are those of the writer.

Writ of Mandate

The city attorney's office recently filed a reply brief to the Retired Firemen and Widows Association amicus brief, and, as reported earlier, repeated some of the same arguments it made before and cited the same cases we have already dealt with previously. Application of the contract clause restricts the City from reducing pension benefits without a comparable advantage. Our attorney feels that this argument is "beating a dead horse" on this issue, and will formulate the oral argument and focus on the key factual and legal issues.

The POB oral argument has been set for Thursday, Feb. 26, at 11 a.m., at 350 McAllister Street, Fourth Floor, San Francisco. The argument will take place before the Court of Appeal First Appellate District, Division 5. Please visit the POB Web site or our Facebook page for updates.

Health Service System Information

It appears that we must always be on our toes. If you are a member of Blue Shield under a Sutter Health doctor, please see article on Page 1 of this is-

sue by HSS Director Catherine Dodd that fully outlines possible upcoming changes to your health care delivery.

SFERS

Feb. 11, 2015, at 1 p.m. is the scheduled meeting date and time to determine whether or not hedge fund investing will be included in the SFERS portfolio. There is a possible compromise consideration on the table to invest 5%, 3%, or 0%. If you cannot attend the meeting, please contact the Board with your thoughts and concerns.

Additionally, POB will be closely following as Supervisor Malia Cohen, a Retirement Board member, puts forth an initiative to invest \$50 million of retiree funds into the City's first time homebuyer programs.

Social Media

POB has a Facebook page! If you are on Facebook, please visit our page, and invite your family and friends to give us a "thumbs-up," to keep updated on POB activities.

Thank You

With the support of over 1,050 contributors, POB continues to defend our earned benefits. *Your moral and financial support is needed and appreciated. Please make your check payable to POB, P.O. Box 320057, San Francisco, CA 94132. Your donation is not tax deductible under federal or state law.*

year. We are still awaiting the Retirement Board's hedge fund decision. The rates and benefits process is beginning at HSS, and we hope that increases are kept to a minimum. With luck, the Proposition C lawsuit will be resolved in our favor. *News and Views* will become an electronic publication. New RECCSF chapters will form in Marin, San Mateo, and East Bay counties.

RECCSF is your direct representative and advocate on issues that impact your quality of retirement life. We can't continue without your support, so renew now and bring in at least one new retiree who isn't a current member.

For general questions, contact Claire Zvanski at czvanski@hotmail.com or (415) 341-3085; for membership questions, contact RECCSF Office Manager Reyna Kuuk at RECCSF@att.net or (415) 681-5949.

2015 RECCSF New Executive Board Member Election!

RECCSF is currently soliciting members to run for the Executive Board, either as board members or officers (*especially Secretary*); terms are for two-year periods.

We encourage each member to consider enriching their RECCSF experience by serving in one of these capacities; and, for newcomers in particular, it's a great way to get to know your fellow members.

If interested, please contact Leo Martinez at (415) 533-8785.

JANUARY GENERAL MEMBERSHIP MEETING



From left: Blue Shield of California representatives Adam Guenther, Kris Perraras, and Paul Brown gave an in-depth presentation on upcoming possible contract changes, and fielded members' questions.



Lifetime member Larry Tuccio in attendance at meeting after a long absence.



From left: Members Richard Quinn, George Gomez, and Bill Watson; background, Rose Miller.



From left: Members Skip McKinney, and Jim and Marcy McCoy.



From left: Members Susan Koehler, Priscilla Dwyer, and Jerry Forquell.



Above, from left: Members Robin Levine, Peter Rubin (standing), Linda Kosta, and Nancy Arata.



The meeting room was packed with RECCSF members waiting to hear about possible upcoming changes to health care coverage with Blue Shield.

LETTER TO THE EDITOR

Editor:

I urge you to attend the special Retirement Board meeting on Feb. 11, because this will surely affect our pensions. Although we are “guaranteed” our pensions, and it is what we bargained for, with this volatile economy other pensions are being compromised and cut.

We do not want to be in the same situation as the State Teachers Retirement System (STRS), which invested in Enron and real estate; and they are almost bankrupt due to these poor investments.

Now is not the time to invest in hedge funds; even the San Francisco Chronicle did an editorial stating “SF Pensions Should Avoid Hedge Funds” on Dec. 8, 2014. And, as for real estate, if our pension fund was going to invest in this market, it should have done so in 2008 and 2009, not when the market is again at an all-time high.

*Cynthia Marcopulos
Retired Official Court Reporter*

Editor’s Note:

We urge more submissions from our members—both letters to the editor and articles—that reflect the varying opinions of *all* our members on issues of interest to all City retirees. Submissions are printed on a space-available basis and subject to being edited for grammar, length, and appropriate language; but *never* rejected for opinion.

Joke:

How does a hedge fund manager know what direction the stock market is going to go in 2015? (He flips a coin; “heads” it goes up, “tails” it goes down!)

John Stenson



Membership Committee Report

Submitted by: Mary Anne McGuire-Hickey, chair; and members Richard Dolbec, John Madden and Ray Favetti.

Your copy of the RECCSF *News & Views* newsletter is published monthly—except in August—to provide important information that affects your retirement and health system benefits.

In order to provide a greater range of information and remain within our allotted dues revenue, we are moving to an e-mail version of *News & Views* that will also enable you to receive current information on developing retirement or health care topics.

In order to receive your monthly copy by e-mail—if you have not already provided the office with this information—please sign up immediately at RECCSF@att.net. If you wish to continue to receive a hard copy of *News & Views* by the U.S. Postal Service, it will become necessary to charge \$25 per year to defray escalating printing and mailing costs; effective in August 2015, you will be charged this increase.

Your RECCSF is committed to providing you with all useful information on retirement and health issues within our available dues resources.



Reminder to provide RECCSF with your e-mail address!

If you have an e-mail address, and are still receiving your copy of *News & Views* by postal mail, please e-mail reccsf@att.net ASAP.

E-mailed copies tend to reach members up to a week before printed copies, which not only ensure timely updates on your current retirement issues, but also help to significantly defray RECCSF postage costs.

Many thanks!

Travel Committee Report

By Beverly Pardini and Marylou Allen

Sun.-Tue., March 15-17

Two nights at the Silver Legacy Resort in downtown Reno; includes second-day visit to the Kimmie Candy Company for a tour and tasting, before spending a few hours at the Nugget in Sparks. Return home on the third day, with a stop at Boomtown.

Sunday, April 5

In the heart of the Sierra Foothills, in the town of Murphys, lies the beautiful Ironstone Vineyards. Built in the style of a 19th century gold stamp mill, their heritage Museum is home to a 44 lb. Crystalline Gold Leaf specimen, the largest in the world. Enjoy a bountiful Easter Sunday brunch, with time to browse their gift shops and visit the wine tasting room before heading home.

Sun.-Tue., July 12-14

Attendance at *The Pageant of the Masters* in Laguna Beach, where this year's theme is "The Pursuit of Happiness," exploring the many sources of happiness—both ancient and modern—through "living pictures"; includes two nights at the Embassy Suites in Anaheim, a visit to the California Space Center to see the Endeavor, and dinner at the Tivoli Restaurant.

Info: Marylou at (800) 334-3465 or mrylallen@yahoo.com.

Winter Hours for RECCSF office

Office Manager
Reyna Kuuk will be
staffing the office
Monday through Friday,
9 a.m. to 12 noon.

Dealing with Medical Debt

By Rich Moscardini,
Lakeside Branch Manager
San Francisco Federal Credit Union

Unfortunately, when you get sick or injured, getting better is often not the only concern. Even if you have health insurance, you can get stuck with hefty medical bills. However, there are many ways you can make paying your medical bills more manageable.

Check the bills.

Medical bills are not always accurate, so it is a good idea to look over them carefully. Were you billed twice for the same procedure or for something that was not done? Make

sure your insurance company paid for everything that they should.

Create a plan for the future.

While your current concern may be the bills you need to pay now, chances are you will have more medical bills in the future; getting sick is just a part of life. However, if you start saving today, it will be easier to pay whatever bills come your way tomorrow.

Looking for financial advice?

We are here to help and can guide you toward the right financial decisions for you and your family. Call or stop in to learn more about products and services that will help.

Auto Burglary Prevention

Submitted by Ray Favetti

more valuable items to be stolen.)

There is an increase in auto break-ins nationwide. The reason for the increase in auto break-ins is because people leave items of value visible. The thieves can enter an unattended vehicle and remove valuables quickly, and often unseen; many of the thieves use the stolen items to purchase drugs.

What thieves may be thinking, or looking for:

- *Lack of Detection:* Criminals will decide if they have enough time to take the items without being seen.
- *Value of the items:* The criminal is looking for items that are of value to them, not necessarily to you. (Even spare change may attract them; once in the vehicle they may discover

What can you do to protect yourself?

Take out valuables or lock them in your trunk. Make sure that your doors and windows are locked. Set your alarm if you have one. At night, park near lighting. Do not leave items of value in your vehicle, or in plain view. Remove any items that contain personal information.

Tips to remember:

Record serial numbers of valuable items and keep them in a safe place in your home. You can mark items with your driver's license (not your social security number). In the event of a theft, this will be valuable information to the police if they locate the items.

Member Alert!

In order to ensure that you receive your e-mail copy of *News & Views*, please be sure to add reccsf@att.net to your computer contact list; *this will ensure that your electronic copy does not get deposited in your spam folder.*

*This page is left intentionally blank
to demonstrate why we need more
submissions from RECCSF members.*

Suggestions: letters to the editor,
opinion pieces, articles, comments
on newsletter content and articles,
etc. We want to hear from *you!*

Membership and Subscriptions

Retired City Employees: annual membership is \$36 per year or \$400 for a lifetime
(may be payable over four months or over four years in increments of \$100 per year).

- Subscription is only \$36 per year.
- Please download membership application form from our Web site, www.sfretirees.org.

News & Views is the publication of the Retired Employees of the City & County of San Francisco, Inc., a nonprofit organization. *News & Views* is published to express the policies, ideals and accomplishments of the organization. Nothing shall be published herein that is racist, sexist or ageist, or that is derogatory toward religious beliefs and other personal issues; nor shall be published anything in violation of Article VII, Section 1 of the RECCSF Constitution. Editorial contributions from individuals, organizations, and groups other than RECCSF and its members may be included in *News & Views* only upon the approval of the Editorial Committee. Subscriptions to *News & Views* are available for \$36 per year.

Submissions to *News & Views* are solicited and encouraged, and should be submitted to:

RECCSF Office, Attn: Sheila Mullen • 3915 Irving St., San Francisco, Ca. 94122-1294
Telephone: (415) 681-5949 Fax: (415) 681-5398 • sheilamullen@mac.com

Sheila Mullen, Editor

News & Views

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Sheila Mullen, Editor

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is the date your dues expire.



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Claire Zvanski, President

Linda Tabor-Beck,
First Vice President

John Madden,
Second Vice President

Secretary

George Lau, Treasurer

Leo Martinez, Sergeant-at-Arms

Executive Board Meeting

Tuesday, Feb. 17, 10 a.m.

Taraval Police Station

2345-24th Ave.

All interested parties welcome.

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Note to members

Please keep RECCSF updated with changes in address, phone number and e-mail.

Letters to the Editor of 50 words or less welcome at sheilamullen@mac.com. All letters subject to further editing for space reasons.

News & Views

March Deadline:

Friday, Feb. 13
5:30 p.m.

Please e-mail your submissions to:
sheilamullen@mac.com.

Visit our Web site:

sfretirees.org

RECCSF office

e-mail address:

reccsf@att.net

Welcome, New Retirees

Upcoming General Membership Meeting

Wednesday, Feb. 11

Educational Forum on Bay Area Lifelong Learning

Featuring Sandra Halladey from the Osher Lifelong Learning

Institute at San Francisco State University.