



National Active and Retired Federal Employees
Association
**Northern Prince George's County Maryland
Chapter 1122**

*Beltsville, Berwyn Heights, College Park, Cheverly, Glenarden,
Glenn Dale, Greenbelt, Hyattsville, Landover Hills, Lanham,
New Carrollton and Seabrook*

Website: www.mdnarfe.org/chapter1122

NARFE Chapter 1122
7021 Mathew Street
Greenbelt, MD 20770-3004

June 2010

Volume 4, Number 6

**The New Health Care Law and How It Affects
Federal Employees and Annuitants - Part II
Dr. Howard Waterworth, 1st Vice President & Legislative Chair**

The new health care law is broad and includes employer-sponsored health insurance, including Federal Employees Health Benefits Program (FEHBP), Medicare, Medicaid, Military health care, VA Affairs health care, those who participate in Tricare-for-Life and coverage purchased through state-based health insurance exchanges.

If you do not have qualifying coverage beginning in 2014 you will pay a tax. The tax will be the greater of \$695 a year up to a maximum of three times that amount or 2.5% of household income. For those who cannot afford to pay for health insurance, the requirement is based on an ability to pay. Exemptions will be granted for financial hardship and for those for whom the lowest cost health plan option exceeds 8% of an individual's income and those with incomes below the federal tax filing threshold. Exemptions will also be provided for religious objections, American Indians, those without coverage for less than three months, undocumented immigrants and incarcerated persons. Very few feds would be required to pay the tax because many are covered by a spouse's employer sponsored health plan.

An excise tax on "Cadillac" health insurance plans, which NARFE opposed, will begin in 2018. The insurance carrier would pay an excise if the aggregate values of their enrollees' spending on premiums and related costs exceed \$10,200 for individuals or \$27,500 for a family per year. Included in the health care spending will be FEHBP premiums –both government and employer shares, an amount set aside into Flexible Spending Accounts (FSA). Federal annuitants are not eligible to participate in FSAs and annuitants age 65 and older are not eligible to have Health Savings Accounts (HSAs).

It is projected that if the tax is on the insurance company and not the individuals, the premiums will become lower in an effort to avoid the threshold. There may be increased cost sharing or reduced coverage, or increased

deductibles and co-payments. If coverage and enrollee cost sharing remain the same, carriers would likely pass the cost of the tax on to insured persons. It is unclear when after 2018 the thresholds that trigger the tax would affect the FEHBP plan because the law includes "risk adjustments" that will increase by more than 55% between 2010 and 2018. These risk adjustments could be affected by the tax because the FEHBP covers retirees and an aging federal workforce.

NARFE opposed other taxes related to health insurance and costs such as a \$2,500 per year ceiling to contributions to Flexible Spending Accounts (FSAs). Currently, feds may allot up to \$5,000 per year of their salaries for medical expenses in their FSAs. But federal annuitants are not eligible to participate in FSAs. NARFE also opposed the exclusion of over-the-counter medications not prescribed by a doctor, from FSAs, Health Reimbursement Accounts (HRAs) and Health Savings Accounts (HSAs). Beginning in 2013 the threshold for itemized deductions for unreimbursed medical costs will be increased by 7.5% to 10% of adjusted gross income for regular tax purposes. NARFE also opposed this part of the new health plan.

See **Health** page 3

Thank You To

Our May Meeting Guest Speaker

Levin J. Rowe

Vice President & Financial Advisor

Merrill Lynch

His presentation on "Wealth Management" was very informative and included some timely tips especially for seniors on how and where to invest in today's volatile financial market.



JUNE LUNCHEON MEETING

WELCOME

NEW MEMBERS

- Nancy A. Boardman
- Michael J. Collins
- Kathryn K. Hanlon
- Glenn Harris
- Jacqueline A. McCray

REINSTATED MEMBERS

- Elaine R. Bobbitt
- Robert Hutchison

New, Transferred or Reinstated members please come to the meetings. Get involved. Join a committee or suggest new ways the Chapter can become a more active and productive organization.



Wednesday June 9, 2010

11:30 am to 2:30 pm

Sir Walter Raleigh Inn
Terrapin Room

6323 Greenbelt Road

Berwyn Heights, MD 20740

(301) 474-6500

Newly Elected
Officers
Will Be Sworn In
At Luncheon

\$22 per person includes tax & gratuity (same as Dec. 2009)

Buffet, coffee, tea, soft drinks & Dessert
(Alcoholic beverages not included)

MENU

Hot Buffet with Roast Beef Tips Merlot, mashed potatoes, herb crusted chicken, lemon herb salmon, fried codfish, green beans, meatballs in marinara, Italian sausage and peppers, and vegetarian lasagna, fiesta bar, cold salads, wraps, soups and bread.

LUNCHEON RESERVATION

Wednesday, June 9, 2010 - 11:30 am to 2:30 pm

\$22.00 per person includes Tax & gratuity

Please make reservations by June 4, 2010

Name _____

Phone No. _____

No. Attending _____

Amount Enclosed _____

Make check payable to NARFE Chapter 1122

Mail to: Warren Wilcox, Treasurer

8141 Mandan Terrace, Greenbelt, MD 20770

Phone: 301-345-7437

Email: wcwilcox@juno.com

John Lydon, Newsletter
Distributor - Via Email

Newsletters
On-Line

Our Chapter is encouraging all its members to receive our newsletter on line. The electronic version of the newsletter is posted on the web site in pdf format in full color and is available much sooner than it typically arrives by mail. To receive a monthly notice by e-mail that our Chapter newsletter is available, send a message to lydon.j@verizon.net. Please include your full name and address with a request to receive the on-line version of the newsletter via <http://www.mdnarfe.org/chapter1122/>

To Sick & Shut-In Members

Think Good Thoughts

Being sick has a mental part,
So use your head to cure you.

Thinking good thoughts is the way to start,
And smiling works, I assure you.

Keep up your spirits to cheer yourself;

Don't let the gloomies win.

A happy soul will get well fast,
And right now is the time to begin.

By Karl Fuchs
www.poemsource.com



May

50/50 Winner

Andrew James



Have chapter news or articles to share? Email the editor: bsg.smith@verizon.net



Health continued from page 1

Finally NARFE expressed concerns about the impact of payment reforms on access to health care providers. For example there will be no benefit cuts to Medicare in the new law. If there are no benefit cuts, how is the program being cut? By achieving \$384 billion over ten years in Medicare cost savings by slowing growth in and reforming the way Medicare pays health care providers and by reducing fraud, waste and abuse in the program. Federal annuitants will be protected because most doctors and hospitals are compelled to accept Medicare reimbursement because the program is such a large share of all health care spending and because it finances Graduate Medical Education. If a doctor chooses not to accept Medicare, the program when combined with FEHBP coverage will reimburse enrollees for physician and hospital costs. It is unclear at this point whether some doctors and hospitals will stop accepting Medicare in response to the payment reforms. Some providers will see an increase in their reimbursements. Starting in 2011 primary care practitioners will receive a 10% bonus as will general surgeons who practice in underserved areas.

The new law also includes a new payment reform initiative that rewards providers who supply care that meets certain quality standards and ensures that services are paid on the basis of value and not volume. This includes a pilot program offering incentives for “bundled” services. Providers will receive a flat fee for certain procedures and treatment of chronic diseases. There also will be a payment reform to reduce medical errors, which NARFE supported. Payments to hospitals will be lowered for those with an excess of preventable hospital readmissions and hospital-acquired illnesses.

NARFE and the other 50 national senior groups of the Leadership Coalition of Aging Organizations will be closely monitoring how Medicare reform is implemented and what effect it will have on program quality and access to providers. If necessary, the clout of the 40 million older Americans this Coalition represents will press lawmakers to fix any unforeseen challenge to Medicare.

NARFE, one of America’s oldest and largest associations, was founded in 1921 with the mission of protecting the earned rights and benefits of America’s active and retired federal workers. The largest federal employee/retiree organization, NARFE represents the retirement interests of nearly 5 million current and future federal annuitants, spouses, and survivors.

31st National Convention

GRAND RAPIDS, MI
Aug 29-Sept 2, 2010



Any Chapter member interested in attending the National Convention please contact Robert Doyle at 240-478-0079

**BE PREPARED FOR LIFE'S EVENTS
NARFE PUBLICATION (F-100)**

NARFE has updated and expanded its popular booklet “Be Prepared for Life’s Events” (F-100). NARFE members can record all of the information that their survivors will need to know, including the location of important documents, financial assets and retirement accounts. It also tells whom to contact in the event of the death of a federal employee, retiree or survivor annuitant. It can be downloaded on line at www.narfe.org or, send a request by email to retbenefits@narfe.org or, call NARFE HQ by phone 703-838-7760. Make sure to ask for booklet F-100.

Treasurer's Report for April 2010	
Balance as of 3/31/10	\$1,712.96
Income:	
50/50 Raffle	11.00
Donation	6.00
6/9/10 Luncheon	88.00
NARFE Dues (Feb & Mar)	<u>305.26</u>
Total Income	410.26
Expenses:	
CHI Services, Inc (Feb Newsletter Printing)	97.94
O. King (Meeting Refreshments)	8.98
D. Green (Fruit Basket)	52.39
U.S. Postal Service (May Newsletter Mailing)	<u>65.34</u>
Total Expenses	224.65
Balance as of 4/30/10	\$1,898.57
Submitted: Warren C. Wilcox, Treasurer	



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Chapter 1122 Website
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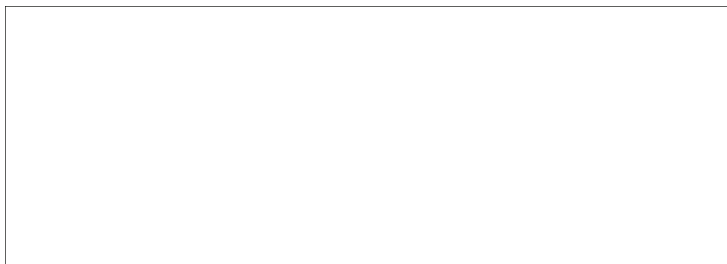
MD Federation Website
www.mdnarfe.org

NARFE National Website
www.narfe.org

RETURN SERVICE REQUESTED



FLAG DAY - JUNE 14



Next Meeting

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PAST CHAPTER PRESIDENTS

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Robert F. Haas
John Fleming

Chapter 2146
Irwin Neveleff
Marty Eiband
Emma E. Barnett

Executive Board Meeting
 Wednesday, June 2, 2010 at 12 Noon
 Royal Jade Restaurant
 Greenbelt Road and Hanover Parkway, Greenbelt, MD

Important Telephone Numbers

NARFE National Headquarters (Direct Line) 1-703-838-7760
 NARFE Sponsored Line to Congress 1-866-220-0044

To contact Maryland Delegates and Representatives
 Call 301-858-3000 or visit the NARFE Web Site

www.mdnarfe.org

To reach the Governor call
 1-800-811-8336 or visit the Web Site **www.gov.state.md.us/mail**

MARYLAND OFFICIALS & MORE

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Anthony G. Brown, Lieutenant Governor	410-767-3125
Thomas Mike Miller, Jr., Pres./Senate	301-858-3700
Michael E. Busch, Speaker of the House	301-858-3800
Senator Barbara Mikulski (D-MD)	202-224-4654
Senator Benjamin L. Cardin (D-MD)	202-224-4524
Congressman Steny Hoyer (D-5th Dist.)	202-225-4131
Congresswoman Donna F. Edwards (D-4th Dist.)	202-225-8699
President Barack H. Obama	202-456-1111
White House Web Site:	http://www.whitehouse.gov/

Inclement Weather Notice! When Prince George's County Schools are closed or opening late, the NARFE Chapter 1122 meeting will not be held.