



# OREA *News Bulletin*

A Publication of the Oklahoma Retired Educators Association

SPRING 2009

## HealthChoice Struggles With Transition to New Claims Processor

Officials at HealthChoice, the state-sponsored insurance program for active and retired educators, have reported significant difficulties in the first three months of 2009 in accomplishing the transition from former health, dental and life claims processor Harrington to the current processor, EDS. Despite several months of preparation for the change, it became apparent in late December and early January there would be problems. As a result, thousands of benefits claims were delayed for weeks or were not paid at all.

The Oklahoma State and Education Employees Group Insurance Board (OSEEGIB), the supervising agency for HealthChoice, took aggressive actions in December and January to smooth out and speed up the transition, but with limited results. Further efforts, officials report, in February and March have the health program on a path to clear the backlog of thousands of claims.

Many OREA members have reported long delays in getting claims payments made to hospitals, doctors and other health care providers, occasionally resulting in denial of future service by physicians and dentists. According to HealthChoice officials, communication with providers has been consistent, with most showing exceptional patience until the difficulties of the transition are overcome.

To allay rumors of financial difficulties as the reason for the health agency's claims problems, OSEEGIB Chairman Richard Womack requested an actuarial report at the Board's regular February meeting. AON Consulting reported that HealthChoice has ample cash reserves to honor all claims, rating HealthChoice as one of the nation's strongest health insurance plans in that respect.

OSEEGIB Administrator Bill Crain, in the Spring Issue 2009 of *HealthVoice*, expressed regrets to HealthChoice health, dental and life claimants for the delay in processing. He thanked them for their patience and continued cooperation during the transition.

## President Dennis Bids Farewell as Term of Office Ends Soon



Dear OREA Members:

I truly have mixed emotions as I approach the end of my second one-year term of office on June 30. I sincerely appreciate the confidence you have shown in electing me to serve as your President for the past two years. Your support has been gratifying, and the service has been rewarding.

Serving as President has also been challenging. I have traveled thousands of miles in all parts of the state of Oklahoma speaking to local OREA units and visiting with thousands of members. I have tried to keep you informed of the important work of your state association and deliver a message of hope that the future of retired educators in our state can be made better if we all work together and not alone.

At times, I have not had adequate solutions for every problem or answers to your many excellent questions. Nonetheless, I sensed that you understood the limitations facing me and your other OREA leaders, giving us the benefit of the doubt that we were working for your best interests. I appreciate that.

I look forward to continued OREA leadership service as Past President on the Executive Board. I will give wholehearted support to your new President, who you will elect at the state convention in Edmond.

I thank you for your support, and I urge your continued involvement in the important work of OREA.

Best regards,

Joy Dennis  
President

## Senator Susan Paddock Standing Up for Retired Educators



The legislature is facing a \$900 million revenue shortfall, the Teachers' Retirement System has lost billions of dollars in assets due to the economic recession, and many politicians at the state Capitol are trying to further reduce state and TRS revenues with tax cuts that are ill-advised at this time. These circumstances have led many to conclude that progress is not possible this legislative session to improve future cost-of-living benefits (COLAs) for Oklahoma's retired educators.

The message of no COLA progress this year is what the great majority of legislators – including leaders in both houses – have been saying for months. Fortunately, for 45,000 TRS annuitants, that gloom and doom message did not sink in with Sen. Susan Paddock (D, Ada).

Listening to the needs of OREA members in her senatorial district and graciously working with state-level OREA leaders, Sen. Paddock took the initiative in November to schedule and hold a senate interim study on TRS COLA issues. She invited OREA Executive Director Norman Cooper to appear before the Senate

### Notice of Election for OREA President and Vice President



Election for OREA President and Vice President will take place at the Annual State Convention on May 15. Any member in good standing of OREA and a local unit, and who has one or more years experience as District Director, state committee chair, other state office, or local unit president, is eligible to declare his/her own candidacy, or be nominated, for President.

Any member in good standing of OREA and a local unit is eligible to declare his/her own candidacy, or be nominated, for Vice President.

Members wishing to become a candidate for either office should contact Sharon Cox at OREA to obtain a "Declaration of Candidacy/Nomination Form." The form must be completed and returned to OREA Executive Director Norman Cooper at P. O. Box 18485, Oklahoma City, OK 73154, via certified mail, on or before Friday, May 8. Sharon Cox can be reached at (405) 523-4373 or toll-free (800) 522-8091, ext. 373.

panel to present views on COLAs and other TRS-related issues, which he did.

When the 2009 legislative session began, Sen. Paddock introduced two pieces of legislation aimed at amending current pension statutes to establish COLA parity for retired educators compared to their retired colleagues in other state pension systems. One of the bills was more aggressive, seeking an immediate adjustment of the annual COLA rate for TRS members up to the same level as for other pension systems. Given economic conditions and the prevailing political attitude, the bill was not heard in committee.

However, SB 1016, a more moderate, incremental approach toward achieving a fair and equal COLA for retired educators over a multi-year period, was heard and passed in committee, and, ultimately, by a 45-0 margin in the full Senate. As of press time for this newsletter, SB 1016 was scheduled for consideration in the House of Representatives, where its primary author is Jeff Hickman (R, Mooreland).

It is too early in the legislative session to predict the final outcome on the bill – including any changes that might take place in its content – but it is not too early for OREA members to say a great big "THANK YOU" to Senator Paddock for her sensitivity to retired educator needs and courage to stand up for us in challenging times.

### Proposed Revision to the Constitution to be Presented at Convention

Members in attendance at the 2009 OREA Annual State Convention on May 15 will vote on several proposed revisions to the OREA Constitution. Some of the proposals are substantive, while others are more housekeeping in nature.

For a complete explanation of the proposals, members are urged to visit [www.orea.org](http://www.orea.org) for a side-by-side comparison of current constitutional language with that which is proposed. Members may also request that the same document be sent to them via electronic mail. For the e-mail version, please call Sharon Cox at OREA at (405) 523-4373 or (800) 522-8091, ext. 373. Members not having access to the internet or e-mail may ask Sharon to send a hard copy to them via regular U.S. Mail.

Side-by-side comparative language will also be available on the day of the convention. The OREA Executive Board recommends adoption of the revised Constitution.

# "Together, Not Alone" is Theme of 2009 Convention

Building upon the very successful OREA membership promotion theme of *"Together, not alone, we are improving the future of Oklahoma's retired educators,"* the 2009 OREA Annual State Convention will focus on promoting retired educator unity as the best hope for legislative progress now and the years ahead.

The 57<sup>th</sup> Annual OREA State Convention will be held Friday, May 15, at the University Center on the campus of the University of Central Oklahoma in Edmond. Activities will begin at 9:00 a.m. with the first of two sessions of workshops on topics of interest and importance to retired educators. In all, there will be six workshop offerings spread over the two sessions.

The First General Session will begin at approximately 10:45 a.m., during which numerous award recipients will be honored, including those nominated by their local units as Very Important Members (VIM). Other topics on the agenda include what promises to be an informative – and perhaps lively – discussion among a panel of state legislative leaders on issues of concern to OREA members. Lunch will follow, with musical entertainment provided.

The Second General Session will convene after lunch, during which several items of OREA business will be conducted. Members will hear from candidates for OREA President and Vice President before casting ballots to fill those offices. The Constitution Committee will present several proposed revisions to the organization's Constitution. Opportunity for questions and debate will be provided, and voting on the revisions will then take place. Members will also vote to set OREA dues for 2009-10.

A new feature of this year's convention will be a silent auction of a variety of products and services. Bidding on the various items will start before the convention schedule kicks off, continuing throughout the morning. Winners will be announced during the convention's program. Proceeds will go to the OREA Fund for the campaign support of candidates pledged to work on behalf of the OREA legislative agenda.

Representatives for several OREA-endorsed companies will also be on hand to visit with members and discuss products and services. As always, drawings will be conducted to award numerous door prizes at the end of the convention. The convention should adjourn no later than 3:00 p.m.

Get your ticket to the 57<sup>th</sup> Annual OREA State Convention today. We'll see you there!



Continental Breakfast  
8:30 a.m.

**2009 OREA CONVENTION**

Luncheon  
12:00 noon

Name \_\_\_\_\_

University of Central Oklahoma  
University Center  
Edmond, Ok  
**Friday, May 15, 2009**

Address \_\_\_\_\_

City, State & Zip \_\_\_\_\_

Tickets: \$14.00 each - Amount Enclosed \_\_\_\_\_ (Price includes breakfast, lunch & parking)

Mail this order form to: OREA, P.O. Box 18485, Oklahoma City, OK 73154  
Your tickets will be mailed to you - Pre-registration is required!

## District Workshops Illustrate Team Effort

At this newsletter's press time, the annual OREA spring district workshops around the state were in progress. Focusing on OREA membership, leadership development, legislative information and strategy, key retired educator issues, and the nuts and bolts of local unit operation, the workshops play an important organizational role.

The workshops have also been well attended, which is ongoing testament to the commitment to OREA that hundreds of leaders demonstrate throughout the year.

Thanks to all local unit leaders, elected and appointed, who give of their time and talents. Thanks to the dozens who serve on OREA committees. And, thanks to the District Directors who serve on the Executive Board, which meets monthly throughout the year to manage the affairs of the state organization. Everyone plays a part, and every part is important.

Together, not alone, we are improving the future of Oklahoma's retired educators.

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### MEMBER BENEFIT NEWS!

#### MASA – PREPAID EMERGENCY AIR AND GROUND AMBULANCE

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As an OREA member, you have access to a world class pre-paid emergency service – Medical Air Services Association. With hundreds of thousands of members, and more than 30 years of experience, MASA is a premier emergency assistance service. Whether you are 10 miles or 10,000 miles from home, MASA is there to assist you when emergency situations arise.

**WHO NEEDS MASA?** If you travel in Oklahoma, around the United States, or internationally, it is possible that MASA could provide life saving services. In the event of an emergency, MASA will transport you back to the medical and support system you trust! If you plan on traveling internationally, simply provide MASA with your itinerary prior to travel and your pre-paid air and ground ambulance service follows you abroad!

The average cost for an air ambulance is \$6,000, but they can run as much as \$50,000 depending on location. With MASA, there are NO deductibles, NO age limits, NO health questions and NO dollar limits! That's important because emergency medical flight operators often require payment IN-FULL prior to departure.

**WHAT ELSE DOES MASA COVER?\*** The following are just a few of the thirteen services that a MASA platinum membership provides:

❖ **Non-Injury Transport** – have a family member flown in to be with you if you are hospitalized away from home.

❖ **Mortal Remains Transport** – if you pass away while traveling, your remains will be flown back to the commercial airport closest to your permanent residence.

❖ **Vehicle Return** – if you use the services of MASA while traveling, MASA will arrange for your car, truck, or RV to be driven home by a bonded driver.

❖ **Organ Recipient Transportation** – MASA will fly you to the commercial airport closest to the medical facility where your organ transplant will take place. MASA will also fly the organ to an airport near you if that is where the transplant procedure is taking place.

#### WHAT DOES IT COST TO RECEIVE ALL THE BENEFITS OF A MASA?

For an individual to get the MASA platinum membership, rates are less than \$25.00 per month!

Member Only - \$290 per year, or \$24.50 monthly  
Family - \$390 per year, or \$32.50 monthly

**To learn more about the MASA platinum membership, or request enrollment materials, contact AMBA at 1.800.258.7041 and reference the Oklahoma Retired Educators Association MASA program.**

*\*Limitations and exclusions apply.*

~ Advertisement ~

## WHAT BENEFITS DO YOU WANT?

In the last year and a half, OREA has taken several steps to expand and improve the menu of benefits available to members. In addition to long term care insurance offered for many years through National Health Administrators, the Executive Board entered into an agreement with North American Life Plans to provide a range of insurance and investment products geared toward the needs of retired educators.

In recent months, the Executive Board approved an agreement with Association Member Benefits Advisors to offer various vision and dental plans, initial cancer diagnosis insurance, travel programs, medical air transportation service, and other benefits. The Board also gave approval to Thomas and Associates to provide advance funeral planning assistance to members and their families all across the state.

Each of these endorsed companies has a record of providing reputable products and services to the retired educator community. OREA wants to provide benefits which its members value and will want to utilize. However, members will be the judge of that.

Feel free to contact OREA Executive Director Norman Cooper regarding your satisfaction or dissatisfaction with any aspect of the OREA benefits program. Please tell us about additional benefits you would like to see OREA offer. For more information about the full range of OREA member benefits, visit [www.orea.org](http://www.orea.org) or call the OREA office.

## OREA STILL GROWING

With six months remaining in the budget year, OREA membership continues to climb. As of the end of February, membership had reached 13,975, only 127 below the 2007-08 high. An ongoing spring recruitment drive is aimed at surpassing last year's total of 14,102.

Members are urged to take every opportunity throughout the year to sign up fellow retired educators. OREA will be stronger and more influential for every new member recruited. We truly are working together, not alone, to improve the future of Oklahoma's retired educators. Thanks for your support!

Are you keeping up-to-date on the latest legislative developments affecting the OREA legislative agenda? You can have the latest information by accessing the weekly OREA legislative update at [www.orea.org](http://www.orea.org), or receiving legislative messages via e-mail – if you have given Sharon Cox at OREA your e-mail address. For those wanting a more condensed version of what's happening at the Capitol, why not call the OREA legislative hotline at (405) 525-2230 in the OKC Metro area or (800) 310-2230 toll-free statewide?



Weekly legislative updates not only provide information, they ask members to generate support for the association's agenda by contacting key lawmakers for or against particular bills. They also encourage local meetings with legislators to gauge support for the OREA program. Remember, every member can be an effective lobbyist.

## Local Units Provide Critical Lobbying Support

In recent weeks, several delegations from local units have come to the Capitol to participate in lobbying efforts on behalf of the OREA legislative agenda. These "hometown lobbyists" – members of the OREA Rapid Response Team – complement the work of registered OREA lobbyists, putting a face on the OREA legislative agenda for state representatives and senators.

When this newsletter arrives in members' mailboxes, there will be about five weeks remaining in the legislative session. If your local unit has not sent a delegation to lobby at the Capitol, why not contact Executive Director Norman Cooper at (405) 523-4371 or (800) 522-8091, ext. 371, to arrange your trip? There is important work to be done, and you are needed to help do it.

## TRS Looking to Change In-House Tax Sheltered Annuity Program

Change is likely coming to the in-house tax sheltered annuity program at the Teachers' Retirement System. The program, also known as the 403(b) program, is open to current and retired TRS members for individual investments outside the regular retired educator state pension plan.

In action earlier this year, the TRS Board of Trustees approved issuing a request for proposals from 403(b) money managers to take over management of more than \$200 million in investments by approximately 5,000 current and retired TRS members.

Individual member deposits in the 403(b) program are invested in the same manner as other TRS funds. In normal economic times – when growth is taking place in the financial markets – that has generally been good for investors. As an example, in the last twenty years, the value of TRS assets has

risen consistently, with minor setbacks occurring during occasional economic downturns.

As a long-term investor, TRS is able to withstand short-term declines in asset values. Therefore, its investment strategy is more aggressive than might be suitable for an individual either retired or nearing retirement. As long as TRS assets are growing, there is no problem, but when assets decline in value, as they have in the current severe economic recession, the individual investor suffers.

Since October of 2007, TRS assets have declined approximately 30%, negatively impacting many of the system's 403(b) investors either retired or close to retiring.

In a separately managed 403(b) program, individual investors could choose investment strategies appropriate to their particular needs.

## OREA EXECUTIVE BOARD

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