

SRS Retiree Association, Inc.

P. O. Box 5686, Aiken, SC 29803

Phone: 803-279-5628 - Email: srsretirees@scescape.net

<http://www.scescape.net/~srsretirees>

NEWSLETTER

For SRS Retiree Association Members

May 1998

A Word from the Chairman

Greetings!

The Savannah River Site Retiree Association (SRSRA) is pleased to publish this, our first retiree newsletter. The executive committee has spent many hours in preparation of this newsletter in order to provide you with important and timely information. We will continue to improve on both content and presentation as our organization grows and as we move into the future.

Our organization has made significant progress since our kick-off membership meeting in January. We have completed the organizational phase and are currently dealing with the important issues that are of interest to WSRC and BSRI retirees. We have worked closely with our South Carolina and Georgia congressional delegations to keep them apprised of our initiatives.

We plan to publish this newsletter on a periodic basis so that you will be aware of the upcoming events and activities of the SRSRA and have a better understanding of the mission and issues of the organization.

We hope you will take a few minutes to read the newsletter and keep it handy for future reference. We welcome your comments, your interest, and your participation. Our objective is to build a strong and effective retiree organization.

*Thomas W. Greene
Chairman*

Committee Reports

Charter & Bylaws - R. Gerald (Jerry) Croom

Bylaws were adopted at the organizational meeting on September 9, 1997. The bylaws were written to meet Federal Internal Revenue Service 501(c)(4) regulations for a nonprofit organization and South Carolina corporation codes. Applications have been filed with federal and state agencies for approval. Meeting both federal and state requirements will provide a sound professional structure for operating the association.

Since retirees are located all over the United States, it is not practical to have frequent membership meetings to conduct business. The bylaws provide for a 30-member Board of Directors to give extensive expertise and experience. A smaller, 13-member, Executive Committee within the Board of Directors possesses the authority of South Carolina Corporations. This provides a management team with extensive experience that can negotiate and act quickly. Membership is currently limited to retirees of WSRC and BSRI.

Membership - George (Gus) A. Griffin

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As of May 1998, there were over 400 paid members. Letters were recently mailed to other retirees, inviting them to become members. Please encourage your retired WSRC and BSRI friends to join the association. Additional numbers can increase our effectiveness with elected officials and the Savannah River Site.

We believe that it is important for surviving spouses, as well as retirees, to maintain their membership in the SRSRA. To assist the surviving spouse, the Executive Committee has voted to provide them full membership in the SRSRA at a rate of \$5.00 per year.

If a SRSRA retiree passes away, it would be appreciated if someone could advise Gus Griffin, Membership Chairman, at P. O. Box 5686, Aiken, SC 29803.

Pension - Paul W. Matthews

A letter has been sent to WSRC asking that a cost of living adjustment be made to WSRC/BSRI pensions in 1999. This letter is a follow-up to previous discussions with Site Management. In addition, a letter has been sent to Congressman Lindsey Graham asking for his assistance concerning the excess pension funds that were retained by the Department of Energy (DOE) when E. I. du Pont de Nemours & Company left the Site on April 1, 1989. It is the position of the SRSRA that those funds, with a current balance thought to be in the range of \$40 million, should be used to fund retiree medical and cost of living pension adjustments.

Public Relations - Fred Cavanaugh

The Public Relations Committee has developed an advertisement for publication each month in the SRS News. The ad will invite WSRC and BSRI retirees to join the association. It was approved at the SRSRA Board of Directors meeting on May 5, 1998. This ad will also be used to announce the date, time and place of the annual membership meeting.

Website - Jane M. Boyles

The mission of the SRSRA Website Committee is to provide information about the association, health benefits, pensions, SRS missions, and general information of interest to SRS retirees. The current site gives information about the previous press releases announcing origination of the association. The site will be continually updated. Please visit often at <http://www.scescape.net/~srsretirees> and give us your suggestions. If you have questions or concerns for the executive committee or board of directors, please use e-mail address srsretirees@scescape.net.

SRSRA Programs & Future Missions - Mike French

The SRSRA Programs & Future Missions Committee is a newly formed committee. This committee has the responsibility for staying in touch with key DOE and WSRC staff members and representing SRSRA member interests at SRS in the three following areas:

Status of Current Programs at SRS

Information is obtained by participating in various SRS Citizens advisory Board (CAB) meetings, as well as staying in touch with key DOE and WSRC staff. Programmatic and budgetary information is tracked both for current and out years. One problem example is the new, \$550 million In-Tank Precipitation (ITP) Facility, which was recently shut down by DOE and WSRC in its check-out phase because of the unexpected generation of large quantities of highly volatile benzene. Major efforts are underway to explore potential fixes for this problem.

Future Missions at SRS

John Lindsay, WSRC Vice President & Director of Business Development & Community Outreach Division, was a guest speaker at one of our recent Board of Directors meetings. He gave an excellent talk about possible new missions for SRS, and copies of his slides are included in the package of information being sent to you. John focused on the new tritium accelerator (APT) and the proposed MOX plutonium missions that would bring thousands of new jobs to the area - and the loss of thousands of jobs if the Site does not get some of these new missions.

Status of the New Contractor for the Site

As of the end of April, we understand that four teams had submitted "approved" bids for part or all of the remaining, former Westinghouse, businesses. It has been reported by the print media that Morrison Knudson was teamed with British Nuclear Fuels (BNFL) while Fluor Daniel was teamed with Framatome and Cogema to make a bid; however, the last newspaper reports indicate that Framatome is withdrawing due to opposition to substantial foreign ownership. Of the two other bidders, it is rumored that one is an architect engineering firm and the other is an engineering design organization, both with government contracting experience. Best and final offers from these organizations are due by late May, with CBS scheduled to announce the winner by early June 1998. Recognizing that at least five different federal agencies will have to approve the sale (e.g.; the Departments of Energy and Labor), it will likely be several more months before everything is finalized.

In response to a question if pensioner benefits could be affected by the new contractor, it has been indicated that the pension plan and savings & investment plan (SIP) are Employee Pension Benefit Plans under the Employer Retirement Income Security Act (ERISA) and, as such, have the legal protection provided by that act. However, other benefits, such as the medical, dental and life insurance plans do not enjoy the same protection under ERISA and may not be indefinitely guaranteed. The association is currently interacting with the Site (DOE, WSRC & BSRI) and members of the local congressional delegations in a major effort to ensure protection of all SRS retiree benefits with the new contractor.

Retiree Physicals

The decision by WSRC, due to budget constraints, to discontinue annual on-site physicals for retirees with an offer only to "store" the results from private physical examinations does not convince the association that the health concerns of former workers are being given appropriate consideration. We continue to be concerned that retirees who had radiation and other potential exposures while working at SRS would now have physicals from doctors not experienced in these fields. If the Site is unwilling to reinstate the site physicals, the SRSRA has developed options that could address both the cost issue and preserve annual physicals for WSRC/BSRI retirees. We will keep members informed of our progress.

Other Items of Interest

MEDICAL & DENTAL INSURANCE INFORMATION

At the request of the SRSRA, John Felkel, a representative of WSRC Human Resources Department, and Judy Merritt, WSRC Account Executive for South Carolina Blue Cross/Blue Shield (BC/BS), made presentations at the April SRSRA Board of Directors meeting.

Enclosed are copies of several items that Felkel and Merritt distributed at that meeting. The items are as follows:

Understanding Your "EOB"

A pamphlet from BC/BS which provides a description of what each item covers on the statement you receive from BC/BS when a claim has been submitted for you or one of your covered dependents.

No Matter where You Are...

A pamphlet from BC/BS which explains how to use the BC/BS network when traveling outside your local area. According to WSRC Human Resources, your BC/BS coverage also applies to travel outside the United States. You may have to pay the bill and then submit your documentation after returning to the USA. For a listing of BC/BS participants in foreign countries, call 1-800-810-2583.

Medicare Summary Notice Pamphlet

A pamphlet which describes how to read your Medicare Summary Notice for inpatient and outpatient claims.

Medicare Preventive Services

A summary of preventive services that receive at least some coverage under Medicare. The third page of this material provides the date that some of these benefits become covered services under certain conditions. The last page of this material provides 1998 Medicare deductibles, co-payments and premiums.

Medicare Carve-out & Preventive Care Benefits

A nine-page package of material prepared by John Felkel, WSRC Human Resources which contains:

A matrix (page 2) which compares coverage and deductibles between Prime Choice, Standard Choice and Medicare.

An explanation of the WSRC Medicare carve-out formula (page 3) used to determine the amount you owe (if any) your medical provider.

Three actual case examples (pages 4-6), using the Medicare carve-out formula. [Note: the WSRC/BSRI plan pays the normal benefit, less the Medicare payment.] If you are covered by Medicare, in most cases, the medical provider cannot charge more than the Medicare allowable amount. If the doctors do not participate in Medicare, they are allowed to charge up to 15% above the Medicare allowable amount. The WSRC/BSRI plan will always pay only to the Medicare allowable amount (MC allowable amt.) if Medicare eligible.

When you visit your medical provider, it is important to give them both your Medicare card and your BC/BS card. Your medical provider should then enter the BC/BS of South Carolina code into the statement they send to Medicare. After processing, Medicare will automatically forward your medical provider's statement to BC/BS, which will then apply the carve-out formula (described on page 3) and make any applicable plan payment. If your medical provider does not enter the BC/BS code on his statement, this will complicate any BC/BS payment. Bills for out-of-hospital prescription drugs must be submitted by using the "Blue Rx Drug Claim Form" to the Parsippany, New Jersey, address. It is recommended that you always show your BC/BS ID card when purchasing prescription drugs.

Preventive Care Benefits

Pages 7 and 8 indicate what preventive care procedures are covered by the Prime and Standard plans and under Medicare, Part B. On page 8 are examples of the BC/BS negotiated rates for physicians' examinations and various blood tests that may be ordered by your physician as part of an annual routine physical. We have been told that a chest X-ray and a pulmonary function test are procedures covered by BC/BS provided that they are ordered by your physician. They will be reimbursed at 90% of the BC/BS negotiated rate, subject to the maximum plan benefit of \$225 for a routine physician examination. We have also been told that vision (eye) examinations and hearing tests are not covered as part of the annual preventive care examinations. WSRC has indicated that free hearing tests can be obtained at certain local hearing centers (e.g.; University Hospital Speech & Hearing Clinics in North Augusta).

Health Insurance Notes

Doctors not participating in Medicare are allowed to charge Medicare patients up to 15% above the Medicare allowable limits. BC/BS will only reimburse participants up to the Medicare allowable limits.

Viagra will not be reimbursed under any circumstances according to BC/BS.

If a medical provider asks you to sign a form in which you agree to pay all charges above your Medicare or BC/BS coverage, you may want to ask some questions. Some doctors may want to perform certain procedures that may not be reimbursable by BC/BS because those procedures are in the investigative or experimental phase. It might pay to check with your doctor to make sure the procedure he/she is going to perform is going to be covered by the BC/BS plan.

Skilled nursing care is covered up to the approved number of days by Medicare and BC/BS.

Custodial care is not covered by either BC/BS or Medicare.

Corrections - Blue Cross & Blue Shield PPO 3/98 Addendum

In late March, WSRC Team employees and retirees were mailed an update to the listing of Preferred Provider Organization (PPO) Network providers for the Prime and Standard Choice plans. Blue Cross & Blue Shield of South Carolina (BCBS-SC) has notified WSRC of three errors in the Addendum which are corrected as follows:

Marvin Dees, MD (New Ellenton) and Gerald Oliver, MD (Aiken) both CONTINUE TO PARTICIPATE as BCBS-SC PPO Network physicians. (They have not terminated from the Network.)

John Matthews, MD (Aiken) terminated from the BCBS-SC PPO Network effective 2/8/98.

Arrangements Made for BC/BS and Medicare Representatives to Meet with SRSRA Members

On Tuesday, August 11, 1998, a meeting has been scheduled for a representative of Medicare to answer questions of members regarding Medicare benefits and their processing procedures. This meeting will be held at the Knights of Columbus Hall on Spaulding Road (off Dougherty Road) in Aiken. ALL SRSRA members are invited to attend.

Judy Merritt, WSRC/BSRI Account Executive for BC/BS has agreed to meet with individual SRSRA members to review and discuss specific claims or procedures on which members may have questions. Spouses are invited to attend these one-on-one sessions. These sessions will also be held at the Knights of Columbus Hall in Aiken on Tuesday, June 23, 1998. If you wish to have a meeting with Ms. Merritt, please complete the attached coupon and return to the SRSRA. Please bring all documents with you on which you have questions.

“Westinghouse Wake”

Former employees of the Westinghouse Electric Corporation have planned a “wake” to eulogize the passing of the corporation. An announcement of the “WAKE” on Saturday, June 13, at Houndslake Country Club is enclosed. Those wishing to attend should contact one of the organizing committees listed on the enclosed announcement for tickets. As indicated on the announcement, checks for the tickets may be sent to Richard Shank, 606 Holley Lake Road, Aiken, South Carolina 29803.

Retirees Beware

According to a recent Associated Press article, a January 1998 ruling by an U.S. Circuit Court of Appeals has opened the door for employers to change promises made to retirees about health-care coverage.

The decision comes from a case in which 84,000 non-union General Motors (GM) retirees sued the company, contending that it had promised them full health-care coverage only to later reduce their coverage. The Appeals Court, in a split 8 to 5 decision, held that despite verbal and written assurances of free lifetime retiree health benefits, GM was within its rights to later begin charging annual deductibles and co-payments, as well as canceling vision and hearing-aid coverage. The court held that other provisions in company documents “unambiguously reserved GM’s right to amend or terminate” benefits. According to AARP, “giving employers a free hand to break their promises of health benefits to retirees assures that no retiree will ever be certain of his or her health benefits”. This case is being appealed to the Supreme Court with a ruling anticipated in about two years.

It appears that GM is not alone in changing retiree health benefits. AARP has reported that a survey by William

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Mercer, Inc., a benefits consulting firm of nearly 4,000 firms with 500 or more employees shows that in 1993, 40 percent of the employers provided 65-and-older retirees with coverage that supplements Medicare. In 1997, this had dropped to 31 percent. Among retirees younger than 65, employer-paid coverage fell from 46 percent to 38 percent

These trends are of concern to retirees, like those of WSRC/BSRI, who depend on employer-provided health benefit coverage that supplements Medicare. The GM case is expected to provide legal guidance to companies on this subject. The SRSRA will continue to follow the issue of retiree health benefits closely and will be able to react quickly to any changes that may jeopardize our current level of health benefits.

Dates to Remember

June 13	“Westinghouse Wake”
June 23	BC/BS Meeting with SRSRA Members
August 11	Medicare Meeting with SRSRA Members
September 15	John Felkel - SRS Retiree Benefits
To be determined	Congressman Lindsey Graham