

The Pioneer's Club Newsletter

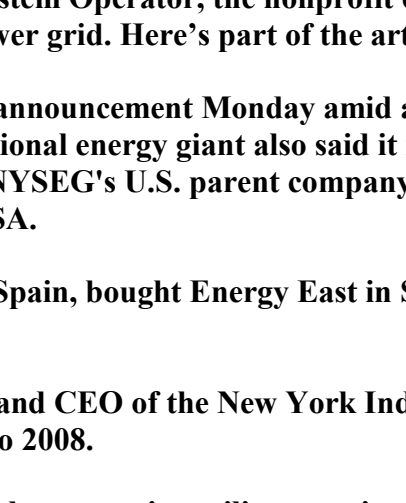
Volume 4, Issue 1
January, 2010

Happy New Year

Arnie and I would like to wish all of you a Happy New Year.

We hope the stock market goes up, inflation goes down, Social Security goes way up (OK that ones a stretch).

And most important, may you have a very healthy, happy new year.



A New Boss

The Democrat & Chronicle had a really nice article on Mark S. Lynch who is now President. Mark is the former chief executive of the New York Independent System Operator, the nonprofit organization that manages the state power grid. Here's part of the article.

"Iberdrola made the announcement Monday amid a small flurry of changes. The international energy giant also said it is changing the name of RG&E and NYSEG's U.S. parent company from Energy East Corp. to Iberdrola USA.

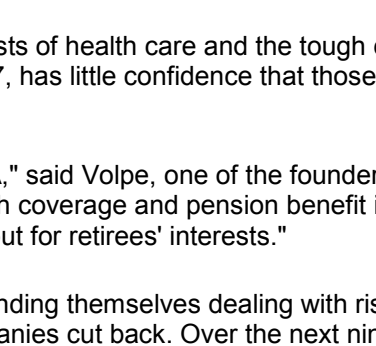
Iberdrola, of Bilbao, Spain, bought Energy East in September 2008 for \$4.5 billion.

Lynch was president and CEO of the New York Independent System Operator from 2005 to 2008.

Iberdrola said he also has extensive utility experience at Mirant Corp., Southern Energy (the predecessor to Mirant), and Mississippi Power Co.

Mirant is a power plant company that owns and operates the gas-and-oil-fueled Bowline generating plant in West Haverstraw, Rockland County."

On behalf of the Pioneer's Club members, I wish him the best in this new adventure. He has his work cut out for him.



Another D&C News Article

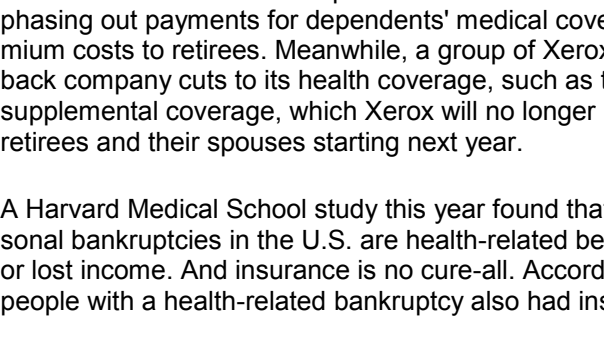
I try to read the Obituary Page on the Democrat & Chronicle's web site everyday, hopefully not finding anyone who is a member. To get there, I must open the front page of the web site. The front page contains all the headlines and "teaser" articles to catch a reader's attention.

Well this headline caught mine.

"Retirees face benefit cuts in health care, high prices"

It is a well written article, with the beginning telling the story of one Kodak retiree. About half way into the article, it starts covering options for Medicare eligible individuals.

I'll reproduce the entire article here.



December 6, 2009

Retirees face benefit cuts in health care, high prices

Matthew Daneman Staff writer

During his 32 years with Eastman Kodak Co., most of the cost of Bob Volpe's health care was covered by the company. And for the 11 years since he retired, the photo and imaging company has continued to provide sizable health benefits for the Rochester retiree and his wife.

But given the skyrocketing costs of health care and the tough competitive situation Kodak finds itself in, Volpe, 67, has little confidence that those benefits will be around in another 11 years.

"That's why we created EKRA," said Volpe, one of the founders of the Rochester organization focused on health coverage and pension benefit issues for Kodak retirees. "Somebody has to look out for retirees' interests."

Legions of area retirees are finding themselves dealing with rising out-of-pocket costs for health care as companies cut back. Over the next nine years, Kodak is phasing out payments for dependents' medical coverage as it also shifts more premium costs to retirees. Meanwhile, a group of Xerox Corp. retirees is suing to roll back company cuts to its health coverage, such as the allowance to help buy supplemental coverage, which Xerox will no longer provide to Medicare-eligible retirees and their spouses starting next year.

A Harvard Medical School study this year found that more than 60 percent of personal bankruptcies in the U.S. are health-related because of either high medical bills or lost income. And insurance is no cure-all. According to the study, the majority of people with a health-related bankruptcy also had insurance.

Tougher for under-65 For retirees who are Medicare-eligible, there are numerous options available to help fill the gap in coverage left by employer cutbacks, from the state's Elderly Pharmaceutical Insurance Coverage (EPIC) program to Medicare Advantage plans. For middle-class retirees who don't yet qualify for Medicare, however, the options are limited and often costly.

"You've got to find another job with benefits," said Ron Brandwein, coordinator of Lifespan's Health Insurance Information Counseling and Assistance Program. "Can you afford COBRA?"

"Probably the hardest hit by all this is the 55-to-64 population," said John Cogan, a partner with Lawley Benefits Group in Rochester. "It's more difficult for them to find coverage and a lot more expensive. They're also the people prone to having higher health care bills."

On the open market, while individual health plans are available from carriers such as Excellus BlueCross BlueShield and MVP Health Care, they are typically fairly expensive, said Matthew J. McDermott, an employee benefits consultant with Landmark Group of Brighton.

According to Excellus, monthly premiums for Valu-Med Plus will range from about \$200 to about \$500 in Rochester in 2010 while the monthly premiums for Blue Choice Personal will range from around \$1,000 to almost \$4,000, depending on the type of plan selected.

Retirees who start their own small businesses often can find coverage through brokers or health benefits consultants or organizations such as the local chamber of commerce, McDermott said, but those rates aren't going to be much different than individual health plans.

COBRA's bite COBRA lets people temporarily keep their insurance coverage at group rates. The drawback to COBRA is that people pay the full corporate rate — which is cheaper than an individual rate but still more than what people are used to paying. The cost of COBRA can easily reach \$1,000 or more a month, Brandwein said.

Prescription drugs are another major cost. For people between ages 50 and 64, the state offers New York Prescription Saver, a discount card that can cut costs. The program comes with eligibility income limits of \$35,000 a year for individuals or \$50,000 for couples.

While insurance companies are frequently criticized for denying coverage to people with pre-existing medical conditions, that issue doesn't play much of a role in retirees' coverage as long as they have maintained coverage all along, Brandwein said.

For the Medicare-eligible population, meanwhile, Medicare is rarely enough. Costing about \$100 a month in premiums, the government program for people 65 and older typically covers about 80 percent of health care costs, Brandwein said. Supplemental coverage, usually with a price tag of about \$200 a month, covers the rest of those costs except for drugs.

In New York state, people older than 65 can get assistance in the cost of covering drugs. EPIC helps cover costs not covered by Medicare Part D. Neither dental nor vision is covered by Medicare, and buying that coverage is usually cost prohibitive, Brandwein said: "Unless you know you're going to have a lot of dental work, (coverage) is not a good investment."

But for the Medicare-eligible, Medicare Advantage plans often provide benefits Medicare does not, such as eye coverage, he said. The drawback to such plans is that coverage is limited to a set network of providers.

Companies used to pay for their retirees' benefits out of current cash. But under a 1990 change in financial accounting standards, companies had to begin projecting and saving for the future costs of health care.

The move was made because some companies were showing only their active monthly costs and not the full costs of their future promises, said Cogan, the Lawley Benefits partner.

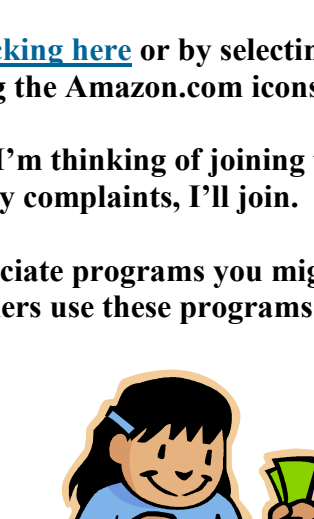
"You started to see the landscape for employer-provided benefits change almost right away," he said.

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Coming Events

Well I haven't gotten notified by anyone yet of any upcoming events. So I guess January is just a "rest" month. Maybe next month????



Florida Picnic

In March we used to have a picnic for all RG&E'ers in the Sunshine State.

The picnic was organized by Bill Goodman for more years than I can remember. Bill had to give up this job because of problems he was having with ankles and the surgery that was needed.

Then to make matters even worse, the county, we held the picnic in' started requiring insurance for groups as large as ours. (This is really tough because there was no ticket cost for our picnic.)

A couple of individuals volunteered to help, but nothing ever came about from their efforts.

So it is with a sad heart, that unless someone steps up to organize and run this wonderful event, I must declare that the Florida Picnic an event of the past. And it will no longer be held.

To all those individuals involved in the past, I say "Thank you" for all the effort you put forth for our members.



Important Dates

I got another calendar for 2010 that lists important dates for each month. So I guess you'll have to put up with this feature for another year.

So here are January's dates"

January 1st—(Do you want to guess or is your hangover too bad?)

January 4th—New Years Holiday, New Zealand (another chance for a hangover)

January 18—Martin Luther King Day

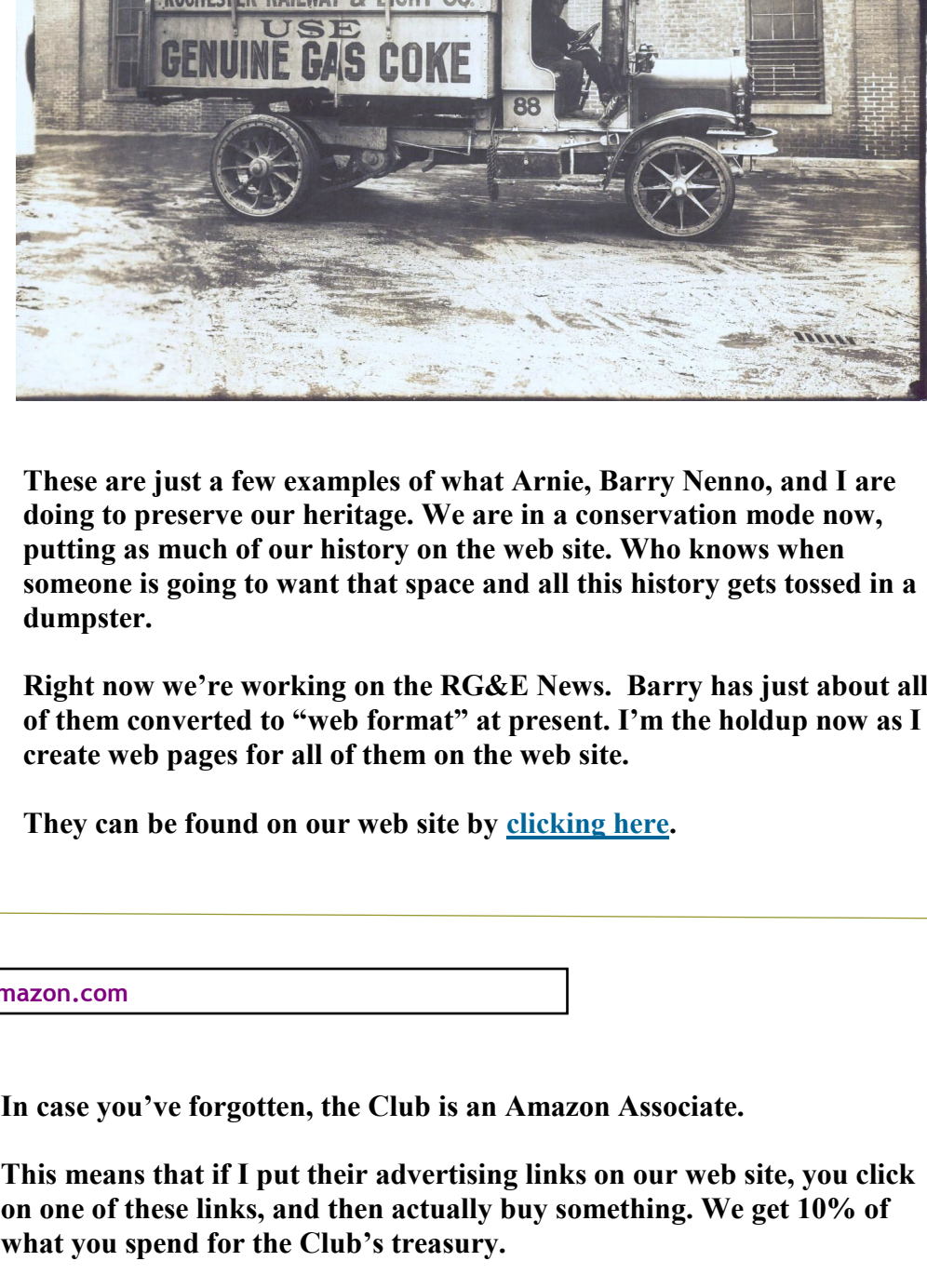
January 26— Australia Day (I don't know what it celebrates, but those guys can party down there.)

Pioneers Club Web Site

This is an example of some of the photos we copied from the old RG&E archives. The represent some of the interesting things RG&E has accomplished over the years.

This is a picture of the nighttime lighting of one of Rochester's early movie houses.

Remember when RG&E was in the coke business? Well I don't either, but here's a picture of one of the trucks. It was taken on May 20, 1918.



These are just a few examples of what Arnie, Barry Nenko, and I are doing to preserve our heritage. We are in a conservation mode now, putting as much of our history on the web site. Who knows when someone is going to want that space and all this history gets tossed in a dumpster.

Right now we're working on the RG&E News. Barry has just about all of them converted to "web format" at present. I'm the holdup now as I create web pages for all of them on the web site.

They can be found on our web site by [clicking here](#).

Amazon.com

In case you've forgotten, the Club is an Amazon Associate.

This means that if I put their advertising links on our web site, you click on one of these links, and then actually buy something. We get 10% of what you spend for the Club's treasury.

It doesn't cost you anything, us anything, and it adds to the Club treasury. So don't forget us, if you use Amazon.com.

You can get there by [clicking here](#) or by selecting "Fun Stuff" from our home page and following the Amazon.com icons.

With that goal in mind, I'm thinking of joining the EBay Associates program. If I don't hear any complaints, I'll join.

Are there any other associate programs you might like the club to join? A lot of the on-line retailers use these programs to draw customers to their sites. As long as I'm willing to add them to the site, they don't charge us, them to the site.

Obituary Page

I found myself not updating the [Obituary page](#) again last month.

Remember: Pass this Newsletter on, so everyone can see it!

[And if you're not on our mailing list, click here](#) to join

Questions, or Comments, or Articles?

Just Email me at Tom@ThePioneersClub.org

To remove your name from our mailing list, please [click here](#) (we'll miss you!)

To a Friend! They'll be glad you did.

www.thepioneersclub.org