



RETIRED PUBLIC EMPLOYEES ASSOCIATION Chico Chapter 77

December 2017 Newsletter

Mission Statement:

*We are active and retired California public employees working together to maintain and improve the quality of the lives of our members by protecting and improving our earned retirement, medical, and other benefits.
RPEA represents the rank and file retired public employees.*

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CHRISTMAS PARTY

THURSDAY, DECEMBER 7, 2017 – 12:00 NOON

ST. JOHN'S EPISCOPAL CHURCH

SOCIAL HALL

2341 Floral Avenue, Chico

(A short distance south of East Avenue on the west side)

*Party will be held in the Parish Life Center Social Hall
located in the Northwest corner.*

**FUN – FELLOWSHIP – FOOD
MUSICAL ENTERTAINMENT – DRAWINGS**



The annual Christmas party is sponsored by Chapter 77 and the Board of Directors, and there is no charge for attendees. This is a wonderful opportunity to visit with our Chapter 77 members in a festive setting. Plan to attend this fun event, and wear your holiday attire. Invite a prospective member(s) to join you for this fun holiday party!

CHANGING OF THE GUARD!

Sandy Thomas has retired as Treasurer of Chapter 77 after serving in this capacity for over 16 years. Joan Palmer has been appointed by President Norm Stump to serve as Treasurer for a term expiring in January 2019, and the Board has confirmed this appointment. Sandy will remain on the Board to handle special events, and she is the organizer of our Christmas party and our June picnic. THANKS to Sandy on a job well done! She has worn many hats over the years and has spread herself thin as she has juggled all of her RPEA responsibilities. We welcome Joan to the Board and know that she will do an excellent job as Treasurer!

LEGISLATIVE UPDATE ARTICLE IN RPEA NEWSLETTER

The RPEA newsletter is published by Headquarters six times a year and always contains lots of interesting information. The September/October issue arrived in mid-November, and there is an informative Legislative Update article by Aaron Read and Pat Moran of Aaron Read & Associates. More than 800 bills were awaiting action, and they will update us in the next newsletter as to the final outcome of bills important to RPEA.



HEALTH BENEFITS REPORT – By Al Raitt

During the November 9 Stakeholders meeting at CalPERS headquarters, staff provided updates regarding the response to complaints from CalPERS retirees about the OptumRx (the CalPERS Pharmacy Benefits Manager – PBM) customer service experience. Between January and October of this year multiple complaints were made regarding: (1) The call service customer service experience; (2) The high rate of overturns for Prior Authorizations (PA's); and (3) The formulary tier differences from the prior PBM (CVS-Caremark) contract leading to member disruption of obtaining medication renewals.

CalPERS met on October 9 and 17 with OptumRx staff including the OptumRx Senior Medical Director and the Senior Account Representative. CalPERS actions have included: Request OptumRx update its corrective action plan to address additional complaints and provide dates for remedy; Assessed and collected additional fees (\$1.5 million) from OptumRx for costs associated with implementation; Conducted an unannounced site visit to OptumRx call center and PA offices; Made recommendations to OptumRx to improve its handling of escalated calls and its PS processing; analyzed 200 consecutive call recordings of conversations between CalPERS Medicare members and the OptumRx call center and made recommendations to OptumRx on the basis of the analysis; interviewed OptumRx employees handling escalated CalPERS member issues; and obtained utilization and cost data from OptumRx to make decisions about streamlining utilization management and decreasing cost sharing for Medicare members.

“Call transfers” (a measure of the rate of problem resolution) which in January were 7.11% of calls and in May had increased to a high of 10.36%, decreased in June to 3.55%, and in September were 3.29%. This drop of 6.81% means that members are experiencing a faster resolution of their problems.

PA approvals went from 65% in early July to 88% in early October while denials went from 32% to 13%, and the PA appeals volume went from 100 per PA cases to 40 during the same period. OptumRx and CalPERS staff are working collaboratively on ways to streamline the PA approval process and to thereby increase PA approval rates.

No information was provided regarding the third complaint issue: Formulary tier differences leading to member disruption of obtaining medication refills. Since this is often quite problematic, we can only hope that CalPERS and OptumRx will soon be fixing this problem. It may be a time for all of us to begin holding our collective breath!

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Be Aware: The *Sacramento Bee* reports that scammers have targeted CalPERS members requesting a special payment to keep their pensions in effect. CalPERS emphasizes that it would never phone members with such a request.

REMINDER:

Run-off ballots for Seat B on the CalPERS Board of Administration election must be received by Dec. 11.