



## RETIRED PUBLIC EMPLOYEES ASSOCIATION Chico Chapter 077

### November 2018 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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### MEETING ANNOUNCEMENT

THURSDAY, NOVEMBER 1, 2018 - 11:15 A.M.

Manzanita Place (Chico Elks Lodge)

1705 Manzanita Avenue, Chico - *(Lunch cost: \$16)*

**MENU:** *Salad Bar, Honey Glazed Ham, Au Gratin Potatoes, Fresh Vegetable Medley, and Rolls*

**PROGRAM:**

**“Safety during the Holiday Season”**

A Chico Police Officer and Chico Police VIPS (Volunteers in Police Service) will present a program about the “Vacation House Watch” program and general safety during the holiday season. This will be a timely topic with the holidays quickly approaching!

### CONGRATULATIONS, ABE!



Area Director II

### LEGISLATIVE REPORT – By Mary Kowta

On Sunday September 30, Governor Brown put his pen to the last of the 1,016 bills that he signed this year. Many of these efforts add to his reputation as a leader on policy issues such as climate change, criminal justice, gender concerns, and police transparency. Now, as he was quoted in the *Bee*, it's "on to the promised land...Colusa County!"

**CalPERS News:** Corona Police Officer, Jason Perez, longtime CalPERS member, defeated incumbent Priya Mathur for a seat on the CalPERS Board of Administration as the representative of public agencies. RPEA President Al Darby calls Officer Perez' win "a *stunning victory.*" See RPEA website, <http://www.rpea.com> for details. Congratulations to Jason Perez! According to the State Constitution, the CalPERS Board has exclusive authority to administer funds and set policy on retirement and health benefits. It should be interesting to see how this new configuration manages these responsibilities.

**NOV 6.....VOTE**

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*Mary*

## HEALTH BENEFITS REPORT – By Al Raitt

Although there is little current legislative activity at the state level related to retiree health benefits, there is news at the federal level which is germane to all of us obtaining prescribed medication. An article in the October 10, 2018 edition of *Kaiser Health News* describes how on that date federal legislation was scheduled to be signed into law the lifting of a “gag order” clause in contracts between pharmacies and insurance companies or pharmacy benefit managers which prohibited pharmacists from telling customers when they can save money by paying the pharmacy’s lower cash price instead of the price negotiated by their insurance plan.

In the February, 2018 newsletter I wrote about the experience that a member of the statewide RPEA Health Benefits Committee was having while trying to obtain prescribed medications following back surgery and how she discovered that she could get these medications from the pharmacy quicker and easier simply by paying the pharmacy’s “cash price” rather than waiting for what would have been two to three weeks for our current pharmacy benefits manager (PBM) to obtain prior authorization (PA) and paying their copay. These companies negotiate prices for employers and insurers with drugstores and drug makers, and the contracts prohibit pharmacists from telling customers when they can save money by paying the pharmacy’s lower cash price

instead of the price negotiated by their insurance plan. In the past, pharmacists could be fined for violating their contracts and even dropped from insurance networks if they told customers that the “cash price” would be less than the insurance company or PBM copay.

The new federal legislation will become effective immediately for commercial insurance contracts; however, this will not become effective for Medicare beneficiaries until January 1, 2020. The legislation does not address how patients who pay the cash price outside their insurance plan can apply that expense toward meeting their policy’s deductible. But, for Medicare beneficiaries, there is a little-known rule--not found in the “*Medicare & You*” handbook or on its website--that helps people with Medicare Part D or Medicare Advantage coverage. If they pay the lower cash price for a covered drug at a pharmacy that participates in their insurance plan and then submits the proper documentation to their plan, insurers must count it toward patient’s out-of-pocket expenses.

So, with the advent of this new legislation, it will be prudent to ask the pharmacist if there is a “cash price” that is lower than the insurance plan copay for your prescribed medications. Perhaps this could be considered a “pre-holiday cash price gift.” In the meantime, have a “Happy Halloween!”

*al*