

SRSRA NEWSLETTER

For SRS Retiree Association Members

Bob & Pat Stokes, Editors

Volume 25 May 2005

Membership Drive 2005 (Have you renewed your membership yet?)

Current Members Can Help Recruit SRS Retirees for SRSRA

INSIDE INSIGHT

Chairman's Letter	1	Bylaws Revision	10
WSRC To Issue Revised W-2's	3	Treasurer's Report	11
SRSRA Annual Meeting Synopsis	3	Energy Employees Occupational Illness Compensation Program (EEOICP)	11
WSRC Layoffs	8	SRS Museum	11
SRS Retirees Web Page is Changing	8	WELCO/WSRC Supplemental Pension Issues	12
ORA Items of Interest	9	Medical Benefits Issues	12
Membership	9	Benefit Information from Other DOE Sites	16
Newsletter Mailing	9	BC/BS Service Concerns	17
SRS Activities	10	Benefits Contacts	17
Board Meeting Dates and Location	10		

CHAIRMAN'S LETTER

Mr. Mike French and I represented the Savannah River Site Retirees Association in Washington, DC, on March 10 and 11. The trip was a great success. Our meetings started at the DOE Headquarters with Mr. Mike Owen, Director of the Office of Legacy Management, followed by a meeting with Mr. Richard Hopf, Director of Procurement and Assistance Management. In addition, we also met with Mr. Charles Anderson, who at the time was Deputy Director of DOE SROO on assignment to DOE HQ. He has since been promoted to Principal Deputy Assistant Secretary in the DOE Office of Environmental Management (EM-2). We discussed key retiree issues regarding the potential introduction of a new SRS contractor in 2006. The SRS contract is being re-bid and your Board decided it would be cost effective to go to Washington to discuss our concerns eye-to-eye. Mr. Jeff Allison, DOE SROO, arranged meetings with key DOE managers. Mr. Richard Perry, Senator Graham's Chief of Staff, arranged meetings with our key Congressional Delegation.

Our primary objective for the trip was to ask DOE to include wording in the pending 2006 re-bid RFP that will protect our benefits should the contractor be changed. We introduced contractor or offeror qualification criteria whereby any contractor proposing to cut benefits to win the contract would be disqualified. Senator Strom Thurmond included words with similar intent in the current contract RFP. Our concerns were vindicated when we discovered that the Los Alamos National Laboratory (LANL) contract re-bid draft for comment issued in

December 2004 excluded any mention of retiree benefits. In feedback to the draft, many LANL retirees expressed concern that “it contained no provision with respect to their medical benefits”. In response, the Source Evaluation Board (SEB) recognized the error and indicated appropriate language would be included in the final RFP. DOE NNSA also responded to both the retirees and a letter from Senator Dominici; they claimed the omitted benefits was an error. They resolved the issue by including a requirement for the incoming contractor to provide similar or improved “health and welfare” benefits. Mr. Richard Hopf assured us that our proposed **Offeror Qualification Criteria** (see page 6) would be considered. Those of you that heard Senator Graham’s letter read at the SRS Retiree Annual Meeting heard that our DC trip laid a solid foundation for our case should the draft RFP exclude benefits.

Mr. Mike Owen is well aware of the DOE’s “cold-war-warrior” promises throughout the complex including SRS. His Office of Legacy Management is reviewing some 100 benefits packages in-place in the DOE complex. While shared costs will increase much like our health insurance increases in recent years, the DOE has no intention to eliminate promises made by Congress. We closed our meeting with discussion to make Messrs. Owen and Hopf aware of our pension fund history. We provided all the parties we visited with historical information regarding benefits and pension fund concerns. Interestingly enough, the 2006 \$80+ million pension fund contribution shortfall caused a high level of concern at DOE HQ and with our South Carolina Delegation.

Our Delegation visits reflected a great respect for the SRS Retiree Association. We were treated very well, with excellent cooperation from everyone we met. The contacts made were invaluable. This writer is convinced that on any key issue the SRSRA should travel to Washington, DC, at least once every two years. One only needs to observe visitors lined up all day long to see our Delegation to realize that we are but a small part of their constituency. Congressman Barrett told us that it “means a lot” when constituents come to Washington, DC, to visit the Delegation.

Congressman Joe Wilson afforded us several visits. He really jumped on the SRS museum band-wagon advising us he will help any way he can adding that he is a museum buff.

For those of you who attended the SRSRA annual meeting, thank you. For those who did not, you missed an excellent, informative program.

Retiree concerns regarding medical benefits issues are an ongoing agenda item. We have a revamped website at www.srsretirees.org where you can document medical benefits problems. We will keep you informed of progress in our negotiations with WSRC and BC/BS. **Please read the Medical Issues section of this newsletter for more information.**

Our membership is 854 as of this writing, thanks to Mr. Bob Stokes’ efforts. I urge you to bring in a retiree you know who is not in the organization. We need to top 1,000 members (or approximately 30% of available retirees). The Washington trip illustrates that the size of this organization is very important for clout in DC.

Dave Cowfer, Chairman
Savannah River Site Retiree Association

WSRC TO ISSUE REVISED W-2's TO CERTAIN RETIREES

As a result of a question raised by a retiree and SRSRA inquiries, WSRC has determined that W-2s issued to retirees who received either a nonqualified pension payment as a result of an ERI or a delta payment or both were issued in error. These W-2s incorrectly reported payments only in Box 1 of their W2. The Site has advised that corrected W-2s are expected to be issued the week of May 16 and will show these nonqualified pension and/or delta payments in both Box 1 and Box 11.

According to the Site, pension payments from the qualified pension plan were correctly reported to retirees on IRS form 1099-R. However, if you have any questions on how this may affect your personal tax situation, you may wish to check with your tax professional.

SRSRA 2005 ANNUAL MEETING, MARCH 29, 2005

Aiken Community Playhouse -- Aiken, SC

- Introduction

The Annual Meeting began promptly at 1:00 P.M. as Nick Kuehn welcomed the invited guests and/or their representatives: U. S. Senator Lindsey Graham (represented by Rene Tewkesbury); U. S. Senator Saxby Chambliss (represented by Jim Hussey); U. S. Senator Johnny Isakson (represented by Nancy Bobbitt); U. S. Representative Gresham Barrett (represented by Katherine Way); U. S. Representative Charles Norwood (represented by Kathleen Black); U. S. Representative Joe Wilson (represented by Amber McDonald); DOE SROO Manager, Jeff Allison; and WSRC President, Robert A. Pedde.

The representatives for the congressional invitees read letters from the congresspersons expressing their regret at being unable to be present at the meeting; praising the retirees for the proud legacy their efforts left at the Savannah River Site; thanking them for their continued support of the Site; promising to continue working with the Association to protect the benefits retirees have earned; and wishing the Association continued success.

First on the agenda was Fred Cavanaugh who introduced our Keynote Speaker, Robert A. Pedde. Mr. Pedde was representing E. Preston Rahe, President Energy & Environmental Business Unit, Washington Group International. Ill health prevented Mr. Rahe's attendance at the meeting.

- Keynote Address

Mr. Pedde presented the information Mr. Rahe had planned to use. The theme of the presentation was **“Washington Group and the CSRA—A Common Past, Present, and Future”**. Mr. Pedde posed the question: “What do the arts in Aiken have in common with Iraq?”. The answer is that the Washington Group is a key player in both places. In Aiken, the very location of our meeting (The Aiken Community Playhouse) is housed in the Washington Group's building. In Iraq, employees of Washington Group are busy rebuilding schools, power and water systems, and hospitals.

Washington Group International employs 27,000 people worldwide in 30 countries and 40 states. The company was founded in 1964 by Dennis Washington as the Washington Construction Company. Through the years companies such as Westinghouse and Raytheon have been absorbed by Washington.

In 1997 Washington Safety Management Solutions was spun off from WSRC and began its life here in Aiken. The new venture started with 150 employees and had grown to 540 people by 2004.

Mr. Pedde said that the period 2003 to 2006 will be years of accelerated closure at the Savannah River Site. He spoke of the current workforce restructuring at the Site and told us that as people leave the Site they are being given an application for our association. Mr. Pedde regretted the worry and concern workforce restructuring always causes. He said that, unfortunately, when a restructuring is announced 5 to 7-thousand employees worry their position may be in jeopardy. In fact, the affected number of employees is considerably less than that.

As for the future, he pointed to the new Washington Group Energy Center planned for Aiken and which is currently in the process of hiring 50 employees. The Washington Safety Management Solutions company and the Savannah River National Laboratory are also reasons for optimism.

Mr. Pedde concluded his remarks by giving the audience an opportunity to ask questions. A sampling of those posed by retirees follows:

- Q. Concerning the Site, you have a “good story”; but when I read the local paper, many people who respond in the Talkback Section or Letters to the Editor have no appreciation for what you are doing. How can you get the story out to the people?
- A. We struggle with that. The Site is happy to come and talk about our programs at the Site and what is happening at the Site. We talk to organizations like Rotary and the Chamber of Commerce. People can contact Keith Wood who is happy to set up these talks. You are also our ambassadors. We look to you to help us get the story out. In addition, we will continue to see monthly or bimonthly messages from Pres Rahe on investments we are making in the community.
- Q. Could employees for Idaho Falls or Hanford be recruited from here?
- A. There will not be a large number of employees transferred to either of these locations. Twenty people from the Site will be transferred. Bill Shingler is going to Hanford and Bill Johnson to Idaho to manage the activities at those sites.
- Q. What kind of proposal will DOE be looking for when it re-bids the Site contract? Will it be a contract that they cut up in little pieces?
- A. *Mr. Pedde referred this question to Jeff Allison.* Mr. Allison stated he didn't think the question was a fair one for Mr. Pedde so he was happy to respond. He said DOE is in the very early stages of the re-bid process and is looking for input. He noted that he has had a couple of meetings with the SRSRA Board and was willing to accept on the spot any feedback the audience might have. Finally, he stated that, right now, no model has been established.

This concluded Mr. Pedde's presentation. As has been the custom, Fred Cavanaugh presented our Keynote Speaker with a commemorative medallion—this one of South Boundary. Fred thanked Mr. Pedde for his participation and expressed the gratitude of the SRSRA not only to him, but Jeff Allison and Pres Rahe as well for the good working relationship these three have fostered with our organization.

After a brief break, the meeting resumed with the business portion of the session.

- Treasurer's Report

Stan Smith presented the Treasurer's Report for the organization. The report covered March 1, 2004, through February 28, 2005. The SRSRA began the period with a balance of \$12,119. Income for the period was \$15,675 (for paid membership dues). Expenses incurred for the period were \$4,888, leaving a balance of \$22,906.

- Bylaws Revision

Stan Smith presented a proposed Bylaws Revision for a vote. In the past, there has been confusion as to what constitutes a "membership year". Some people thought the year should run from one Annual Meeting until the next. Others wanted to follow a typical fiscal year (July 1 to June 30). The Board felt following the calendar year would be best. Hence, the proposal was to amend the bylaws so that the "membership year" would run concurrent with the calendar year. By a unanimous voice vote, the amendment was passed. The following will be added to the SRSRA Association Bylaws: Article III, Section 7, Dues – The membership year shall run concurrent with the calendar year.

- Election of Board of Directors

Jim Morrison handled the election of Board Members. The Board consists of 30 members; 15 of which are elected at each annual meeting to serve a 2-year term. Only members in good standing (i.e., those with paid-up dues) and those willing to serve are eligible for election. Jim Morrison presented a roster of 15 such members and called for any other nominations from the floor. None were forthcoming, and it was motioned and seconded that the roster as presented be accepted. The motion was adopted by unanimous voice vote.

Following is the list of newly elected Board Members. Those with an asterisk are incumbents who have been re-elected:

Art Blanchard*	Thomas Moore*
Fred Cavanaugh*	Ray Sabol
Delano Knight	Jim Morrison*
James Fuqua*	Bill Quinn*
Judy Maddox	Gerald Croom
Chuck Hyatt*	Charles Riley*
Warren Kenrick*	Chuck Seitter*
Nick Kuehn*	

The Association is grateful to these fine retirees who are willing to devote their time and energy toward protecting our benefits and promoting the interests of the Site.

- State of the Association

Dave Cowfer our SRSRA Chairman gave the State of the Association address. Dave began by iterating our Mission Statement:

- Maintain benefits awarded to retirees at time of retirement
- Support the maintenance and expansion of SRS missions

He then went on to discuss key activities the Board has been pursuing since the last annual meeting:

1. We have initiated a dialog on future pension increases. Dave elaborated that it is DOE's position to not consider pension increases for funds in a contributory state. Our pension fund is contributory at present. The Association has countered with letters in February and March of this year to both DOE and members of the SC/GA Congressional Delegations that point to a notice dated August 7, 1996, to WSRC/BSRI Pension Plan Participants from the Department of Labor, Office of Exemptions, and DOE/DOL with the subject "Agreement to Access SRS Pension Fund". As a result of this agreement, subsequent DOE actions resulted in the SRS Pension Plan falling into the contributory state it is in today. Your Board has advised DOE we do not believe it is fair for them to tell us they do not want to discuss pension increases because the fund it is in a contributory state, because it is they who have forced us into this situation!
2. Because the Association is concerned that the 2006 SRS contract re-bid will not protect our benefits, we have communicated our concerns in the above-mentioned February and March, 2005, letters. Specifically, those letters contain an attachment which recommends specific phrasing to be included as part of the SRS Request for Proposal. That language is as follows:

QUALIFICATION CRITERIA

Below are listed the Qualification Criteria applicable to this procurement. Offerors who fail to fully satisfy each criterion will receive no further evaluation.

A. Continuity of Employment and Benefits

The offeror must agree to: (1) honor accrued benefits as of September 30, 2006, for all employees and for all retirees of the Westinghouse Savannah River Company Team under Contract No. De-___-_____ at time of transition, (2) provide the above-referenced employees and retirees a pension plan and all other retiree benefit programs (qualified and unqualified) for which all benefits and accruals under the current WSRC/BSRI contract will be honored and maintained, and (3) retain and honor accrued legacy benefits that have been provided to referenced retirees consisting of both "qualified and non-qualified plans" including medical and prescription drug coverage, dental, pension, life insurance, etc.

SRSRA Chairman, Dave Cowfer, along with Mike French, the Association's Second Vice-Chair, visited DOE officials and the SC/GA Congressional Delegations during a March 2005 trip to Washington, DC. In face-to-face meetings, they presented our apprehensions that the new SRS Contract could be fragmented like the recent Hanford one. They received assurances that this was not likely to happen.

Mr. Richard Hopf, who is the Chief of the DOE Office of Procurement and Assistance Management, told Dave and Mike he is interested in our proposals and the information we have communicated via our letters and meetings. He assured the SRSRA that our proposal for the RFP would be considered.

Mr. Mike Owen, Chief of the Office of Legacy Management, addressed another of our concerns: suppose WSRC is not here after the new contract? He spoke of the “Cold War Warrior Agreements”, one of which is that retirees prior to 1998 get free medical benefits. He does not expect to let any site “fall through a crack”.

3. The SRSRA continues to provide support in resolving member benefit issues. Specifically, we are proposing medical “carve-out” changes. As currently executed, Blue Cross/Blue Shield refuses to pay anything toward a medical claim if Medicare has paid in excess of what the Blue Cross/Blue Shield payment would have been.

Blue Cross/Blue Shield currently does not hold a network provider to its agreed-upon billing limits when the patient is on Medicare. That means some network providers are charging Medicare patients more than the agreed-upon billing.

Similarly, if Medicare rejects a request for payment (and they do reject most diagnostic tests), Blue Cross/Blue Shield automatically rejects it, too. These rejections are done by computer; the Medicare computer rejects the claim, and the BC/BS computer rejects, also. We have found that you must get personally involved in such rejections. BC/BS does pay for diagnostic tests—but you must bring it to their attention!

After contacting BCBS and then the WSRC People Support Service Center, John Church is the SRSRA Board member to contact if you still have unresolved medical benefits problems. (ed. You can reach John on our web page at www.srsretirees.org or see page 17 for additional information.)

4. Retiree benefits are not uniform across the DOE Complex. The SRSRA Board keeps in contact with retiree organizations at these other locations to keep abreast of what is happening at their sites. (see page 16 for some differences that we note from other sites)
5. SRSRA has encouraged retirees to identify items at the Site for the proposed museum. Our members have responded to this request.

Dave closed his remarks by reminding the audience that, with 716 members (as of March 29, 2005), we are the largest registered South Carolina Retiree Association. He urged all members to recruit two more retirees for the organization, and reminded us that SRSRA’s visibility is boosted at sessions such as our annual meeting when we turn out in large numbers. He advised members to stay informed by reading the Association’s Newsletter and visiting its web site. He also asked members to continue their support for the Site by attending public meetings and writing letters.

- Citizens for Nuclear Technology Awareness

Mal McKibben of the Citizens for Nuclear Technology Awareness (CNTA) was the final speaker on the agenda. Mal invited retirees to join CNTA's current 2,000 members. He echoed Dave's words that visibility is increased by number of members on board.

Mal informed us that the CNTA was formed to:

1. Educate the public on nuclear matters
 - They sponsor Up and Atom Breakfasts
 - They sponsor the annual Edward Teller Lectures
2. Rebut anti-nuclear information found in the national news
3. Work for new missions and new business opportunities in the CSRA
 - Working to establish the Visitor Center and Museum
 - Supporting a teaching and research reactor at SRS
 - Supporting an electricity-producing nuclear power reactor at SRS

- Adjournment

The meeting concluded at 3:00 P.M.

Note: Although they are extensive, these notes cannot possibility cover all that happened at the meeting. Start planning now to attend next year's session so you won't miss any of the important issues discussed.

WSRC LAYOFFS

WSRC SRS rolls have been reduced by approximately 800 persons in the past month. This includes 177 involuntary layoffs and 622 voluntary layoffs. All of these personnel will receive one week's pay for each year of service, up to 26 years. Benefit packages will also be maintained (at current rates) for one year.

Another 400 persons are expected to be eliminated from WSRC SRS rolls by the end of FY 2005 (September 30). Another 800 layoffs are planned for FY 2006. WSRC total SRS employment is currently below 10,000. This is the lowest total number of WSRC employees since WSRC first took over the SRS contract in 1989.

SRS RETIREES WEB PAGE IS CHANGING

While the new website is being designed, the old one will continue to be updated as needed. For now, the links to legislative contacts and the list of SRSRA Directors have all been updated. We plan an extensive list of helpful links for medical benefits and provider information. If there is information you would like to see posted on the web site that is not currently there, please send the webmaster an email at webmaster@srsretirees.org and we will try to get it included.

So far, everyone who has reported difficulty in downloading the SRSRA Newsletter has been able to successfully download it with a new method we have created. If anyone is still having problems in downloading the newsletter, please send an email to webmaster@srsretirees.org and we will try to resolve those problems.

ORA ITEMS OF INTEREST

ORA's Off-Site Web Page

The ORA off-site Web page includes the same information that is available via the Web to on-site employees. From your home computer, go to: www.srs-ora.com. You will have access to many ORA-related items.

MEMBERSHIP

As noted in the Chairman's Letter, the SRSRA membership currently stands at 854. This is the largest membership roster we've ever achieved and something of which we can all be justifiably proud. However, there is strength in numbers when we are speaking to our Congressional Delegations as well as local WSRC and DOE SROO officials. Therefore, it is important that each of you do your part by urging your retiree friends to become members of our Association. When they add their name to our roster, they help us turn up the volume of our voice. In addition, as you already know, a prime benefit of membership is our Newsletter which ensures that all members receive "timely benefit news that you can use" and information on what and where things are happening that may, or will, affect your benefits. **You and your SRS retired friends need to stay involved and you can do that through the SRS Retiree Association!!**

The MEMBERSHIP DRIVE FOR 2005 IS IN PROGRESS! Do your part and ask your SRS retiree friends and neighbors to join the SRSRA.

By now, all current and previous members who have not yet renewed membership for 2005 should have received their 2005 Membership Renewal Form and reminder letter (in some cases, two reminders).

PLEASE NOTE: In the future we will notify you personally, by letter, near the end of the calendar year if your dues need to be paid for the coming year. If our database records are up-to-date and you do not receive a request for dues, then you are covered for the coming year. We will not routinely add an application form to each newsletter, but you can get one through the SRSRA web site or by calling the Membership Chairman, Bob Stokes, at 803.649.3362. One will be mailed to you or your retiree friend or neighbor. Remember, though, to keep us posted on address changes that you may make whether they are e-mail or U.S. Postal addresses. Send new information to the address at the top of this newsletter.

NEWSLETTER MAILING

We are continuing to use the internet e-mail to reach over 60% of our members. The Newsletters, new and old, have been converted to Adobe pdf format and installed as a link through the SRS Retiree Association web page.

This enables many more internet-savvy members to access the Newsletter directly without receiving a lengthy e-mail attachment. **If you have an e-mail address and you did not receive this Newsletter or a link to it over the internet, please respond to membership@srsretirees.org and give us your correct e-mail address for future use. I know many of you have changed your e-mail address since there are so many new offers appearing in this business area.**

If your e-mail address has changed be sure to advise us so that we can update our files and keep you abreast of the activities of the SRSRA.

SRS ACTIVITIES

For the second year in a row, an invention from the Savannah River National Laboratory (SRNL) has been named one of the World's Best Technologies. The Plasma Screen Floating Mount, invented by Don Pak and Bob Eakle of SRNL, was one of the featured inventions at the World's Best Technologies for 2005 Showcase in Arlington, Texas, March 29-31. The mount allows large flat-panel display screens to be used in moving vehicles by minimizing adverse impacts of movement and vibrations.

Blended low-enriched uranium (BLEU) from the Savannah River Site (SRS) is now being used in the Tennessee Valley Authority (TVA) Brown's Ferry reactor in Alabama to produce commercial electricity. For the past two years as part of the US nuclear non-proliferation program, DOE/WSRC SRS had blended highly enriched uranium (HEU) with low-enriched uranium (LEU) to produce commercial nuclear power fuel. The Brown's Ferry reactor is the first to receive and use SRS blended fuel.

The Westinghouse Savannah River Company (WSRC) Team has announced winners of its 2005 Excellence-In-Teaching Mini Grants. The Excellence-In-Teaching Mini Grants Program recognizes and supports excellence in teaching by granting money to enhance public elementary and middle school science, mathematics, and technology programs that directly impact students in the classroom. WSRC selected 85 grants from 283 proposals. A total of \$50,000 will be awarded to the winning proposals.

BOARD MEETING DATES AND LOCATION

The SRSRA Board of Directors is meeting in the Conference Room of the Hampton Inn on Whiskey Road/Route 19 South, near the Aiken Mall. Meeting dates for the coming months are: June 7, July 12, and August 2. Association members may attend and participate but may not vote on Board issues. Be sure to contact a BOD member to confirm the meeting date, if you plan to attend.

BYLAWS REVISION

The proposed revision to amend our bylaws so that a "membership year" would run concurrently with the calendar year was passed by unanimous voice vote at the March 29, 2005, Annual Meeting.

TREASURER'S REPORT - Stan Smith, Treasurer

The following summarizes financial activity FY to date:

Opening Balance (7/01/2004)	\$16,612.30
Receipts	\$11,425.00
Expenditures	\$6,793.52
Closing Balance (4/30/2005)	\$21,243.78

Printing and postage continue to be among our major costs totaling \$2,335 and slightly over one third of expenditures for FY to date. Travel costs to send the two-man delegation to interface with our congressmen in Washington were \$1,711. Total costs for the annual meeting held last month were \$1,471. The closing balance includes \$2,745 in dues paid for calendar year 2006 and beyond.

Energy Employees Occupational Illness Compensation Program (EEOICP)

The following are some web sites that contain information about the EEOICP DOL weekly statistics for the entire Energy Compensation Program: <http://www.dol.gov/esa/regs/compliance/owcp/eoicp/weeklystats.htm>

DOL Statistics for the Energy Program for SC, by changing the state initials you can have statistics for all the states: <http://www.dol.gov/esa/regs/compliance/owcp/eoicp/Statistics/sc.htm>

Hyperlinks for the DOE program including program statistics: http://tis.eh.doe.gov/advocacy/stat_research.html

Statistics for the National Institute for Occupational Safety and Health (NIOSH): <http://www2a.cdc.gov/ocas/>

If you have questions concerning this program you may contact Jim Kirr, Site Manager, Energy Employees Compensation Resource Center, at 803-279-2728.

SRS Museum

During the SRSRA visit to Washington DC, Dave Cowfer and Mike French met with Congressman Joe Wilson. They discussed some of the developments regarding the new SRS Museum, to be named the SRS Heritage Center. The Congressman was unaware of this activity, expressed great interest in the program, and requested that we keep him apprised of developments. He informed us that he was a former DuPont employee at the Site in the legal department. We agreed to send him some materials about the Heritage Center activity, and believe that he would be an excellent congressional supporter for the Museum.

In order to establish a permanent program for the preservation of historic facilities and Cold War artifacts on SRS, WSRC has recently transferred the responsibility for compliance with the National Historic Preservation Act from the D&D organization to Infrastructure Programs (IP). Chris Noah has been appointed Program Manager for Historic Preservation with the responsibility of sustaining progress in preserving the many contributions SRS made to winning the cold war.

WELCO/WSRC Employees or Retirees with Supplemental Pension Concerns:

There is a current class action lawsuit in progress that may be of interest to those of you who were promised a supplemental pension due to your transfer to WSRC from Westinghouse Electric Corporation. An earlier case involved an individual who was denied the "Delta" amount after leaving WSRC employment. He has since won his case, and a broader scope class action suit has resulted due to funding issues disclosed during that the hearings for that case. The class action still needs approval to go forward. The class action suit is being transferred to South Carolina and will be tried here if it is approved. Anyone who was denied the "Delta" or is receiving the "Delta" can opt into the program. The intent is to provide protection for both groups of participants, and require that WSRC adhere to their promises and to ERISA requirements. An ERISA expert on this case, a nationally known lawyer, believes that WSRC is not in compliance with ERISA on this supplemental pension plan.

1. Any one who was promised the "Delta", whether you are receiving it or not, may join in the class action.
2. There is no cost to join in the suit as it is being done on a contingency basis. In ERISA cases the contingency fee is awarded separately from the plaintiff's award, thus 100% of the award goes to the plaintiffs.
3. If the case is lost, the plaintiffs owe nothing.
4. Simply put, there are two purposes to the case:
 - Protect those receiving payment by forcing the establishment of a fund to pay the supplemental pension and require reporting in accordance with ERISA.
 - Require WSRC to honor its original promise to those denied the delta payment.

The more that opt in, the more likely the judge will certify it as a class action suit. If anyone wants to opt in, a simple form is needed that provides the lawyers with the background information necessary to include you in the case. You can receive that form from Steve Hollingsworth at 724.733.8064 or contact sdhollings@aol.com.

The SRSRA Board of Directors has not taken a position in regard to this issue but provides this information as a service to its membership.

MEDICAL BENEFITS ISSUES

Benefit Coordination Issues

Coordination of benefits between BCBS and Medicare appears to be an ongoing execution problem for BCBS. The SRSRA Board of Directors has received numerous reports from retirees of under payments from BCBS on submitted health claims. Chairman Dave Cowfer discussed this issue at the SRSRA Annual Meeting. Although on a claim-by-claim base the issue is often detailed and complex, the outcome has been all too consistent. Retirees are paying more out-of-pocket after they turn 65.

The issue is tied to the fact that, by law, Medicare is the Primary network provider for retired persons on Medicare. The WSRC/BSRI Health Plan retains secondary liability. A procedure known as "Carve-out" is used to determine any residual liability that the WSRC/BSRI Health Care Plan must cover. The Site Plan specifies that the "Normal" WSRC Plan benefit shall be reduced by the amount of the Medicare payment. This calculation is called a "carve-out" of what the WSRC/BSRI plan would normally pay. BCBS processes all

claims being submitted under the WSRC/BSRI Health Plan. The WSRC/BSRI plan is dependent upon BCBS claims processing methods and procedures in order to optimize claim handling.

Three things cause the ongoing inaccuracies when performing “carve-outs”:

- Variations between the two plans on items covered,
- Inexact, one for one, matching of medical procedure coding, and
- Medicare using bundled codes while BCBS retains only item-by-item codes.

Your SRSRA leadership met in January with Bob Pedde to present our concerns on what we were hearing to be an ongoing problem. Mr. Pedde’s response was prompt and most favorable. New instructions from the Site to BCBS have already stopped the inclusion of the Medicare “write-off” amounts from being included in carve-out calculations. Obviously Medicare has never paid nor will ever pay what the provider is required to “write-off” by law. The only amount to be subtracted from what the WSRC/BSRI Health Plan would normally pay must only be what Medicare actually pays, nothing else.

There remains one point of disagreement between the Site and the SRSRA. Instructions recently given to BCBS state that they will also subtract [carve-out] the beneficiary deductible or co-insurance in the event the Medicare COB statement does not contain a line item breakout of procedures used. Medicare never pays the portion of charges that the beneficiary must always pay.

The SRSRA position is perfectly clear. The only permissible subtraction [carve-out] from the Normal Health Care Benefit is what Medicare actually pays for each item.

Protection Against Fee Overcharging

The SRSRA is initiating discussions with WSRC concerning what appears to be a loophole that may exist under BCBS Network contracts signed between BCBS and all Network providers. Apparently the protection from fee gouging afforded to WSRC/BSRI Health Plan participants that use Network providers is lost once the individual turns 65. The retiree by law is forced to always file claims with Medicare acting as the Primary Plan. The WSRC/BSRI Health Plan [claims processing done by BCBS] then defaults to the position of being the Secondary Plan. Apparently the fee structure contracted by BCBS on the behalf of the WSRC/BSRI Health Plan is non-binding when the Plan participant is over 65 and retired. The intent was that the Medicare Allowable fee would provide sufficient protection against fee gouging by health care providers.

Recent trends show that more and more providers are choosing to Opt-Out of Medicare Assignment. In fact the new Medicare Law passed in December 2003 allows many more medical specialties to Opt-Out than were allowed under the old law. The consequence is that the patient must pay the provider without regard to any limits that would otherwise apply under Medicare, and Medicare pays nothing.

Additionally, Medicare providers will often ask a Medicare beneficiary to sign a notice for providing a service or item that may not be allowed under Medicare (a Medicare GAP). The use of the notice has on some occasions been abused to allow the provider to provide medically unnecessary items or services. An example would be unnecessary expensive diagnostic testing to protect the provider in the event of a possible lawsuit.

Both Opt-Out private contracts and the Advanced Notice forms are described below. The Opt-Out situation is far worse than the Advanced Notice situation from the standpoint of patient financial liability.

What You Need to Know About Opt-Out Providers

A physician or practitioner may "opt out" of Medicare and enter into private contracts with Medicare beneficiaries if specific requirements are met. When a provider "opts out" of Medicare, Medicare covers no services provided by that individual, and no payment can be made to the physician or to beneficiaries. Services provided in an emergency or/urgent care situation are the exception. You cannot be required to sign a contract under such conditions.

Medicare will also pay for covered, medically necessary services ordered by an "opt out" provider, but only if the provider has acquired a unique provider identification number (UPIN) from Medicare and if a provider who has not opted out furnishes the services. For example, if an "opt out" provider admits a beneficiary to a hospital, Medicare will reimburse the hospital for medically necessary care.

In order for a physician or practitioner to "opt out" of Medicare, the provider must file an affidavit with the government no later than ten days after the first private contract is entered. The affidavit indicates that the provider will not submit any claim to Medicare for any item or services provided to Medicare beneficiaries during the two-year period after it's effective date. They also agree not to receive any Medicare payments during this time period. After two years, a provider can return to Medicare or "opt out" again.

A provider cannot choose to "opt out" of Medicare for some Medicare beneficiaries but not others, or for some services but not others. The "opt out" status applies to all items or services the provider furnishes to Medicare beneficiaries.

What You Need to Know About a Private Contract With Opt-Out Providers

Under Medicare law an Opt-Out Provider must have a "Private Contract" signed by the patient to provide services to anyone on Medicare. A "Private Contract" is a contract between a Medicare beneficiary and a provider who has opted out of Medicare for two years for all covered items and services furnished to Medicare beneficiaries. The beneficiary agrees to give up Medicare payment for services furnished by the provider and to pay the provider without regard to any limits that would otherwise apply to what the provider would charge. What is not always apparent to the individual or their family is that all fee protection is also being signed away. When this occurs the patient is fully responsible for all charges not covered by the WSRC/BSRI Health Plan.

A "Private Contract" is not the same thing as the Advanced Beneficiary Notice, ABN. The ABN is a form that your provider uses to serve notice to you that Medicare probably will not pay for an item or service that the provider is recommending. (See below for additional information on the ABN use.)

What Should You Do If you are asked to sign a "Private Contract"?

Medicare requests that you talk with someone at your State Health Insurance Assistance Program before signing a "Private Contract". Ask about your Medicare Rights and Protections.

South Carolina: 1-800-868-9095

Georgia: 1-800-669-8387

Additional information about the differences between 1) Medicare Assignment providers, 2) providers that file Medicare for you but do not accept Assignment, and 3) providers that fully “opt-out” of Medicare can be found in the Medicare booklet titled, *Does your doctor or supplier accept “assignment?”*

The booklet can be viewed on-line at:

<http://www.medicare.gov/Publications/Pubs/pdf/10134.pdf>

If you do not know the status of your provider, you can check on-line at:

<http://www1.medicare.gov/Physician/Search/PhysicianSearch.asp>

You may also call 1-800-MEDICARE (1-800-633-4227)

What You Need to Know About the ABN Form

Advanced Beneficiary Notice must be given to a Medicare beneficiary when that provider thinks that Medicare may not pay for a recommended procedure or item. Medicare only pays for covered items and services when **Medicare rules are met**. The fact that Medicare may not pay for a particular item or service does not mean that you should not receive it. There may be a good reason your doctor recommends it. The purpose of this form is to help you make an informed choice about whether or not you want to receive these items or services, knowing that you might have to pay for them yourself. The objective of the ABN is to provide you with sufficient information to make an informed decision.

The provider does not use this form to “opt-out” of Medicare. It is not the same thing as a “Private Contract” between you and your provider that was explained above. Medicare providers use this form.

Your WSRC/BSRI Health Plan, administered by BCBS, does often cover items that Medicare does not. Common examples would fall in the area of preventive healthcare.

What Should You Do If you are asked to sign an ABN?

The choice to sign the form is sometimes difficult. All items and services must be shown on the form along with the reason why Medicare may not pay. Before you make a decision about your options, you should **read the entire notice carefully**. Medicare will not decide whether to pay unless you actually receive the recommended items or services.

- Ask your provider to explain, if you don’t understand why Medicare probably won’t pay.
- Ask your provider how much these items or services will cost you, in case you have to pay for them yourself or through BCBS.
- Ask your provider to determine if the services or items are covered by BCBS.
- Ask your provider to always file with Medicare even if he/she is certain that Medicare will not pay.

Important: Request your provider to file a separate claim for all questionable services or items. This action will make it possible for BCBS to receive separate notice on any disallowed Medicare items. (Refer back to the News item above entitled, “**Benefit Coordination Issues**”.) Disallowed services and items by Medicare are not subject to BCBS “carve-out” but will not be paid unless the claim is submitted through Medicare.

Health Care Factoids

Did you know?

- The WSRC/BSRI Plan payment drops to the Medicare Allowable amount once you turn 65.
- That a provider not accepting Medicare Assignments but still filing Medicare claims for you can charge 15% more than the Medicare Allowable.
- That a provider that did formally opt-out of Medicare can charge you whatever he/she wants.

Benefit Information From Other DOE Sites

When Bechtel/Jacobs assumed the Oak Ridge contract for environmental cleanup at K-25 and Paducah, they grandfathered the benefits of the active employees and retirees at those facilities. New employees hired at K-25 and Paducah receive no benefits.

Oak Ridge (OR) has increased the multiplier for their Pension Plan for active employees to 1.4 from 1.2. They have also removed the 30-year cap from their pension formula. It formerly read: 1.2 x high 3 salary x years of credited service (capped at 30 years); it now reads: 1.4 x high 3 salary x years of credited service (no cap).

The OR Pension Plan has a surviving spouse pension option. Their Plan had required an actuarial reduction (based upon spouse's age) in the retiree's pension for the spouse to receive a surviving spouse 50% option pension. For example, our contact at OR was 62 when he retired and his spouse was 58, thus he had to take a 9.2% reduction in his pension to provide his spouse with a lifetime surviving spouse pension. Oak Ridge reduced the pension reduction to a flat 2% for active hourly employees to participate in the surviving spouse option and has recently passed this improved benefit on to salaried employees.

The two Oak Ridge pension improvements, described above, will result in an approximate \$200M actuarial charge to the OR Pension Plan. These pension improvements have not been passed on to retirees. It is estimated that the OR Pension Plan still has a \$300 to \$400 M surplus and remains fully funded. The Oak Ridge Pension Plan has not required a pension plan contribution from DOE since 1984.

Oak Ridge has heard that the Idaho Pension Plan currently has a \$100M shortfall.

It has been reported that medical benefits for former Pinellas Site employees are being now being paid through the Legacy Management Department at DOE Headquarters. The Legacy Management Department was established by DOE to administer the benefits for former employees of DOE Sites that have been closed.

Argonne and Brookhaven National Laboratories have dropped their defined benefit pension plans and replaced them with 401A plans. These Plans are similar to 401K plans, however, all contributions are paid out of the annual overhead budget of the employer with no contribution from the employees. Individual 401A accounts belong to the employees. The company contribution rate for Argonne is 9% and 10% for Brookhaven.

BC/BS Service Concerns

We have many letters from retirees trying to get proper Blue Cross/Blue Shield reimbursement for their medical bills. Most of the problems occur when the retiree/patient lives out-of-state (i.e., no longer in SC). If you have records of BC/BS service problems to share with SRSRA members, please **send a letter outlining your case to both:**

John Church, Medical Benefits Committee
SRS Retiree Association
P. O. Box 5686
Aiken, SC 29804

and to: **Kaye Bozeman, Major Service Representative**
I-20 at Alpine Road AV-100
Columbia, SC 29219

or e-mail your information to: KAYE.BOZEMAN@bcssc.com, or fax: 1-803-264-9353. You can also call toll-free at: 1-800-288-2227 x44452, or as a last resort, call her at 803-264-4452

BENEFITS CONTACTS

People Support Service Center (a one-stop service for most HR and payroll activities and questions).

- ◆ 803-725-7772 (local area SC and GA)
- ◆ 800-368-7333 (long distance)
- ◆ service-center@srs.gov (e-mail contact for this new service)

- | | |
|--|---|
| <ul style="list-style-type: none">◇ Life, Health, Dental
Becky Proveaux PS Svc. Ctr. #
Rosalee Bennett PS Svc. Ctr. #
Greg Murray 803-725-0531
Cindy McClintock 803-725-7004◇ Pension
John Felkel 803-725-7722
Viola Best 803-725-1900◇ Internal Medicine Partners 706-792-5075
(Annual Physical Examinations)◇ Metropolitan Life 800-360-2747
(WSRC/BSRI SIP Funds Program)◇ BAC (Westinghouse Corporate Pension)
800-581-4222 | <ul style="list-style-type: none">◇ Safety Eyeglass Office
Tom Cuny 803-725-3379◇ Blue Cross/Blue Shield of SC
1-800-325-6596
www.southcarolinablues.com
Option 1 for Medical
Option 2 for Dental
Option 3 for Pre-Cert/Med Authorization◇ SC Medicare Web Site (Hospital Insurance Part A;
Medical Insurance Part B; Home Medical Equipment
Beneficiaries)
1-800-583-2236
www2.palmettogba.com/ems/login.jsp◇ Value Options (mental health & substance abuse
assistance) 800-333-6557 |
|--|---|

Carolina Medical Review (CMR) is the Quality Improvement Organization for South Carolina's Medicare program. They have a variety of useful data available either at their web site <http://www.MRNC.org> or by calling the national 24-hour customer service number **1-800-MEDICARE (1-800-633-4227)**. There is a QIO in every state, and that listing is at: <http://www.medqic.org/content/qio/qio.jsp?pageID=4> Members on the Internet can also visit <http://www.medicare.gov>. If members have a state-specific question, the customer service representative at that number should be able to refer members to the state-specific Medicare number. (**The one for South Carolina is 1-800-583-2236.**) This may be a useful starting contact to resolve Medicare issues if the regular Medicare office of your state is not providing satisfactory service. For further information, contact:

Andrea Fuller, Outreach Specialist
Carolina Medical Review
250 Berryhill Road, Suite 101
Columbia, SC 29210
Telephone: 800-922-3089 (Toll Free); local 803-731-8225; Fax: 803-731-8687
e-mail: afuller@SCOIO.sdps.org