

## Communications With Manville

The March meeting between Manville and Retirees Association personnel was not held. A future meeting date has not been set.

*The following notes are presented for your information. They do not in any way constitute MRA endorsement for the Clinton Plan.*

## Clinton Health Care Proposal

Fern Bengtson

**R**ecently, I attended an all day



health care summit sponsored by the Columbia Institute and chaired by Colorado Congresswoman Pat Schroeder.

The program included several presentations: "Understanding the Health Care Debate," by Uwe Reinhardt, PHD, Princeton University; "The Clinton Health Care Proposal" by Nancy-Ann Min, OMB; "Discussing the Alternatives" by Pamela Bailey, Healthcare Leadership Council; "Women and Health Care" by Mary Lake Polan, M.D., PHD and two panel discussions on the issues.

The keynote address was presented by the first lady, Hillary Rodham Clinton. Here are some of my notes on that address:

Hillary began by saying that the status quo on health care coverage has deteriorated

"The question now is not whether we reform but when and how we reform."

and is no longer an option. The question now is not whether we reform but when and how we reform.

The major portion of her presentation was about the five underlying principles of the Clinton plan and were outlined as follows:

1. The plan proposes a guarantee of private insurance for everyone with comprehensive, known benefits. It will encourage individual responsibility for wellness by stressing preventive care.

2. The plan will outlaw practices that are discriminatory. Pre-existing conditions, age discrimination and lifetime limits would be eliminated. "With advances in genetic research, we are on the brink of discovering genes that cause all kinds of diseases. We all will be uninsurable because we will all have some genetic condition that will make us ineligible for insurance coverage!"

3. The plan will guarantee choice of health plans and doctors. Employers will not be able to dictate certain doctors or hospitals. Cost shifting would be eliminated. If the doctor you need to see is in another part of the country, you would have the right to go there and to have medical coverage there.

4. The plan will improve and preserve Medicare. Prescriptions will be covered and will be affordable. Long term care will be included in the plan.

5. The proposal will be based on what works:

- Employer-based, shared responsibility insurance.
- Discounts for small businesses
- Choice of plans

- Cap on employer contributions
- Subsidies for low wage earners and unemployed
- People on Medicaid will pay something. ("Now we have millions of Americans getting up every day, going to work, paying taxes, [but] not able to afford insurance [and] not getting insurance from their employers—and yet they pay taxes which go to pay health benefits for people on welfare who are not working.")

## Closing Excerpts by the First Lady

"... The Clinton plan would lower insurance costs for a vast majority of businesses that already insure. If you are a big, medium or small business and you already insure, we can show you how your costs will go down over the short run and, importantly, in the long run. One of the conclusions of the nonpartisan retro budget office study was businesses, particularly, would be saving a great deal of money under the President's approach ..."

"... If you do not insure at this time, yes, you will have to pay something and your employees who currently do not have insurance will have to pay something. We will do everything we can to keep the costs low. It will be affordable and there will not be net job loss..."

"... The President will veto any plan which does not provide universal coverage..."

"... The net result is that if we have done our job right, health insurance will be guaranteed, you will never have to worry about losing it, you will find it far more

affordable and accessible and the business sector of our country will begin to save money that they have had to spend on health care that they can then turn around and invest in more productive uses..."

**Questions and Answers after the Presentation**

- Q:** Will illegal immigrants and undocumented workers be covered?
- A:** They will not be covered under the Clinton proposal.
- Q:** How will you deal with special needs, i.e. chronic diseases/multiple chronic diseases?
- A:** The plan will guarantee coverage. Also, long term care and rehabilitation will be covered.
- Q:** Will health benefits be taxed?
- A:** Benefits will not be taxed under the proposed bill.
- Q:** How will long term care be incorporated into the proposed reform?
- A:** People want long term care alternatives and respite care. The plan proposes to allocate money to states to develop these programs. The plan would provide care on a sliding financial scale so people could be cared for at home.
- Q:** If the final bill includes some of the current proposals but not universal coverage, will President Clinton sign it?
- A:** No, universal coverage is a must.

the MRA Board of Directors along with information on nominating candidates from the field. Since no other nominations were received, a proxy/ballot was sent to each MRA member for election of all the candidates as presented. If you have not returned the proxy/ballot, please do so as the by-laws state that a quorum is necessary.

The proxy/ballot also contained information about the annual meeting which will be held in Littleton at the Community Meeting Room, Littleton Center, 2255 W. Berry Avenue at 2:00 P.M., Friday, June 3, 1994. The results of the election will be announced and questions will be answered.

**No Dues is Good News**

Because of the healthy Association finances, we don't need dues at this time.

**Communications**  
Fern Bengtson

**M**embers have asked about when the newsletter is published. The plan was to issue it every three months with provisions to send out a special issue if it was needed. We have kept that schedule, although last year's May issue was held until June so that an annual meeting report could be included. Our plan is to continue publishing every three months.



Also, we have received letters from members with comments, questions and suggestions. We answer those which have questions needing a response but we don't necessarily respond to every letter received. We have recently put a procedure in place which will help us to be more

prompt in responding to all questions received.

**Updates**  
**MRA Databank**

**T**he committee of volunteers interpreting and entering retiree documentation to establish a database of information continues to work on the stacks of information received from MRA members. Because of the mass of documents received, it will be some time yet before this effort is completed.



**Status of Legislation (S1268)**

**T**his is the bill that would prohibit employers from cutting or terminating retiree health benefits while the company's obligations are being decided in court (covered in the November 1993 newsletter). Current status—there is no activity of any kind.

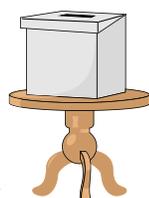
**Fran Harrington**

**I**t was with great sadness we learned that Fran Harrington passed away January 3, 1994. She will be missed by many. Fran served as MRA regional representative for the New England area.

**Election of Officers-Annual Meeting**

Fern Bengtson

**T**he February newsletter presented 1994 nominees for the election of officers on



**Manville Retirees  
Association  
Statement of Financial  
Condition  
as of  
December 31, 1993**

|                       |                    |
|-----------------------|--------------------|
| Cash in Bank          | \$77,564.25        |
| Deposit with attorney | 1,425.50           |
| <b>Total Assets</b>   | <b>\$78,989.75</b> |
| <br>                  |                    |
| Liabilities           | \$596.00           |
| Membership Equity     | 78,393.75          |
|                       | <b>\$78,989.75</b> |

**Statement of  
Revenue and Expenses**

|                       |                    |
|-----------------------|--------------------|
| Membership            |                    |
| Dues                  | \$40,240.00        |
| Interest              | 1,640.43           |
| <b>Total Revenues</b> | <b>\$41,880.43</b> |
| <br>                  |                    |
| Expenses:             |                    |
| Legal                 | 1,729.50           |
| Insurance             | 1,540.95           |
| Publications          | 5,986.59           |
| Research              | 779.00             |
| Tax on Interest       | 246.00             |
| Others                | 2,546.11           |
| <b>Total Expenses</b> | <b>\$12,828.15</b> |
| <br>                  |                    |
| <b>Net Income</b>     | <b>\$29,052.28</b> |

**Vincent P. Fitzgerald  
Certified Public Accountant**

Directors  
Manville Retirees Association  
Littleton, Colorado 80161

I have audited the accompanying statements of financial position and related statements of revenue and expense and cash flow for the Manville Retirees Association. These statements are the responsibility of the Associations elected management. My responsibility is to express an opinion on these financial statements.

In my opinion these statements present fairly, in all material respects, the financial condition of The Association as of December 31, 1993 and the results of operations and the cash flow for the year then ended in conformity with generally accepted accounting principles.

Vincent P. Fitzgerald, C.P.A.

**Schuller Fund**  
Fern Bengtson

**A**t a recent retiree meeting in Denver, Jack Solon informed the group that the name of the "Manville Fund" [Manville Contributions Fund] has been changed to "Schuller Fund." He also stated there have been other changes in the administration of the fund and advised anyone who was interested to call Joni Baird at the Denver office.

The brochure obtained from Joni after the meeting indicates that the Schuller Fund operates on a budget which limits the number and amount of contributions made each calendar year. In 1993, the fund donated about \$250,000 to organizations and institutions for education grants, matching gifts, community grants and volunteer recognition.

... the "Manville Fund" has been changed to "Schuller Fund."

Schuller and Manville active and retired employees and their spouses and dependent children may participate in Schuller Fund programs. Program details, deadlines, procedures and forms may be obtained from Joni Baird, Schuller Fund Administrator, P. O. Box 5108, Denver, CO 80217-5108. You may call her at (303) 978-3863 or send a fax to (303) 978-3353.

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## Insert A Proposed Health Care Plans

Fern Bengtson

The "United We Stand America" organization recently published the following comparison of various proposed health care plans which may be of interest to you.

## Comparison of Various Proposed Health Care Plans

### **AMA's Health Access America Plan:**

- Universal coverage. • Cost containment.
- All employers must offer health care insurance.
- Retain physician's discretion of what treatments best meet individual patient's needs: no cookbook approach to healing.

### **Republican Senators Orrin Hatch, Dan Nickles, Bob Dole: Federal Employees Health Benefits Program:**

- Est. 33 yrs. ago: currently serving 10 million federal employees: tested plan.
- Workers decide which services they want their insurance to cover.
- Workers pay 1/3 of the insurance premium.
- Program is consumer driven.
- Would require all Americans to carry catastrophic insurance for annual bills exceeding \$3000.
- Generous subsidies for those unable to afford insurance.
- Employees pay taxes on health care insurance dollars paid by their employer.

### **Republican Senators Phil Gramm and John McCain:**

- 25% tax credit to individuals/families whose health care costs equal less than 10% of their gross income.
- 50% tax credit to those with health care costs of 11%-19% of gross income.
- 75% tax credit to those whose health care costs exceed 20% of gross income.
- Allow people to buy insurance with certain minimum benefits directly from insurance companies.
- No denial of insurance to people with pre-existing ailments/conditions.
- Allows people to contribute \$3,000 per year plus \$500 for each dependent into a tax deferred medical savings account.

### **Republican Senators John Chafee and Phil Gramm:**

- Small group insurance reform.
- Voluntary purchasing pools for small business instead of employer mandates.

### **Congressman Jim Cooper:**

- Poor and near poor receive subsidized insurance. •Elderly care continues as is.
- Employers who offer full health care benefits pay taxes on those benefits.
- Cut doctor and hospital fees \$6.5 billion a year for Medicare patients.
- Less bureaucracy and expenditure than Clinton's plan.
- Wealthy retirees must pay for most or all of their medical bills.
- Does NOT provide universal health care coverage.
- Entire cost of health insurance becomes a tax deduction for individuals.
- Doesn't offer pork that Clinton is willing to use to dissenting groups. Consequently, it costs less.
- Malpractice trial reform: limits damages for pain and suffering to \$250,000.

### **Clinton's Health Care Reform Plan**

- By 1998, most Americans will carry health security cards which can contain owner's entire medical history.
- All employers must pay 80% health care insurance for employees.
- Emphasis on preventative and primary care.
- Decrease of specialists and extensive tests.
- Increase of hospital and physician networks and HMO's.
- Use of more nurse practitioners in place of physicians.
- Companies with 5,000+ employees may opt out of insurance pools but may pay a 1% payroll tax for making this choice.
- Single claims form—electronic billing.
- Pre-existing conditions can't exclude person from insurance.
- Cut doctor and hospital fees for Medicare patients by \$26 billion.
- Poor and near poor will receive subsidized coverage.
- Elderly benefits would increase to include long term care and prescriptions.
- Abortion would be covered as a pregnancy related service.

**Insert B**  
**Court Decision - General Motors Corporation**  
Fern Bengtson

Most of you have probably read about the ruling against General Motors on health care for its retirees. Through the pension and benefits newsletter that our organization subscribes to, we obtained a copy of the legal description of this case and the decision written by Judge John Feikens of Detroit. Following is a copy of this decision.

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN

Sprague, et al. v. General Motors Corp.  
Case No. 90-CV-70010

Synopsis of Decision

Beginning in 1974, and continuing at least through 1988, General Motors Corporation used various incentive programs to encourage early retirement by salaried employees who were otherwise ineligible for full retirement benefits. Generally, the programs targeted employees between the ages of 55 and 60. In some cases, employees younger than 55 were given the option of layoff followed by early retirement. By an order dated November 4, 1991, amended April 9, 1992, I certified this case as a class action under Federal Rule of Civil Procedure 23(b)(2). The class is composed of approximately 50,000 former salaried employees. Plaintiff class claims that GM breached its contractual promise to provide them with unreduced lifetime health care benefits at no cost to them.

Early salaried retirees are those who accepted early retirement offers made by GM from 1974 to 1988 that required both employer and employee consent.

The central issue in the case is: Did GM, in the period from 1974 to 1988, contract with its early retirees to vest in them certain health care benefits by promising them and their spouses that such health care benefits would continue for their lifetimes, at no cost to the retirees and their spouses, in exchange for the acceptance by the early retirees of early retirement?

Decision

I find that over a fourteen-year period, from 1974 to 1988, GM entered into contracts with its early retirees which vested in the retirees and their spouses certain health care benefits for their lifetimes at no cost to them. Put another way, GM contracted to provide early retirees with the same level of health care benefits for their lifetimes, without cost shifting, that they enjoyed as employees just prior to their retirements. These early retirement agreements are enforceable under ERISA [Employee Retirement Income Security Act] as independent bilateral contracts, or as modifications of GM's health care benefit plan.

John Feikens  
United States District Judge

February 2, 1994