

San Jose --Public Employee Post Retirement Benefits Commission-
August 23, 2007

Good morning. My name is Harvey Robinson and I retired with 29 years of service with CalPERS, 22 years of which was with Benefits Services and 7 years with Office of Long-Term Care and I'm Director of Health Benefits for the Retired Public Employees Association. RPEA, as an advocate organization with some 33,000 members, represents some 445,000 CalPERS annuitants encompassing some associated 226,000 health covered lives.

The RPEA Board of Directors has unanimously endorsed SB 840 (Kuehl) in principle and as amended July 10, 2007 and by implication its' funding source bill SB 1014 as amended April 23, 2007. This endorsement of this single payer system reflects not only support for a new structure that would enhance negotiations with health providers and integrated health care systems but would also provide more affordable health care for public agency and classified school annuitants and their employers. By removing health insurers from the temple, OPED liability will be substantially reduced for the State of California, for cities and counties, for school employers and for other public employers. Another method for reducing OPED liability for public employees hired July 1, 2009 has recently been proposed.

The Richmond/Moorlock initiative, possibly conjured up from the Lord Voldemort school of retirement wizardry, in reducing retirement allowances by 30% to 60% from the current retirement benefit, would dramatically impact recruitment, retention and create a hostile work environment. In declaring war on the honorable career of public service, not only would retirement and health benefits for part time employees be eliminated but entitlement to health benefits would be severely diminished for those remaining eligible. I would encourage you in writing your final report not to include this morally unconscionable initiative as a reasonable alternative to reducing OPED liability.