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**SEPTEMBER 16<sup>TH</sup> MEETING Roger Lemmons**

NARFE Chapter 378 will meet August 19, 2015, in the south meeting room of Conroy's Pub. The program begins at noon, lunch entrée (choose from 3 entrées) and coffee or tea for \$10 is at 12:30, and a brief meeting follows the lunch. Please note that lunch is optional.

The September speaker is Ron Thomann, Project Manager of the Trekk Design Group, LLC. They are conducting a survey of homes in Lawrence to determine who, where and how much storm water is being channeled into the sanitation sewer system, which causes the sanitary system to become overloaded during storm events.

**KUDOS AND THANK YOU'S.**

\*Roger Lemmons for continually providing Chapter 378 with interesting and informative meeting programs.

\*Roger Lemmons and Gordon Montney for finding a place for the Chapter's Christmas Party on December 16<sup>th</sup>!

\*Betty Scribner who visited the August Chapter meeting all the way from Missouri.

**AUGUST 19<sup>TH</sup> MEETING RECAP**

Serena Pearson and Bob Nugent represented the Lawrence transit system and presented an interesting program at Chapter 378's August meeting.

Lawrence is one of the top 40 transit systems in the U.S., transporting 3 million passengers per year in a town of 90,000 people. One and a half million dollars is spent by the transit system each year to provide service equally to the entire city. The KU service primarily covers apartments and the campus.

The city and KU work together but have separate funding and approval. All route planning if done together and gets approval from both entities. In the last 6 years, ridership has increased 156%. There are 6 routes with service every 60 minutes. The remaining routes are 30 minutes. Using 30 and 60 minutes makes the schedules predictable. They have identified the corridors. Now they must determine ridership for those corridors. The city runs buses 320 days per year, while KU runs their buses 160 per year.

Big JO is run by Johnson County and transports 700,000 riders per year. These riders are primarily KU and JCCC students. They have lost funding and asked the Lawrence for funds, but KU and JCCC need to work our funding.

Some hybrid buses are in service. They have a small block diesel engine (low sulfur diesel) which charges an electric engine. They are equipped with a urea package. They last about 15 years and cost \$585,000.

Bus mileage varies because every route is

**SUNSHINE Clara Arnold**

Clara will sent a card to Trish Hahn.

**ALZHEIMER'S JOHN SCOTT**

Chapter 378 donations for August 2015 were \$10.00. The YTD total is \$177.75.

**CHRISTMAS PARTY PLANS**

Roger Lemmons is heading up the committee planning the chapter's annual Christmas Party. Gordon Montney, Cheryl Travis, and Wendy Hambly volunteered to be on the committee.

This year's event will be at the Smith Center at Brandon Woods. Look for your registration form and complete details in the October Chapter 378 newsletter.

CHAMPSS, The Douglas County meals program for seniors, next orientation meeting is Monday, October 5, 2015, at the Library. You must attend the orientation in order to purchase the \$3 meal tickets for each month. Meals are nutritious and provide an opportunity to dine with others or do carry out. Hy-Vee provides the meals.



**Increase Expected for Medicare Premiums in 2016**

According to the 2015 Medicare Trustees Report<sup>1</sup>, about 30% of Medicare Part B beneficiaries will shoulder the full cost of the 2016 premium increase, resulting in an increase of 52% from \$104.90 to \$159.30 per month. That 30% includes federal retirees covered by the Civil Service Retirement System (CSRS) and excluded from Social Security coverage.

The other 70% of Part B beneficiaries are covered by the hold harmless provision, a provision of the Social Security law that prevents an individual's Social Security benefit from decreasing. This means that if there is no cost-of-living adjustment (COLA) and Medicare Part B premiums increase, individuals who have their Medicare premiums deducted directly from their Social Security checks are "held harmless" from the premium increase. Without the effect of the hold harmless provision, Medicare Part B premiums would be expected to increase to \$120.70 per month.

NARFE is pushing the Administration to protect federal retirees and others from bearing a disproportionate share of Medicare Part B costs. We are simultaneously working with legislators to introduce and enact legislation to do the same. NARFE has developed an [issue brief](#) that provides more detail.

**End of August Recess**

Congress is scheduled to be back in session September 8.... Congress will be returning with a full agenda this fall, including must-pass pieces of legislation like the Highway Trust Fund extension, a continuing resolution for the new fiscal year starting October 1 and an increase in the debt ceiling. Fights we have seen before, like changing the rate of return for the Thrift Savings Plan G Fund, could come up again as cost offsets, or "pay-fors," for these bills.

***NARFE members must remind legislators that the federal community has done their fair share by already contributing more than \$120 billion toward deficit reduction. Send this letter to your members of Congress telling them not to target the federal community as a pay-for for unrelated legislation.***

**\*The Hold Harmless Provision**

Pursuant to 42 U.S.C. 1395r(f) – the so-called hold harmless provision – the dollar increase in the Medicare Part B premium is limited to the dollar increase in an individual's Social Security benefit from the annual cost-of-living adjustment. This provision applies to most beneficiaries whose Medicare Part B premiums are deducted directly from their Social Security checks.

Consumer price index figures from July, August and September will determine whether there is a Social Security COLA. The relative July consumer price index figure stood 0.19 percent below the level needed to trigger a COLA. Even if there is a small COLA, it may not be enough to cover projected increases in Medicare Part B premiums anyway.

If there is no COLA, the hold harmless provision will apply to an estimated 70% of Medicare beneficiaries in 2016, meaning their Part B premium will remain stable at \$104.90. The remaining 30% will be forced to shoulder the full premium increase.

**Premium Cost-Shifting Effect**

Pursuant to 42 U.S.C. 1395r(a)(1), the Secretary of Health and Human Services ("the Secretary") estimates a monthly actuarial rate for enrollees ages 65 and older based on the projected benefits and administrative costs payable from the trust fund for the upcoming calendar year. This subsection also directs the Secretary to include "an appropriate amount for a contingency margin."

Pursuant to 42 U.S.C. 1395r(a)(3), the standard monthly premium is half of the monthly actuarial rate (or 25% of Part B costs, including the contingency margin). That monthly premium is then reduced pursuant to the hold harmless provision (or increased due to late-enrollment penalties or for individuals with high incomes).

<sup>1</sup>The Boards of Trustees, Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds, "2015 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds," (July 2015), available at: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/ReportsTrustFunds/Downloads/TR2015.pdf> (p. 84). For more information, please contact Jessica Klement, Legislative Director, at [jklement@narfe.org](mailto:jklement@narfe.org), or John Hatton, Deputy Legislative Director, at [jhatton@narfe.org](mailto:jhatton@narfe.org).