

# VIP Club Newsletter

**VOLUME 25, NO. 1      www.geocities.com/vipclub2003      JANUARY 2005**

**The Number to call for information on Unisys Retirement Status and Benefits: 1-877-864-7972.**

**The Number to call for information on Lockheed Martin Retirement Status and Benefits: 1--866-562-2363.**

Wednesday, January 05	Board Meeting, Eagan	10:00 a.m.
Wednesday, January 12	Eagan, Program & Social Time	7:00 p.m.

Wednesday, February 02	Board Meeting, Roseville	10:00 a.m.
Wednesday, February 09	Roseville, Program & Social Time	7:00 p.m.

## **JANUARY PROGRAM: EAGAN**

Patti McCauley, Education Coordinator and Paramedic from ALF Ambulance Service in Apple Valley, will tell us about the "VIAL OF L.I.F.E." program and demonstrate the Automatic External Defibrillator. The VIAL OF L.I.F.E. is a way of making personal medical information available to paramedics or other first responders should they be called to your home. The medical information is stored in a plastic sleeve that is put in your refrigerator. Ms. McCauley will give us forms to complete with our medical information and also the sleeve to put in your refrigerator. Automatic External Defibrillators are now in many public buildings. Being aware of how important minutes can be in a cardiac emergency and how easy this tool is to use might just help to save your life or that of a friend or neighbor.

## **FEBRUARY PROGRAM: ROSEVILLE**

The February program will be announced in the next newsletter.

## **ADDRESS CORRECTIONS**

Please send permanent address changes to Dick Mullins addressed to the VIP Club at the address given on the label page of the newsletter. Also, please remember that for temporary changes the U.S. Postal Service will forward your mail.

**IF YOUR ADDRESS LABEL DOES NOT HAVE A 5 AFTER YOUR NAME, YOU ARE NOT PAID FOR 2005 AND YOUR NEWSLETTER WILL STOP. PLEASE USE THE DUES COUPON ON PAGE 5 AND SUBMIT YOUR 2005 DUES**



## **PRESIDENT'S MESSAGE**

**From: Dale Phelps**

Christmas is a time to get together and have a party. The VIP Club held its annual Christmas Party on December 9, 2004 at the U.S. Air Force NCO Club. In attendance were 116 VIP Club members and guests. The North Suburban Chorus directed by Jonathan Nye provided a festive touch to the social hour with a mix of Christmas songs and audience sing along. We were served a tasty dinner and then danced or listened to the relaxing and enjoyable music of The Connie Villars Quartet. Party invitations were extended to Rick Ambrose, Sheri Grone, and Darlene Wise of Lockheed Martin; Jim Commander, Ann Thureen and Judy Cognetta of Unisys. We were honored to have Jim Commander of Unisys greet everyone and gave us a little synopsis of the company. The VIP Club wants to thank Unisys and Lockheed Martin for the party favors they provided. A big thank you to Warren and Dorothy Becker for organizing this wonderful party.

I want to wish all of you a Happy New Year and hope to meet more of you this coming year.

Respectfully, Dale Phelps, VIP Club President

# From the Editors



**Brian Berggren** (651-451-9009) &  
**Joe Schwarz** (651-698-9698)  
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## DINING CLUBS & GROUPS

**Breakfast groups and get-togethers:**  
**One breakfast group** meets monthly at 9:00 a.m. on the 2nd Wednesday of each month at the Tri-City American Legion, Old Hwy 8, New Brighton. Phone: **763-416-3903**.

**Another breakfast group** meets monthly at 8:00 a.m. on the 1st Thursday of each month at Joseph's Grill, 140 South Wabasha, (Wabasha and Plato) St. Paul. Phone: **651-222-2435**.

**Luncheon Groups & Dinner Clubs:**  
**One Unisys Luncheon group** meets monthly on the 2nd Wednesday at 11:00 a.m. at the Old Country Buffet, Holly Shopping Center, located at University Ave. and Mississippi St. just north of I-694. For information call **651-552-1465**

**Another Luncheon group** (engineering/drafting) meets monthly on the 1st Tuesday at 11:00 a.m. at the Old Country Buffet at 2000 S. Robert, West St. Paul. For information call **651-456-0750**.

**And another Luncheon group** (Unisys and Burroughs) meets monthly on the 2nd Tuesday at 11:30 a.m. at the Mall of America 3rd floor North Food Court. We sit at the tables between the elevator and Burger King. For information call **952-854-7855**.

**Dinner Club.** A Unisys Dinner Club meets monthly on the 4th Wednesday at 5:00 p.m. at Champs located at 35E and Larpenteur Avenue. For information call **763-786-1044**.

## MEETING & EVENT DATES 2004/2005

Date	Time	Location	Activity
Dec. 09	5:45 p.m.	USAF	Christmas Party
Jan. 12	7:00 p.m.	Eagan	Program - Social Time
Feb. 09	7:00 p.m.	Rsvl	Program - Social Time
Mar. 09	7:00 p.m.	Eagan	Program - Social Time
Apr 13	7:00 p.m.	Rsvl	Program - Social Time

May. 11	7:00 p.m.	Eagan	Program - Social Time
<b>June 08</b>	<b>4:00 p.m.</b>	<b>Park</b>	<b>VIP Club Picnic</b>
July 13	7:00 p.m.	Rsvl	Program - Social Time
Aug 10	7:00 p.m.	Eagan	Program - Social Time
Sept 14	7:00 p.m.	Rsvl	Program - Social Time
Oct 13	7:00 p.m.	Eagan	Program - Social Time
Nov. 09	6:00 p.m.	Rsvl	Pot Luck - Program

Note: Rsvl = Roseville, Eagan = Eagan Community Center, Park = Highland Park Pavilion, USAF = NCO Club at U.S. Air Force Base off Hwy 62

## WELCOME NEW CLUB MEMBERS

**Braaten, Joyce S. and Gary** Somerset, WI  
**Dikis, Lester and Dianne LM** Prior Lake, MN  
**Esch, John and Judi LM** Burnsville, MN  
**Fulton, Dorm and Jane U** St. Anthony MN  
**Johnson, Marie E. LM** St. Paul Park, MN  
**Johnson, Stuart and Barbara** Chisago City, MN  
**Krueger, Jim and Benora U/B** Cottage Grove, MN  
**Plait, Diane LM** Burnsville, MN  
**Welch, Bill and Judy U** New Brighton, MN

U = Unisys B = Burroughs LM = Lockheed Martin D = Unisys Defense Systems

## IN REMEMBRANCE

**Beck, Ernest J.** - Of Bloomington, MN. Retired Air Force Captain of WWII. He is survived by his wife, Ann. Ernest was a Unisys retiree and a VIP Club member.

**Ives, Paul F.** - Age 78 of St. Louis Park. Preceded in death by wife, Doris. Retired after 31 years as VP of Human Resources for Sperry Corp. Defense Division. Paul was a VIP Club member.

**Olszewski, Edward J.** - Age 83, of Bloomington. Died peacefully on December 10, 2004. Ed Retired from Unisys where he was instrumental in their support of the Apollo Space Program. Preceded in death by wife of 50 years, Clara Belle.

**Wetherby, Clyde A.** - Age 90 of St. Paul. Died peacefully at home on November 20, 2004. Clyde retired from Univac 25 years ago. He is preceded in death by his first wife, Leona and is survived by his beloved wife of 17 years, Anna.



**Yach, Margaret C.** - Age 58 of Shoreview. Passed away on December 7, 2004 peacefully at home after a six-year courageous journey with cancer. Margaret is survived by her husband of 35 years, Robert, a VIP Club member.

## **ANNOUNCEMENTS**

### **BLOODMOBILE INFORMATION**

#### **JANUARY RED CROSS BLOOD DRIVES.**

Wednesday, January 12th., Lockheed Martin, Eagan needs greeters and servers 9 a.m.-12 p.m. & 12 p.m.-3 p.m.

Thursday, January 20th, Unisys MACS Eagan needs greeters and servers 9 a.m.-12 p.m. & 12 p.m.-3 p.m.

Please call Marion Scott at 651-455-7952 to sign-up.

## **HEALTH ISSUES**

### **Health Insurance Costs**

First, thanks to the twelve who Emailed insurance costs and the eleven who provided costs at a retiree breakfast in response to my December newsletter request. The 368% cost increase in the Lockheed Martin HMO plan for those under 65 got us all thinking and talking about the costs; all of a sudden our medical insurance deduction was taking a really big bite out of our pension checks.

I certainly share the outrage and disappointment of the pre-65 bunch in such a significant increase to a group of people with fixed incomes. But I also think most of us should realize we are still able to comfortably afford this hit. Many of us have Social Security, 401k's, IRA's, and savings to safely fund insurance costs. What was brought home in the December issue of Senior News was a letter saying that 2006 Medicare costs (\$77 per month) would take more than one-third of the average 65-year-old's Social Security check and almost 43% of the average 85-year-old's check. This tells me the average senior's check is less than \$300, and even with cost-of-living increases, health insurance will take an ever-bigger percentage every year.

Our problems are a little different. First is the pre-Medicare group. In the Twin Cities Metro and Douglas County, our HMO family rate is \$467/month. Up in Todd County the HMO rate is \$573. Down in Charlotte County, Florida, the family rate is \$488, while over in Mesa, Arizona, the rate is \$166.

The group buying Medicare supplements shows a much larger range of costs; these seem to be the result of pre-existing conditions and a need for extra prescription drug coverage (1200, 789, 570, 546) as much as regional differences. In our Metro area, costs range from \$1200 to \$25 for family coverage. Some have single coverage because of a working or otherwise covered spouse, with costs running between \$185 and \$66. Down in Yavapai County, Arizona, family coverage is \$183 (with no drug coverage), and in the Phoenix area family coverage

can be had for a one-time fee of \$300 (essentially \$25/mo) but with extensive co pays. A supplement up in Pine County can be had for \$79. The only respondent feeling bulletproof was the Tricare recipient, with zero costs and zero co pays.

Obviously, the lack of fairness leaps out. But also telling is the difference in cost, coverage, and co pays; comparison of available plans is difficult. In 2006 the choices get more interesting for the Medicare group. Information from the insurers and providers will be distributed next October and you will have two months to make a choice for your Part B; you get three extra months for your choice of prescription drug coverage in Part D. As always, pay attention out there. Submitted by Brian Berggren.

## **LETTERS TO THE EDITOR**

From Jerry Merth:

Several times I have sat and read the tirades by Brian Berggren in the VIP Club Newsletter. I figured he may stop grinding his axe and give us the whole story one of these days -- but reporting the whole story hasn't happened yet and I have no hope that such reporting ever will happen. I have a life so I can't afford to spend time doing research to rebut Brian's liberal/leftist slant, implications and sly insinuations. But, the last blast in the November issue was the last straw for me. So I took time out from my life.

In the "Editor's Response", about the 17% increase in Medicare, Brian prattles on about the balanced budget amendment (BBA) but does not answer the "Conservative on Medicare Increase" article by Stan Bolin. The response should have told us that the Medicare Modernization Act (MMA) does account for 9.9 percentage points of the total 17.4% increase in premiums, according to Medicare actuaries But Bush didn't "impose" the 17.4% increase unilaterally (as Brian implied). The increase was announced as part of the annual Health and Human Services (HHS) cost estimate for projected healthcare spending in the coming fiscal year (an action of HHS mandated by law). The HHS bases the estimate on the previous year's expenditures, and then factors in any new changes while accounting for the overall inflated cost of healthcare. This year's estimate for 2005 reflects the changes in spending that resulted from the MMA and also from other factors. The Center for Medicare and Medicaid Services estimated that the general inflation adjustment (prior to the MMA) and the increased use of services would together require an increase of about 4.8% in premiums. Other factors include replenishing reserve funds drawn down by higher-than-expected costs in the past. What Brian also didn't say about the BBA is that the amendment is an extension of a 1985 law

requiring Medicare enrollees to pay about 25% of actual Part B costs. Without the BBA extension, Medicare premiums would have dropped dramatically. The original law in 1982 caused Medicare premiums to drop which was "corrected" in the 1985 BBA law. Both Democrats and Republicans in Congress supported the 1985 law. (Remember Congress -- the body in the United States that makes the laws and spends our tax money? As opposed to the President who is the head of the executive branch of the government which branch proposes a budget on how to spend our tax money and can't pass laws!)

A large part of the "Bush-mandated" premium increase goes to provide a very small increase in fees for physicians -- just a 1% rise, much lower than the overall rate of inflation. The increase looms much larger in the accounting, however, because the law prior to MMA imposed a 4% cut in fees. So the MMA ("Bush's law") gets the blame for reversing that fee cut as well as allowing a modest increase for doctors. Congress increased payments to doctors to address a problem created by the 1997 Balanced Budget Act, (for which Bill Clinton gets credit) which had slowed the growth of costs (and premiums) by severely restricting payments to physicians and other providers of health care. But a consequence of the cuts was that a number of doctors and healthcare providers dropped out of the program altogether. For instance, rural America suffers from few, and in some places no, obstetricians because the providers can't afford the high malpractice insurance premiums (yearly around \$75k) and expect to have a reasonable income under the reduced payments.

None of the 17% increase is due to drug benefits. A big part of "President Bush's Medicare bill" creates for the first time a prescription drug benefit plan for seniors. The plan does not take effect until 2006, but even then it will not have any impact on the Part B premiums. The prescription drug program will fall under a new section, Part D, which will have its own premium rates worked out through private insurers. (The above information is from "factcheck.org" and other online sources.)

Brian's comments on the Health Savings Account (HSA) were inflammatory and partially true, as usual. Brian wrote "This 401k-like provision is for the healthy, wealthy, and young; I have yet to meet a senior who can use it." According to private analysts, the HSA is available to nearly everyone who is employed. The HSA was not meant for retirees. Being "healthy, wealthy, and young" are not stipulations to qualify for an HSA. But you must be employed. The "wealthy" term is a liberal/leftist tag meant to incite class warfare.

Brian mentions Medicare's 3% administrative costs versus the 12% to 30% administrative costs of for profit insurers. He doesn't mention the administrative burden placed on physicians by Medicare nor does he mention the HMO's paying for advertising, customer service, executive salaries, bargaining with doctors, lobbyists and day-to-day costs of running a business (which includes taxes).

The VIP Club Newsletter should be apolitical -- report the facts but keep political views and snide remarks out of the report. The editorial staff of the newsletter must put a rein on Mr. Berggren. The editorial staff cannot afford to alienate the conservative members of the VIP Club by allowing Mr. Berggren to continually grind his political axe in the newsletter forum. Yours Truly, Jerry Merth

After more research, I found that the statement shown below is not relevant to what I said about Medicare. Medicare recipients usually have little need for an obstetrician. "For instance, rural America suffers from few, and in some places no, obstetricians because the providers can't afford the high malpractice insurance premiums (yearly around \$75k) and expect to have a reasonable income under the reduced payments." Jerry Merth

### **Editors Response to Jerry Merth's letter**

I want to thank Jerry for both reading my articles and taking the time to respond. What is most informative is that both Jerry and I use the same numbers to describe largely the same situation. The difference is that Jerry ably defines the historical underpinnings of the Medicare program, while I have tried to emphasize what effect some of the recent decisions will have on seniors and other care consumers. I admit I sometimes use "Bush" as shorthand for "Bush administration" or even the Bush-influenced Congress. We are just seeing the same facts through different colored glasses.

Rest assured that I am trying to report on these health issues from a senior's point of view. Had I wanted to rant on liberal/leftist issues, I would surely use more inflammatory language than I have so far. I am only 63, healthy, comfortably well off, and simply want to help members better understand health issues - and also know what may await me when I turn 65. Jerry will never know how many hours I've spent listening to national and local health care leaders and reading medical newsletters. I've sat through talks by Thomas Scully, Dr. Mark McClellan, Sen. Durenburger, and many others. When I write an article I generally attribute the information to the speaker or the author from which I take it. Also, when I write something after one of these talks that has been covered by one of the print media, the end product at times seems like we

attended two different talks – too often their time constraints force them to use a handout for information and leave before the talk is finished and questions are asked. Criticism is good; dialog is better. Submitted by Brian Berggren.

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**Lockheed Martin Insurance Rate Explanation and Addresses**

Woody Spitzmueller sent the following for those who want to write letters of complaint. His report on the Lockheed Martin’s coverage cap and risk pool segregation is also very informative.

Letter should go to:  
 Lockheed Martin Corporation  
 Attn: Mr Ed Taft, Corporate Human Resources  
 1601 Rockledge Drive  
 Bethesda, MD 20817

With copy to the following:  
 HealthPartners Administrators, Inc.  
 8100 34th Avenue South  
 P.O. Box 1309  
 Minneapolis, MN 55440-1309  
 Re: Lockheed Martin Group Policy

Mr. Glen Wilson, Jr. Commissioner  
 MN Department of Commerce  
 85 7th Place East, Suite 500  
 St. Paul, MN 55101

Ms. Diane Mandernach, Commissioner  
 MN Department of Health  
 P.O. Box 64882  
 St. Paul, MN 55164-0882

Lockheed Martin Corporation  
 Darlene Weiss, Director of Human Resources  
 3333 Pilot Knob Road  
 Eagan, MN 55121

Lockheed Martin Corporation  
 Kay Gallagher, Human Resources  
 3333 Pilot Knob Road

Eagan, MN 55121

1. My understanding, from Kay Gallagher, is that two issues seem to me to be driving the rate increase: the summary plan description for LM Group Insurance for Retired Employees (1 Jan 2004) includes a cap of \$816.66 for retiree + one coverage. This cap should be revisited annually or eliminated in order to buffer such huge rate increases from being totally passed on to the retiree.

2. The retirees are pooled separately for health insurance rate calculation from the active employee population. Why are we retirees, with pension benefit fixed for life, treated as separate rating group for Health Insurance rate calculation? Why not combine active and retired employee insured populations for best overall rate? With the rate capped, it would seem that the company seems to have no incentive to negotiate a fair and reasonable rate for the retiree group - a 400% increase is unconscionable. Submitted by Woody Spitzmueller.

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Enclosed is my check for the “News”. I enjoy receiving. Since I retired in 1981 as Head Cashier the scene has so changed and I do not know many people who are still there. Warren Becker will always be my friend.

I just wanted to say at 88 years of age I am still an active volunteer with the Salvation Army, now for 64 years. There is so much I can still do to serve and so happy God has blessed me physically. Since I live in the Augustana Apartments, now for 17 years, there is much activity here I can help with plus the Nursing Home. Thanks for all you do to keep things moving and up to date. God bless you, stay well and active.

Sincerely, Dorothy L. Gilpin.

**VIP CLUB APPLICATION AND RENEWAL FORM**

Retiree Name: \_\_\_\_\_ Spouse: \_\_\_\_\_

Address: \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_  
STREET ADDRESS CITY STATE ZIP

Phone: ( ) \_\_\_\_\_

Check here if your address or phone number has changed

New Member(s) \_\_\_\_\_  
 Renewing Member(s) \_\_\_\_\_

Company: Lockheed Martin & Predecessors: \_\_\_\_\_; Unisys: Univac & Predecessors: \_\_\_\_\_; Unisys: Burroughs: \_\_\_\_\_

**Please make check payable to the VIP CLUB and mail to address shown at right:**

**VIP CLUB  
 Jack Farber  
 5700 Villa Dr.  
 Shoreview MN 55126**

**Annual dues: \$4 per Couple or Single. Note to new members: Your newsletters start after dues are received.**

Check here if you do not wish to have your name listed in the VIP Members directory. (Directory distributed to members only)

**VIP CLUB – MS 4003  
P.O. BOX 64942  
ST PAUL MN 55164**

**VIP CLUB OFFICERS AND CHAIRPERSONS FOR THE YEAR 2004**

\* = A/C 651, + = A/C 612, @ = A/C 763, # = A/C 952

**BOARD OF DIRECTORS:  
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& Joe Schwarz \*698-9698

**WEBMASTER**

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email address: vipclub2003@yahoo.com

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Metro Sr. Fed.....Brian Berggren \*451-9009  
John Dufour \*639-8289  
Jim Larson \*698-3963  
Sunshine.....Jim Larson \*698-3963  
Lynn Farris Lindholm \*484-1030  
Travel Opportunities  
Roger Gillette +926-7214  
& Yvonne Cecchini at \*423-9196

UNISYS Liaison, Roseville ..... Judy Cognetta \*635-6563  
Printing & Mailing UNISYS Print Shop, Roseville .....

Lockheed Martin, Eagan Liaison ..... Sheri Grone \*456-2210

**Directions to Eagan Community Center.** Take Hwy 35E south or north to Pilot Knob Road. Turn left (north) on Pilot Knob Road. Turn left on Central Parkway (which is also the North entrance to Lockheed). The Eagan Community Center is at 1501 Central Parkway.

**Directions to Unisys in Roseville.** Take Hwy 35W south, or north, to the Industrial Way / St. Anthony Blvd off ramp. If coming north or south on Hwy 35E go west on Hwy 36 which will take you to the Industrial Way / St. Anthony Blvd. off ramp of 35W (Hwy 36 becomes Hwy 35W where it joins Hwy 35W). Go north on St. Anthony Blvd. to Walnut St. (the first street on the right). Turn right and go to Highcrest which is the first place where you can turn left. Past the stop sign. Bldg 3 is on the right. Gate 5 is in the center of the building.

From Hwy 280 northbound, use left lane exit just past Cty Rd B for Terminal road access (St Croix St.). Turn left at Terminal Rd, then turn right at Highcrest Rd to building entrance.