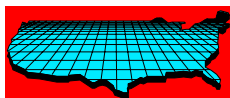


# Association of Ameritech /SBC Retirees, Inc

*Proudly representing retirees from the new AT&T Midwest Region, SBC Midwest Region, Ameritech, as well as the five Bell Companies in Illinois, Indiana, Michigan, Ohio, and Wisconsin*



[www.aasbcr.org](http://www.aasbcr.org)

<b>Bruce Beckman</b>	<b>President</b>
<b>Carole Lovell</b>	<b>Vice President - Membership</b>
<b>Ray Sternot</b>	<b>Vice President - Legislation</b>
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<b>Richard Runge</b>	<b>Secretary</b>
<b>James Kempe</b>	<b>Attorney - Agent</b>

## First Quarter Newsletter February, 2007

### THIS JUST IN:

It looks as if the AASBCR's first Shareholder Proposal will be on the agenda for this year's AT&T Annual Meeting. The SEC has rejected all of AT&T's arguments to keep it out of the proxy. Briefly, our proposal was to require an advisory vote to approve or disapprove top executive salaries. These are part of executive contracts, so the vote must be only advisory. But at least we can demonstrate our disapproval!

### From the President's Note Pad – Our Shareholder Proposal:

Although the Securities and Exchange Commission has yet to provide a ruling on AT&T's request that our proposal not to be presented to the Shareholders (We have also responded), AT&T has submitted a proposed proxy response; both of which would be included in the 2007 Proxy Statement. Recent rulings by the SEC on similar Shareholder Proposals have supported them. We should know the outcome in a matter of days. When approved by the SEC, we will be asking for your cooperation on this matter.

The Washington Post recently had an article that covered the type of Proposal that the AASBCR had submitted. (For e-mail members only: This article is posted on the Post website at: <http://www.washingtonpost.com/wp-yn/content/article/2007/02/14/AR2007021401628.html?referrer=emailarticle>.)

(Links to sites such as the above are normally valid for one or, possibly, two weeks. After that, the information may usually be viewed via a paid subscription to the host site. –ed)

Bruce Beckman

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### Letter from the Desk of Ray Sternot – VP Legislation AASBCR:

As many of you may know, members of the 110th Congress were recently sworn in. What that means to us as retirees and as an organization is that all the pending bills (i.e., crafted and waiting for passage in committee) are gone, essentially wiped clean. New bills or re-constructed bills must be submitted again in both houses of Congress. Our goal and stake in this as an individual organization and as members of the National Retiree Legislative Network (NRLN), is to help our Representatives and Senators in Congress develop and pass bills that address retiree issues on healthcare and pensions.

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This can only be done with us being active members of the NRLN and by all of us individually contacting our legislators in Washington.

On January 23 and January 24, 2007, your President, Bruce Beckman, and I attended the National Retiree Legislative Network meeting where we had the opportunity to hear from various staff members of several congressmen on the issues of healthcare and pension reform. We had the opportunity to also provide them with input as to what concerns retirees have in today's environment. We came away from those meetings with some basic observations:

Members of Congress don't always know or see retiree issues from a retiree perspective. They and their staffs need to be educated about the issues facing retirees, especially with healthcare coverage. (They see the uninsured as a primary issue but not necessarily the retiree who can no longer afford healthcare coverage from the employer).

They usually hear from lobbyists who are willing to "help" congressmen and their staff craft legislation on various issues, often times having only one perspective on the subject.

### **What we are doing?**

**CONTINUE TO WORK WITH THE NRLN** - We are working with the NRLN and the AT&T coalition members on common concerns with major healthcare issues and reforms required (and pensions – although pension legislation has recently been passed that needs only some minor adjustment).

**IDENTIFY ISSUES PROVIDE AGENDA INPUT** - We are helping the NRLN develop a Healthcare Legislative agenda (see the [NRLN 2007 Legislative Agenda](http://www.nrln.org) link on their website at [www.nrln.org](http://www.nrln.org)) that will drive our discussions with members of congress in crafting bills supporting healthcare (and pension) reform for retirees. That was the prime purpose of our meeting with the NRLN board members.

### **What can and must you do?**

**GET INVOLVED** - Clearly you can choose to do nothing. But, we hope that you will get involved and assist us in driving legislation reform. Currently, the squeaky wheel is getting the grease. We need to squeak too and be focused and consistent in telling Congress what is wrong with employer sponsored healthcare and where it is headed not only for us but our children and grandchildren.

**BE KNOWLEDGEABLE ABOUT THE ISSUES** – Take a look at the proposed legislation on the NRLN. (You can also see my personal list of items that I sent to my congressman and tweak it as you see fit.)

**CONTACT YOUR CONGRESSMAN** – Use the NRLN CAPWIZ program to write your congressmen/Senators about this legislation. Letters will be crafted for the site that will allow you to merely check the letter out; add your name and hit send to make your views known to your elected officials.

**VISIT YOUR CONGRESSMAN** – if possible, visit your congressman in your town or if you are in Washington, DC. They need to hear from you! You need to tell them what you think. But, it has more weight if you can look them in the eye.

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In view of asking you to undertake this action, while in DC, Bruce and I met with my congressman, the Honorable Steven C. LaTourette. Both Bruce and I were impressed with his knowledge of the issues, most Congressmen and their staffs aren't. We had the opportunity to share our concerns and talk about examples of where things aren't working. We are looking forward to working with Congressman LaTourette to improve:

- Medicare Part D Drug coverage
- Safe Drug re-importation
- Medicare D subsidy improvements for companies
- Negotiation of Drug pricing within Medicare
- Medical cost transparencies.

Our view is that this will tend to less the pressure on companies and their push to rid themselves of employer sponsored healthcare coverage and pushing of all cost increases to retirees who can least afford them.

Thanks for listening.

Ray Sternot, AASBCR VP- Legislation

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*Advertisement:*

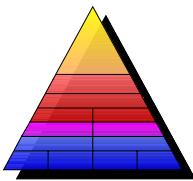
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[bob@IRAPRO.net](mailto:bob@IRAPRO.net)

# First Quarter Newsletter February, 2007

## Membership

### Membership Contest

Well, the membership contest is over. We did not have as many members participate as I would like, but I will take what I can get. We have an added seven new members. The member who had the most new members join was Nancy Keller. Thanks to Nancy and all who participated.

Just because the contest ended, our need for added members did not. Please, try to pass along information to any of your retiree friends who are not yet members. We always need added voices and strength. We can also use a few sets of hands. Anyone with a little time willing to assist with Membership and/or Communications, please let us know. We will accept whatever time you are willing to donate. There are so few of us and it seems so much that we would like to do, but just cannot add to what we are already doing.

Thanks for all that you do

Carole Lovell, Vice President Membership  
[Vp1@asbcr.org](mailto:Vp1@asbcr.org)

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## 2007 AASBCR LEGISLATIVE AGENDA

*"The punishment of wise men who refuse to take part in the affairs of government is to live under the government of unwise men." - Plato*



## HEALTHCARE BENEFIT REFORM LEGISLATION

### 1. Retiree Healthcare Cost Payment Legislation

Maintenance-of-Cost Payments (MCP) Legislation: Propose ERISA legislation requiring Maintenance-of-Cost Payments (MCP) to retired employees effective from 1st day of retirement.

### 2. Revision of Medicare Part D Legislation

1. Support S.334 (Dorgan / McCain): Work with Members of Congress seeking to enact legislation allowing the importation of prescription drugs.
2. Initiate competitive bidding legislation for Med-D: The VA model is in place and has worked without jeopardizing competition. Democrats initiated VA system support.
3. Increase Part D subsidy / incentive for employers who offer coverage more generous than Part D, and / or agree to maintain current their current plans.

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4. HR 4685 – Stabilize benefits after sign up period preventing in-year interruption of Med-D drug coverage and restricts formulary.
5. S.2810 / HR 5399 – Elimination of Late Filing Penalties

### **3. Prescription Drugs Legislation**

Acceleration of Generic Drug Approvals

### **04. Healthcare for All, Cost and Delivery Improvement Legislation**

- **Medicare for All Act (S.2229, Kennedy and HR 4683, Dingle)** – Work to improve and/or help develop legislation that will look at the way healthcare is provided to all Americans. Improvements to this bill as introduced in the 109th Congress would have to address:
  1. Integration of current Medicare plans for existing participants
  2. Allow employers (incentive) who provide insurance to offer supplemental insurance (covering the 20% as a wrap-around)
  3. Ensure the integration of and protection of current employer sponsored plans.
  4. Allow employers who don't provide any insurance at all to offer insurance to employees though incentives of some sort (a carrot) or penalties (the stick) for not participating
- **Healthcare Delivery Cost Containment** – Work to support and initiate legislation that will address the runaway costs of basic healthcare. This would include the following:
  1. Legislation that makes medical costs known (transparent) and open to real market forces (price/quality and demand/supply).
  2. Legislation that works to lower medical costs and improve medical delivery to consumers such as supporting the development/requirement for mechanized record.
  3. Legislation that provides incentives to companies (large and small) to increase pooling of members/plan participants rather than segregating member pools.
  4. Legislation that supports the inclusion of healthcare provisions for ALL (bargained/non-bargained) employees and retirees under ERISA with appropriate funding and accountability by all US owned companies.

### **HEALTHCARE TAX REFORM LEGISLATION**

1. **Deductibility of Health Care Costs:** Propose legislation enabling healthcare premiums and out-of-pocket costs to be fully tax deductible.
2. **Healthcare Savings Accounts:** Propose legislation enabling tax-free and penalty-free rollover transfers from 401k, IRA, SEP and other individual retirement accounts to Healthcare Savings Accounts (HSA's).

### **PENSION LEGISLATION:**

1. **Protection of Assets from Use in Corporate Restructuring:** Propose ERISA legislation to stop the use of pension assets to pay for lump-sum layoff or severance pay and / or other

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enhancements to selected, yet to be retired, plan participants only. Our proposal excludes retirees whose plans are subject to terms of a collective bargaining agreement. The primary basis for this legislation is the need to establish pension asset protection compatible with that contained in the Pension Reform bill, passed in 2006. The Pension Reform Bill reinforced ERISA intent that assets must be protected for all participants not just a selected few and that plan assets are not intended to support corporate restructuring. Thus, the enacted 120% threshold level should apply in all cases where plan sponsors want to remove pension assets.

2. **Social Security:** - under study and discussion within the NRLN member organizations. (Input from members requested – send comments to [vp2@asbcr.org](mailto:vp2@asbcr.org)). The discussions and investigation will center around, and attempt to address the following points at minimum:
- 1 - Does the Social Security program need to be fixed?
  - 2 - Payroll Tax Changes as a source of additional funding?
  - 3 - Trust Fund Balances and administration changes?


*We are very much in support of the NRLN legislative agenda and have provided our input and legislative ideas to the NRLN. The NRLN agenda can be viewed on the NRLN at the following site (<http://nrln.org>).*

**NOTE:** To read any bill before Congress, go to <http://thomas.loc.gov> - run by the Library of Congress.

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Advertisement

**From Your Real Estate Professional**






Hi;  
My name is Tom Lovell. I retired from Ameritech in 1994 after 35 plus years of service in Ohio. After I retired, I attended classes and retrained as a Realtor. I have been working in the real estate field ever since. I work at Coldwell Banker Hunter Realty.

Please contact me if I can be of service to you in either buying or selling a home. My home area is Northeast Ohio. However, I can connect you with a Coldwell Banker agent anywhere. I can be reached by email at: [tomrealtor@prodigy.net](mailto:tomrealtor@prodigy.net) My cell phone and voice mail is 216-798-8686.



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AT&T Medical plan review by the AASBCR Board of Directors and membership:

Your Board has taken your concerns and issues with the AT&T medical plan to Mr. Whitacre, CEO, AT&T. The issues are categorized under the following:

1. The Plan and the Summary plan descriptions that we receive each year.
2. Administrative issues with dealing with United Health Care/Insurance Plans and the actual medical providers.
3. Retiree costs to be in the plan.

Your Board recently received a reply from S. Colburn, AT&T Vice President, Benefits. Following are excerpts from AT&T:

**The Plan:** AT&T is addressing the complexity of the Summary Plan descriptions.

**Administrative issues:** AT&T has requested that retirees follow an escalation process anytime you have a problem with UHC or any of the Insurance providers. AT&T has agreed to investigate specific issues identified by plan participants. They are asking for the following information for each incident; participant name and ID number, date of the service, any claim numbers, and a detailed description of the issue/problem.

They also urge the retirees when talking to UHC and not satisfied with the resolution, to ask for a Supervisor. If the issue continues to be unresolved, AT&T will provide an escalation telephone number to call. Your Board will be asking AT&T to provide a fax number and e address to use within the ERT unit. Your Board urges you to follow the escalation procedures adopted by AT&T.

Your Board is interested in keeping track of any and all escalation routines that you follow. Your Board will monitor the performance of the AT&T team and its resolutions of your problems.

*To aid reporting, please find an escalation form at the end of this newsletter. The fax and USPS mail address will be completed when we know what they are.*

**Cost to be in the plan:** AT&T makes the claim that 77% of retirees have their costs reduced from what it cost in 2005. Your Board will be sending you a blind survey and will ask you to compare what your Medical plan costs were for 2006.

It is very important that you follow the suggested escalation procedures that AT&T is asking for. AT&T is convinced that few problems and issues with UHC exist; it is up to you to make your views known.

Please contact Ralph Kolderup, at [vp3@asbcr.org](mailto:vp3@asbcr.org) with any questions.

Ralph Kolderup  
AASBCR VP-AT&T Relations

**Are You Frustrated With United Health Care's Handling Of Your  
Medical Plan Issues? See Escalation Process Below:**



**ESCALATION PROCESS:**

**UHC/AT&T Healthcare Billing and Administration Problems.**

AT&T has in its agreements with UHC, performance levels covering on-time payments, billing and payment accuracy and the operation of the UHC call centers.

AT&T has an internal Unit (ERT) to review the billing and administrative issues with the medical plan.

- 1. AT&T has requested that any billing or administrative issue that a retiree has with UHC be escalated to a Supervisor at UHC.**
- 2. If the situation is unresolved after escalation to a UHC Supervisor call (866) 365-9146 to escalate to the internal unit at AT&T (ERT) that deals with these issues.**

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**WAYS TO LOWER HEALTHCARE COSTS OR INCREASE PROFITS;  
AND THEIR 3RD PARTY ADMINISTRATORS? YOU DECIDE!**

Recently employees and retirees of AT&T received a notice (a postcard in late January 2007 covering changes in healthcare plan coverage that was effective as of January 1, 2007) from United Health Care (UHC), their contracted 3<sup>rd</sup> party health plan administrator. The card was extolling some new improvements in administering their laboratory network that would “offer us the best value for our healthcare dollars”. The postcard went on to ask the company’s insured (employees/retirees) to contact their doctors to ensure that the UHC contracted in-Network doctors use in-Network labs to perform their services. In essence, it appears that AT&T’s 3<sup>d</sup> party administrator, UHC was requesting that the patient police the contractual agreement between UHC and the doctors. Never mind that the patient really has no medical knowledge of a particular lab’s performance or costs associated with any alternative lab the doctor might want to use.

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However, the basic premise implied by the postcard was that UHC (and AT&T) want the doctors to stop using labs that were either too costly or just perhaps didn't meet (medical?) standards.

So, no longer can UHC-contracted doctors go out and use a lab they feel may be best for their patients. They have an administrator who will tell them what is best based on reasons unknown to the insured patients and perhaps even to their doctors. And, if the doctors don't agree, the patient may be told, as in this case after the fact, that for a particular procedure that the lab the doctor used is out of network. (A similar example is a UHC policy not to pay the proper rate for annual wellness physicals if a doctor codes it wrong.) The result is the patient (insured party) will pay more for using an out of network facility or for a poorly administrated UHC contract issue between UHC and the doctors, thus increasing an insured's costs for the high-deductible plan that the company has them in.

So what are the implications and drivers for something that was published as a way to reduce costs for the company and the insured patient? Here are some conclusions an insured person might come to:

- 1.) Patients must tell the doctors which labs are best for them/patients and the doctor's medical outcomes and costs.
- 2.) If UHC doctors don't comply with UHC guidelines, doctors don't suffer – patients do by paying more.
- 3.) Who gets the added money? The out of network labs who handled the tests? Probably not because most labs when threatened by this practice will lower charges to be the equivalent of the other party's (UHC's) charges. But, patients still pay more for this out of network costs versus in-network cost because it no longer goes against a deductible amount (patient pays everything).
- 4.) Companies benefit by lowering their costs because the patient pays the bill.
- 5.) One might conclude that one of the drivers is that UHC will also benefit because of their ability to lower the cost to the company as part of their assumed performance improvement objectives if they can push costs off to the insured person.

So, who bears the brunt of this cost improvement effort? It would appear that the insured patient pays the price for this "benefit". When Congress addresses the high cost of healthcare, might it not be prudent to review the relationship between companies and 3<sup>rd</sup> party administrators and give the paying party (the patient) and the doctors treating these patients more say in how to save costs? Clearly this aspect and its impact on healthcare costs needs to be considered.

Ray Sternot  
VP-Legislation

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### **Miscellaneous:**

#### **Did you know the AASBCR has a Message board?**

Visit <http://groups.yahoo.com/group/aasbcr/join> to join and follow the instructions. In order to join the group you will have to be approved by the group moderator. Add a sentence with your name, when you retired, and from what company – just enough for the moderator to be able to approve you. Or send an e-mail to [aasbcr-subscribe@yahoogroups.com](mailto:aasbcr-subscribe@yahoogroups.com). For further assistance, please visit <http://help.yahoo.com/help/us/groups/>. You will be able to post and receive messages on the Message Board. All we ask is that you "keep it clean" and may have general interest. This is intended as an informal way for us to keep connected. You should be approved within one, or at most two, days – and probably sooner.

## **Attention AASBCR Members**

# **WE NEED A VOLUNTEER**

**We need a retiree who knows Website development tools  
“MySQL” and “PHP scripting language”**

**If you are willing to volunteer to give us a hand and if you have these  
skills the AASBCR needs you. Please contact us at**

**[newsletter@asbccc.org](mailto:newsletter@asbccc.org)**



**The AASBCR Newsletter has begun accepting advertising to help defray the printing and postage costs of the newsletter. Like everyone else, the Board feels the Association could do a lot more with more money. Thus, we are accepting ads. Each ad will pay the postage for one mailing. Currently we are only accepting ads from members, and we are limiting total paid ad space to two pages.**

## **Attention AASBCR Members**

# **YOUR AD HERE**

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**Request for Advertisements should be sent to**

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**AASBCR First Quarter Newsletter**  
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**AASBCR RETIREE DOCUMENTATION FORM**  
**IDENTIFYING PROVIDER ISSUES**  
**Initial Member Version 2/21/07**

RETIREE NAME: \_\_\_\_\_ CURRENT DATE: \_\_\_\_\_

PATIENT NAME(if applicable): \_\_\_\_\_

PROVIDER: AT&T \_\_\_\_\_ UHC \_\_\_\_\_ CAREMARK \_\_\_\_\_  
OTHER \_\_\_\_\_

DATE OF CALL TO PROVIDER: \_\_\_\_\_

DATE OF CLAIM: \_\_\_\_\_ CLAIM NUMBER: \_\_\_\_\_

ISSUE TYPE (all that apply):

AT&T CONCESSION ITEM \_\_\_\_\_ BILLING ERROR/CODING ISSUE \_\_\_\_\_

OTHER (SPECIFY IN REMARKS) \_\_\_\_\_

REMARKS: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ESCALATED TO PROVIDER'S SUPERVISOR: \_\_\_\_\_

NAME OF SUPERVISOR:

DATE ESCALATED (if different than current): \_\_\_\_\_

DATE ESCALATED/SENT TO AT&T ERT TEAM: \_\_\_\_\_

SEND FORM DIRECTLY TO AT&T ERT TEAM AT VIA METHOD:

a.) \_\_\_\_\_ E-mail to: dt3522@att.com b.) \_\_\_\_\_ FAX: NPA NXX-XXXX

c.) \_\_\_\_\_ MAIL ADDRESS: NNNN AAAA STREET?  
SAN ANTONIO, TX Zip + 4

STATUS OF RESOLUTION:

SOLVED IN TIMELY MANNER: \_\_\_\_\_

STILL AN OPEN ISSUE: \_\_\_\_\_

**FINALLY, IN ORDER ASSIST AND WORK FOR OUR MEMBERS WHEN THEY HAVE AN ISSUE WITH AT&T OR ONE OF THEIR PROVIDERS, WE NEED TO ALSO BE KEPT INFORMED. PLEASE FORWARD A COPY OF THIS DOCUMENTATION FORM FOR ALL MEDICAL, DENTAL, PRESCRIPTION PLAN ISSUES TO AASBCR at: E-MAIL: (VP2) [vp2@asbcr.org](mailto:vp2@asbcr.org). FOR OTHER ISSUES SUCH AS CONCESSION AND SAVINGS PLAN ISSUES, FORWARD COPY TO**

**(VP1) [vp1@asbcr.org](mailto:vp1@asbcr.org). YOU CAN ALSO MAIL US A COPY AT:**

MAIL ADDRESS: **AASBCR MEDICAL INSURANCE PROBLEMS**  
**P.O. Box 7477**  
**Buffalo Grove, IL 60089-7477**