



**West  
Virginia  
Association of Retired School Employees**

Affiliated with the NRTA division of AARP

Jo Ann Harman, President  
5294 Patterson Creek Road  
Lahmansville, WV 26731  
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Dear Members of the PEIA Task Force:

Our association represents over 30,000 retired school employees. We are members of the group who were promised insurance in lieu of pay increases for many years. It must be noted that West Virginia state retirees do NOT receive annual pay raises to supplement any increases in co-pays, deductibles, out-of-pocket maximums or premiums, all of which have escalated in recent years. About 85% of West Virginia retirees have not received a cost-of-living increase in their retirement benefits since retirement and, as such, have seen the purchasing power of those benefits significantly reduced because of inflation. In 2016, there were 34,000 TRS retirees, and the average age was 71; 6,749 were over 80 while 1,295 were older than 90. Their pensions were based on salaries of long ago and have been eroded by inflation. These retirees can least afford increases to their premiums or out-of-pocket costs for their health care.

We emphasize that we are pleased with the service provided by PEIA through Humana and encourage this arrangement to continue. Humana offers a number of program components that reduce costs through member education, manufacturer rebates, management programs, and coordination of care.

We strongly oppose any sort of Premium Support or Voucher Plan that would require retirees to buy their own plan with support of some fixed amount or voucher. This would shift excessive costs to retirees and end the guaranteed benefit structure.

Retirees in general believe that the major problem with PEIA is that the state has failed to keep pace with medical inflation in regard to the amount of funds put into the system. This results in retirees having to cover the escalated costs with increased co-pays, deductibles, out-of-pocket maximums and premiums. In view of the fact that we receive no cost-of-living adjustments, we believe that the state should cover the major portion of medical inflation at least for retirees. We recommend that impediments to the implementation of methodologies to reduce the costs of pharmaceuticals be addressed and explored.

WVARSE proposes that a severance tax be added to the oil and gas industry to be dedicated to PEIA funding. We suggest that the financial stability of state retirees be analyzed and acknowledged in an effort to provide appropriately for our well-being.

Cordially yours,

  
Jo Ann Harman

**“TO SERVE AND NOT TO BE SERVED”**