



DIGEST

Around and About

THE BOARD of Supervisors has started wheels moving to change the state law that now requires a unanimous vote of the seven-member County retirement board before it may select an investment for retirement funds. The move was set off when board member Norman Shaffer, former LACEA president, vetoed a plan Sept. 4 to invest \$3.2 million in constructing a medical examiner-coroner's building on grounds of the USC-Medical center and lease it to the County. Shaffer was the lone dissenter in the board's 6 to 1 vote.

The Supervisors last Tuesday (Oct. 1) directed CAO Lin Hollinger, County counsel John Maharg and treasurer Harold Ostly to prepare legislation that would create a new retirement investment board of three to five experts to advise Ostly on

Continued on Page 2

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HEALTH PLANS IN TRANSITION

Ross-Loos Switching to County Control

FINAL ARRANGEMENTS are being made for the County to take over administration of the Ross-Loos health plan to which more than 4,800 County employees subscribe.

The County Employees association, which has managed the program since the 1930s, will relinquish its contract with Ross-Loos next Dec. 1.

The switchover to County operation will be done automatically. Ross-Loos subscribers need not file new forms or take any other action.

Subscribers will notice only two changes:

- They will receive higher benefits, including a hospital room-and-board allowance of \$40 a day instead of \$35, and an allowance of \$80 a day instead of \$70 for intensive care. There also will be improved emergency care and extended care benefits.

- Subscribers will find their Ross-Loos payroll deductions listed under a new code number, 19, on their paycheck stubs, starting Nov. 8. (Presently the premiums are deducted under code number 43, which includes all deductions made on behalf of LACEA.)

Premiums will remain unchanged—\$3.44 a month for the employee only, \$15.53 a month for coverage for the employee and one dependent, and \$22.37 for the employee and two or more dependents. In addi-

Continued on page 4

Blue Cross, Blue Shield Renewed — with Changes

TWO HEALTH plans for County employees—Blue Cross and CPS-Blue Shield—are being renewed for another year, with some changes in premiums and benefits. The Board of Supervisors approved the renewals last Tuesday (Oct. 1).

The 6,600 County enrollees in Blue Cross will find their monthly premiums dropping slightly, 20 to 30 cents, and their benefits increasing after the renewal goes into effect Nov. 1. (The premium decrease will not apply to the 163 employees who subscribe only to the Blue Cross "low option" plan.)

For 8,070 Blue Shield subscribers, premiums will rise \$2.17 to \$4.57 a month with no change in benefits.

Robert Leonetti, deputy director of personnel, explained:

"These are two different kinds of plans. Blue Cross subscribers have to pay the first \$100 of medical expenses during the year for each person covered. The amount paid out in benefits the past year has been less than estimated, so we have been able to negotiate with Blue Cross for lower premiums and higher benefits.

"CPS-Blue Shield, on the other hand, starts paying for doctors' visits sooner—for the first visit in case of accidents and for all visits after the second one in case of an illness. The cost of this service has been higher

Continued on page 4

County Life Insurance:

CARDS -- AND QUERIES -- FLOW IN

Around and About

Continued from page 1

handling the fund's \$750 million (and steadily growing). The members would be appointed by the Supervisors.

The present seven-member board, which includes three representatives elected by County employees, would continue to handle non-investment matters such as granting applications for retirement.

THE MUSIC Center complex moved a step closer to completion Sept. 24 with Board of Supervisors' approval of documents permitting private donors to build an Academy of the Performing Arts on "parcel J"—the County-owned block south of the Music Center, between First and Second streets, and Grand avenue and Hope street.

The privately financed Performing Arts council, led by Mrs. Dorothy Chandler, has promised to raise the estimated \$6 to \$8 million needed for the academy's cluster of two-story and three-story buildings where some 300 especially talented actors, musicians and dancers will study for professional careers.

The council will donate the buildings to the County, which in turn will lease them back to the academy group to operate. The County will maintain the buildings, and will retain power to review and control major phases of the academy operation.

An allied group, the Music Center Academy Garage Lease company, will sell \$4.8 million in bonds to construct underground parking beneath the academy buildings. The County will enable the company to

Continued on page 3

BURDENED MAIL messengers have begun toting hundreds of applications for County optional life insurance into room 532, Hall of Administration, where the personnel department's insurance section is bracing itself for a flood expected to last until the Dec. 6 deadline.

The applications are in response to the personnel department mailing last week to more than 50,000 permanent, fulltime County employees. The mailing contained a booklet describing the County's new program of \$2,000 free life insurance for each employee (which went into effect Sept. 1) plus additional insurance that the employee may buy equal to half his annual salary, the same as his annual salary, or twice his annual salary. The booklet also described optional insurance for employees' dependents and for accidental death and dismemberment.

(Details of the insurance program appeared in The DIGEST Sept. 6 issue.)

Employees who return the optional insurance enrollment card (the last page in the booklet) along with the green payroll deduction card by next Thursday, Oct. 10, will get the optional insurance coverage starting Dec. 1. If the cards are received by Nov. 11, coverage will begin Jan. 1. Cards sent in before the end of the open enrollment period Dec. 6, will provide coverage starting Feb. 1.

The insurance section reported it has received many questions from employees following announcement of the new insurance program in the Sept. 6 DIGEST. Following is a cross-section of questions and the replies:

Q: "With these low premiums, will the insurance company be asking us for an increase in premiums a year from now?"

A: The County's contract with the insuring company, Firemen's Fund, provides that the premium

rates shown in the booklet are guaranteed for five years.

Q: "Can I continue this policy when I retire?"

A: A retiring employee may convert both his County-paid \$2,000 policy and any optional life insurance he may have to one of Fireman's Fund's regular life policies, without a medical examination. The premiums, of course, will be considerably higher than for the County's group coverage.

Q: "Under the County's insurance plan, will we receive any dividends?"

A: Possibly, although the premium rate structure has been designed to give employees the lowest month-by-month rate rather than to pay dividends. But if at the end of the five-year contract the premiums paid into the fund are greater than the expenses and claims paid out of the fund, the surplus will be available for the benefit of the employee subscribers.

Q: "If I sign up for the County's optional life insurance, may I keep other life insurance I now have through an employee organization?"

A: Yes. The County's life insurance is separate from any other group or individual life insurance an employee may have. In case of death, the County's policies will pay off, irrespective of any other policies an employee has.

Q: "If I want to cancel the life insurance I have through an employee organization, how and when do I do it?"

A: An employee wishing to cancel or reduce the coverage he now has through an employee organization should ask his payroll clerk, or the employee organization, for a new payroll deduction authorization card. He should fill out this card, placing an "X" in the box marked "Cancel" or "Replace." He then

should send this card to the employee organization that sponsors

Continued on next page

LIFE INSURANCE

Continued from page 2

at life insurance. To make sure that the organization knows exactly what he wishes done, the employee should write in the lower left portion of the card what insurance he wants cancelled, and the effective date for cancellation.

Q: "In the mailing I just received from your insurance section, the green card has a space for 'New' 'Replace' and 'Cancel.' And it says 'Check one box.' I am confused as to which box I should check."

A: You, and every other employee who is now signing up for the County's new optional insurance plan, should check the "New" box. You see, everybody who subscribes now is a new subscriber. The boxes for "Replace" and "Cancel" are only for future use when an employee may wish to cancel his County insurance or may wish to replace one type of County optional policy with another.

Q: "Will I be able to borrow money on any of these life insurance policies the County is sponsoring?"

A: No, none of these policies will have a cash value. They are term policies.

FIRST PAYOFFS

THE FATAL crash of a sheriff's Operation Argus helicopter last Monday (Sept. 30) has brought the first payoffs under the County's new program of \$2,000 free life insurance for each fulltime, permanent employee. The program began Sept. 1. The County is making payments to the estates of deputy sheriff Robert Schnur, the pilot and a 14-year veteran attached to Lakewood station; and his observer, deputy Garry McCullah, a six-year man attached to Norwalk.

Their helicopter crashed while on patrol in the Rose Hills area, Whittier.

Their estates also will receive \$25,000 each from County aviation accident insurance plus several thousand dollars in County retirement fund death benefits and workman's compensation death benefits.

C-NOTE CLUB

Introducing County employees whose better-work suggestions have won them \$100 and membership in the Century Note Club.

MILDRED MAURICE, an intermediate clerk in DPSS accounting, Adams and Grand, noted something odd in the monthly listings of aid given to the disabled and Old Age recipients. Some pages came out of the computer with only a few names on them. Other pages were full with 54 names. The recipients apparently had been arbitrarily grouped at some time in the past according to the numbers assigned them by the state welfare department. But Mrs. Maurice saw these groupings no longer were necessary.

Why not, she suggested, re-program the computer so that the required divisions of cases—new ones, terminated ones, recipients with changed budgets, etc. — each run continuously, page after page, until the group is completed, and then have the computer give the grand total for the group? This would save thousands of pages of expensive computer paper and could save many hours of staff time spent putting together the smaller totals from each page.

Mrs. Maurice's suggestion was adopted, the relatively simple changeover was made, and she received an initial award of \$100.

Now, a year of actual operations has shown a saving of \$6,953 in labor and paper. The Suggestion Award board has voted her an additional \$339.

Safety Hint

COUNTY EMPLOYEES leading sheltered lives in their offices on the flatlands may find comfort in this recent item from "The Olive Press" which is published by Olive View hospital in the mountain foothills above San Fernando:

"Rattlesnake season is here. Do not attempt to kill or capture one. Call the security officer."

Around and About

Continued from page 2

retire the bonds by paying it \$336,000 a year for 30 years—this as rental for the 1,000 parking spaces in the underground garage. (The academy, however, retains the right to sublease back 200 of the parking spaces, paying the County "fair market value" for them.)

Estimated date for finishing the academy project: late 1970.

THE BOARD of Supervisors has approved final plans for a \$2.2 million addition to the County building in Long Beach (415 West Ocean boulevard). The six-story addition will house one municipal and four superior courts, and new offices for the public defender and the department of personnel.

THE COUNTY'S 15-member Public Social Services advisory commission has called on the federal and state governments to drop mandatory staff-to-caseload ratios which are placing "almost impossible demands on welfare administrators and social workers."

The commission's Sept. 25 report urged that local governments be permitted to decide how best to administer welfare programs. Under the present system, the report said, DPSS employs some 4,300 social workers and the number will grow to an expected 5,800 by mid-1969.

The commission expressed "shock" at the lack of evening and Saturday classes that DPSS employees may take to upgrade themselves as social workers. It said local colleges should provide more such courses so that present employees may work toward bachelor and MSW degrees.

Bank Loan Letters Criticized

AN EMPLOYEE association's recent mass mailings to County staffers urging them to borrow money from a private bank have come under criticism from a spokesman for the 14 County employee credit unions.

Bill Turkington, manager of the Fiscal Employees credit union and former chief of the auditor-controller's audits division, said:

"These efforts to steer employees toward private money lenders are a disservice. A recent study showed that employees who borrow from their credit union pay 38 percent less for their loans, on the average, than if they used other kinds of credit including banks, finance companies, and various revolving credit and installment systems."

Turkington said that the credit unions not only keep their interest rates low but they also return any

profits left after expenses to their employee-members.

He pointed out that credit union interest rates range from .6 of 1 percent per month to 1 percent per month on the unpaid balance. This translates into annual simple interest of 7.2 percent to 12 percent. The lowest rate is for loans above \$2,500 secured by stock or first trust deeds — the 1 percent rate for smaller loans for vacations, boats, older used cars, funerals, clothing, education, old-bills consolidation and other purposes.

"What's more," Turkington said, "the credit union does not tack on any hidden charges or other gimmicks."

He said that all loans up to \$10,000 are covered by a free life insurance policy, so that if the borrower dies his loan is automatically paid up.

PLANS RENEWED

Continued from page 1

than expected during the year, and so the premium has to go up."

The employee under CPS - Blue Shield, beginning Nov. 1, will pay \$2.17 more a month for coverage for himself alone, \$3.98 more for himself and one dependent, and \$4.57 more for himself and two or more dependents. The rise will show in his Nov. 10 paycheck deduction.

Added Blue Cross benefits after Nov. 1 will include:

- 80 percent of the cost of prescription drugs for subscribers having major medical coverage (at present the subscriber must pay all drug costs)

- An increase in hospital room-and-board allowance from \$35 a day to \$42 a day

- A new benefit of \$84 a day while in a hospital's intensive care unit (at present the subscriber gets only the regular hospital room allowance).

ROSS-LOOS

Continued from page 1

tion, the County will continue to contribute \$8 premium per month for each employee subscriber.

While Ross-Loos coverage now is available only to present subscribers and to new County employees during their first 90 days on the job, Gunther Dumalski, chief of the personnel department's employee benefits section, said any interested County employee will be able to sign up during an open enrollment period planned for January 1969.

Dumalski's office will begin Oct. 1 handling new-employee enrollments in Ross-Loos and any changes in status of present subscribers. Employees with questions may call the insurance section, 625-3611, extension 65667.

Present Ross-Loos subscribers will have a double premium deduction from their Nov. 8 paychecks—one for their November coverage under the expiring LACEA plan, and another for December coverage as

LACEA Misses Block on Ordinance

AN ATTEMPT by the County Employees association to block the County from using its recently passed employee relations ordinance failed in superior court last Wednesday (Oct. 2) as Judge Robert S. Thompson denied LACEA's request for a temporary injunction.

Deputy county counsel Lawrence Hoffman, who argued the County's case, said the decision clears the way for appointing a three-member Employee Relations commission and putting into effect other ordinance provisions permitting employees to form units to represent them in negotiating over pay, hours and other working conditions.

Last Wednesday's court hearing was a preliminary action. A full trial of the LACEA suit will be scheduled later.

Ross-Loos switches to a prepayment basis under County administration. Dumalski said employees who find the double deduction a financial hardship may arrange to spread out the extra payment over a six-month period. "Health Insurance Prepayment" cards for this purpose will be available Nov. 8 to Nov. 15 from the auditor-controller's special claims division.

County of Los Angeles

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