



University of Michigan Retirees Association

Volume 12, No. 2

November 2009

Social Hour Programs

December 10: Hate in Cyberspace: The Resurgence of White Supremacist Groups. Dr. Jack Kay, PhD, Provost and Executive VP, Eastern Michigan University.

January 14: Tribute and Happy Birthday for Kenneth "Red" Simmons.

February 11: Obamamania and Anti-Americanism in Europe: Complementary Rather Than Contradictory Concepts. Andrei S. Markovits, Arthur F. Thurnau Professor, Professor of Germanic Languages and Literatures, Professor of Sociology and Political Science.

March 11: To be announced

April 8: Managed Competition in Medicare: The Effect of Premiums on the Health Plan Choices of Retirees. Thomas C. Buchmueller, Waldo O. Hildebrand Professor of Risk Management and Insurance and Professor of Business Economics and Public Policy, Stephen M. Ross School of Business.

In this issue

- Reports of the September and October Social Hour meetings.
- Thoughts on the state of the University in these difficult times.
- Dwindling state support for U.S. universities.
- Financial planning for individuals during an economic downturn.
- What documents should I shred?
- 8 Myths about health care reform.
- Some information on the importance of Omega-3 in our diets.

A note about some things that have changed

As you probably know, the UM no longer mails the University Record to retirees. However, UMRA notices will continue to be listed in the Record and on its web site <www.ur.umich.edu> and on UMRA's web site <www.hr.umich.edu/umra>. The UMRA Newsletter will continue to be mailed to members, as always!

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Social Hour Details

UMRA Social Hours are held most months during the academic year on second-Thursday afternoons from 3 to 5 PM. All U-M retirees and their guests are cordially invited to attend. The gatherings usually include light refreshments—coffee, sliced fruit, cookies, and soft drinks. Social Hour programs begin at 3:15 PM and continue until about 5:00 PM. Announcements about speakers and programs are made in this newsletter, in University Record *Events* notices, and at the UMRA web site <www.hr.umich.edu/umra>.

Meeting Location

Social Hour gatherings are held at the Executive Plaza (formerly Best Western) Hotel, 2900 Jackson Road, Ann Arbor. Parking is plentiful, and easy access to the meeting room is gained by using the Ballroom entrance at the rear of the building. Handicap access is good. Other venues are used from time to time. Please check the meeting notices on Page 1 to find the latest information.

The University of Michigan Retirees Association Newsletter

G-250 Wolverine Tower, 3003 South State, Ann Arbor MI 48109

The Wolverine Tower building is located at the intersection of
Eisenhower Blvd. and S. State St. Parking is available nearby.

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Social Hour Meeting Reports

Drug Discoveries from Under the Sea Dr. David Sherman, September 10, 2009

"Biodiversity" is a popular buzzword whose value many are now coming to accept. It's not just that mankind has come to know the fascinating creatures that once graced planet earth, but scientists are increasingly aware that many living things still around today may hold the key to some major human health problems. Malaria is still a major killer disease in many parts of the globe, but quinine, derived from the bark of a tree common in many jungle areas, has been a major part of man's effort to combat the disease.

It turns out that there seem to be many more such natural benefits yet to be uncovered. Anthropologists have learned that many "primitive" people have developed treatments for ailments that are at least as good as medications obtained in the local pharmacy. Even today, 25% of all drugs, including things like penicillin and tetracycline, come from natural sources. And with burgeoning populations and mankind's incursions into once-remote areas, it is a race against time to study and learn as much as we can before such species may become extinct.

Some of the most biodiverse areas can be found in the vicinity of coral reefs, which are themselves becoming greatly stressed with the rise in ocean temperatures. One of the exciting research areas is the search for anti-cancer drugs. There is guarded optimism that new studies will add to the list of 25 anti-cancer and pain modification drugs already found in undersea species. With its Life Sciences Institute, the University of Michigan continues a tradition of such research. Dr. Sherman and his colleagues are involved in fascinating studies of undersea life in New Guinea and Central America.

Osher Lifelong Learning Institute: Janet Fogler Benefits Changes for 2010: Marty Eichstadt 2009 UMRA Business Meeting, October 8, 2009

Through a generous gift from the Osher family of Northern California, the UM's Learning in Retirement program has become the Osher Lifelong Learning Institute. Janet Fogler described the program, which is run through the Medical Center and is staffed largely by volunteers; it consists largely of popular lectures, classes and trips.

Marty Eichstadt fielded a question-and-answer session about changes in the benefits plan for UM retirees for 2010, which will basically mirror the plan in effect for 2009.

UMRA Board Elections: Each year the terms of 4 of the 12 UMRA Board members expire and the election to replace them takes place at the October Social Meeting. This year the terms of Robert Green, Don Thiel, George Williams and Ellen Woodman were ending. An UMRA Nominating Committee, chaired by Pat Butler, recommended reelection of Don Thiel, George Williams and Ellen Woodman with Jim Thiry as a replacement for Robert Green, who had asked to step down. No nominations from the floor were received and these four were elected by the membership to UMRA Board terms which end in 2012.

The Future Viability of the University of Michigan as a Public University

One of the prime victims of the economic downturn has been state support for public education. With the highest unemployment rate in the country, the outsourcing of many manufacturing jobs and the implosion of the automobile industry and its suppliers, Michigan continues to watch as its tax revenues fall and its ability to fund all the services needed by its populace continue to erode. It's not only the sad conditions of the roads and bridges that are depressing. State support for education at all levels threatens to dismantle the enviable reputation Michigan once enjoyed. From school systems across the state to the very pinnacle of the UM, Michigan public education is in a crisis.

The New York Times recently ran a story by Paul Fain entitled "Less for More" which dealt with the problems now facing many flagship public universities. Virtually no state-supported institution of higher learning is exempt. Today, state support of the University of Michigan is about 7 percent of its budget.

Because Michigan's woes started earlier than in some states, and thanks to the vision of former president Harold Shapiro, UM began its often-painful shift from major state support earlier than many other public universities. When the state trimmed a third of its support for UM in the 1980s, it was necessary to build a more secure budget base. UM increased

private fund-raising and developed a tuition structure that took advantage of a growing number of out-of-state students, who now pay \$36,163 a year in tuition and fees – about the same as Princeton. With an out-of-state student mix of 35 percent, former UM president James Duderstadt says that UM looks less like a state university. "Folks from out of state are attending a private institution," he says. Earlier this year Michigan legislators even studied the idea of taking privatization to the next level, by eliminating annual state funding. Some institutions, such as Virginia's top four public universities five years ago began negotiating a charter status that granted them broad autonomy.

The financial composition of the student body is also undergoing changes. Forty-five percent of out-of-state undergraduates are affluent enough not to qualify for financial aid, compared with twenty percent of students from Michigan. Ivy League universities, because of their financial resources, may be able to offset some of the tuition and fees. A Princeton student may actually pay less than a student at Michigan.

How much longer the University of Michigan will continue to be a "public ivy" depends on the willingness of taxpayers (and their elected legislators) to honor the sentiments of the Northwest Ordinance of 1787.



Dwindling State Support for Universities					
Institution	2009-10 Tuition & Fees and Increase since 2007-08				
	Instate		Outstate		
	\$	%	\$	%	
Indiana	8,613	10	26,160	17	
Ohio State	8,676	0	21,285	-4	
Rutgers	11,886	11	22,796	15	
Stony Brook	6,489	13	14,389	20	
Arizona	6,855	36	22,264	37	
UCLA	10,836	17	33,504	16	
Colorado	7,932	20	28,186	14	
Illinois	12,660	14	26,802	6	
Iowa	6,824	8	22,198	14	
Michigan	12,400	12	36,163	12	
Minnesota	11,466	19	22,647	7	
Oregon	7,428	20	23,718	23	
Texas	8,930	10	30,006	16	
Wisconsin	8,314	16	23,063	8	

[Data from New York Times 11/01/09 Survey]

Financial Planning During an Economic Downturn

When economic times are good, the services of a financial planner do not seem to be needed. And when economic times are bad, the services of a financial planner seem to be just an unnecessary expense. Yet, such services can actually be very worthwhile and justified. A recent survey from Financial Planning Association/Ameriprise Financial revealed that many people who try to go it alone regarding a financial plan, suffer considerably worse performance in their investment and savings goals over time than those who do seek professional advice. There are several aspects of professional financial planning that one needs to consider.

A financial planner is not a substitute for an individual's own decision-making. Planners serve as guides and strategists. A good planner should begin by asking comprehensive questions of the client. Their purpose is to find out all the client's goals and possibly suggest others. For retirees the achievement of many goals may have already been experienced, but many others remain on the table. These may include assisting with grandchildren's educational expenses, one's own possible long-term health care needs, maintenance of one's estate and its distribution, and possible charitable bequests. Financial planners, like lawyers and other professionals, tend

to specialize in certain areas such as asset management, investment management, estate management, commercial real estate, pension administration and health topics. A client should not hesitate to question an advisor to determine the planner's area of interest and expertise.

One of the most discussed topics in the current Congressional debates over health care legislation is the "fee-for-service" aspect of much of American health care, where it is often financially advantageous for the doctor to include as many tests and procedures as practical since the fee is often determined by the quantity, rather than the quality, of the care. Similarly, financial planning services are also often based on each service provided, so right at the start the client should determine on what basis service is provided and what the amounts will be for any and all services. Some planners have an hourly rate and some charge a set fee for specific services while others may have a percentage fee based on the value of the assets they manage. A client should not enter into any agreement with a financial planner before obtaining a satisfactory understanding of the charges which may be incurred.

Material for this Newsletter item was compiled by Lee Zukowski from information prepared by a financial planner in the Ann Arbor area.

What documents should I shred?

With the threat of identity theft, many are investing in home shredders instead of simply tossing stuff into the trash bin. AARP has the following suggestions: Shred junk mail. Shred old papers that include your birth date, signature, account numbers, passwords, PINS or Social Security Number – but don't shred your Social Security card. Destroy deposit slips and credit card receipts right after you get your monthly statement. Shred used airline tickets, old medical bills, preapproved credit card applications, expired IDs such as driver's licenses and passports, and canceled checks that you don't need for tax purposes.

8 Myths About Health Care Reform

A 2009 Health Report by Karen Cheney in the monthly AARP publication is timely and interesting, and it may help to dispel some of the political rhetoric flying about this issue

Americans spend more on health care every year than we do educating our children, building roads, even feeding ourselves – an estimated \$2.6 trillion in 2009, or around \$8,300 per person. Forty-five million Americans have no health insurance whatsoever. These staggering figures are at the heart of the current debate over health care reform: the need to control costs while providing coverage for all. As John Lumpkin, M.D., M.P.H., director of the Health Care Group for the Robert Wood Johnson Foundation says, “There is enough evidence that it is now time to do something and to do the right thing.” The key is to focus on the facts – and to dispel, once and for all, the myths that block our progress.

Myth 1. Health reform won't benefit people like me, who have insurance. Just because you have health insurance today doesn't mean you'll have it tomorrow. According to the National Coalition on Health Care, nearly 266,000 companies dropped their employees' health care coverage from 2000 to 2005. “People with insurance have a tremendous stake, because their insurance is at risk,” says Judy Feder, a professor of public policy and a senior fellow at the Center for American Progress, a Washington DC-based think tank. What's more, in recent years the average employee health insurance premium rose nearly eight times faster than income. “Everyone is paying for health increases in some way, and it's unsustainable for everyone,” says Stephanie Cathcart, spokesperson for the National Federation of Independent Businesses (NFIB). “Reform will benefit everyone as long as it addresses costs.”

Myth 2. The boomers will bankrupt Medicare. If you're looking to blame the rise in health care costs on an aging population, you'll have to look elsewhere. The growing ranks of the elderly are projected to account for just 0.4 percent of the future growth in health care costs, says Paul Ginsburg, president of the Center for Studying Health Care System Change. So why are health care costs skyrocketing? Ginsburg and others point to all those fancy medical technologies we now rely on (think MRIs and CT scans), as well as our fee-for-service payment system, in which

doctors are paid by how many patients they see and how many treatments they prescribe, rather than by the quality of the care they provide. Some experts say this fee-for-service payment system encourages overtreatment.

Myth 3. Reforming our health care system will cost us more. Think of health care reform as if it's an Energy Star appliance. Yes, it costs more to replace your old energy-guzzling refrigerator with a new one, but over time the savings can be substantial. The Commonwealth Fund, a New York City-based foundation that supports research on health care practice and policy, estimates that health care reform will cost roughly \$600 billion to implement but by 2020 could save us approximately \$3 trillion.

Myth 4. My access to quality health care will decline. Just because you have access to lots of doctors who prescribe lots of treatments doesn't mean you're getting good care. In fact, researchers at Dartmouth College have found that patients who receive more care actually fare worse than those who receive less care. In one particularly egregious example, heart attack patients in Los Angeles, spent more days in the hospital and underwent more tests and procedures than heart attack patients in Salt Lake City, yet the patients in L.A. died at a higher rate than those in Salt Lake City. (Medicare also paid \$30,000 for the L.A. patients' care, versus \$23,000 for the care of the patients with better outcomes in Salt Lake City.)

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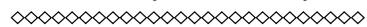
Myth 5. I won't be able to visit my favorite doctor. Mention health reform and immediately people worry that they will have fewer options – in doctors, treatments, and diagnostic testing. The concern comes largely during discussions of comparative effectiveness research (CER)--research on which treatments work and which don't. But 18 organizations in a broad coalition, including AARP, NFIB, Consumers Union, and Families USA, support CER – and believe that, far from limiting choices, it will instead prevent errors and give physicians the information they need to practice better medicine. A good example: Doctors routinely prescribe newer and more expensive medications for high blood pressure when studies show that older medications work just as well, if not better. “There is a tremendous value in new technology, but in our health care system, we don't weigh whether these treatments work,” says Feder. “Expensive treatments replace less expensive ones for no reason.”

Myth 6. The uninsured actually do have access to good care – in the emergency room. It's true that the United States has an open-door policy for those who seek emergency care, but “emergency room care doesn't help you get the right information to prevent a condition or give you help in managing it,” says Maria Ghazal, director of public policy for Business Roundtable, an association of CEOs at major U.S. companies. Forty-one percent of the uninsured

have no access to preventive care, so when they do go to the ER, they are most likely going in at a time when their illness has progressed significantly and costs more to treat. Hospitals have no way to recoup the costs of treating the uninsured, so they naturally pass on some of those costs to their insured patients.

Myth 7. We can't afford to tackle this problem now. We may be in the middle of a recession,” but as Robert Zirkelbach, spokesperson for America's Health Insurance Plans, says “the most expensive thing we can do is nothing at all.” If we do nothing, the Congressional Budget Office projects that our annual health costs will soar to about \$13,000 apiece by 2017, while the number of uninsured will climb to 54 million by 2019. Already more than half of Americans say they have cut back on health care in the past year due to cost.

Myth 8. We'll end up with socialized medicine. Some experts favor a single-payer system similar to Medicare or the health program offered to federal-government employees. “Yet all the proposals being discussed today would build on our current system,” Feder says – “which means that private insurers and the government are both likely to play roles.” There are many ways to solve our health care problem, but we will come up with a uniquely American solution, and that solution will be a mixed public and private solution.



Yesterday: Cod Liver Oil. Today: Omega-3s

Some of us may remember a childhood daily dose of cod liver oil for our health, but today the buzzword is Omega-3 fatty acid. These substances are considered *essential* fatty acids because they cannot be manufactured by the body and must be obtained from food or supplements. They can have some very real health benefits, especially for older adults, but there are also risks.

Omega-3s are found primarily in marine sources: fatty cold-water fish like salmon, tuna, halibut, mackerel, lake trout, herring, and sardines. They are also found in nuts like English walnuts, in flaxseeds, and in canola, olive, soybean, and flaxseed oils. Vegetables like broccoli, cauliflower and cabbage and spices like oregano, cloves, and mustard seeds also are good sources. Seafood sources are the most readily used by the body.

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Omega-3s, continued

Omega-3s are the primary ingredients in fish oil supplements. Since supplements can vary widely in quality, one should select a supplement high in Omega-3s, low in saturated fats, and low in other polyunsaturated fats such as corn oil. Supplements should be “molecularly distilled” because that removes mercury and toxins, and “purified” to remove the fishy taste.

Before taking supplements, one should consult a doctor because Omega-3s can interfere with certain medications, especially blood thinners like Coumadin and aspirin. Some studies indicate that Omega-3s can have beneficial effects on high cholesterol and high blood pressure. There is also some evidence to suggest they can help to reduce hardening of the arteries and prevent eye disease.

Have you changed your address or e-mail?

1. Print new information below.
2. Cut out this form and your address label.
3. Mail both to the UMRA address shown by your mail address.

Name _____

Address _____

City, State _____ ZIP _____

E-mail address _____

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