

Lowering Prescription Drug Costs for PEIA Insureds

Edited from Governor Bob Wise's weekly column dated March 29, 2002 (www.state.wv.us/governor/Columns.asp).

One of the greatest concerns we all have, and one of the toughest challenges, is the cost of prescription drugs.

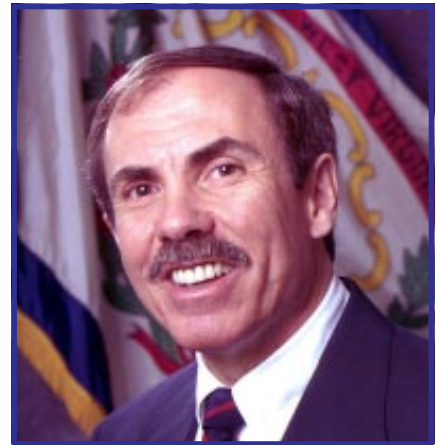
In late March, we took a step that will lead to cost savings for West Virginians covered by the State's Public Employees Insurance Agency (PEIA) program. It is my hope that this approach ultimately will find its way into private industry as well.

By applying the simple economic principle of buying in bulk to lower costs, a plan was created to form a collective purchasing pool with other state governments. Express Scripts is the new pharmacy benefits manager for the purchasing pool. This company will negotiate with manufacturers for the best prices and the rebates they offer. Manufacturers offer rebates with the sale of drugs. In the past, those rebates went to benefit managers. Now they will go to the states making the purchases.

PEIA insures more than 210,000 West Virginians. Last year, more

than \$128 million was spent on prescription drugs. In the current fiscal year, which ends June 30, 2002, those costs are projected to rise to \$150 million. By joining New Mexico, Missouri, South Carolina, Maryland, Louisiana, and Mississippi, the collective number of covered lives grows from 210,000 to 1.4 million. The states can leverage this increased market share to get lower prices from the drug manufacturers, and this saves money for all those involved.

Several other states have expressed interest in the plan and may



Governor Bob Wise (above) and other State officials are working hard to lower medication costs for both employees and PEIA.

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At the Capitol, it's hyacinths, daffodils, and tulips, oh my!



IS&C Requests Class Interest Information



The Information Services and Communications Division (IS&C) is conducting a survey to determine interest in 3 special topic computer classes:

MICROSOFT ACCESS MACROS AND MODULES - taking the next step in Access skills to write macros and modules in Microsoft Access and associate these with events. Includes beginning Visual Basic instruction. This class is designed for students who have completed Access Levels 1-4 at IS&C's Technology Learning Center.

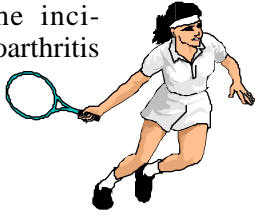
VISUAL BASIC - an extensive 5-day session in Visual Basic that is an introduction to solid foundation skills in writing Visual Basic applications. This class is designed for advanced PC students and/or programmers.

VISIO - diagramming solutions that help business professionals such as project managers, marketers and salespeople, human resource personnel, and administrative staff visualize and share information they work with every day.

Classes are tentatively planned for this summer or early fall. **The deadline for expressing interest is May 16, 2002.** Please contact Mary Cummings at 558-6384 or mcummings@gwmail.state.wv.us.

National Arthritis Month Brings Special Attention to the Sporting Set

Because the incidence of osteoarthritis rises with age beginning about 40, people think their



cartilage is just wearing out. But the Arthritis Foundation says that's not a normal part of aging. The cause can be what we do to ourselves.

The degenerative process can be set in motion by an injury and exacerbated by overuse. Exercise, as such, is not the culprit; in fact, it can help to prevent osteoarthritis.

Obesity is a major risk factor for arthritis, and exercise helps reduce weight. By strengthening muscles around the knees, exercise stabilizes the weight-bearing joints and reduces the risk of damaging twists. Specific exercises for strengthening the abdominal and lumbar muscles



can pull the spine into better alignment and alleviate back pain.

Dr. Kenneth Cooper of the Cooper Aerobics Center in

Dallas says what's important in avoiding arthritis is to listen to your body. If an exercise aggravates a problem, do something else. That may mean walking, not jogging, which is much harder on the knees. Quoted in *Newsweek*, Cooper says that, unfortunately for those who made a point of playing through pain, this advice comes too late.

Women athletes in sports like basketball and soccer are 2-4 times more likely than men to suffer injuries to the anterior cruciate ligament, which

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Ethics Commission Issues Ruling on Jury Duty Leave/Pay

The West Virginia Ethics Commission has determined that it is NOT a violation of the Ethics Act for State employees to accept jury service pay or be given time off from work without charge to annual leave for jury service. Quoting from the Jan.-Feb.-Mar. 2002 issue of the *WV Ethics Review*:

State Personnel rules give State employees time off from their government jobs to perform jury service, without reducing their pay or charging their annual leave account. The rules do not require employees to relinquish their jury service pay.

The Ethics Commission ruled that it would not be a violation of the Ethics Act for the State employee, in conformance with established personnel rules, to accept and retain jury service compensation in addition to State pay.

Section 14.10 of the Division of Personnel's *Administrative Rule* spells out the provisions for Court, Jury, and Hearing Leave. Generally, State employees are granted time off with pay when, in obedience to a subpoena or direction by proper authority, they serve on a jury or appear as a witness before a court, judge, legislative committee, or any officer, board, or body authorized by law to conduct any hearing or inquiry. The exception to this is when the employee is a litigant, defendant, or other principal party, or has a personal/familial interested in the case or proceeding.

You can review the entire Court, Jury, and Hearing Leave rule online at www.state.wv.us/admin/personnel/rules/rule2000.htm#Section%2014.

CAPITOL MAINTENANCE OR REPAIR INFO

If you see something around the Capitol Complex that needs maintenance or repair, notify your agency General Services contact person if possible. If your agency does not have a contact person or if the situation is an emergency, use the info provided on the card below:

**GENERAL SERVICES
REPAIR OR MAINTENANCE
CUSTOMER SERVICE DESK**



**REGULAR
OFFICE HOURS:**

558-2317

**AFTER HOURS
EMERGENCIES:**

558-6392

Don't know the name of your agency General Services contact person? Call 558-2317 to find out. If a name is available, report the problem to that person, not directly to General Services.

Another Tax Day Behind You? Plan Now for the Next One!

The following is offered for information only – consult a qualified financial advisor before making any decisions.

Alright - you can breathe a sigh of relief now. Another April 15 Tax Day has come and gone. You've filed. You're done for another year. Or are you?

According to several sources, 2002 will be a pivotal year due to the passage of last year's tax reform act, so even though you've neatly tucked away your tax forms and receipts for last year, you've got some review and planning to do for this year. The good news for most is that the resulting tax law changes were in favor of the taxpayer! Tax rates are decreasing (and will go down again in 2004), and several tax credits, mainly in the areas of education and retirement, have been added or increased.

The first change you'll notice is that the tax rate structure has been revised. The top 4 tax brackets are a half a percent lower for 2002 than they were in 2001 - making them 27%, 30%, 35%, and 38.6% - and the new 10% bracket added in 2001 will continue. The range for the 15% and up brackets have been adjusted for inflation, allowing more 2002 income to be taxed at a **LOWER** rate. These changes mean that generally, workers will have a lower tax liability and may even see more in their paychecks in the form of smaller withholding deductions. A one-half percentage rate reduction doesn't sound like a lot, but keep in mind that it is, after all, a decrease, which translates into money in **YOUR** pocket.

EDUCATION-RELATED CHANGES (not all-inclusive):

In 2001, distributions from qualified tuition programs (sometimes called Section 259 programs) were taxable to the child. In 2002, they will be tax-free as long as the funds are used for qualified higher education expenses. A married couple can contribute up to \$110,000 into one of these accounts for each child without any gift tax worries. Of course \$110,000 for even one child isn't a feasible amount for most workers, but you can contribute less with the same tax benefit.

The exclusion for employer-paid educational assistance and expenses has been extended to graduate programs. Best of all, the exclusion is now permanent for both undergraduate and graduate education.

In 2002, the eligibility phase-out ranges for student loan interest deductions are increased from \$50,000 to \$65,000 for single filers, and from \$100,000 to \$130,000 for those who file joint returns. The former 60-month limit on the number of months during which interest on student loans is paid has been repealed, as has the restriction on voluntary interest payments being non-deductible. This means you can now take the appropriate deduction for the duration of the time it takes you to pay off the loan.

RETIREMENT-RELATED CHANGES (not all-inclusive):

Maximum contributions to IRA accounts is raised from \$2,000 to \$3,000 for 2002. Individuals age 50+ are permitted to make a "catch-up" contribution of up to \$500.

Middle- and lower-income taxpayers can enjoy a new retirement tax credit of between 10-50% of what they save in elective contributions

(depending on income) to plans such as 401(k)s, 403(b) annuities, SIMPLE or SEP contributions, traditional or Roth IRAs, and even after-tax voluntary contributions to employee qualified plans. The income limit for the 50% credit is \$30,000 for joint filers and \$15,000 for single filers, but they can still receive varying degrees of credit for income up to \$50,000 (joint) or \$25,000 (single).

It's said that nothing is certain but death and taxes ... but the rules for taxes keep changing. This time, it seems to be for the better.



Tax laws and financial planning got you confused? You're not alone. Figure out what you have, what you need, and then consult a trusted financial advisor to determine what decisions are best for you and your family.

Certifications Offered by EDC: After Hours Program

Contributed by Connie Moore of the Department of Education

The Employee Development Center: After-Hours Program, operated by the West Virginia Department of Education, is now a fully-authorized Training and Testing Center for the Microsoft Office User Specialist (MOUS) certifications. This service is available to all State employees and their immediate families.

Microsoft Office User Specialist certification, the premier Microsoft desktop certification, is a globally-recognized standard for demonstrating desktop skills. The MOUS Program helps meet the demand for qualified and knowledgeable people in the modern workplace.

Students may be certified at the CORE, EXPERT, or MASTER level depending on the number and type of tests taken. The cost for each exam is \$55.00 per attempt and is given by scheduled appointment only.

For additional information or to schedule an appointment for testing, please contact Mark Moore, Program Coordinator, at 558-5030 or by email at mramoore@access.k12.wv.us.

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join the purchasing pool. The coalition is looking to pass this model for savings on to the private industry.

We need to stretch our dollars as far as possible. This new multistate purchasing effort is not the first endeavor by my administration to lower the cost of prescription drugs. The Golden Mountaineer Discount Card was introduced in September, and it saves seniors about 20% of usual and customary prices for pharmaceuticals. Additionally, legislation proposed by the Department of Health and Human Resources was passed by the Legislature that allows the Cabinet Secretary of that Department to develop a preferred drug list, which helps thousands of West Virginians.

While this latest measure will help reduce prescription drug costs, it is not a permanent solution. But we're working even harder to continue lowering the cost of prescription drugs.



Public Broadcasting Appoints Television Production Director

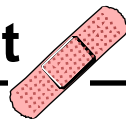
Mike Youngren is the new Director of Television Production for West Virginia Public Broadcasting (WVPB). Youngren comes to WVPB from WOWK-TV in Huntington/Charleston, with previous television experience at WJCL-TV (Savannah, GA) and KUTV (Salt Lake City, UT). He also brings additional journalism and communications experience, having worked for the Idaho State Journal and The Salt Lake City Tribune, as well as serving as Communications Director for Utah Governor Scott Matheson.

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helps support the knee. Damage to that area can cause osteoarthritis in women as young as 30.

Of people ages 45-54, 19% of men and 28% of women already have arthritis. The ideal way to treat it is preventive - avoid injuries. So listen up runners with sore knees, golfers with sore shoulders, and tennis players with sore elbows: Take a break. Let your body heal itself. If you do, you might just avoid a painful future.

News From the Medical Front



PETS AND HYPERTENSION: A recent report published in *Hypertension* shows that a pet can reduce the blood pressure (BP) reaction to stress. Patients with high blood pressure were taking the BP-lowering drug lisinopril. Half acquired a dog or cat for the study. They were found to have a much lower BP reaction to stress than those without pets. The pet owners felt that the positive aspects of having a pet far outweighed the responsibility of caring for them.

FIGHT FATIGUE WITH WATER: If you're tired more often than you should be, try drinking more water! Doctors say fatigue is an early sign of mild dehydration. You can get a third of your water needs from food, but you still need 8 cups of fluid each day to "feel right." Five cups of your daily 8 should come from water. Also, if you drink diuretics like coffee or alcohol, drink an extra glass of water.

Pencil In ...



Outstanding and internationally-renowned pianist Barbara Nissman will perform at the Cultural Center Theater on Saturday, May 11 at 7:30 P.M. The program is free and open to the public on a first-come, first-served basis. When she's not performing, Nissman resides on a farm in Lewisburg.




PERS ISSUES EMPLOYEE STATEMENTS OF CONTRIBUTIONS & INTEREST

Recently, the Public Employees Retirement System (PERS) distributed individual Statements of Contributions and Interest to its enrollees. Anyone enrolled in PERS as of Dec. 31, 2001 should have received a statement.

The big question on everyone's mind? "Why didn't I receive any interest for the year 2001?"

In accordance with WV Code §5-10-41, interest is added on to money that has been in your account for a year. Interest for 2001 will be shown on your 2002 statement. Likewise, interest for 2002 will be shown in 2003, etc., etc.

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