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# HCFA/CMS

## *ALUMNI NEWS*

SUMMER 2008 (Vol. 14 No. 3)

MESSAGE FROM THE PRESIDENT

Well, we are past Memorial Day and the 4<sup>th</sup> of July and are a third of the way through the summer. Let's all enjoy the best of the rest of it.

I am pleased that the association continues to attract new members. On page 2 you will see a list of 9 new members, bringing the current membership to 526.

In this issue you will find items about the COLA Count, Combined Federal Campaign Cookbook Sale, Assisted Living, Insurance/Annuities, Family Limited Partner Trusts, Living Trusts, Umbrella Liability Insurance, and the latest in CMS senior staff and organizational news, including a statement from Acting Administrator Kerry Weems. We again serve up some whimsical pieces in the Komedie Korner, including "Marriage Proposal," "Random Thoughts On Aging," "Senior Citizens," "A Well Planned Life," "In My Class!," and "The Joy of Aging." There are lots of items that hopefully will be of interest to you.

We are also enclosing a new 2008 Member Directory, as we try to do with each Summer issue of the HCFA/CMS Alumni News.

**And don't forget the Summer Cookout on Tuesday September 9 at Walt Schauer's home (see details on enclosed flier).** The basement is finished and air conditioned, and right off the patio and pool, so don't be stopped by hot weather. Too far away to attend! As always, we'll down a cool one in your honor.

I want to wish you all a Wonderful Rest Of The Summer and continued happiness, good health and prosperity in retirement.



William L Engelhardt

**HCFA/CMS ALUMNI NEWS**

Published four times a year for the members of the Health Care Financing Administration /Centers for Medicare and Medicaid Services (HCFA/CMS) Alumni Association

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**DUE DATES FOR FUTURE ISSUES**

Fall Issue – September 26, 2008

Winter Issue – December 29, 2008

Send material to:

HCFA/CMS Alumni News  
P.O. Box 47564  
Baltimore, MD 21244-7564

TELEPHONE: 410-786-3918

FAX: 410-786-3898

E-MAIL:

HCFAALUM@cms.hhs.gov

INTERNET:

<http://www.cms.hhs.gov/CMSAlumni>

### **NEW MEMBERS**

The Association extends a hearty "Welcome Aboard" to the following new members:

Rosalie Carr  
Robert Connolly  
Sam Dellavecchia  
Cicely Hall-Williams  
Jacqueline Cecelia Harley  
Rosalind D. Little  
Margaret Shaw  
Patricia Stokes  
Kristina Raitch-Zaruba

We now have 526 active members.

### **NEW MEMBER DIRECTORY**

As promised periodically and usually delivered with the Summer issue of the HCFA/CMS Alumni News, you will find a completely new Member Directory enclosed with this issue. It includes up-to-date information for all currently active members. The address, telephone number and e-mail address of the HCFA/CMS Alumni Association is all right on the picturesque cover.

We encourage members to keep us informed of changes so that we can in turn keep everyone up to date. E-mail addresses seem to be particularly subject to change or elimination. And we are happy to learn about new e-mail addresses as members join the wonderful world of cyberspace. Our high tech savvy membership boasts 366 members with an e-mail address, and there may be others that we are not aware of. If you have one and we don't know it, please send us an e-mail or otherwise advise us of it. We'd like to include you when we send out periodic (but infrequent so as not to intrude) messages of interest.

### **MEMBERSHIP SEARCH**

As always, we acknowledge that there are many HCFA/CMS retirees that we have not been able to reach to tell them about the Alumni Association and invite them to join. We continue to ask for your assistance in spreading the message about us to them. If you know of any retiree that is not a member, please let them know about us and tell them how to contact us by telephone, snail mail or e-mail (all of that information can be found on page 2 of this issue). We will be very happy to send, either electronically or via snail mail, anyone the enrollment form and further information about membership. And Bill Engelhardt says you can always e-mail him personally at [wengelhardt@adelphia.net](mailto:wengelhardt@adelphia.net) for faster response (as the office e-mail is only accessed weekly).

### **SSAEAA**

We'd again like to remind members that we do have a link to the Social Security Administration Employee Activities Association (SSAEAA) on our web site. The actual URL for it is "<http://ssaeaa.org>" but you can just click on the link on our page. HCFA/CMS retirees are automatically members of the SSAEAA and are eligible to participate in discount purchases.

### **COLA COUNT**

Through eight months of the counting period toward the January 2009 federal retiree cost of living adjustment, the inflation index used to set that adjustment stands at 4.5 percentage points, following an increase of 0.7% in April, 1.0% in May and 0.9% in June. The annual COLA count measures the change in the index's average from one-third calendar quarter to the next. There are 4 months left in the counting period.

### **CFC COOKBOOK SALE**

CMS will not be producing a Combined Federal Campaign (CFC) Cookbook for 2008 but there are cookbooks available from 2005, 2006 and 2007 and those are being offered for sale for the benefit of the 2008 Combined Federal Campaign. This is a very worthy cause and the cookbooks are very good so donations and the cookbooks are winning combinations all the way around.

Alumni members are invited (and encouraged) to purchase cookbooks from any or all of the three years, for just a \$5.00 donation per cookbook. Payment can be made to "Combined Federal Campaign" and sent to:

Deborah W. Kidd  
Centers for Medicare & Medicaid Services  
Mail Stop C3-24-07  
7500 Security Blvd  
Baltimore, MD 21244-1850

Please contact Deborah Kidd by telephone at 410-786-7204 or e-mail at [Deborah.Kidd@cms.hhs.gov](mailto:Deborah.Kidd@cms.hhs.gov) if you have any questions.

### **STATEMENT FROM ACTING ADMINISTRATOR KERRY WEEMS**

On May 20 Acting Administrator Kerry Weems and Acting Deputy Administrator Herb Kuhn held an all staff meeting, witnessed by some in person and by others nationwide via video conference, to outline his ideas for the future of the agency and report on progress of works in

progress. On May 28 Mr. Weems issued a message via an e-mail to all CMS staff and we are happy to reproduce that statement below.

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Thank you for attending the All Staff meeting last Tuesday. Over the past week I've received many encouraging reactions to the meeting and I wanted to express my appreciation for your comments before too much time elapsed.

When I came on board as Acting Administrator I promised to update you on CMS's progress from time to time, so this is also an opportunity to let you know about a unique collaboration between CMS and FDA.

For the first time, under a final rule which Secretary Leavitt, Commissioner von Eschenbach, and I announced last Thursday, Medicare inpatient, outpatient, and drug data will be used as the first step in the FDA's Sentinel network, enabling us to test and evaluate the clinical significance of adverse drug events signaled by the FDA's safety reporting system.

By giving us the ability to monitor patients' actual experiences with medication, Medicare data will offer a critical new source of information to improve quality of care for the people who depend on our programs. Among the advantages:

1. Reducing beneficiaries' risk of dangerous drug reactions;
2. Lowering the cost of preventable medication errors;
3. Amplifying CMS's e-prescribing and electronic health records efforts which also seek to reduce adverse drug events; and,
4. Developing better guidelines for medication use.

Finally, because clinical trials routinely exclude the very old, patients with more than one chronic condition, and patients taking multiple medications—the vast majority of the people we serve—this database could improve, immeasurably, our understanding of how well drugs work and how safe they are for the elderly and people with disabilities.

Announcing the rule was the easy part. Now CMS and FDA staff must begin the difficult work of separating real danger signals from random chance in the data. CMS demands a lot from each of us. It's not an easy place to work. But compare it to the alternatives. Where else can you change the world?

Kerry Weems  
Acting Administrator

### **CBC BECOMES CPC**

On June 8, 2008 the Center for Beneficiary Choices (CBC) became known as the Center for Drug and Health Plan Choice (CPC) to better reflect the responsibilities of the Center as it works with health and drug plans on behalf of CMS beneficiaries.

The CPC reorganization is designed to achieve four basic goals:

- (1) Facilitate a centralized, strategic focus on compliance and oversight of our Medicare Advantage (Part C) and Prescription Drug (Part D) private plan contractors;
- 2) Streamline operational functions among CPC and the regional Consortium for Medicare Health Plans Operations (CMHPO);
- (3) Integrate all Part D account management functions with those of Part C account management in the CMHPO; and
- (4) Create a new function devoted exclusively to Medicare Advantage data collection activities to enhance the data base and analytic tools for monitoring these types of plans, and to integrate this function with existing Part D data collection and monitoring activities.

### **SENIOR MANAGEMENT ANNOUNCEMENTS**

#### **CHIEF OPERATING OFFICER'S ACHIEVEMENT AWARD**

April 28, 2008

**Vickie Robey**, of the Office of Strategic Operations and Regulatory Affairs in Baltimore, MD has been selected for the Chief Operating Officer's Achievement Award. Vickie is being recognized for this honor for her outstanding achievement while responding to a records management catastrophe in the records holding area. She quickly controlled the situation and ensured all records were maintained in accordance with established procedures.

**Sandy Drew**, of the Office of Strategic Operations and Regulatory Affairs in Washington, DC has been selected for the Chief Operating Officer's Achievement Award. Sandy is being recognized for this honor for her unwavering commitment in carrying out CMS/HHS goals/objectives through the preparation of component briefing materials for the CMS Office of the Administrator and preparation of the 30-60-90 Day Report.

May 12, 2008

**Donna Holt**, of the Office of the Actuary in Baltimore, MD, has been selected for the Chief

Operating Officer's Achievement Award. Donna is being recognized for this honor for her outstanding efforts in performing a variety of administrative duties as well as providing valuable assistance as the Chief Actuary's personal assistant.

**Susan Fleck**, of the Boston Regional Office, has been selected for the Chief Operating Officer's Achievement Award. Susan is being recognized for this honor for her outstanding performance in establishing new tasks for the QIO program in electronic health records, disparity reduction and quality improvement.

May 27, 2008

**Reginald Powell**, of the Office of Operations Management in Baltimore, MD has been selected for the Chief Operating Officer's Achievement Award. Reginald is being recognized for this honor for his outstanding achievement, hard work, and innovative approach for leading the Agency-wide coordination and reporting of CMS' updates to the Office of Inspector General's CY 2008 Compendium of Unimplemented Recommendations.

**Nicole McKnight**, of the New York Regional Office, has been selected for the Chief Operating Officer's Achievement Award. Nicole is being recognized for this honor for her outstanding efforts in leading a multi-regional team in on-site reviews of pediatric dental services for Medicaid children in Delaware, New Jersey, New York, Pennsylvania and Washington, D.C.

June 10, 2008

**Naomi Haney-Ceresa**, of the Office of Acquisition and Grants Management in Baltimore, MD, has been selected for the Chief Operating Officer's Achievement Award. Naomi is being recognized for this honor for her outstanding work in the negotiation and award of a large quantity of Quality Improvement Organization contracts including approximately 40 Renewal contracts and 13 Competitives by August 2008.

**Dale Van Wieren**, of the Philadelphia Regional Office, has been selected for the Chief Operating Officer's Achievement Award. Dale is being recognized for this honor for his leadership in coordinating the activities of the survey and certification program in Region III with the interests of other CMS components and those of other federal agencies.

July 7, 2008

**Michael Blake**, of the Office of Clinical Standards & Quality in Baltimore, MD, has been selected for the Chief Operating Officer's Achievement Award. Michael is being recognized for this honor for his exemplary dedication and commitment to the CMS values and standards during the 9<sup>th</sup> SOW QIO evaluation and security reviews.

**Agnes (Cookie) Lisigakis**, of the Chicago Regional Office, has been selected for the Chief Operating Officer's Achievement Award. Cookie is being recognized for this honor for her

outstanding customer service to the Medicare beneficiary community in Region V assuring that inquiries regarding Medicare eligibility and enrollment are answered correctly and efficiently while working collaboratively with region-wide beneficiary stakeholders.

In recognition of their accomplishments, those employees from central office each earn the privilege of using a reserved parking space for two weeks. Additionally, their pictures are posted on the CMSNet. Those employees outside central office have their pictures posted on the CMSNet.

### **ASSISTED LIVING**

Assisted living facilities can help you stay out of a nursing home when you no longer can live independently. You or your family should check out prospective facilities carefully before making any commitments.

Consider hiring a pro. The National Association of Professional Geriatric Care Managers (<http://www.caremanager.org>) has a database of 1,500 professionals who can help with assessment and recommend facilities. They likely will know where to steer you (and where to keep you away from).

Pay a visit. Make some unannounced visits, talk to residents, and observe what types of activities they are engaged in. Visit at different times during the day, including dinner, evenings and weekends.

Survey the staff. Find out the staff-to-resident ratio and ask about employee training. See how the staff interacts with residents as well as family members.

Check out the contract. The facility's agreement will describe its fees, services, resident rights, facility and resident responsibilities, discharge criteria, and conditions of termination. You might want to consider hiring an elder law attorney to review a contract before signing anything.

Stay alert. After a parent moves in, visit often and regularly. This sends a message to the staff and administrator that someone cares and is watching out for the resident's best interest.

In some areas of the country, assisted living communities often require a sizable upfront payment. A senior might sell a house for, say, \$500,000. Buying into an assisted living community could cost \$300,000 while the remaining \$200,000 can be used for the ongoing maintenance fees.

Sometimes, however, a house sale doesn't go exactly as planned. Your parents might need more time to sell a home, for example, while an entrance fee for assisted living is due. One option in such situations is to use a margin loan until the house is sold. Eventually, when the house is sold the loan can be repaid—this may keep a senior from liquidating securities and perhaps incurring capital gains taxes.



If your parent's house can be sold, sooner or later, does it make sense to roll the proceeds into an assisted living community? People in their 90s might be better off paying rent rather than buying. When people are in their early 80s or younger, with good longevity prospects, they might be better off buying in, provided they get some attractive benefits, such as guaranteed long-term care.

### **LIVING TRUSTS**

Any trust that you create while you're alive is a "living" or inter vivos trust. Some living trusts are irrevocable, meaning that they can't be rescinded. Irrevocable trusts may offer tax reduction opportunities and creditor protection; however, you generally won't have access to assets you've transferred to an irrevocable trust.

In common use, the expression "living trust" frequently refers to a revocable trust, meaning that the trust can be nullified and all the assets can be reclaimed. After you create such a trust, and transfer assets into it, you can be the trustee and the trust beneficiary. Therefore, you'll retain effective control of those assets. If your plans change, you can revoke the trust and take personal possession of those assets once more.

Typically, revocable trusts aren't created for tax shelter or creditor protection. They do, however, offer probate avoidance. That is, assets held in a trust aren't subject to the time and expense of probate, which can be a major consideration in some states such as California, where fees can run as high as 6 percent of a probate estate.

### **FAMILY LIMITED PARTNER TRUSTS**

The family limited partnership (FLP) has emerged as a prime estate-planning tool. An FLP is a limited partnership made up of family members.

The general partner (GP) makes the decisions and bears considerable liability for partnership obligations. Limited partners (LPs) play passive roles and bear no liability, beyond assets they contribute and debts they assume. Generally, parents or grandparents serve as GP while children or grandchildren are the LPs.

Via an FLP, assets can be transferred to younger relatives, who hold LP interests rather than the assets themselves. Thus, assets can be transferred from the GP's taxable estate yet the GP still retains control over those assets.

The transferred assets may be valued at a discount, for gift tax purposes. In addition, assets held inside an FLP may enjoy protection from creditors.

## **INSURANCE/ANNUITIES**

Retirees may be able to increase their net cash flow significantly, with this strategy:

1. Buy life insurance, getting quotes from several companies. Often, when someone 65 or older seeks life insurance, different companies will provide differing evaluations of that individual's health and the resulting life expectancy.
2. Buy life insurance from the company that gives you the highest health rating, and the lowest annual premiums.
3. Go back to the insurance company that gave you the lowest health rating, to see if it will issue a "rated" single-life annuity.

That is, if one insurer thinks your life expectancy is relatively short, it may offer a better payout on an immediate annuity, compared with annuities from other issuers. By minimizing life insurance premiums and maximizing the annuity payments, more net income can wind up in your pocket while your heirs are protected by life insurance.

## **UMBRELLA LIABILITY INSURANCE**

Millions of lawsuits are filed in the United States each year, at an estimated cost of about \$150 billion, or 2.5 percent of the Gross National Product, reports Citizens Against Lawsuit Abuse.

Therefore, your homeowner's and auto insurance should include liability coverage. For auto insurance, you might want liability coverage of \$200,000 per person and \$500,000 per accident. Your homeowner's insurance policy should have a \$300,000 or even a \$500,000 limit for liability coverage.

Even \$500,000 worth of auto or homeowner's liability might not be enough. If you have \$500,000 worth of coverage and lose a \$1 million judgment, the extra \$500,000 might come out of your savings, your pension plan, your house, and other personal assets. Therefore, you should protect those assets with excess liability insurance, commonly known as umbrella coverage. This umbrella policy kicks in after your other liability insurance reaches its limits.

In most areas, you can buy \$1 million worth of excess liability insurance for \$150-\$300 per year. If you want to buy \$2 million worth of coverage, \$3 million, or more, the extra coverage is even less expensive, on a cost-per-million basis.

## **COMEDY KORNER**

### **MARRIAGE PROPOSAL**

This is the story of two elderly people living in a Florida mobile home park. He was a widower and she a widow. They had known one another for a number of years. Now, one evening there was a community supper in the big activity center. These two were at the same table, across from one another. As the meal went on, he made a few admiring glances at her and finally gathered up his courage to ask her, "Will you marry me?" After about six seconds of 'careful consideration,' she answered, "Yes, Yes, I will."

The meal ended and with a few more pleasant exchanges, they went to their respective places. Next morning, he was troubled. Did she say 'yes' or did she say 'no'? He couldn't remember. Try as he would, he just could not recall. Not even a faint memory.

With trepidation, he went to the telephone and called her. First, he explained to her that he didn't remember as well as he used to. Then he reviewed the lovely evening past. As he gained a little more courage, he then inquired of her, "When I asked if you would marry me, did you say 'Yes' or did you say 'No'?"

He was delighted to hear her say, "Why, I said, 'Yes, yes I will' and I meant it with all my heart." Then she continued, "And I am so glad that you called, because I couldn't remember who had asked me."

### **RANDOM THOUGHTS ON AGING**

- Maybe it's true that life begins at fifty. But everything else starts to wear out, fall out, or spread out.
- There are three signs of old age. The first is your loss of memory. I forget the other two.
- You're getting old when you don't care where your spouse goes, just as long as you don't have to go along.
- Middle age is when work is a lot less fun and fun is a lot more work.
- Statistics show that at the age of seventy, there are five women to every man. Isn't that a bad time for a guy to get those odds?
- You know you're getting on in years when the girls at the office start confiding in you.
- Middle age is when it takes longer to rest than to get tired.
- By the time a man is wise enough to watch his step, he's too old to go anywhere.
- Middle age is when you have stopped growing at both ends, and have begun to grow in the middle.
- A man has reached middle age when he is cautioned to slow down by his doctor instead of by the police.
- You know you're into middle age when you realize that caution is the only thing you care to exercise.
- The aging process could be slowed down if it had to work its way through Congress.
- You're getting old when you're sitting in a rocker and you can't get it started.
- You're getting old when you wake up with that morning-after feeling, and you didn't do anything the night before.

- The cardiologist's diet: if it tastes good, spit it out.
- Doctor to patient: I have good news and bad news: the good news is that you are not a hypochondriac.
- It's hard to be nostalgic when you can't remember anything.
- You know you're getting old when you stop buying green bananas.
- Last Will and Testament: Being of sound mind, I spent all my money.
- When you lean over to pick something up off the floor, you ask yourself if there is anything else you need to do while you are down there.
- You find yourself in the middle of the stairway, and you can't remember if you were downstairs going up or upstairs going down.

### **SENIOR CITIZENS**

A distraught senior citizen phoned her doctor's office. "Is it true," she wanted to know, "that the medication you prescribed has to be taken for the rest of my life?"

"Yes, I'm afraid so," the doctor told her. There was a moment of silence before the senior lady replied, "I'm wondering then, just how serious is my condition because this prescription is marked 'NO REFILLS'."

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An older gentleman was on the operating table awaiting surgery and he insisted that his son, a renowned surgeon, perform the operation. As he was about to get the anesthesia he asked to speak to his son.

"Yes, Dad, what is it?"

"Don't be nervous, son; do your best and just remember, if it doesn't go well, if something happens to me .. your mother is going to come and live with you and your wife...."

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Aging: Eventually you will reach a point when you stop lying about your age and start bragging about it

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The older we get, the fewer things seem worth waiting in line for.

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Some people try to turn back their odometers. Not me, I want people to know "why" I look this way. I've traveled a long way and some of the roads weren't paved.

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When you are dissatisfied and would like to go back to youth, think of Algebra.

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You know you are getting old when everything either dries up or leaks.

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I don't know how I got over the hill without getting to the top

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One of the many things no one tells you about aging is that it is such a nice change from being young.

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Ah, being young is beautiful, but being old is comfortable.

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Old age is when former classmates are so gray and wrinkled and bald, they don't recognize you.

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If you don't learn to laugh at trouble, you won't have anything to laugh at when you are old.

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First you forget names, then you forget faces. Then you forget to pull up your zipper. It's worse when you forget to pull it down.

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Long ago when men cursed and beat the ground with sticks, it was called witchcraft. Today, it's called golf.

### **A WELL PLANNED LIFE?**

Two women met for the first time since graduating from high school. One asked the other, "You were always so organized in school, did you manage to live a well planned life?"

"Yes," said her friend.

"My first marriage was to a millionaire; my second marriage was to an actor; my third marriage was to a preacher; and now I'm married to an undertaker."

Her friend asked, "What do those marriages have to do with a well planned life?"

"One for the money, two for the show, three to get ready, and four to go."

### **IN MY CLASS!**

While waiting for my first appointment in the reception room of a new dentist, I noticed his certificate, which bore his full name. Suddenly, I remembered a tall, handsome boy with the same name had been in my high school class some 40 years ago. Upon seeing him, however, I quickly discarded any such thought. This balding, gray-haired man with the deeply lined face was too old to have been my classmate.

After he had examined my teeth, I asked him if he had attended the local high school. "Yes," he replied. "When did you graduate?" I asked.

He answered, "In 1962."

"Why, you were in my class!" I exclaimed.

He looked at me closely and then asked, "What did you teach?"

## **THE JOY OF AGING**

Anonymous

Old Age, I decided, is a gift.

I am now, probably for the first time in my life, the person I have always wanted to be. Oh, not my body! I sometime despair over my body, the wrinkles, the baggy eyes, and the sagging butt. And often I am taken aback by that old person that lives in my mirror (who looks like my mother!), but I don't agonize over those things for long.

I would never trade my amazing friends, my wonderful life, my loving family for less gray hair or a flatter belly. As I've aged, I've become more kind to myself, and less critical of myself. I've become my own friend.

I don't chide myself for eating that extra cookie, or for not making my bed, or for buying that silly cement gecko that I didn't need, but looks so avant-garde on my patio. I am entitled to a treat, to be messy, to be extravagant.

I have seen too many dear friends leave this world too soon; before they understood the great freedom that comes with aging.

Whose business is it if I choose to read or play on the computer until 4 AM and sleep until noon?

I will dance with myself to those wonderful tunes of the 60 and 70's, and if I, at the same time, wish to weep over a lost love ... I will.

I will walk the beach in a swim suit that is stretched over a bulging body, and will dive into the waves with abandon if I choose to, despite the pitying glances from the jet set.

They, too, will get old.

I know I am sometimes forgetful. But there again, some of life is just as well forgotten. And I eventually remember the important things.

Sure, over the years my heart has been broken. How can your heart not break when you lose a loved one, or when a child suffers, or even when somebody's beloved pet gets hit by a car? But broken hearts are what give us strength and understanding and compassion. A heart never broken is pristine and sterile and will never know the joy of being imperfect.

I am so blessed to have lived long enough to have my hair turning gray, and to have my youthful laughs be forever etched into deep grooves on my face. So many have never laughed, and so many have died before their hair could turn silver.

As you get older, it is easier to be positive. You care less about what other people think. I don't

question myself anymore. I've even earned the right to be wrong.

So, to answer your question, I like being old. It has set me free. I like the person I have become. I am not going to live forever, but while I am still here, I will not waste time lamenting what could have been, or worrying about what will be. And I shall eat dessert every single day. (If I feel like it)

MAY OUR FRIENDSHIP NEVER COME APART ESPECIALLY WHEN IT'S STRAIGHT FROM THE HEART!

MAY YOU ALWAYS HAVE A RAINBOW OF SMILES ON YOUR FACE AND IN YOUR HEART FOREVER AND EVER!

FRIENDS FOREVER!

### **ACHES AND PAINS**

At a nursing home in Florida, a group of senior citizens were sitting around talking about their aches and pains. "My arms are so weak I can hardly lift this cup of coffee," said one. "I know what you mean. My cataracts are so bad I can't even see my coffee," replied another. "I can't turn my head because of the arthritis in my neck," said a third. "My blood pressure pills make me dizzy," another contributed. "I guess that's the price we pay for getting old," winced an old man. Then there was a short moment of silence. "Thank God we can all still drive," said one woman cheerfully.

**OBITUARIES**

**VICTOR ILYA KUGAJEVSKY**

Robert M Holster, Chairman & CEO  
Health Management Systems (HMS)

Date: 05/21/2008

To all HMS Associates:

Last Saturday Victor Kugajevsky passed away at the age of 68. Although today only a relative handful of HMSers know of Victor, his contributions were so important, so seminal to the company that HMS has become, that I couldn't let the news pass without sharing something of what he meant to us.

Victor was the first person to recognize that coordination of benefits between Medicaid and other sources health insurance coverage could be turned into a significant business. He was the first to persuade a state agency--the then Louisiana Department of Health and Human Resources--that they should seek vendor support to generate Medicaid recoveries from liable third parties, and from that Louisiana contract our business was born. He told me in 1985 with absolute conviction that TPL (which had no revenue at the time) would someday be a hundred million dollar per year enterprise. He was right, of course, although I didn't believe him at the time. Without him, HMS might still have been a successful company, but it would have evolved into something very different than it has. He was truly the father of TPL.

Victor Ilya Kugajevsky was a man of no little mystery. He was born in the Soviet Union in 1939. Beginning as a six year old, he trekked with his family across the wreckage of eastern Europe, surviving a succession of refugee camps, and finally making his way to the U.S. by the early 1950s. He was truly an international.....through eight years that he and I worked and traveled together throughout the U.S., we never went into an ethnic restaurant in which he couldn't greet the staff in their native language....Russian, German, Polish, Czech, Turkish, Chinese...it didn't seem to matter.

Victor graduated from Brandeis University with a degree in mathematics and was awarded a PhD in Political Economy by Georgetown University in 1972. He worked for Booz, Allen & Hamilton for a number of years, rising to the level of Vice President, then went to work for the Healthcare Financing Administration (now CMS) in the late 1970s. There, as a Deputy Assistant Director of Financial Management, his responsibilities included quality control for the Medicaid program, and out of that experience came his insight into the TPL opportunity. He came to work for HMS in 1985 when we bought a bundle of contracts from his then-employer, Executive Resource Associates, and with ERA came the Louisiana engagement. In short order Louisiana was joined by the District of Columbia, New Jersey and West Virginia, and TPL was off to the races. Victor helped build the TPL business at HMS for sixteen years, until 2001, and then joined Public Consulting Group.



Victor's friends and co-workers knew him as a man of many facets--one of the most charming, occasionally maddening, but never-endingly fascinating people any of them had encountered, with his gift for languages, his encyclopedic knowledge of the inner workings of Washington, his travels to eastern Europe and the former Soviet Union, and his broad intellectual interests. But we also knew him as someone deeply committed to his family, his friends, and his adoptive country. He would go to almost any length for a friend, and there are a few inside and many outside of HMS who owe him for a recommendation, for a job, for a connection or for advice that made a genuine difference in their lives. With his wife, Audur (from Iceland) he raised four children, at least two of whom became U.S. Army Special Forces officers.

In the twenty-three years that I knew Victor Kugajevsky he was by turns a competitor (with ERA), an associate, a teacher, an example of great personal courage in his multiple bouts with cancer, a competitor again (with PCG), and finally an ally (also with PCG). He will be remembered, and missed, for the enormous contribution he made to HMS, and to the lives of us who were privileged to know him as a friend.

**BERNIECE ANDERSON MCMULLAN**

By Jacques Kelly

May 31, 2008

Baltimore Sun

Berniece Irene Anderson McMullan, a veteran of World War II and financial manager, died of an aneurism Sunday at Union Memorial Hospital. The Roland Park resident was 93.

Born Berniece Irene Anderson in Northwood, N.D., and raised in nearby Larimore, she graduated in 1936 with a degree in commerce from the University of North Dakota. She did accounting and bookkeeping for a grocer before joining the WAVES, or Women Accepted for Volunteer Emergency Service. After training at Smith College in Northampton, MA, she was assigned to Washington and New York City, where she was a financial manager during World War II. Family members said she was proud to be among the first 100 women inducted into the program.

She married Jerrie Scott McMullan a Martin-Marietta executive, in 1947, and moved to Riderwood in 1964. In 1966, she returned to work at the Social Security Administration as a financial manager. She retired in 1977. She was a member of the Grey Panthers and First English Lutheran Church. She was a volunteer in the soup kitchen at SS. Stephen and James Evangelical Lutheran Church. She took adult education courses in conjunction with the Johns Hopkins University, played golf and participated in aerobics classes.

Survivors include a son, Scott A. McMullan of Annandale, Va.; two daughters, Michael McMullan (CMS Retiree) and Nancy McMullan Keates (CMS Employee), both of Baltimore; and a granddaughter. Her husband died in 1972. A son, Harry McMullan, died in 1986.

# **IN MEMORIAM**

**The Alumni Association respectfully acknowledges**

**the passing of the following**

**Alumni/Employees/Spouses and expresses its**

**sympathy to family members:**

**WILLIAM DAMROSCH (7/6/08)\***

**VICTOR ILYA KUGAJEVSKY (5/17/08)\*\***

**BERNIECE ANDERSON MCMULLAN (5/25/08)\*\*\***

**JOAN (JO) MCPHERSON (8/24/07)\*\***

**ROBERT S. PLUMMER, JR (5/11/08)\***

\* HCFA/CMS Retiree.

\*\*HCFA Retiree, Alumni Member.

\*\*\* Mother of CMS Employee Nancy Keates and CMS Retiree, Alumni Member, Michael McMullan.

**If you are aware of any other deaths of Alumni please notify the editorial staff**

**July 2008**