

FRIDAY ALERT



Alliance for Retired Americans

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Senate Votes Against Entitlement Task Force

On Wednesday, the U.S. Senate voted against an amendment to the fiscal 2010 budget resolution which would have created an Entitlements Task Force to address the long-term funding shortfalls faced by Medicare, Medicaid and Social Security, and requiring Congress to vote on its recommendations. Proposed by Sen. **Judd Gregg** (R-NH), amendment No. 835 failed by a vote of 55-44. The vote fell generally along party lines, with Senators **Bernie Sanders** (I-VT) and **Olympia Snowe** (R-ME) joining Democrats in voting against it, and Senators **Ben Nelson** (D-NE) and **Joe Lieberman** (I-CT) joining Republicans who voted for it. The vote was a victory for Alliance members. “No commission will solve this problem until we are ready to address the rapidly rising cost of health care and create a health care system that is affordable for all Americans,” said **Ruben Burks**, Secretary-Treasurer of the Alliance. The House and Senate have now passed their versions of the budget, which next goes to a conference committee.

Medicare Part D Means Testing Vote Fails in the Senate

In other good news for Alliance members, on Thursday the Senate voted 58-39 against another amendment to the fiscal 2010 budget resolution. This amendment, proposed by Sen. **John Ensign** (R-NV) would have added means testing to Medicare Part D. Had it passed, prescription costs would have increased by \$11.31, up to \$64 per month, for enrollees with an income of more than \$85,000 or for couples with incomes over \$170,000. For the complete results of the vote, go to http://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=111&session=1&vote=00128.

Beware of “Sky is Falling” Attempts to Cut Social Security Benefits

This week there were reports in the news that the recession would affect Social Security’s current ability to pay benefits. “Current and future retirees should be suspicious of those who react to today’s news with ‘sky is falling’ predictions of doom. These warnings mask an ongoing ideological agenda to cut Social Security benefits and increase the retirement age,” said **Edward Coyle**, Executive Director of the Alliance, on Tuesday. “According to noted economist **Henry J. Aaron** of the Brookings Institution, the recent decrease in Trust Fund revenue will account for less than a few one-hundredths of one percent decrease in the 75 year projection for the Social Security Trust Fund,” he added. Many analysts have reiterated that sentiment, since cyclic economic impacts are considered when future estimates are made.

Medicare Advantage and Prescription Drug Plans Face Increased Oversight

The Centers for Medicare and Medicaid Services (CMS) announced on Monday that it will be taking new steps to increase oversight of Medicare health and drug plans to make sure beneficiaries understand the differences between Medicare Advantage (MA) plans in 2010. Such

measures will include reviewing MA plan benefits to ensure sicker beneficiaries are not paying discriminatory out-of-pocket charges for services like Part B drugs, home health, and skilled nursing services, as well as making sure different MA plans offered by the same insurance company vary enough that beneficiaries have the tools they need to choose between them. Additionally, companies offering Part B prescription drug plans will have to both explain on their own web sites how their coverage lowers costs and provide information about “doughnut hole” coverage on the CMS Medicare Prescription Drug Plan Finder web site at www.medicare.gov. “Making this information more transparent will help seniors make smarter, more confident decisions about their health care,” said **Barbara Easterling**, President of the Alliance.

Bush Administration 401(k) Rules Placed on Hold

According to an AFL-CIO blog item at <http://blog.aflcio.org/2009/03/31/last-ditch-bush-rule-would-threaten-retirement-security>, on the day of **Barack Obama’s** inauguration, the **Bush** administration proposed a new regulation that could reduce Americans’ retirement security. The previous administration’s “last-gasp effort to reward its corporate friends” would allow firms to give financial advice to workers who participate in their 401(k) plans on products where they have a financial interest. Current laws prohibit such conflicts of interest and the Obama administration has put the regulation on hold. The House Committee on Education and Labor’s Subcommittee on Health, Employment, Labor and Pensions held a hearing on the matter last week. “The U.S. Labor Department should permit the education of retirees generally about investments, but should stop short of allowing specific recommendations when there could be a conflict of interest,” said **Easterling**.

Alliance Activities Around the Country: Indiana, DC, and South Carolina

In twelve separate events around the state of Indiana this week, members of the Indiana Home Care Task Force revealed new data regarding the statewide impact of welfare privatization and “modernization.” The Indiana Alliance is a key member of the group, which consists of a coalition of organizations and individuals representing seniors, persons with disabilities, and families in need. By the first half of 2008, Indiana had rolled out its privatization changes to 59 of the state’s 92 counties. In an economy with rapidly growing unemployment, the utilization of food stamps, TANF (Temporary Assistance for Needy Families) and Medicaid services should be rapidly growing. However, in the “modernized” counties, the numbers are decreasing.

Edward Coyle and Alliance Executive Vice President **Judy Cato** visited the Pilgrim Baptist Church in Washington, DC last Wednesday as part of the Alliance’s effort to further its outreach into community-based groups, particularly faith groups. The Church’s pastor is **Rev. Louis B. Jones II**, a Community Advocacy Network member of the Alliance’s Executive Board. Last Friday, South Carolina Retirees gathered at the Somerby of Mt. Pleasant Retirement Community for a useful discussion of different types of long term care, information on the state and federal regulations that long term care facilities must follow, and how to choose a quality plan.

THE NEXT *FRIDAY ALERT* WILL BE PUBLISHED ON THURSDAY, APRIL 9.