

FRIDAY ALERT



Alliance for Retired Americans

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Be Careful When the Insurance Industry Says It Would Like to Help!

According to the AFL-CIO blog, profits at ten of the country's largest publicly traded health insurance companies rose 428 percent from 2000 to 2007, while consumers paid more for less coverage. One of the major reasons, according to a study by the group "Health Care for America Now," is the growing lack of competition in the private health insurance industry, which has led to near monopoly conditions in many markets. The report says such conditions warrant a Justice Department investigation, and **Sen. Charles Schumer** (D-NY) says that it provides compelling evidence of the need for a public health insurance plan option as part of the health care reform initiative **President Obama** and Congress are developing. "A public health plan option is a key component of the Alliance's health care reform principles," said **Barbara J. Easterling**, President of the Alliance, agreeing with Sen. Schumer.

Recently, the insurance industry has begun lobbying Congress to block the public plan option. Last Friday, **Paul Krugman** wrote in *The New York Times* about the "medical-industrial complex" making a big show of working with President Obama on health care reform, but then double-crossing those whom they pretended to support. "Even as they met with the president, pretending to be cooperative, insurers were gearing up to play the same destructive role they did the last time health reform was on the agenda," Krugman wrote, referring to a May 11 meeting at the White House. White House officials had announced after the meeting that major players in health care, including the American Hospital Association and the lobbying group America's Health Insurance Plans, had united to support a national effort to control health care costs. However, just three days later, the hospital association insisted that it had not, in fact, promised what the president said it had promised. And the head of the insurance lobby said that the idea was merely to "ramp up" savings. Also last week, *The Washington Post* reported that Blue Cross Blue Shield of North Carolina was preparing to run a series of ads attacking the public plan option. The ads show troubled Americans being denied their choice of doctor, or forced to wait months for appointments. "The insurance companies' interest groups came to the table pledging support, but are actually trying to block reform," said **Ruben Burks**, Secretary-Treasurer of the Alliance. *The Wall Street Journal* reports that another group, Conservatives for Patients' Rights, is buying air time for a 30-minute Sunday morning infomercial featuring "horror stories" about the Canadian and British health care systems and warning the U.S. government is about to take over health care here. For more on the insurance companies' ads, visit the AFL-CIO blog at <http://blog.aflcio.org/2009/05/28/here-come-the-big-lies-about-health-care-reform/#more-14523>.

Letter to Senators Explains Dangers of Charging More for Insurance Based on Age

Last Friday, the Leadership Council of Aging Organizations (LCAO), a broad coalition of aging organizations chaired by the Alliance, sent a letter to Senate Finance Committee Chair **Max Baucus** (D-MT) and ranking member **Charles Grassley** (R-IA) regarding the committee's proposal to

reform insurance market rating rules. LCAO, a coalition of 60 national not-for-profit organizations concerned with the well-being of America's 87 million people over age 50, voiced its concerns that the Finance Committee's proposal would allow insurance companies to charge older Americans up to 5 times what they charge younger citizens for coverage. The letter stated that such a policy will result in many older Americans not having access to affordable, quality coverage, and that older adults are already much more likely to spend a significant portion of their income on health care. "One result of lack of insurance or of being uninsured for older adults is that they may be deferring care until they are eligible for Medicare, which can lead to more serious health problems and higher costs for Medicare later," said **Edward F. Coyle**, Executive Director of the Alliance. Go to <http://www.retiredamericans.org/ht/a/GetDocumentAction/id/12942> to view the letter.

UAW Likely to Approve Deal with General Motors

A majority of rank-and-file members of the United Auto Workers (UAW) will likely approve a ratified agreement with General Motors Corp. (GM) that will give the union a stake in the U.S. automaker in return for concessions, according to initial tallies. The company is expected to file bankruptcy in the next few days. Under the terms of the amended agreement, the UAW would receive half of the \$20 billion GM owes a union-aligned healthcare trust in the form of stock and new debt, instead of cash. A trust fund run by the United Auto Workers union would have a 17.5% stake in the new GM. A concession included in the tentative deal is the elimination of dental, vision and some prescription drug coverage for hourly retirees. UAW also would hold a seat on the GM board of directors. However, the deal will leave hundreds of thousands of GM retirees paying higher out-of-pocket medical expenses, the *Wall Street Journal* reports.

Alliance Activity in the Northeast

On Wednesday, **Ms. Easterling** spoke at the New York State Alliance Convention in Latham, NY. On Thursday, the New Hampshire Alliance held a Senior Roundtable in Concord, NH to learn about retirees' experiences with the Medicare Part D prescription drug program.

Come to the Alliance Legislative Conference on June 15-18, 2009

Less than three weeks remain until the Alliance's 2009 Legislative Conference, which will take place June 15-18 in Washington, DC at the Washington Hilton. Alliance members will have the opportunity to meet with Congressional representatives and Administration officials, organize grassroots activities to improve Medicare and strengthen retirement security, and voice their opinions in breakout sessions. Scheduled speakers include Rep. **Jan Schakowsky** (D-IL); **Larry Cohen**, President of the Communications Workers of America; **James Hoffa**, General President, International Brotherhood of Teamsters; **Gerald McEntee**, International President, American Federation of State, County and Municipal Employees; **R. Thomas Buffenbarger**, President, International Association of Machinists and Aerospace Workers; and many others. Go to www.unionvoice.org/retirees/events/conf_2009/details.tcl to register, e-mail **Joni Jones** at jjones@retiredamericans.org, or call 1-888-373-6497.

This message is being sent to you as a member of the Alliance for Retired Americans. The Alliance is a nationwide membership organization organized under Internal Revenue Code 501 (c) (4) and dedicated to educating all Americans about and advocating on behalf of retirees and seniors. The Alliance is responsible for the content and has paid all costs associated with the preparation and distribution of this message.