

# FRIDAY ALERT



**Alliance for Retired Americans**

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## **President Obama Says He is “Flexible” on Offering a Public Health Plan...**

A *New York Times* poll released on Sunday showed that a remarkable 72% of Americans support a public health care plan. President **Obama** said that he believes insurers are being illogical in opposing the public option, arguing that if they provide the best quality health care at an affordable price, there is no reason the government’s plan should drive them out of business. However, on Tuesday, the President signaled a willingness to forego a public option in health care reform - troubling many health care reform advocates. "The private marketplace has proved to be inadequate in providing for all citizens, and we need a public option to fill the void," stated Alliance Executive Director **Edward F. Coyle**. He added, "Most Americans have grown distrustful of insurance companies’ concern for their customers’ health needs, and that showed in the *New York Times*’ poll."

## **...While Sen. Conrad Floats a “Co-op” Option to Take the Place of a Public Plan**

Sen. **Kent Conrad** (D-ND) is calling for the creation of co-ops, which would consist of state or regional entities selling health insurance to small firms and individuals, who in turn would become part owners of those entities. The groups would negotiate rates with health-care providers and possibly employ some of their own doctors, while abiding by the same rules that apply to other health plans, such as capital requirements. However, many public-plan advocates doubt these entities could rein in prices by competing with private insurers. The idea of a co-op represents a compromise on the public plan option, which is one of the most contentious points in crafting a bipartisan health care reform bill. The co-op idea is now the main option in play in the Senate Finance Committee, and that committee’s health care overhaul is the leading initiative under consideration, according to *The Wall Street Journal*. In remarks this week, Mr. Obama said he would consider the idea if it helped reduce coverage costs for individuals and small businesses. Sen. Conrad said that the co-ops he envisions would differ from Blue Cross plans due to the collective-ownership model. The federal government, states, and co-op members would fund his proposal, with the government providing seed money - perhaps as loans. However, the co-ops would run independently after that. “Co-ops are not the best solution,” said **Barbara J. Easterling**, President of the Alliance. “The top way to save money is with a public plan.” In a recent study, the Commonwealth Fund estimates that reform which includes a public health insurance option will create cumulative savings of \$3 trillion over 10 years, while reform without the public option would save less than one-third of this amount.

## **Drug Industry Deal Has Conditions; Democrats Work on Negotiations**

The breakthrough \$80 billion promise for drug companies to narrow the significant Medicare doughnut hole gap in coverage will only be considered valid by the pharmaceutical industry as part of a larger health care overhaul. Thirty to thirty-five billion of the \$80 billion is expected to go towards reducing the costs of Medicare beneficiaries, with the balance funding the overall health

legislation. The agreement was considered a notable stepping-stone on the way to comprehensive health reform. Drug companies now argue that their deal is only one part of a "shared commitment," serving as a new challenge as the health care reform is already being threatened by several obstacles - including how to fund the \$1 trillion that the overhaul is expected to cost over the next decade. House Democrats are also drafting a bill that would ask drug companies for an additional \$61 billion to fill the doughnut hole.

### **Walmart Lowers Prescription Drug Prices By Putting Their Customers at Risk**

The cost of prescription drugs has been a recurrent theme in health care reform, and Walmart has promoted their \$4 generic drugs in an attempt to address the issue. However, the group "Wake Up Walmart" has released a report saying that Walmart's medication comes from Ranbaxy - a disrespected Indian drug maker - and that Walmart actually profits off these foreign investments. The FDA and the Department of Justice have repeatedly investigated Ranbaxy for insufficient contamination policies and for issuing false records, and eventually banned the importation of drugs manufactured at two Ranbaxy facilities. According to the Department of Justice, Walmart's supplier is responsible for introducing potentially "subpotent, superpotent, or adulterated" drugs into the market. Medications used by millions of Walmart shoppers could have contained active ingredients from unapproved sources, in unapproved blends, and in amounts weaker than FDA-approved doses. Despite these investigations, Walmart has given Ranbaxy the "Outstanding Supplier Award." Stated **Ruben Burks**, Secretary-Treasurer of the Alliance, "Walmart has been putting consumers at great risk. 'Safe' and 'affordable' are not mutually exclusive."

### **Alliance News: Conference in Connecticut, Photos from the National Conference**

Ms. Easterling was in Southington, Connecticut on Monday to attend the Connecticut Alliance's Third Biennial Conference. To see the first set of pictures from the national Alliance's legislative conference last week, go to [www.retiredamericans.org/ht/display/Gallery](http://www.retiredamericans.org/ht/display/Gallery).

### **The Alliance's Seidman Prize Awarded to National Labor College Student**

The Alliance for Retired Americans Educational Fund announced that **Ken Erdmann**, a member of the International Brotherhood of Electrical Workers, from Toledo, Ohio, has received this year's **Bert and Annabel Seidman Prize for Advancing Social Policy**. Mr. Erdmann was awarded the prize for his senior project, *Retirement! Now the Work Begins*. The prize, awarded to a National Labor College student who displays great interest in the aging field and in social justice, gives the recipient \$3,000 to help further his or her work in those areas. "Ken's paper embodied so many of the principles that drove our parents," said **Joan Seidman Welsh** and **Betsy Seidman Garaufis**, the Seidmans' daughters. "Volunteering was a way of life for them long before retirement, and their activism never let up, even into their eighties."

DUE TO THE FOURTH OF JULY HOLIDAY, THE NEXT *FRIDAY ALERT* WILL BE PUBLISHED ON THURSDAY, JULY 2<sup>ND</sup>.

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