

FRIDAY ALERT



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Obama Health Care Speech Clears the Air of Myths and Falsehoods

In a rare speech to a joint session of Congress Wednesday night, **President Obama** made an impassioned plea to provide health insurance for those currently without it. The President also disputed myths and lies that his proposal would create "death panels," finance abortions or provide government funded care to illegal immigrants. According to the publication *The Hill*, Obama "excoriated" critics of his efforts, warning that while his "door is always open" to members of either party who want to offer constructive suggestions, he "will not waste time with those who have made the calculation that it's better politics to kill this plan than to approve it." The President said that he would not accept the status quo as a solution. Obama did not issue any veto threats, and he acknowledged the merits of ideas like a health insurance cooperative or a "trigger" that would set the public option into motion down the road if insurance companies did not improve on quality and costs. "But I will not back down on the basic principle that if Americans can't find affordable coverage, we will provide you with a choice," the President declared. Said **Edward F. Coyle**, Executive Director of the Alliance, "President Obama made a clear and convincing case for why Americans of all ages would benefit from health care reform. Tonight the President demonstrated bold leadership in specifically laying out both the urgent need for action, but also the dire costs of inaction."

Alliance's August Recess Activity in Review

Including Medicare birthday events at the end of July, as well as Labor Day events this past week, previous August recess field mobilization action, and press events, the Alliance has surpassed 200 events in support of health insurance reform during the second half of the summer. Another dozen events are already planned for later this month. The Alliance also worked with the American Federation of State, County and Municipal Employees (AFSCME) to mail information to more than 189,000 Alliance members residing in states where key lawmakers are in office. More than 152,000 phone calls are being made to follow up on the mailings. Earlier this week, **Richard Fiesta**, Director of the national Alliance's Department of Government and Political Affairs, took part in a teleconference call with reporters about President Obama's health care speech, and on Thursday, Community-Based Field Organizer **Sarah Meek** represented the national Alliance at the Colorado Alliance's annual convention in Denver. **Barbara J. Easterling**, President of the Alliance, said that the Alliance's efforts appear to be paying off. "A CNN/Opinion Research Corp. snap poll of people interviewed before and after the speech showed two-thirds supporting the President's health care proposals, compared with 53% before. By keeping the debate from getting out of control due to strong-arm tactics and lies by our opponents earlier this summer, Alliance members have made a major impact on keeping health care reform on track. I want to thank AFSCME and all the Alliance members who have played a part in this monumental effort," she said.

Provisions for Early Retirees Under Attack by Conservatives

Within health insurance reform legislation circulating in Congress is a provision to bolster early retirees' health plans with a government subsidy. The provision, aimed at retirees aged 55-64, has been dubbed a "union provision" by conservative opponents, although it has little to do with unions and is open to any company that has early retirees. This provision is supported by many labor organizations, including the AFL-CIO and affiliates United Auto Workers and United Steel Workers. The plan, sometimes termed the "temporary catastrophic reinsurance program" would subsidize employer health plans up to 80% for medical claims over \$15,000, capping at \$90,000. The program would help persuade employers not to terminate health coverage for early retirees. By providing assistance to employers that cover early retirees, the government would help to cover higher cost individuals, thereby driving down health insurance prices in the exchange and subsequently for private employers, state and local governments and others.

Pfizer Pays \$2.3 Billion for Its Sins

The pharmaceutical giant Pfizer recently agreed to pay \$2.3 billion to settle civil and criminal allegations that it had illegally marketed its painkiller Bextra. According to *The New York Times*, Bextra was approved in 2001 by the Food and Drug Administration to treat arthritis and menstrual cramps. The drug was not approved for the treatment of acute pain, nor was it shown to be any more powerful than ibuprofen. However, Pfizer instructed its sales representatives to tell doctors that the drug could be used to treat acute and surgical pain and at doses well above those approved, even though the drug's dangers - which included kidney, skin and heart risks - increased with the dose, the government charged. The drug was withdrawn in 2005 because of its risks to the heart and skin. Prosecutors accused Pfizer of aggressive marketing tactics, such as offering doctors "consultant meetings" in resort locations. The attendees' expenses were paid, and they received a fee just for being there. It was Pfizer's fourth settlement over illegal marketing activities since 2002. The government charged that executives and sales representatives throughout Pfizer's ranks planned and executed schemes to illegally market three other drugs as well, leading to the largest health care fraud settlement and the largest criminal fine of any kind ever. Alliance Secretary-Treasurer **Ruben Burks** said, "Pfizer's recidivism was a factor in such a harsh penalty being handed down."

Obama Offers New Retirement Savings Plan

The government is trying to make it easier for Americans to save for retirement, President Obama said on Saturday. According to *The Washington Post*, the new federal steps, which do not require congressional action, include making it easier for small companies to set up 401(k) retirement savings plans in which all workers are automatically enrolled unless they ask to be omitted. People will pay taxes on the money only when they withdraw it as retirees, when their tax rates are likely to be lower. Under the new rules, employers can also automatically increase the amount workers save over time, unless those workers object. In addition, workers can check a box on their federal tax returns asking that refunds be sent as a savings bond, and, when leaving a job, direct unused vacation pay to a retirement savings account rather than taking it in cash.