

FRIDAY ALERT



Alliance for Retired Americans

815 16th Street, NW, Fourth Floor • Washington, DC 20006

202.637.5399 • www.retiredamericans.org • arafridayalert@retiredamericans.org

June 6, 2008

Competing Medicare Bills Proposed in Senate

Democrats and Republicans on the Senate Finance Committee have released competing Medicare proposals to prevent the 10.6 percent cut to physician payments that is scheduled to take effect July 1. Should the pay cut be allowed to go through, numerous seniors will likely have a difficult time finding doctors to treat them, as many physicians have threatened to stop accepting Medicare at the reduced rate. Each plan proposes to raise general physician payments and contains provisions so that beginning in 2009, doctors will receive higher Medicare payments for reporting quality of care information, writing electronic prescriptions, and practicing in rural areas where there are few doctors. The legislation sponsored by Finance Chairman **Max Baucus** (D-MT), would go further by including assistance for low-income Medicare beneficiaries, ensure prompt payment to pharmacies for drugs they dispensed under Medicare Part D, and pay for the changes by cutting overpayments to the private insurance companies operating Private Fee For Service (PFFS) Medicare Advantage (MA) plans. In a May 22 letter, Health and Human Services Secretary **Michael O. Leavitt** wrote that **President Bush** plans to veto any Medicare bill cutting payments to the private MA plan insurers. According to *CQ*, **Charles E. Grassley** (R-IA), the Finance committee's ranking Republican, may have introduced the alternate version in an attempt to prevent moderate Republicans from supporting the legislation proposed by Baucus. "The Bush Administration is continuing to play politics with the health of our seniors," said **Edward Coyle**, Executive Director of the Alliance. "We must send a signal that this type of behavior is unacceptable, and what the American people want is real leadership to resolve these issues now."

Medicare Drug Premiums Up 16% Over One Year

Most seniors in the Medicare Part D prescription drug program are paying higher monthly premiums this year, with the three-quarters of beneficiaries signed up for the ten largest plans paying an average \$26.39 per month – 16% higher than in 2007. According to the *Los Angeles Times*, the cost for AARP MedicareRx Preferred, the program's most popular plan, rose by 15% to \$32.08 a month, while premiums for the second and third most popular options, Humana PDP Standard and Humana PDP Enhanced, rose by 69% and 6%, respectively. The average percentage increase for these Part D plans is greater than both the hike in Medicare's Part B premium for outpatient care, up 3% for 2008, and the average premium cost for workers' drug-benefits, up just more than 9% over last year for large employers. The newest increases are likely to be viewed as a hardship by many retirees; the combined costs of Medicare premiums already total almost one-third of the average monthly Social Security check. "Medicare beneficiaries are already struggling to afford the rapidly rising costs of food and gas," said **George J. Kourpias**, President of the Alliance. "Seniors on fixed incomes are being forced to make unacceptable choices, as there is simply no way to cope when the price of basic needs increases and income does not."

Most Americans Describe Themselves as “Worse Off” Than One Year Ago

A new Gallup poll shows that a record 55 percent of Americans believe they are financially “worse-off” today than one year ago. This week marks the first time in the 32-years Gallup has taken this measure that more than half of the country has expressed negative feelings, and the highest number since 47 percent of respondents felt “worse-off” in 1982. Looking forward, 52 percent of those questioned believe their financial situation will improve over the next year, but 31 percent say their situation will continue to worsen. “Retirees are worried not only about their future, but also that of their children and grandchildren,” said **Ruben Burks**, Secretary-Treasurer of the Alliance. “We are afraid we may be the last generation to ever retire.” A recent survey conducted by the Alliance found that only 12 percent of seniors believe that their children and grandchildren will have a better life than they enjoy.

New Regional Board Members Elected in Florida

On Wednesday and Thursday of this week, the Alliance held its Southern Regional Meeting - the last of 2008’s four regional meetings - in Orlando, Florida. Speakers included **Tony Fransetta**, President of the Florida Alliance. Alliance President **George J. Kourpias** swore in the following newly-elected regional board members to the Alliance Executive Board for their sub-regions: **Kenneth Stevens, William Cea, C.L. “Connie” Entrekin, and Wallace Baldwin.**

Ballot Measure Victory in California

Tuesday, Californians voted against Proposition 98, a state ballot measure to end rent control and prevent the government from taking private residences and business for other private development, in favor of Proposition 99, a more specific measure dealing with eminent domain reform while leaving rent control measures intact. The California Alliance for Retired Americans (CARA) President **Nan Brasmer** expressed CARA’s support for Proposition 99.

Alliance Hits the Road for Casino Workers

On Saturday, June 21, the Alliance will join dozens of other organizations in rallying for nearly 5,000 Atlantic City, NJ table game dealers and slot machine technicians who were involved in representation elections at six casinos last year. While an overwhelming majority of workers at four of the casinos voted to join the United Auto Workers, they remain without a contract. Over the past year, these workers have lost their healthcare, their wages have been steadily eroding and working conditions have deteriorated as the casino executives have seen their compensation rise. Contact **Kevin Byrne** at 202-639-6232 or kbyrne@aficio.org to reserve a seat on one of the buses departing Washington, DC at 8:00 AM. A bus will also be leaving from the Central Labor Council in New York City; for more information, contact **Meg Cooch** at 202-637-5272 or mcooch@retiredamericans.org.

Did You Know...

Seniors are seven times more likely to experience drug errors - mistakes in administering medications - than people under age 65 (*CNN.com*).