

# FRIDAY ALERT



**Alliance for Retired Americans**

815 16th Street, NW, Fourth Floor • Washington, DC 20006 • 202.637.5399  
[www.retiredamericans.org](http://www.retiredamericans.org) • [aracommunications@retiredamericans.org](mailto:aracommunications@retiredamericans.org)

December 4, 2015

Spanish version: [www.alianzadejubilados.org](http://www.alianzadejubilados.org)

---

## **Companion Bill to Sen. Warren’s Legislation Providing Seniors One-time Payment of \$581 is Introduced in House**

Last month Sen. **Elizabeth Warren** (D-MA) introduced S. 2251, the Seniors and Veterans Emergency (SAVE) Benefits Act. This bill would help seniors and veterans by providing a one-time benefit of \$581 to offset last month’s announcement by the Social Security Administration that, despite rising costs of many necessities, there would be no cost-of-living adjustment (COLA) for beneficiaries next year. On Wednesday Rep. **Tammy Duckworth** (D-IL) introduced H.R. 4144, the companion legislation in the U.S. House.

Passage of this bill would help bring our economy into balance and make an important statement about fairness. The payment amount equals 3.9% of the average Social Security benefit, and 3.9% is the average increase in pay last year for the nation’s top 350 CEOs.

It is entirely appropriate that these one-time payments to Social Security beneficiaries would be funded by eliminating the CEO performance pay tax break. The revenue gained from closing the tax loophole would then be dedicated to Social Security, strengthening the long-range projected solvency of the Social Security Trust Fund.

Passing this bill is one step we can take to improve our retirement security. Congress should also require the Social Security Administration to base future COLAs on the Consumer Price Index for the Elderly (CPI-E), which much more accurately reflects the cost of things retirees purchase, such as health care and housing.

“The Alliance and other groups including the AFL-CIO, AFSCME, and Social Security Works are among the many organizations who have already endorsed the legislation,” said **Robert Roach, Jr.**, President of the Alliance. “Now we need to get Congress to pass it.”

## **Senate Votes to Repeal Obamacare during Vote-a-Rama**

The U.S. Senate voted on multiple amendments on Thursday as part of the annual budget reconciliation process. The day is informally known as [vote-a-rama day](#), when each amendment is discussed and voted on in just 10 minutes. [Past](#) ‘vote-a-ramas’ went into the wee hours of the morning.

The Senate voted to repeal key provisions of Obamacare, passing the bill 52-47. Two moderate Republicans — **Susan Collins** of Maine and **Mark Kirk** of Illinois — joined Democrats in opposing it. The legislation still must be approved by the House, which passed a different version in October. The White House said Wednesday that President **Obama** will veto the bill if it reaches his desk.

The bill would eliminate federal subsidies to about 6 million low- and moderate-income Americans buying their own health insurance. And it would halt Obamacare's expansion of Medicaid for the economically disadvantaged, which has been adopted by more than 30 states. Those two provisions would take effect in two years, giving Republicans until after the 2016 election to come up with a new plan to replace the existing program. It would also gut other key sections of the health care law, including the mandate for individuals to buy health insurance and for employers with more than 50 workers to provide it.

“Fortunately, President Obama has a veto pen or this would be a disaster,” said **Joseph Peters, Jr.**, Secretary-Treasurer of the Alliance. “If we implemented Obamacare's Medicaid expansion in all 50 states, rather than eliminated it, an additional [21.3 million](#) Americans could gain health coverage by 2022.”

### **Senate Investigates Pharmaceutical Company Charging \$84,000 for Hepatitis C Drug**

An 18-month bipartisan Senate investigation examined Gilead Sciences' Hepatitis C drug, Sovaldi, for its \$84,000 price tag for a 12-week course of the medication. However, that price tag is only the beginning of the story, as its successor drug, Harvoni, costs patients \$94,500 for a 12-week course. On Tuesday senators came down hard on Gilead for the prices it set for its treatment by releasing a scathing [report](#).

A recent Kaiser Health tracking [poll](#) found that 7 out of 10 people surveyed across party lines feel that government intervention to lower prescription drug prices should be a top priority.

“This is only one example of greed by the pharmaceutical industry, but this one is beyond the stratosphere,” said **Richard Fiesta**, Executive Director of the Alliance. “Baby Boomers represent 81% of the nearly 3 million Americans chronically infected by hepatitis C. If these companies are left unchecked, what happens when Alzheimer's or Diabetes cures are introduced to market?”

### **Less Choice, Higher Premiums in 2016 for Seniors with Medicare-Subsidized Drug Plans**

For qualifying low-income Medicare beneficiaries, a subsidy covers the full cost of their monthly drug plan premiums. Unfortunately, the subsidy is not going to stretch as far next year, and many seniors across the country will be facing the choice of choosing a new drug plan or paying for the difference between the premiums and their subsidy. Eight million people in traditional Medicare have the drug plan subsidies, also called "Extra Help."

Higher premiums can be attributed partly to rising prescription drug costs, but that is not the only explanation – there are also fewer plans. There used to be a dozen or more premium-free plans in most states in the early years of the program, according to the [Kaiser Family Foundation](#). But after insurance market consolidation and federal rules discouraging duplicative options, the number of drug plans has fallen. In 2016, 22 states will have six or fewer premium-free plans. Florida will have just three.

To qualify for the full subsidy, an individual must have an income below \$17,655 in 2015 and less than \$13,640 in assets. Some beneficiaries who do not choose a new plan will be randomly assigned to one. It's up to the beneficiaries to check if their new plan covers their drugs. Enrollment ends Dec. 7 for 2016 drug plans and Medicare Advantage, the private insurance policies that are an alternative to traditional Medicare. After Jan. 1, most plan subscribers are locked into their plans for a year, but there's an exception for subsidy beneficiaries.