

# 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)

**March 10, 2017**

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

---

## **Republican Plan to Repeal and Replace Obamacare, Gut Medicare Advances**

Despite widespread criticism from doctors, patient advocates and hospitals, the House Ways and Means Committee voted to approve [the GOP bill](#) to repeal the Affordable Care Act on Thursday at 4:00 a.m. Later that day, the House Energy and Commerce Committee also approved the controversial measure.

The plan repeals a Medicare payroll tax on high earners, reducing the solvency of Medicare by 3 years, from 2028 to 2025. It also cuts over half a trillion dollars from Medicaid over ten years, which will force states to make deep cuts in either the number of people who receive benefits or the amount of health care provided. Over 70 million Americans rely on Medicaid, including almost 6 million seniors who depend on it for their nursing home and home care services.

The legislation would allow health insurers to charge older Americans who are not yet eligible for Medicare 5 times as much for health insurance as younger people. Current law sets the ratio at 3:1, and this “age tax” would cost people ages 50-64 billions.

“This bill would be a disaster for our entire country, including workers and retirees, and would do enormous damage to our health care system,” said Alliance President **Robert Roach, Jr.** “It is a huge tax break for the wealthiest Americans who don’t need them, and even contains a special provision to make it easier to further boost insurance CEOs salaries.”

Alliance Executive Director **Richard Fiesta** noted the lack of careful deliberation on the bill and called the plan “an insult to the fifty-seven million Medicare beneficiaries who have earned their guaranteed Medicare benefits and all future beneficiaries.”

## **The Alliance is Leading the Fight to Protect the Three-Legged Stool**

Americans for decades have planned to live the American Dream in retirement through the three-legged stool of pensions, savings and Social Security. This dream has been threatened by wage stagnation, low interest rates, and corporate America’s attack on defined benefit pension plans. It has been further eroded by the Republican Party’s constant rhetoric about “entitlement reform,” code for cutting Social Security benefits that workers have earned through mandatory payroll deductions.

The Alliance leadership has been partnering with the Pension Benefit Guaranty Corporation (PBGC), a federal agency created to protect private sector pension plans, academics, and other retiree organizations to support our affiliate unions in the fight to protect earned pension benefits. The Alliance is developing a program with the Pension Rights Center (PRC) to educate the new generation of union leaders about how to navigate through a corporate bankruptcy and identify pension risk, as well as when and how to contact the PBGC.

Alliance President Roach, Mr. Fiesta, and Legislative Representative **Eva Dominguez** recently attended a meeting conducted by the PBGC and they were updated on current issues related to pension plans. On March 3, the Alliance responded to a PBGC “Request for Information” concerning alternative methods for handling multi-employer withdrawal liability, saying “it is important that there are financially sound pension funds to meet the obligations owed to retirees.” The Alliance also encouraged the use of new tools, such as obtaining surety bonds, letters of credit, and/or securing assets to protect the pension participants’ benefits and the solvency of the PBGC. Read the full response [here](#).

“We must demand that our government live up to its Constitutional obligations to ‘secure the blessings of liberty’ to all of its citizens,” said President Roach. “In this case that means proper funding of the PBGC, proper regulations to protect our defined benefit pension and 401(k) retirement plans, and living up to the Social Security contract with the American people. The three-legged stool is a right, and the Alliance will fight side-by-side with the AFL-CIO affiliated unions to maintain and enhance it.”

### **Workers Stand Up for Unionization in Mississippi**

Alliance members joined workers in Mississippi on Saturday to raise awareness of the push to unionize the Nissan plant in Canton. The rally came as Nissan has been [criticized](#) for suppressing union activities. Mississippi has long been a challenge for union organizers but organizers called in some national support. UAW President **Dennis Williams**, Senator **Bernie Sanders** (I-VT) and actor **Danny Glover** all attended to show that they stand with the workers.



Alliance national board member Sherry Dennis joins other allies in Mississippi

Nissan has fought to keep the UAW out by preventing organizers from handing out literature even off company property. Speakers noted the working conditions at the plant, which have been cited multiple times by the Occupational Safety and Health Administration (OSHA).

Alliance Secretary-Treasurer **Joseph Peters, Jr.** strongly endorsed the UAW's efforts, saying, "Union workers enjoy greater workplace safety, earn more and have more secure retirement plans. Workers should have the opportunity to learn about these benefits without interference from management." Noting that nearly all other Nissan plants enjoy collective bargaining and UAW representation, Mr. Peters declared, "The Alliance stands in solidarity with our brothers and sisters in Mississippi."

### **Patient Advocacy Groups Linked to Pharmaceutical Companies without Disclosure**

A recent [study](#) in the *New England Journal of Medicine* found that a whopping 83% of advocacy groups receive financial support from pharmaceutical companies despite the inherent conflict of interest, and many fail to report the contributions. The conflict can affect the advocacy groups' lobbying activity, experts say. This complicated web is further muddled by the common practice of using pass-through organizations, so that donations from pharmaceutical companies are masked, heightening the legitimacy of the advocacy groups.

Big Pharma has also come under [attack](#) for subsidizing the costs of medication for those enrolled in Medicare. As aggressive price increases for certain prescription medications have drawn the ire of politicians and the healthcare industry, academics and others have voiced concern that donations made by pharmaceutical companies to patient assistance groups may be contributing to the price inflation.

Mr. Fiesta emphasized that the Alliance has no financial stake in the healthcare industry. "We don't offer products and we are focused on what our members want: lower healthcare costs and a secure retirement," he said.