

FRIDAY ALERT



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April 17, 2015

Fiesta: Prescription Drug Costs May Increase Under Trans-Pacific Partnership

Senior lawmakers reached agreement on Thursday on a trade promotion authority bill to negotiate the Trans-Pacific Partnership (TPP). Two Republicans — Senate Finance Committee Chairman **Orrin Hatch** (R-UT) and House Ways and Means Committee Chairman **Paul Ryan** (R-WI) — negotiated for months on the “fast track” trade legislation with Sen. **Ron Wyden**, an Oregon Democrat who has faced intense pressure from labor and progressive groups to walk away from the talks. Under fast-track legislation, the final deal cannot be amended by the Senate and would be subject only to an up or down vote.

Labor and retiree organizations have been lining up to oppose this “fast-track” bill and broader portions of the coming TPP. The deal would place barriers on the government’s ability to regulate drug prices and impede access to generic drugs. If passed, this deal could significantly increase the price of many medications for seniors.

In a press statement, Alliance Executive Director **Richard Fiesta** said, “Retirees are deeply concerned about the TPP and the Trade Promotion Authority (TPA) legislation. Unfortunately, the fast track procedures of TPA would enable changes to prescription drug prices to occur without open and full debate.” Read Fiesta’s [statement](#).

On Saturday the AFL-CIO is organizing fifty events around the country opposing fast track. Find an event near you at <http://tinyurl.com/oa7wpok>. Since March, opponents of fast track have held 400 events.

GOP Presidential Candidates Discuss Slashing Social Security, Medicare if Elected

This week two likely Republican presidential contenders, former Florida Governor **Jeb Bush** and current New Jersey Governor **Chris Christie**, proposed plans to cut seniors’ earned benefits. Governor Bush proposed raising the retirement age and cited **Ronald Reagan’s** policies as a model for preserving Social Security. Governor Christie proposed significant cuts to earned Social Security benefits – and to take away Medicare benefits for 65- and 66- year-olds, beginning in 2040, if he is elected President. Christie’s proposal would include raising the Social Security age to 69, means-testing it, and eliminating benefits for some.

Mr. Fiesta criticized Christie’s plan on Tuesday, saying, “Governor Chris Christie today went after not only seniors’ earned Social Security benefits, but also their health coverage, in an attempt to further his own Presidential ambitions..... decades of stagnant wages and erosion of employer-sponsored pensions have left Americans unable to save for retirement. The solution is to find ways to expand and strengthen Social Security, not destroy it.” Read the statement about Governor Christie’s plan [here](#).

Regarding Governor Bush's plans, **Ruben Burks**, Secretary-Treasurer of the Alliance, said, "Jeb Bush has taken Christie's remarks on Social Security and turned them into an unsettling trend. In the 2016 election we will have to hold all candidates accountable for their positions on Social Security and Medicare - and support those who want to expand and preserve these programs."

Department of Labor Releases Proposal to Protect Retirement Savings

The Alliance, along with 40 other major groups, has come out in support of a proposal made by the Department of Labor (DoL) to protect Americans' retirement savings. Members of the SaveOurRetirement.org coalition, a diverse collection of public interest groups, civil rights leaders, and labor unions including the Alliance, commended the public release of the rule to protect Americans from conflicts of interest when brokers and other financial advisers give retirement investment advice. Read more about the [proposal](#).

Senate Passes Medicare Sustainable Growth Rate (SGR) Replacement

On Tuesday, the Senate approved by a vote of 92-8 a measure to replace the formula that determines how doctors are paid through Medicare, sending the bill, previously passed by the House of Representatives, to President **Barack Obama's** desk for approval. The President has indicated that he intends to sign the legislation.

The final bill replaces the formula that Medicare currently uses to pay doctors, the "Sustainable Growth Rate" (SGR), over a period of five years. Due to incorrect assumptions of rising health-care costs when the SGR formula was approved in 1997, Congress has since had to pass frequent, short term "doc fixes" to ensure that doctors were compensated fairly. The new formula will occasionally require similar legislation, but not as frequently.

Barbara J. Easterling, President of the Alliance, said, "While this legislation does much to fix some critical problems within Medicare, we are worried the piecemeal cost shifts onto beneficiaries will add up over time." Read more about the [SGR replacement](#).

U.S. Spending on Prescription Drugs Reaches an All-Time High

U.S. spending on prescription medications [jumped over 12% in 2014](#), reaching \$347 billion. This large increase was chiefly due to the increasing demand for the new, expensive hepatitis C and multiple sclerosis treatments, as well as price increases for cancer and diabetes drugs. Increases in drug spending have been relatively low since 2001, but many of these new "super drugs" can cost between \$50,000 and \$100,000 annually per patient, driving up average prices. These high prices caused Medicare's spending on specialty medications to rise by 38% over this past year. .

Medicare Turns 50: LBJ's Vision

"And I know that those people over 65 know that this is really heaven itself that they no longer have to wonder how their son-in-law or their brother-in-law or their sister-in-law is going to feel, that they have some little hope that they can get into a nursing home, or if the pain gets in the right place they can go to a hospital where they can get some care—not with a tin cup in their hand saying, "Please, ma'am," but because their Government has provided for it as it has social security."

– President **Lyndon Johnson**