

FRIDAY ALERT



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2016 Trustee Report on Social Security and Medicare Released

This week the Social Security and Medicare Trustees released their annual reports on the state of the Social Security and Medicare Trust Funds. The reports found that both funds are strong and solvent. Social Security will have the funds to [pay full benefits](#) until 2034, unchanged from last year, while Medicare will be able to cover its [obligations](#) until 2028.

While the findings are already being used by GOP politicians to justify their desire to privatize and cut these earned benefit programs, Democrats are emphasizing the need to strengthen and expand both.

“Increasing Social Security benefits is a common sense solution that would help both current and future retirees,” said **Robert Roach Jr.**, President of the Alliance. “Voters from all backgrounds agree that retirees need a raise.”

Ryan Health Plan Is Dangerous for Seniors



On Wednesday House Speaker **Paul Ryan** introduced a health care plan as part of his “Better Way” policy agenda.

A key component of the plan is raising the Medicare eligibility age to 67. Hardworking Americans would no longer be able exercise their right to health care coverage at 65.

Speaker Ryan also proposes to end guaranteed benefits. Instead of guaranteed benefits, there would be a system of ‘premium support’, modeled after Medicare Part D’s ‘competitive structure.’

“U.S. House Speaker Paul Ryan calls his health care plan ‘A Better Way,’ but it is far inferior to the current system and dangerous for Americans,” said **Richard Fiesta**, Executive Director of the Alliance. “Seniors should not be misled. Ryan also wants to double down on one of the weakest parts of the current Medicare system.”

“If the Ryan plan were to be adopted, seniors would pay through the nose – with both their physical health and their financial health.”

PBGC Reports -- Multiemployer Program Needs Substantial Premium Increases; Single-Employer Program Likely to Eliminate Deficit by 2025

Last week the Pension Benefit Guaranty Corporation (PBGC), which protects more than 40 million private-sector pension plans, issued two reports about the future of its insurance programs. The [Projections Report](#) and [MRPA Report](#) addressed both single-employer and multiemployer programs.

PBGC reported that single-employer programs are likely to improve their finances and eliminate a deficit in the next decade; these findings are consistent with last year’s report. However, multiemployer programs (MEPs) will likely exhaust funds by 2025. About 1 to 1.5 million Americans and their families rely on MEPs for their retirement benefits.

The MRPA Report projects that premiums would need to increase four and a half times under the current law for PBGC to meet its financial obligations until 2035. This year, premium revenue is projected to be less than \$300 million.

“Congress needs to address the solvency of PBGC,” said President Roach. “Millions of Americans have earned these benefits and rely on them for their retirement security. The government must ensure that their benefits are protected.”

Cost of Diabetes Care High and Growing Rapidly

Per capita spending for people with diabetes is growing at an alarming rate according to a new [report](#) by the Health Care Cost Institute. Each year, the study found, people with diabetes spent two and a half times more out of pocket than the rest of privately insured Americans.

Between 2012 and 2014, diabetes patients had twice as many doctor and ER visits and were prescribed over five times as many prescriptions as people without diabetes. Per capita health care spending for people with diabetes was \$16,021 while health care spending for people without diabetes was \$4,396.

“This study confirms what Alliance members are telling us: costs for patients with diabetes are out of control,” said **Joseph Peters, Jr.**, Secretary-Treasurer of the Alliance. “Reining in prescription drug costs must be part of the solution to this crisis.”

The American Diabetes Association reports that about 9 percent of the population has diabetes and that the number of diabetes patients is growing by 1.4 million people per year.