

FRIDAY ALERT



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Donald Trump and Mike Pence are Officially Nominated at Republican National Convention

Delegates to the Republican National Convention officially selected **Donald Trump** and **Mike Pence** as their candidates for president and vice president on Tuesday. Also at this week's convention, the Republican National Committee released its official [2016 Republican Platform](#). The document explains the party's official policy views on critical issues including Social Security, Medicare, Medicaid, and prescription drugs. *The New York Times* Editorial Board called it "The most extreme Republican Platform in memory."

In addressing Social Security, the platform claims the program needs to be "modernized" for younger Americans. Republicans would prevent tax increases and use the "power of markets to create wealth," which is widely considered code for privatization.

The party frames its plans to close Social Security's long-term funding gap without explicitly saying how it would do so and claims "all options should be considered." Many seniors advocates consider the platform an implicit endorsement of benefit cuts.



"The 2016 Republican Platform threatens retirees and the programs they care most about," said **Robert Roach, Jr.** "The party's intentionally vague language on Social Security and efforts to privatize Medicare and Medicaid endangers the hard-earned benefits of millions of Americans. But the Social Security language is most alarming for what it doesn't say."

The platform supports changing Medicare to the “premium-support” - or voucher - model. It says younger workers will have “patient choice” and that provider competition and income-adjusted contributions will also be encouraged.

Republicans support state-level efforts to modernize Medicaid through block grants because federal efforts are “wasteful and ineffective.” The platform supports Medicaid reforms including premium supports for insurance, cutting preventive services, and “alternatives to hospitalization for chronic patients.”

Skyrocketing prescription drug prices are mentioned in the platform, but Republicans credit cost increases to the Affordable Care Act (ACA) and call for its repeal. The RNC says prices rose because of taxes on manufacturers and importers and that pharmaceutical companies were “forced” to “raise prices for everyone else.”

House Republicans Vote to Cut Social Security Administration Budget

The House Appropriations Committee recently voted to cut President **Obama's** proposed Social Security Administration (SSA) [budget](#) by \$1.2 billion.

Budget cuts would largely affect the administrative allowance, even though Social Security is considered one of the most cost-effective programs both in the public and private sector.

The American Federation of Government Employees (AFGE) and the National Council of SSA Field Operations Locals traveled to Capitol Hill to raise awareness about the consequences of the cut. They warned it would result in massive reductions in services and local field office hours, permanent closing of many field offices, increases in wait times on SSA's National 800 number and field offices, an increase in processing times for benefits, a ten-day furlough of all SSA workers, and an agency-wide hiring freeze.

“The House’s decision to cut Social Security is unacceptable,” said **Joseph Peters, Jr.**, Secretary-Treasurer of the Alliance. “SSA delivers critical benefits and services to millions of Americans with incomparable cost efficiency. Congress needs to focus on expanding Social Security and responding to the needs of beneficiaries, not slashing its budget and services.”

Department of Justice Blocks Two Mergers Involving Four Major Insurance Companies

On Thursday, the [Department of Justice](#) filed two suits blocking the mergers of major health insurance companies – Anthem's takeover of Cigna and Aetna's acquisition of Humana.

“If allowed to proceed, these mergers would fundamentally reshape the health insurance industry,” said Attorney General **Loretta Lynch**, “They would leave much of the multi-trillion dollar health insurance industry in the hands of three mammoth insurance companies, drastically constricting competition in a number of key markets that tens of millions of Americans rely on to receive health care.”

Aetna and Humana released a statement saying they would fight the suit and that the DOJ’s efforts were not in the best interests of the American people. Anthem also said it would fight the suit blocking their \$54 billion merger with Cigna.

“The Department of Justice clearly had reason to take the action they did,” said **Richard Fiesta**, Executive Director of the Alliance. “A lack of competition would harm seniors and any consumer who relies on these companies for private health insurance.”

Kaiser Family Foundation Releases Medicare Spending and Finance Figures

On Tuesday Kaiser Family Foundation released “The Facts on Medicare Spending and Financing,” a [report](#) that details Medicare’s current and projected finances. In 2015, net Medicare spending was \$540 billion. Annual increases in Medicare have slowed and are expected to remain below historical trends in spending growth. The slower growth can be attributed in part to changes that took effect as part of the ACA.

Despite the recent slowdown in growth, spending will continue to rise in the next decade as a result of increasing prescription drug costs, Medicare enrollment, provider payments and cost of medical care. Total Medicare spending is projected to increase by 7.1% between 2015 and 2025.

Medicare beneficiaries received \$632 billion in benefit payments in 2015. The report breaks down this total by services – 23 percent for hospital inpatient services, 12 percent for Medicare Part D, 11 percent for physician services, 27 percent of benefit payments for Medicare Advantage plans that cover Parts A and B, and the remaining 27 percent for various other services.

The Alliance for Retired Americans is a national organization that advocates for the rights and well-being of over 4.4 million retirees and their families.