

FRIDAY ALERT



Alliance for Retired Americans

815 16th Street, NW, Fourth Floor • Washington, DC 20006 • 202.637.5399
www.retiredamericans.org • aracommunications@retiredamericans.org

Spanish version: www.alianzadejubilados.org

September 16, 2016

Health Care Costs are Pushing Millions of Americans into Poverty

The Census Bureau [reported](#) on Tuesday that millions of Americans fall below the poverty line due to health care costs. The Supplemental Poverty Measure, which accounts for adjusted incomes and day-to-day expenses including medical bills, reveals that 11.2 million or 3.5 percent more people live in poverty once health care is taken into account. This is a departure from the traditional census that does not include these real-life costs.



“This Census report is just more evidence that health care costs need to be reined in,” said **Robert Roach, Jr.**, President of the Alliance. “It is unacceptable that over 11 million Americans are pushed into poverty because of their health. We need to elect a president who can bring costs down and fight to expand healthcare coverage. Hillary Clinton is that candidate.”

Throughout the campaign, **Hillary Clinton** has outlined her [strategy](#) to combat steep health care prices in the United States. Policies include decreasing out-of-pocket costs such as deductibles and co-pays, expanding the Affordable Care Act so more Americans have access to coverage, and cutting prescription drug prices.

The Census’s report found that the Affordable Care Act has had a significant impact on insurance rates, particularly for low-income Americans. This has given more people access to health care. It has also contributed to an increase in out-of-pocket spending as more Americans take advantage of the health care system - creating a greater need to control the costs.

“Hillary Clinton has championed health care reform throughout her distinguished career,” continued Mr. Roach. “Her policies will work toward ensuring health care is affordable and accessible for all Americans. That is especially crucial for the older workers who often have high health costs but are not yet eligible for Medicare.”

Social Security Administration Cuts Hurt Every State

The Center on Budget Policy Priorities (CBPP) published a [report](#) this week detailing the negative impact of budget cuts on the Social Security Administration (SSA). Since 2010, SSA’s operating budget has been cut by 10 percent, affecting Americans in all 50 states. Budget cuts have led to a steep decrease in the number of SSA employees, field office closures, and a record-high disability backlog.

Nationwide, 6 percent of SSA staff have been cut, but some states like West Virginia have lost over 15 percent since 2010. There have also been over 600 field and mobile office closures.

Staff cuts have led to declines in service in every state. This is most apparent in the backlog of disability hearing. Disability Determination Service (DDS) staff has shrunk 14 percent nationwide and a struggle to meet the growing demand for services. In 2011 the average wait for a decision was 360 days; this year the wait has stretched to 540 days. Prolonged delays for benefits have had a tremendous human cost, forcing some applicants to foreclose on their homes or declare bankruptcy.

“It’s clear that SSA’s diminished operating budget has hurt communities throughout the country,” said **Joseph Peters, Jr.**, Secretary-Treasurer of the Alliance. “Millions of Americans suffer dramatically from case backlogs and falling customer service.”

The advocacy group Social Security Works, which is an Alliance partner, also reported on the effects of SSA's administrative budget cuts [by state](#).

Two Big Reasons Prescription Drug Prices Are So Much Higher in the U.S.

A recent study published in the [Journal of the American Medical Association](#) found that American prescription prices will [continue to rise](#) due to pharmaceutical companies’ hold on the industry.

Americans paid, on average, \$858 per capita in 2013 for brand name drugs, whereas the other 19 industrialized nations paid an average of \$400. Compared to Great Britain, the U.S. pays over three times as much for the same drugs.

This difference is partially due to pharmaceutical companies’ marketing monopoly. Many companies have exclusive and long-term patents with the Food and Drug Administration (FDA) so they are able to set high prices. Competitors are forbidden from replicating these life-saving drugs and generic companies struggle with legal delays.

In addition, Medicare is unable to negotiate pricing directly with drug companies. Despite covering over 40 million Americans and 29 percent of the country’s drug expenditures, Medicare cannot lower drug prices. In 2003 when Medicare Part D was passed, the Centers for Medicare and Medicaid Services was expressly prohibited from setting prices – a common practice in other countries.

“It is no secret that drug prices in the U.S. are out of control,” said **Richard Fiesta**, Executive Director of the Alliance. “We must empower Medicare and weaken drug companies’ marketing control. Americans cannot afford to be at the mercy of the pharmaceutical industry. It is another area where Hillary Clinton has the best policies to solve the problem.”

Study: Elderly’s Family Caregivers Need Help, Too

Kaiser Health News recently [found](#) that elderly caregiving is a “critical issue of public policy”. Currently, there are 18 million Americans caring for an elderly relative, putting heavy strains on their finances, health and personal lives.

Caregivers typically devote 253 hours a month to their family members, the equivalent of two full-time jobs. Similarly, caregivers lose an average of \$303,880 in wages and benefits because they may have to cut their working hours, decline a promotion, or quit their job to take care of their family. Many workplaces do not accommodate caregivers’ schedules and only 60 percent of the workforce is covered under the Family and Medical Leave Act. Most Americans cannot give up 12 weeks of their incomes and do not take leave when they need to care for an elderly family member.

Furthermore, caregivers face their own health risks. Experts recommend that health care providers begin “family-centered” programs that focus not only on the elderly patient, but their caregiver as well. This would ensure caregivers are equipped to meet the demands of care and that they will not become over-burdened.



“As our population ages, more and more Americans will become caregivers,” said Mr. Fiesta. “Millions are already under tremendous strain to balance their responsibilities and care for their loved ones. We must act to make sure the growing number of caregivers receives the help they need.”