Senate Confirms Tom Price to Lead HHS Despite Protests

The U.S. Senate confirmed Rep. Tom Price (R-GA) for Secretary of Health and Human Services (HHS) early on Friday by a vote of 52-47 despite intense opposition. Price has tried to raise the Medicare eligibility age to 67 and replace guaranteed Medicare health care benefits with a coupon to use to purchase insurance.

Besides wanting to dismantle Medicare and Medicaid, the confirmation process revealed that Price repeatedly bought and traded pharmaceutical stocks and then introduced legislation affecting those companies. He often misstated the timing of these stock purchases or did not disclose them at all resulting in numerous probes by federal securities regulators and the House Ethics Committee.

On Wednesday night Alliance member Ken Pease from Fairfax, Virginia joined senators and other seniors in stating his concerns about Price’s nomination at a Facebook Live event on Capitol Hill. Senators including Democratic Leader Chuck Schumer (NY), as well as Tammy Baldwin (WI), Chris Coons (DE), Al Franken (MN), Maggie Hassan (NH), Mazie Hirono (HI), Jeff Merkley (OR), Chris Murphy (CT), Patty Murray (WA), Gary Peters (MI), Debbie Stabenow (MI), Chris Van Hollen (MD), and Ron Wyden (OR) also spoke at the event or attended.
Speaking of the need to protect Medicare from cuts and privatization, Mr. Pease said, “I have some of the greatest doctors in the world who have kept me alive for all these years because I had good health care. You can't get that kind of medical care without the help of a good medical program like Medicare.”

“Medicare and Medicaid keep our seniors healthy and vibrant,” said Robert Roach, Jr., President of the Alliance. “Given Tom Price's record and his past unethical investment behavior, we have a very high level of concern that he will put his best interests ahead of seniors' best interests.”

Administration Attacks Federal Employee Retirement and Health Benefits

Last month as he discussed a government-wide hiring freeze, White House Press Secretary Sean Spicer said that federal healthcare and retirement benefits are too generous. He made the statement as President Trump threw his support behind dramatic cuts to federal employees' retirement and health benefits, calling the current system “unsustainable.”

The president has an eager partner in Congressman Jason Chaffetz (R-UT), Chairman of the House Oversight and Government Reform Committee. Chaffetz has announced plans to work on “reforms” such as moving new federal hires from a defined benefit pension plan to only a defined-contribution plan, such as the Thrift Savings Plan. The chairman spoke with Trump on Tuesday about these issues and he has also spoken to House Speaker Paul Ryan (R-WI) about his plans.

“Just as we fight for Social Security and Medicare, we will fight to protect a secure retirement for federal employees,” said Richard Fiesta, Executive Director of the Alliance. “Republicans must stop singling out these employees who work hard on all of our behalf. We will be carefully watching for specific legislative proposals that aim to take away benefits that these employees have earned through years of negotiations.”

Republicans Considering Health Care Changes that Shift More Costs to Older Americans

Trump is considering abolishing part of the Affordable Care Act (ACA) that keeps costs down for seniors and other changes that would reduce coverage. Draft documents show the Trump administration may loosen an Obamacare provision barring insurers from charging older customers more than three times as much as younger enrollees. He may allow health plans to expand this “age rating” ratio from 3:1 to 3.49:1; such a move would let insurers boost prices for older customers, who tend to be more expensive to cover. In a recent interview Trump further extended the timeline to expect an ACA replacement plan into 2018, breaking with Congressional Republicans.

Not all Republicans have pivoted towards this more pragmatic approach, as Rep. Mark Sanford (R-SC) and the House Freedom Caucus said they will introduce their own replacement plan this week. Sanford and other more radical members have taken issue with delaying the repeal into 2018, when many members of Congress would have more immediate election concerns.

“The reason Republicans are having such a hard time repealing the ACA is that it works,” said Joseph Peters, Jr., Secretary-Treasurer of the Alliance. “Reforming the age rating and protecting pre-existing conditions has made a tremendous difference and walking that back will not be easy.”

As the public has become more vocal about the life saving benefits of Obamacare, some Republicans have softened their rhetoric. The U.S. Senate Committee on Health, Education,
Labor & Pensions (HELP) Chairman Lamar Alexander (R-TN) is now calling for Congress to “repair it so that nobody else is hurt.” Alexander’s message underscores the disruptive nature of repealing a law that has helped over 20 million Americans gain health insurance and is increasingly popular as it comes to be understood more fully.

“Repair is a less partisan but no less action-oriented phrase that Americans overwhelmingly embrace” compared to repeal, Republican strategist Frank Luntz told lawmakers recently at the Republican retreat in Philadelphia.

Meeting with PBGC Officials Focuses on Early Warnings, Funding to Insure Pensions

On Tuesday President Roach, Mr. Fiesta, and Alliance Legislative Representative Eva Dominguez met with top leaders of the Pension Benefit Guaranty Corporation (PBGC), an independent agency that insures workers’ and retirees’ private sector defined benefit plans. They discussed the early warning program for defined benefit plans and efforts to identify and correct problems with single employer plans. They also discussed the need for funding multi-employer plans.

“If the government can build a $15 billion wall on the Mexican border, we should be able to fund the government insurance program that protects our pensions,” said President Roach.

Court’s Ruling makes it Harder to Roll Back Fiduciary Rule

A U.S. federal judge on Wednesday upheld an Obama-era rule designed to avoid conflicts of interest when brokers give retirement advice, in a possible setback for President Trump’s efforts to scale back government regulation. The ruling makes it harder to give financial advice that benefits the broker at the expense of clients.

The Labor Department’s "fiduciary" rule requires brokers to put their clients' best interests first when advising them about individual retirement accounts or 401(k) retirement plans.

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.