

FRIDAY ALERT



Alliance for Retired Americans

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2018 Social Security COLA will be 2.0%; Not Enough to Offset Medicare Part B Premiums

The Social Security Administration [announced Friday](#) that next year's Social Security cost of living adjustment (COLA) will be 2.0%. That means an increase of \$25 per month for the average beneficiary.

According to the nonpartisan Kaiser Foundation, however, this will not be enough to offset the rise in Medicare Part B premium costs for 2018.

Coverage for Medicare Part B is optional, but 91 percent of Medicare beneficiaries are signed up for it. The program covers physicians' care, outpatient care, certain medical equipment, laboratory tests, some health home services, and other care for patients. According to a Senior Citizens League study, retirees have lost one-third of their buying power since 2000 because COLA increases haven't been able to catch up with skyrocketing health care and housing costs. Researchers expect Part B premiums to increase an average of 5.4 percent each year between 2017 and 2024.

House Slashes Medicare to Fund Children's Health Insurance Program

Separate bills to reauthorize the Children's Health Insurance Program, which expired on October 1, have [cleared](#) both the Senate Finance Committee and the House Energy and Commerce Committee. The House version, known as the HEALTHY KIDS Act, extends CHIP funding until 2022 and temporarily increases Medicaid funding for Puerto Rico and the U.S. Virgin Islands in the wake of the recent hurricanes.

But the House bill is drawing particular criticism because it includes a measure that would raid Medicaid and Medicare in order to offset costs for the rest of the bill. High-income Medicare beneficiaries [would be charged](#) higher premiums for their Parts B and D coverage.

Specifically, individuals making more than \$85,000 and couples making more than \$170,000 would pay premiums covering 35 to 80 percent of the cost. Individuals making more than \$500,000 and couples making more than \$875,000 would pay premiums to cover 100 percent of the cost. These changes would likely result in these seniors leaving Medicare.

Medicaid beneficiaries [would also be hit hard](#), as there are provisions making it difficult for mothers and children to obtain prenatal and pediatric care and creating barriers for those who earned a lump sum.

“This is yet another terrible bill from the Republican-led House of Representatives. It is cruel and cynical to put the two most vulnerable groups in America against each other,” said Richard Fiesta, Executive Director of the Alliance. “There is no reason for Congress to gut essential programs for older Americans in order to pay for essential children’s health programs or disaster relief.”

The House Committee’s bill [passed on a party-line vote](#). Twenty-three representatives, all of them Democrats, voted against it.

President Trump Signs Health Care Executive Order; Ends Affordable Care Act Subsidies

President Trump [signed an executive order](#) on Thursday which expands association health plans so that small businesses can pool together to buy insurance. The order also changes certain rules regarding short-term insurance.



President Trump held up his association health plan executive order for the press after signing it on Thursday, October 12. Photo: Reuters, Kevin Lamarque

Policy experts believe the move will undermine the Affordable Care Act, as associations can offer skimpier plans that will attract healthier people and destabilize the market. The order’s tweaks for short-term insurance, such as increasing the maximum time that customers can use short-term plans, could siphon even more healthy people from ACA plans. As a result, sicker patients will be left with higher premiums and an unstable market. These changes would not take effect immediately.

However, late Thursday the White House confirmed that President Trump will also take immediate steps to dismantle and sabotage the Affordable Care Act. President Trump will terminate a key set of Obamacare subsidies that helped lower-income enrollees pay for health care, a dramatic move that will cause insurance rates to skyrocket and leave millions without health coverage. The moves are the latest in President Trump's aggressive push to dismantle aspects of his predecessor's signature health law after several failed attempts by Congress to repeal it earlier this year.

“The Trump administration is dead set on sabotaging not just the Affordable Care Act but the health and well-being of millions of Americans,” said Joseph Peters, Secretary-Treasurer of the Alliance. “We must hold them accountable for this cynical and cruel behavior.”

CNN: Investigation Finds Drug May Be Inappropriately Prescribed Pill to Nursing Home Residents

CNN [reported](#) that physicians may be overzealously prescribing a pill called Nuedexta to elderly patients. The pill is meant to treat a condition that causes uncontrollable laughing or crying: pseudobulbar affect (PBA). Less than one percent of Americans have this affliction.

However, since 2012, more than half of all Nuedexta pills went to patients in long-term care facilities. The number of pills prescribed increased by 400 percent in 2016, exceeding the amount of actual need that elderly people would have for the drug. The company that manufactures Nuedexta, Avanir Pharmaceuticals, argues that it helps individuals suffering from Alzheimer's disease and dementia. But medical experts say that the disease is very rare among people with these illnesses.

CNN's investigation found that some physicians received benefits from Avanir in exchange for prescribing and advocating for use of Nuedexta in nursing homes. In 2016, the company reported \$300 billion in sales. The drug also generates a sizable amount of money from Medicare Part D prescription drug funding.

“It is shameful that drug companies can make obscene amounts of money by taking advantage of vulnerable older Americans,” said Robert Roach Jr., President of the Alliance. “We must hold these individuals and corporations accountable.”

Nebraska Alliance Elects Officers; Wisconsin Alliance Draws Gubernatorial Candidates

Nebraska Alliance members held officer elections at their convention last Saturday, re-electing several officers and welcoming new member Mike Zgud. The officers are:

- Al Mumm-President, CWA Union;
- Ken Mass-Treasurer, IBEW Union;
- Virginia Busch-Secretary, CWA Union;
- Lavonne Herechski-VP, IBEW Union;
- Ron Oates-VP, IRON Union;
- Scott Salisbury-VP, Laborers' Union;

- John Jensen-VP, NEA Union;
- Mark McColley-VP, UA Union;
- Ron Milke-VP, IAM Union; and
- Mike Zgud-VP, AFSCME

The [Wisconsin Alliance hosted several Democratic candidates for governor](#) at its annual luncheon Monday. The candidates had two minutes to discuss senior issues and all committed to working to expand health care for retirees. Republican Governor Scott Walker was invited, but did not attend.



Attendees hold up signs saying “I Support Expanding Medicaid” at the Wisconsin Alliance for Retired Americans POWER Lunch on Monday.

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’