

FRIDAY ALERT



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State of the Union Address Leaves Retirees Disappointed

President **Trump** promised the public that his State of the Union address would be unifying and bipartisan. However, according to [NBC](#), the President instead sowed division by attacking Obamacare and landing partisan jabs on divisive issues. However, Trump did vow to lower prescription drug prices during his speech.

“The Alliance has been working to make prescription drugs more affordable for 17 years,” said **Robert Roach, Jr.**, President of the Alliance. “The President denouncing high prescription drug prices is ironic, given that he just chose a pharmaceutical executive who raised drug prices, in particular insulin, to lead the Department of Health and Human Services. The Alliance will hold the President accountable for his words.”

The President’s campaign promises to protect Social Security, Medicare and Medicaid from cuts were not mentioned at all Tuesday night.

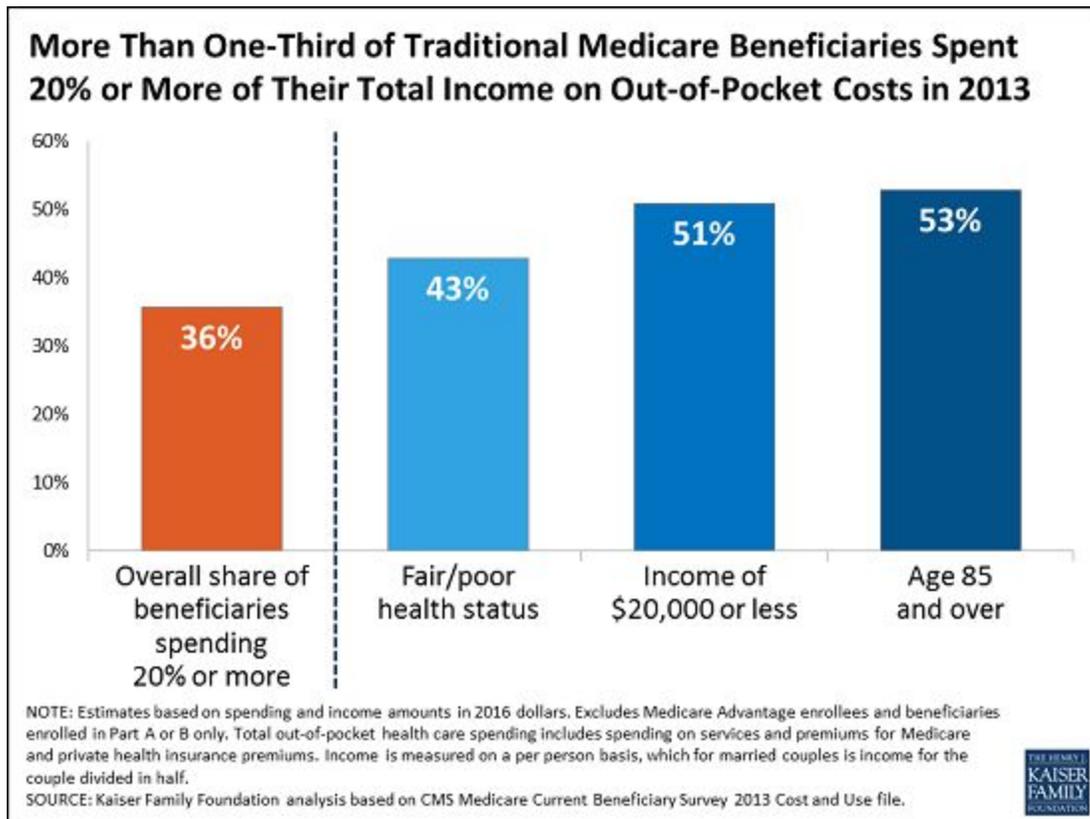
“This is important because House Speaker **Paul Ryan** is steadily moving to enact cuts to the earned retirement benefits that millions rely on for basic necessities,” [said Richard Fiesta](#), Executive Director of the Alliance.

“House and Senate Republicans have reiterated their their desire to enact deep Social Security, Medicare and Medicaid cuts now and increased deficits from the tax cuts will provide Congress with excuses to make cuts to these programs,” Fiesta continued. “The President should make clear that his pledge was more than a campaign gimmick.”

Health Care Consuming Larger Portion of Retirement Income

According to a Kaiser Family Foundation [study](#), *Medicare Beneficiaries’ Out-of-Pocket Health Care Spending as a Share of Income Now and Projections for the Future*, more than one-third of people with traditional Medicare spent at least 20% of their total income on health care in 2013.

Health care is a heavy financial burden for many retirees and will continue to consume a larger share of total income over time, according to the analysis. By 2030 out of pocket health costs are projected to consume half of the average per capita Social Security Income.



Among all Medicare beneficiaries, out-of-pocket costs consumed an average 41% of beneficiaries' per person Social Security income in 2013. Older women and beneficiaries ages 85 and older tended to have higher average out-of-pocket spending as a share of average Social Security income than others.

"The study should concern all of us," said **Joseph Peters, Jr.**, Secretary-Treasurer of the Alliance. "We need to get health costs under control, especially prescription drug prices. What we don't need are proposals to shift even more health care costs to beneficiaries."

Medicaid Cuts were on GOP Agenda at Party Retreat

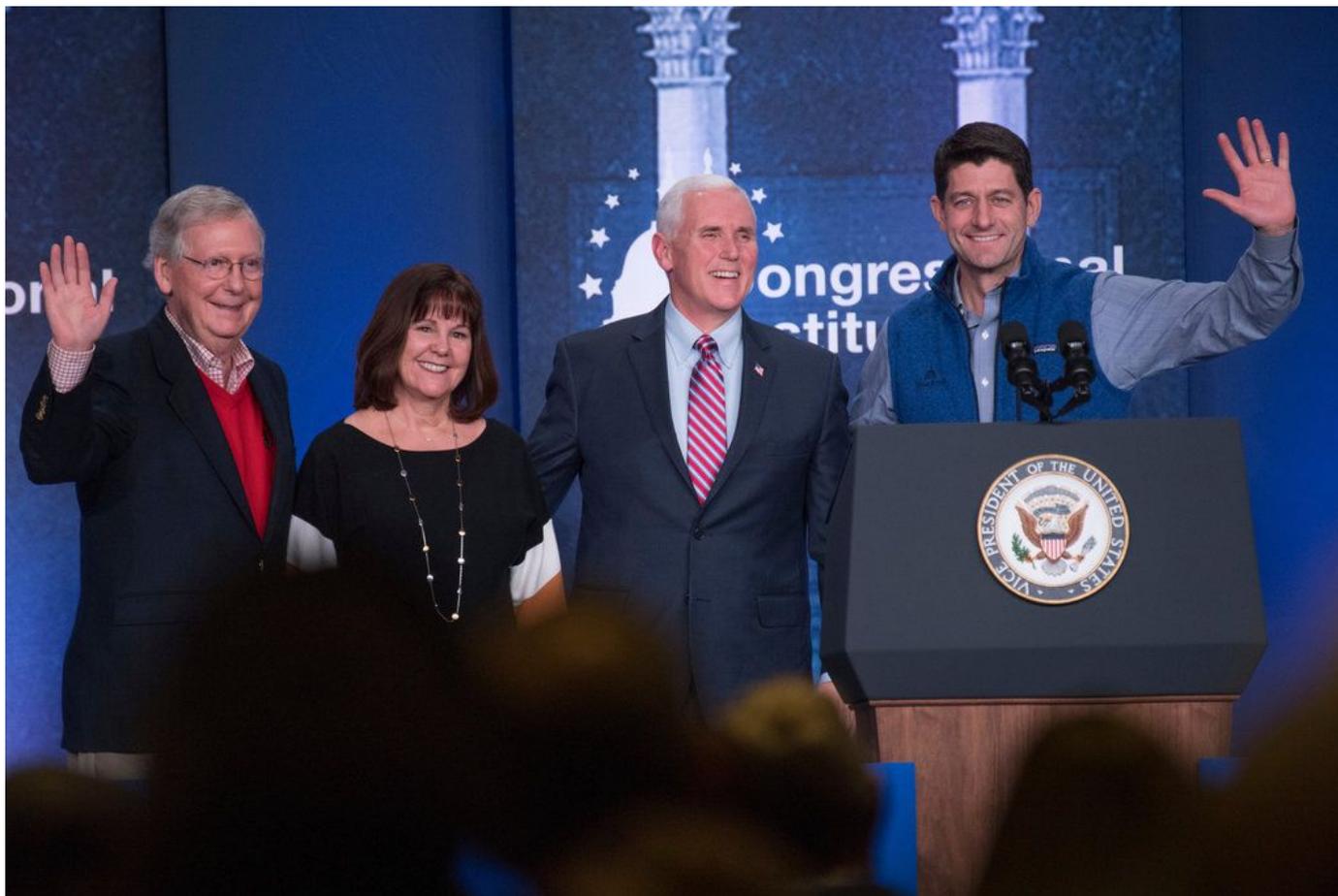
More than 1 in 5 Americans — about 74 million people — now rely on Medicaid to pay for their health care and often, related transportation costs. The NEMT (Non-Emergency Medical Transportation) program provides funding for nearly 104 million Americans to get to necessary medical appointments each year, but that could be [slashed](#) if Medicaid is cut.

Medicaid was a hot topic at a GOP [retreat](#) in West Virginia this week. Republican Study Committee Chairman **Mark Walker** noted that there are 24 million people who are out of the workforce who are able-bodied adults, but added that "Medicaid reform,' is not a great buzz phrase when discussing it.

Speaker Ryan broached the issue by urging congressional Republicans to tackle "workforce development." However, at least a half-dozen Republicans told *Politico* that Ryan's proposal could include work requirements for "welfare beneficiaries."

Ryan described the rather vague phrase “workforce development” as a matter of helping people — not merely a way to cut the budget. He said the GOP should prioritize “getting people the skills and opportunity to get into the workforce.”

Several public interest law firms are representing 15 low-income Kentucky residents who are [suing](#) the United States government over the Trump Administration's recent move to allow states to impose work requirements on some Medicaid enrollees. The plaintiffs argue that any changes to Medicaid require congressional approval.



Left to right: Senate Majority Leader Mitch McConnell; Karen Pence; Vice President Mike Pence; and House Speaker Paul Ryan at the GOP retreat in White Sulphur Springs, W.Va., on Wednesday.