

# FRIDAY ALERT



**Alliance for Retired Americans**

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## **Budget Deal Reopens Government after Brief Shutdown**

After a short-lived shutdown, the federal government reopened Friday with a six-week stopgap spending bill. The package, signed into law around 8:45 AM Friday by the President, will extend government funding through March 23, suspend the debt limit until March 2019, provide an additional \$300 billion for defense and domestic programs over two years, and allocate relief dollars for hurricane and wildfire victims.

The deal was originally struck in the Senate by Majority Leader **Mitch McConnell** (R-KY) and Democratic Leader **Chuck Schumer** (NY). It removes the caps imposed by the 2011 sequestration law that forced automatic spending cuts across the board if Congress could not agree to them independently. Republicans had wanted to lift the caps only on military spending, but Democrats insisted they be lifted on domestic priorities as well.

The legislation passed the Senate [71-28](#) and the House [240-186](#). It contains several provisions affecting retirees.

### ***Medicare***

The deal closes the Medicare Part D “doughnut hole” gap in prescription drug coverage for seniors in 2019, a year earlier than expected.

“The money for prescription drugs will provide a welcome bit of relief for more than 5 million older and disabled Americans and save taxpayers money,” said **Robert Roach, Jr.**, President of the Alliance.

The package restores eight tax breaks known as “Medicare extenders,” including eliminating the Medicare funding cap on physical therapy, a long-sought health policy priority.

The deal extends a number of special payment bonuses for different Medicare providers, many of which were once intended to be temporary, but get regularly continued. Those include extra payments for rural hospitals, a higher payment rate for ambulances, and increased payment rates to certain Medicare doctors. It preserves loan repayment programs for health providers who choose to work in underserved areas.

The package expands pilot programs meant to test the value of in-home care for some Medicare patients. It would allow Medicare providers who are part of an accountable care association to offer patients cash bonuses as incentives for healthy behaviors.

***Pensions***

The deal calls for creation of a congressional panel to find ways to keep more than one million union retirees and workers from losing big parts of their pensions. The panel would address the pension crisis affecting retired mine workers, those in the Central States Fund, and others by the end of calendar year 2018.

The mine workers, Teamsters and Ironworkers have been advocating for the Butch Lewis Act, a proposal by Sen. **Sherrod Brown** (D-OH) named for a Cincinnati-area retiree and Purple Heart, Vietnam War veteran who died of a stroke after learning his pension plan might be cut dramatically.

“Sen. Brown’s plan called for the issuance of government bonds that would serve to protect union pension plans as they recovered financially. Eventually the government would be repaid under that plan,” said President Roach. “We strongly support legislation to protect retirees. However, the creation of this panel is a step in the right direction.”

***Funding for the Social Security Administration***

There is an agreement in place to give the Social Security Administration (SSA) a bump in funding in the omnibus, which will come later, so that seniors and other beneficiaries get better services from regional offices. However, details remain sketchy.

**Poll: Majority of Americans Oppose Paul Ryan’s “Welfare Reform” Scheme**

As the Republican agenda shifts toward finding ways to pay for last year’s tax cuts, which will add \$1.4 trillion to the deficit, House Speaker **Paul Ryan** has proposed “Welfare Reform,” which would cut Medicaid, food assistance, and other programs aimed at supporting low income families.

<u>Specific Proposal</u>	<u>Total Support</u>	<u>Total Oppose</u>
Cut funding for Medicaid, which provides health coverage mainly for seniors, people with disabilities, children, and low-income families	20	80
Cut funding and restrict eligibility for Social Security disability programs, which help people with disabilities replace lost wages	22	78
Cut funding for home heating assistance programs for low-income families	22	78
Cut funding for unemployment insurance, which provides temporary income support for workers who have lost their job through no fault of their own	23	77
Cut funding for the Head Start early childhood education program	26	74

The Center for American Progress, together with research and strategic consulting firm GBA Strategies, conducted a [poll](#) in late January to see how their ideas resonate with American voters.

Of the 2,350 voters surveyed, 80% disapprove of policies that would cut funding for Medicaid, and 78% disapprove of policies that would cut or restrict eligibility for Social Security.

“Voters see through the GOP’s strategy of paying for tax giveaways for corporations and the wealthy by disguising it as ‘welfare reform,’” said **Joseph Peters, Jr.**, Secretary-Treasurer of the Alliance.

The poll also found that voters are much less likely to support candidates who favor Speaker Ryan’s plans. Sixty-two percent said they would not back a candidate in 2018 who supported cuts to social programs.

### **Rubio’s Plan for Paid Medical or Family Leave is Another Attempt to Cut Social Security**

Sen. **Marco Rubio** (R-FL) and **Ivanka Trump** are promoting a [plan](#) that would force workers to withdraw from their Social Security benefits when taking time off for maternity leave or other family related issues. This would require individuals to delay their retirement age.

Employees would withdraw their own Social Security benefits during family leave, rather than the government or employer providing funding.

“The proposal would force employees who take leave to delay their retirement, and paves the way for cuts to disability and survivor benefits,” said **Richard Fiesta**, Executive Director of the Alliance. “Paid family leave is critically important to working families, but families should not have to forgo a secure retirement to pay for it.”

### **Plan to Limit Lifetime Medicaid Benefits Gathers Critics on Multiple Fronts**



President Trump with Centers for Medicare & Medicaid Services Administrator Seema Verma

Following the executive order allowing states to instill work requirements, at least five states (Wisconsin, Arizona, Maine, Utah and Kansas) are expected to seek approval from the Trump Administration to impose a lifetime [limit](#) on the amount of time that Medicaid recipients can receive benefits. This dramatic policy change would limit health coverage even for people with health problems that impede their ability to work.

Critics say that in addition to taking away needed health benefits, lifetime Medicaid limits will pose an enormous administrative burden by requiring states to track recipients' employment, eligibility and disability status. Time-limiting health coverage also runs the risk of pushing sick people into costly emergency rooms where they'll receive indigent care paid for by taxpayers.

In Utah, Wisconsin and Kansas, the time-limited coverage would apply even to Medicaid enrollees who meet employment and work requirements.