Senate Votes to Ban “Gag Clauses” that Raise Prescription Drug Costs

The Senate unanimously approved a bill that bans “gag clauses” Wednesday. The clauses prohibit pharmacists from telling patients that they could save money on their prescriptions by paying cash, rather than using their insurance benefits.

Called the “Know the Lowest Price Act,” the bipartisan ban will allow pharmacists working with Medicare Part D and Medicare Advantage enrollees to be open about cost-saving measures. Congress is considering similar measures that would also include patients who purchase private insurance through the Affordable Care Act marketplace.

Eliminating gag clauses is extremely popular with the public. A recent poll found that 81% of adults approve of the ban, though many were skeptical that it would actually result in lower drug prices. Reports have shown that in at least 23% of prescription purchases, patients paid more using their insurance than they would have out of pocket.

“Eliminating gag clauses is a small first step in helping our seniors save money on their prescriptions,” said Robert Roach Jr., President of the Alliance. “Congress must now take the next step to address this issue by allowing Medicare to negotiate better prices.”

Alert - Action Needed to Save Health Care

As a judge, Brett Kavanaugh has repeatedly favored wealthy corporate interests over working Americans. He has also argued against protections for people with pre-existing health conditions contained in the Affordable Care Act (ACA). When testifying before the Senate Judiciary Committee Wednesday, he declined to say whether he would vote to uphold protections for patients with pre-existing conditions. He cited judicial precedent, saying he could not comment on potential cases to come before the Court. Sen. Sheldon Whitehouse (RI) announced in the hearing that Kavanaugh refused to address the issue in a private meeting as well.

Eighty-four percent of people between the ages of 55 to 64 have at least one pre-existing health condition according to the U.S. Department of Health and Human Services. Without the ACA’s protections, it would be nearly impossible for these people to obtain affordable insurance in the individual market if the ACA’s protections were rolled back.

Kavanaugh is a threat to our health and retirement security.
On Wednesday, September 12, join thousands of members of the Alliance by calling your Senator and saying, “Vote NO on Judge Kavanaugh's nomination.” Sign up to call your Senator by completing and submitting this form.

Kavanaugh’s statement about pre-existing conditions referred to the pending case Texas v. Azar, a lawsuit that has the potential to reach the Supreme Court on appeal. Kavanaugh would then be the deciding vote if he is confirmed. The judge has ruled against the ACA on two occasions in the past - rulings that are in line with the president’s promise to only appoint justices who will overturn the law.

Sen. Bob Casey (PA), ranking member of the United States Senate Special Committee on Aging, had earlier released a fact sheet detailing Kavanaugh’s disastrous record on issues relating to aging, disability, retirement, and health care.

Alaska Alliance Secretary Susan Reilly came to Washington, D.C. on Thursday to meet with Sen. Lisa Murkowski (AK) and discuss Kavanaugh’s nomination.

“We already knew where Judge Kavanaugh stands when it comes to protecting patients with pre-existing conditions,” said Alliance Secretary-Treasurer Joseph Peters Jr. “However, instead of being upfront with his policy positions, he is choosing to deceive the American people into thinking that he will be neutral. We urge you to call your senators on Wednesday and remind them what Judge Kavanaugh would do to our health care.”

President Attacks Seniors, Labor Ahead of Labor Day

Ahead of last weekend’s Labor Day celebrations across the country, President Trump released a series of executive orders and tweets attacking retirees and union workers’ pay.

The president issued an executive order freezing expected pay raises for federal employees, citing “serious economic conditions” for blocking the expected 2.1% increase. The announcement came just days after a federal judge ruled against the administration’s other union busting executive orders, released earlier this summer, and just months after the GOP tax scam was passed, offering major giveaways to corporations and the wealthiest 1% while raising the deficit by $1.9 trillion.
Trump then signed an executive order last Friday aimed at retirement security, allowing wealthy families with well funded IRA and 401(k) accounts to avoid paying taxes on their savings. Currently, retirees must begin withdrawing a minimum amount of money from their account at age 70 ½, at which time income taxes are paid on the withdrawals. The administration wants to lower that minimum amount, making it easier for the wealthy to avoid taxes.

“We do not need yet another scheme that allows wealthy Americans to shelter more of their retirement savings from taxes,” said Alliance Executive Director Richard Fiesta in USA Today. “We also do not need to create new ways for investment brokers to make money.”

Finally, the president sparred with AFL-CIO President Richard Trumka, who stated last weekend that Trump has done more to hurt American workers than he has to help them. President Trumka highlighted lower wages this year; rules that disallow overtime pay for close to 5 million workers; increased gas prices; lack of an infrastructure plan; and workplace safety deregulation as some of the reasons workers are hurting under the Trump administration.

**IRS Advises Many Americans Who Will Pay More in Taxes After GOP Tax Scam to Adjust Withholding**

Congressional auditors from the Government Accountability Office (GAO) have discovered that about 30 million taxpayers will have to pay extra taxes next spring as a result of employers under-withholding taxes from paychecks. The IRS advises taxpayers who support dependents to check their withholding now. The necessary IRS forms and Tax Calculator can be found here. Many employers operated under government issued tables keyed to the tax scam passed last December, but employers estimated lower taxes based on inaccurate tables and promises by the administration. While the new tax scam is not solely to blame for the large number of employees affected, under-withholding due to the flawed tables has directly impacted at least three million workers.

Under-reporting taxes in paychecks makes the take-home pay seem higher, but workers are then hit with increased tax payments during filing season. Many workers were supposed to see increased wages and lower taxes as a result of the tax law, but instead only 4% of workers have experienced a wage increase or a bonus. Meanwhile, large corporations are experiencing increased profits and CEO's are experiencing salaries 312 times higher than the average worker.
The audit came at the request of senior Democratic Senators who were concerned with the withholding tables earlier this year. At the time, Treasury Secretary **Steve Mnuchin** called the notion "ridiculous."

"The GAO report highlights the true scam that the tax law has brought upon workers in our country," said **President Roach**. "The GOP's broken promises deceived workers into thinking that they would reap the benefits of tax cuts. Instead, we are experiencing stagnant wages while the richest corporations and CEO's continue to get richer. Taking the IRS’s withholding advice will at least minimize the damage."

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.