

FRIDAY ALERT



Alliance for Retired Americans

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Two Million People Await Congressional Compromise on Pensions

By the end of November, a special Joint Select Committee on the Solvency of Multiemployer Pensions was supposed to tell Congress and the public whether they had found a compromise to avoid the bankruptcy of hundreds of underfunded multiemployer pension plans, as well as the Pension Benefit Guaranty Corporation (PBGC), the federal agency that is supposed to insure our plans. That deadline has now passed.

Democrats and a few Republicans were proposing that taxpayers provide cash and loans to distressed plans, which could then invest the money at an expected higher return. As **Joshua Gotbaum**, of the Brookings Institution [explains](#), if the loans were large enough, in place for long enough, and the funds earn an average return expected for normal pension investments, then the most distressed plans could avoid insolvency and return the loan money. Labor supported this type of arrangement.

PBGC could then take care of the rest with a government cash infusion. Loan proponents point out that administrations of both parties made loans to the steel, auto and airline industries, as well as to major U.S. financial institutions such as Goldman Sachs, Citibank and AIG when they were in trouble, and those loans were repaid.

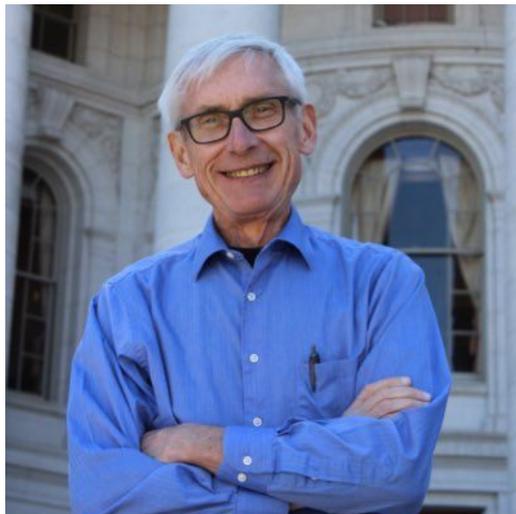
The Joint Select Committee also attempted to float other plans which would have had a severe, adverse impact on multiemployer plans, including those that were currently properly funded. Labor and the well-funded multiemployer plans vehemently objected. Today, the potential national multiemployer plan disaster remains in limbo.

“Congress must act to protect the Multiemployer Pension system and the PBGC without adversely impacting current retirees and their multiemployer plans,” said **Robert Roach, Jr.**, President of the Alliance. “Failure to do so will create a national disaster, and more importantly a national disgrace.”

Wisconsin, Michigan Lawmakers Move to Limit Democrats' Power during Lame Duck Session

Lawmakers in Wisconsin approved legislation that will [undermine the authority](#) of Gov.-elect **Tony Evers** (D) and Attorney General-elect **Josh Kaul** (D). Outgoing Gov. **Scott Walker** (R) has signaled that he expects to sign the bill into law, which would give the Legislature control of the

Wisconsin Economic Development Corp. board, including over its enterprise zone program that gives tax breaks to individual businesses; limit early voting to two weeks; and require Evers to get permission from the legislature to ban guns in the state Capitol, among other measures.



Wisconsin Gov.-elect Evers

There are similar attempts to undermine newly elected Democrats underway in Michigan, where the Republican state legislature aims to limit the authority of Gov.-elect **Gretchen Whitmer** (D), state attorney general-elect **Dana Nessel**, and secretary of state-elect **Jocelyn Benson** on campaign finance and other legal issues.

“The voters of Wisconsin and Michigan made it known last month that they want Governors-elect Evers and Whitmer to have the authority nearly everyone expected when they ran for Governor,” said **Joseph Peters, Jr.**, Secretary-Treasurer of the Alliance. “Attempts by state legislators to use the lame-duck sessions of their legislative calendar to overturn those results because they don’t like them are blatantly undermining democracy.”

Additional legislation passed this week in Wisconsin would block coverage for those with pre-existing conditions. Most Republicans opposed the language as being too similar to the Affordable Care Act, while Democratic senators voted against the bill because the legislation allowed insurers to impose lifetime caps on coverage.

Senators Introduce New Bipartisan Drug Pricing Bill

A [bill](#) introduced by U.S. Sens. **Chuck Grassley** (R-Iowa) and **Ron Wyden** (D-Ore.) will seek to crack down on the tactics used by drug companies like Mylan to overcharge taxpayers for Medicaid rebates.

The bill would give the Department of Health and Human Services new authority to reclassify a drug and recoup rebates when a manufacturer deliberately misclassifies that drug in order to pay lower rebates. The lawmakers specifically mentioned the company Mylan, which paid \$465 million to settle a lawsuit with the Justice Department in 2016. Mylan incorrectly classified the EpiPen as a generic drug, when it was actually a brand name drug.

EpiPen is an injection containing epinephrine, a chemical that narrows blood vessels and opens airways in the lungs. These effects can reverse severe low blood pressure, wheezing, severe skin itching, hives, and other symptoms of an allergic reaction.

“This new legislation is a small but positive step in the right direction to make prescription drugs more affordable,” said **Richard Fiesta**, Executive Director of the Alliance. “However, we still need to let Medicare negotiate with pharmaceutical companies to get the changes we really need on a larger scale. I hope to see that in the next Congress.”

Additional Weekend Inspections Of Nursing Homes May Catch Attempts to Skirt the Law

The federal government announced plans last Friday to crack down on nursing homes with abnormally low weekend staffing by requiring more surprise [inspections](#) be done on Saturdays and Sundays.



The federal Centers for Medicare & Medicaid Services said it will identify nursing homes with payroll records indicating low weekend staffing or operating without a registered nurse. Medicare will instruct state inspectors to focus on those potential violations during visits. The directive comes after a *Kaiser Health News* [analysis](#) found that there are 11 percent fewer nurses providing direct care on weekends on average, and 8 percent fewer aides.

Residents and their families frequently complain that seniors have trouble getting basic help — such as assistance going to the bathroom — on weekends. One nursing home resident in upstate New York compared his facility to a weekend “ghost town” because of the shortage of workers.

“It certainly appears that many facilities found a way to skirt the laws,” said President Roach. “These changes should help keep seniors safer and more comfortable. It is unfortunate that this step was necessary, but it clearly was.”