

# FRIDAY ALERT



**Alliance for Retired Americans**

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## Drug Companies Continue to Resist Attempts to Lower Prices

Congress may be finally taking action to lower drug prices, holding hearings and introducing new legislation at a quick pace since the beginning of the year. This week Rep. **Peter Welch** (VT) introduced a [bill](#) that would allow patients to import cheaper insulin from other countries, starting with Canada and including other nations after two years. The price of insulin is hurting tens of thousands of retirees every day.

The problem remains acute: sixty drug manufacturers have [raised prices](#) on more than 300 drugs in January, with more following soon after.

Drug corporations have been unwilling to discuss their practices under oath, refusing to participate in House and Senate hearings -- actions that garnered sharp criticism from Sens. **Chuck Grassley** (IA) and **Ron Wyden** (OR), chairman and ranking member of the Senate Finance Committee. Grassley and Wyden had invited representatives from seven major drug corporations to testify in front of their committee in late January. The senators promised to be “more insistent” that they show up for a February 26 hearing.

Drug corporations are also keeping prices high by exploiting loopholes in U.S. patent law, resulting in Americans paying up to [five times more](#) than their European counterparts. AbbVie, the manufacturer of Humira, filed dozens of patents to maintain their monopolies and block generics from entering the market. Humira is the most popular and profitable drug in the world due to its uses for treating conditions like Crohn’s disease and arthritis.

Executives have long claimed that high prices were warranted to encourage research and development of new medicines. Now they are also shifting the blame to industry middlemen, blaming rebates in the supply chain. Research, however, points to [increased advertising](#) expenditures as the cause for price increases. Spending on marketing in the healthcare industry has nearly doubled since 1997.

“The Senate hearings certainly demonstrate a bipartisan interest in bringing prices down, but relief is far from assured and we must continue to push our elected officials for real change. In America, there are people who are choosing between food and medicine on a daily basis. It’s well past time to help millions of citizens and taxpayers who are paying too much for the medications they need,” said **Robert Roach, Jr.**, President of the Alliance.

## Alliance Members Call on Congressional Representatives during Presidents Day Recess



Left to right: Washington State Alliance members Bill Ziegler, Paul Mallary, Claude Burfect, Wilda Luttermoser President Jackie Boschok, Neva Luke, Rep. Kim Schrier (WA), Carl Schwartz, Vennie Murphy, and Don Bennett

Alliance members across the country are meeting with their representatives to discuss senior issues and the broader Congressional agenda.

More than twenty meetings have already taken place this month and the Alliance expects at least 100 meetings to be completed around the Presidents Day recess overall.

“We are pleased whenever we see our members interact with their elected officials, offer their firsthand experiences with Medicare, Medicaid and Social Security, and express the Alliance’s point of view,” said **Richard Fiesta**, Executive Director of the Alliance. “These meetings are extremely valuable for letting Congress know what we believe needs to be done to ensure the health and vitality of both current and future older Americans.”



Left to right: Hawaii Alliance members Phyllis Hiramatsu, Elmer Yuen, Barbara Service, Jean Dobashi, Rep. Ed Case (HI), President Justin Wong, Jo-An Goss



Left to right: Illinois Alliance members and allies Kim Savage, Jack Tucker, Diane Chapman, Kim Johnson, Rep. Sean Casten (IL), Jane Russell, Jeanne Cameron (Illinois Alliance Director)

## Tax Returns Confirm 2017 Tax Cuts Were a Tax Scam

With the tax season beginning, Americans are filing their first returns since the 2017 tax law changes went into effect. And many are reporting being shocked when they no longer receive a refund or even owe taxes.

[According to the IRS](#), tax refunds are down 8%, or \$170 per filer, compared to last year. The number of people receiving a refund at all decreased by almost 25%, and a similar number owe money after never owing in the past.

[Overall, support for this tax law is dropping](#) and a majority of Americans, believing that corporations aren't paying their fair share, support increased taxes on the wealthy.

The effects of the bill will mount in the coming years. The nonpartisan [Tax Policy Center](#) says that by 2027, taxes will be higher for 53 percent of taxpayers, while the large tax breaks will go to the wealthiest five percent of taxpayers.

**Kathleen Trisdale**, a disabled veteran from California who was profiled in [USA Today](#), owes more than \$2,000 in income taxes for 2018. She says she relies on her military pension and Social Security for income and that she expected to owe something this year, but not more than \$1,000. "I'm a low-income person so I didn't think I would be affected this much."

### **House Ways and Means Hearing Looks for Ways to Improve Retirement Security**

On February 6, the House Ways and Means Committee, chaired by Rep. **Richard Neal** (MA), held a hearing on *Improving Retirement Security for America's Workers*. The multiemployer pension crisis, the lack of retirement savings and the need to expand Social Security, as well as the need to lower prescription drug prices, were all discussed. The Alliance submitted [a statement for the record](#) for the hearing with its views on these issues.

"In light of the fact that 77% of Americans fall short of the savings target for their age, in large part because workers' wages have been stagnant for 20 years while the cost of living has increased, Congress must take bold action to improve retirement security for all," said **Joseph Peters, Jr.**, Secretary-Treasurer of the Alliance. "We are committed to helping the new Congress find ways to address these critical issues for current and future retirees."

### **Video: New Mexico Alliance Member Annette Arvizu Shares Her Experience with Social Security and Medicare**

This week, the Alliance continues its series of sharing personal stories from our members highlighting key retiree issues. Today, we highlight [New Mexico Alliance member Annette Arvizu as she discusses](#) how Social Security and Medicare have supported her throughout her life.

Ms. Arvizu says that Social Security allowed her and her siblings to attend college after her father died. Later, it kept her afloat when her husband died unexpectedly and allowed her own daughter to attend college. Now, Medicare helps her take care of her son, who is living with a rare genetic disorder. Her story demonstrates the need to protect Social Security, Medicare, and Medicaid for all Americans.