

FRIDAY ALERT



Alliance for Retired Americans

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States Take on High Prescription Drug Prices

While Congress holds hearings on the rising costs of prescription drugs, states are taking action to [lower](#) patient copays. Arizona, Virginia, and West Virginia recently passed laws increasing consumers' ability to use drug manufacturer coupons and receive other financial assistance. Similar legislation is pending in Connecticut, Illinois, Indiana, Kentucky, and North Carolina.

Manufacturer coupons often mean significantly lower copays, but many private insurance companies restrict their usage. The new laws would remove those restrictions and force insurance companies to count the discount toward deductibles and maximum out-of-pocket costs.

For example, today a manufacturer might offer patients a coupon that would reduce their copay from \$200 to \$10. Under these newly passed state laws, an insurance company would have to count the full \$200 price toward a patient's deductible or out-of-pocket maximum costs, even though the patient only paid \$10.

"State initiatives on this issue demonstrate how critical the problem of rising drug prices is," said **Joseph Peters, Jr.**, Secretary-Treasurer of the Alliance. "Patients are forced to ration or go without medication because of high list prices. These laws are steps in the right direction to protect patient wallets, but we still need action at the federal level to allow Medicare to negotiate prices."

Senate Confirms New Pension Benefit Guaranty Corporation Director

On Tuesday the Senate [approved](#) **Gordon Hartogensis** to serve as director of the Pension Benefit Guaranty Corporation (PBGC) by a vote of [72 to 27](#).

The PBGC is an independent government agency that protects workers' and retirees' private sector defined benefit pension plans and ensures that they remain a key part of Americans' retirement security. It insures both single-employer and multi-employer pension plans. In 2018 the PBGC [paid benefits to more than 861,000 retirees](#) in 4,919 failed single-employer plans that could not pay earned pension benefits.

"We have a seat at the table and we will work closely with Director Hartogensis," said **Robert Roach, Jr.**, President of the Alliance. "We worked closely with outgoing director **Thomas Reeder**

and had a good working relationship. We intend to fully engage with the new director for the benefit of all pension plan participants.”

Washington Senate Passes Groundbreaking Long-Term Care Legislation

Last week, the Washington State Senate [passed](#) the Long-Term Care Trust Act. Governor **Jay Inslee** is expected to sign it into law. This first-in-the-nation legislation, introduced by Rep. **Laurie Jinkins**, creates a safety net for long-term care by having workers pay a small [premium](#) on their income starting in 2022. Benefits would be payable beginning in 2025.

Washington residents would have a total benefit of \$36,500 per person to be used toward long-term care services, including home care, assisted living, and disability home modification.

This landmark bill will help more people pay for long-term care. Today the [lifetime cost of care averages \\$260,000](#). More than 90% of people are not [insured](#) for long-term care. The Long-Term Care Trust Act will also reduce the burden on Medicaid and provide coverage for uninsured individuals.

“Long-term care should not bankrupt families,” said **Richard Fiesta**, Executive Director of the Alliance. “This bill is the first in our nation to address a critical health care issue. Most Americans can expect to need long-term care in their retirement years. Washington state should be applauded for this step toward ensuring that care is available and affordable for all.”

Older Workers are Increasingly in “Gig” or Temp Jobs

Older workers have experienced almost no real wage growth since 2007, despite record low unemployment rates. This stands in contrast to prior business cycles when older workers’ earnings grew at similar or greater rates than wages of prime-age workers.

The New School’s Schwartz Center for Economic Policy Analysis Retirement Equity Lab’s (ReLab) first Status of Older Workers quarterly report [documents](#) the lagging wage growth of older workers. One key reason is the rise of alternative and gig work. The proliferation of alternative work arrangements, including temporary agency work, on-call work, employment in contract firms, independent contracting, and gig work (classified as “electronically mediated employment”). Most workers in alternative arrangements lack the ability to bargain over the terms of their employment.

“Once again we see clearly the importance of labor unions,” said President Roach. “When workers can bargain collectively, their wages reflect that.”

Alliance Members Speak Directly with Congress during Older Americans Month

Alliance members continue to meet with their representatives to talk about prescription drug prices, Social Security and Medicare this week. The visits will continue throughout May, which is Older Americans Month. This past week, members of the Hawaii Alliance met with Sen. **Mazie Hirono**; Massachusetts Alliance members met with Rep. **Ayanna Pressley**, and representatives from the North Carolina Alliance met with Rep. **David Price**.



Massachusetts Alliance President
John Ratliff with Rep. Pressley



(L-R) Heather McLaughlin, Judy Coggins,
Ann Young, Rep. Price, state president Bill
Dworkin and Mike Gravinese



Hawaii Alliance member and
Alliance Executive Board
member Jean Dobashi with
Sen. Hirono

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.