

# FRIDAY ALERT



**Alliance for Retired Americans**

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## “Chained CPI” is Back and Could be Used to Cut Several Programs that Benefit Seniors

An Administration [proposal to change the federal poverty threshold and possibly use the chained CPI to measure inflation](#) has put several programs that seniors need at risk. The move, which does not require Congressional approval, would affect Medicare, Medicaid, SNAP (formerly food stamps), LIHEAP (energy assistance), and tax credits to assist with premiums for the health care exchanges created by the Affordable Care Act.

### Administration’s Proposal to Lower Federal Poverty Line Would Lower Eligibility Cut-Offs or Cut Benefits for Many Health, Nutrition, and Other Basic Assistance Programs



The Medicare Low-Income Subsidy Program, which helps low-income seniors and people with disabilities afford prescription drugs



Premium tax credits for ACA marketplace coverage



Medicaid programs that help low-income seniors and people with disabilities afford Medicare premiums and cost sharing



Cost-sharing assistance that lowers deductibles and other out-of-pocket costs for ACA marketplace coverage



Medicaid and CHIP coverage for children and pregnant women



The Supplemental Nutrition Assistance Program (SNAP)



Medicaid coverage for adults, including eligibility for ACA Medicaid expansion



The school breakfast and school lunch programs



Medicaid family planning coverage



Head Start

ACA = Affordable Care Act. CHIP = Children's Health Insurance Program

The Medicare Savings Program, which provides assistance to low-income seniors to pay for their Medicare Part B premiums and cost-sharing, and low-income assistance for prescription drugs under Part D are the parts of Medicare that are most at risk.

The Office of Management and Budget (OMB) first issued a notice on May 6 about changing the Census Bureau's poverty thresholds by using an alternative, lower measure of inflation than the traditional Consumer Price Index. This was the first step in what could be a long battle.

Both the "chained" CPI and the Personal Consumption Expenditures Price Index have been floated as new gauges that could be used to determine who would be eligible for critical federal support.

"Thousands of Alliance members are familiar with the chained CPI from the days when we successfully fought attempts to cut our hard-earned Social Security benefits," said **Robert Roach, Jr.**, President of the Alliance.

He continued, "In the coming days, we may have to fight the chained CPI again on a different front. We will keep Alliance members updated with ways to help fight this."

### **Pharmaceutical Corporations Reap the Financial Rewards after Taxpayer Investments**

As prescription drug prices continue to rise, many pharmaceutical corporations are using taxpayer funds to collect billions in profit. On May 16, the House Committee on Oversight and Government Reform [held](#) a hearing investigating the billions of dollars that pharmaceutical corporation Gilead made from Truvada, a drug used to prevent HIV.

Truvada is currently sold at a list price of approximately \$2,100 per month and generated \$3 billion in revenue for Gilead last year. Gilead continuously raised the price of the drug even though it was originally developed using public funds. After public outcry, Gilead has agreed to donate vials of the drug, and the medication will be distributed to approximately 200,000 individuals who are uninsured and at high risk of HIV transmission. However, according to the Centers for Disease Control and Prevention, approximately 1.1 million Americans are at substantial risk for HIV and should be offered the drug.

"Pharmaceutical corporations owe the American people an explanation. They should make life-saving drugs that they did not even develop affordable for patients," said **Joseph Peters, Jr.**, Secretary-Treasurer of the Alliance. "It is unacceptable when taxpayer funds are used to develop these drugs, then corporations make outrageous profits."

A new [video](#) also shines the light on these pharmaceutical corporation practices. Former U.S. Department of Labor Secretary **Robert Reich** explains that many corporations claim drug costs are high due to expensive research, when "in reality, a great deal of the original research into new cures uses public funding, paid for by your taxes."

"Instead," Reich continues, "pharmaceutical companies spend billions on aggressive advertising campaigns and high-paid executives." Please watch and share the video with your friends and family.

### **Social Security Scam has Tricked Tens of Thousands: How Not to be a Victim**

Imposters pretending to be from the Social Security Administration (SSA) have been scamming Americans out of millions of dollars. According to the Federal Trade Commission (FTC), 76,000

people [have filed complaints](#) about Social Security imposters in the last 12 months, and the cases have added up to \$19 million in losses.

Those affected by this scam reported that they received a robocall from a spoofed SSA phone number claiming that their Social Security number is suspended due to “suspicious activity.”

Then, after being asked to “press 1” to speak with a representative to reactivate their Social Security number, imposters asked them to confirm their Social Security number or take money out of their bank accounts to buy gift cards or Bitcoin currency. Scammers promise that this money will be returned, but the refunds never come.

“SSA will never call and ask for someone’s Social Security number,” said **Richard Fiesta**, Executive Director of the Alliance. “Also, they will never threaten someone’s Social Security benefits over the phone.”

In addition, the FTC [wants](#) people to remember:

- No one from SSA will ever ask someone to send the administration money or gift card information. Whoever claims that they are from the SSA and asks for money is a scammer.
- It is never safe to give your Social Security number or bank information to anyone over the phone.
- Technology allows scammers to use SSA’s real phone number (1-800-772-1213) when calling people. If there’s ever any question as to whether someone is a scammer, hang up and call the number back to confirm.
- Report any scam complaint to the FTC at [www.ftc.gov/complaint](http://www.ftc.gov/complaint).

### Alliance Members Sharpen their Skills at AFL-CIO Southwest District Meeting



The Alliance was well-represented at the AFL-CIO Southwest District Meeting in Phoenix on May 21-22. Among those gathering (pictured above) to hold Congress accountable, save the U.S. Postal Service and “organize to win in 2020” were: **Doug Hart**, Arizona state Alliance president; **Michael Madden**, Minnesota state president; **Tony Padilla**, Texas state president; and several other Alliance members.

## **President Roach, Executive Director Fiesta Address Coalition of Black Trade Unionists**

President Roach and Executive Director Fiesta traveled to Atlanta this week for the Coalition of Black Trade Unionists (CBTU) Retirees' Conference and General Conference. The Alliance leaders provided an update to the hundreds in attendance on numerous federal issues affecting retirees, including Social Security expansion, multi-employer pensions, threats to Medicare and prescription drug prices.

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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.