



FRIDAY ALERT



Alliance for Retired Americans

815 16th Street, NW, Fourth Floor • Washington, DC 20006 • 202.637.5399

www.retiredamericans.org

Spanish version: www.alianzadejubilados.org

March 31, 2023

Trustees Report Shows Social Security Expansion is Affordable

*On Friday the Trustees of the Social Security and Medicare Trust Funds released their 2023 reports. Below is Alliance Executive Director **Richard Fiesta's** statement:*

"Today's reports show once again that Social Security's Old-Age and Survivors Insurance (OASI) Trust Fund is strong and solvent, with enough money to cover full benefits and expenses until 2033, one year earlier than reported last year. If no changes are made, the Trust Fund can pay 77% of scheduled benefits.

"Further, the Medicare Part A Trust Fund for hospital care has sufficient funds to cover its obligations until 2031, three years later than reported last year.



"The Trust Funds are strong because most Americans contribute to them with every paycheck. They could be even stronger if the wealthiest Americans paid their fair share.

"We must strengthen Social Security by lifting the cap on earnings — currently \$160,200 — subject to the 6.2% payroll tax.

"President Biden's budget extends Medicare's solvency by decades by further lowering prescription drug prices and asking the wealthiest to pay a little more and should be passed by Congress.

"[Eighty-eight percent](#) of Americans oppose cuts to Social Security and Medicare. They do not want the government to lower benefits, change the retirement age, or let Wall Street gamble with their guaranteed benefits.

"Older Americans have earned these benefits after a lifetime of hard work and will not allow the rug to be needlessly pulled out from under them, their children, or their grandchildren."

Senators Draw Attention to the Sky-High Salaries of Medicare Advantage CEOs

Sens. **Elizabeth Warren** (MA) and **Jeff Merkley** (OR) are [calling attention](#) to the massive profits and "exorbitant" executive salaries of top Medicare Advantage insurers such as UnitedHealthcare and Humana, which are leading a lobbying campaign against efforts to combat widespread fraud in the privately run healthcare program.



Sen. Warren

"In 2022, the seven major Medicare Advantage health care insurers—UnitedHealthcare, CVS/Aetna, Cigna, Elevance Health, Humana, Centene, and Molina—brought in revenues of \$1.25 trillion and reported total profits of \$69.3 billion, a 287% increase in profits since 2012," the Democratic senators wrote in recent letters to the companies' CEOs, citing an analysis by **Wendell Potter** of the Center for Health and Democracy.

Humana chief executive **Bruce Broussard** took in more than \$17 million in 2021.

Profits on Medicare Advantage plans are at least [double](#) what insurers earn from other kinds of policies, according to a recent analysis by the Kaiser Family Foundation. The insurers receive a flat rate for every person they sign up, and they get bonuses for those with serious health conditions, because their medical care usually costs more.

However, multiple studies from academic researchers, government watchdog agencies and federal fraud cases underscore how some insurers have gamed the system by attaching extra diagnosis codes to patients' records to collect the bonus payments.

"Containing costs for Medicare Advantage is one of the most important ways the president and Congress could improve Medicare's solvency," said **Robert Roach, Jr.**, President of the Alliance. "Reining in the absurd salaries of the CEOs of these insurance companies is warranted, too."

Biden's Budget Would Raise Taxes On Top .1%, Cut Them For Many Others

According to a new [analysis by the Tax Policy Center](#), President Biden's fiscal year 2024 budget would raise average after-tax incomes for low-income households — those who earn about \$31,000 or less — by nearly \$600, or 3.2%, next year. The budget would leave the incomes of middle-income households — those making between about \$60,000 and \$107,000 — effectively unchanged, and would lower after-tax incomes significantly for the highest-income taxpayers.

The top 1 percent, who take home at least roughly \$1 million in income, would pay an average of \$300,000 more than under current law, dropping their after-tax incomes by 14%. Those in the top 0.1 percent would pay almost \$2 million more on average, a 20% reduction in after-tax incomes. The biggest single source of tax hikes on high income households is Biden's proposal to raise the top rate on capital gains from 20% to 39.6%.

"President Biden has been very clear that he would not raise taxes on lower and middle-income households," said **Joseph Peters, Jr.**, Secretary-Treasurer of the Alliance. "His changes to the

tax code code would go a long way in addressing income inequality by asking the top .1%, those who can most afford to contribute more, to pay their fair share.”

Kaiser Health News: Congressman Seeks to Plug ‘Shocking Loophole’ Exposed by KHN Investigation
By Sarah Jane Tribble

A U.S. lawmaker is taking action after a KHN investigation exposed weaknesses in the federal system meant to stop repeat Medicare and Medicaid fraud and abuse.

Rep. **Lloyd Doggett** (D-Texas) said he decided to introduce a bill [in the House late last week after KHN’s reporting revealed what he called a “shocking loophole.”](#)

“The ability of fraudsters to continue billing Medicare for services is outrageous,” Doggett said. “This is an obvious correction that is needed to safeguard our system. Wherever there are large amounts of government money available, someone tries to steal it.”

[KHN found a laundry list of weaknesses](#) that allows people accused or convicted of fraud to easily sidestep bans imposed by federal officials. Among those gaps is the Centers for Medicare & Medicaid Services’ lack of authority to deny or revoke National Provider Identifier, or NPI, numbers after federal regulators have prohibited a person or business from receiving payments from government programs.

Doctors, nurses, other practitioners, and health businesses use the unique, 10-digit NPI numbers to bill and file claims with insurers and others, including Medicare and Medicaid.

Read more [here](#).

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.