

Retiree Advocate

A State Affiliate of the National Alliance for Retired Americans

December 2009 EDITION – HAPPY HOLIDAYS!

President's Corner

Jean Friday, President of PARA

The health care reform debate is nearing the reconciliation phase and we should soon know what Congress has enacted to provide healthcare for all Americans.

Controlling costs has to be a major driver of this plan or health coverage will become prohibitively expensive. With successful models like Medicare and the VA as examples, a public option will control costs while operating with a low overhead and providing competition to the private industry.

The working people of America **do not have Cadillac insurance plans!** Most workers are already covered by managed care plans which have premiums, copays and deductibles. And healthcare reform should **not be a tax bill!** Workers have sacrificed wage increases over the past several decades to maintain good health coverage for themselves and their families and have paid their way as the stagnation of their incomes can easily prove.

Our jobless recovery has added millions of unemployed people to the 55 to 64 year age group who either are struggling to pay COBRA rates or going without health care. There are 5 million people in this category who need health coverage to manage any health problems they encounter before they become chronic, unmanageable conditions. Adding these people to the Medicare program with affordable premiums would increase the pool and save future health expenditures when they reach Medicare age.

Prescription drugs are **the** major treatment for many people today and should be available when needed. As time goes on, the “donut” hole becomes larger making access to their medications more difficult, so proposals to shrink the “donut hole” will improve both seniors lives and their health.

If you have any concerns about how this reform will affect your coverage, contact your Congressperson and discuss it with their staff. Now is the time to put your concerns to rest. Don't wait until it is too late.

Budget cuts LIHEAP

Pennsylvania will have \$107 million available for the Low Income Home Energy Assistance Program, down from \$142 million last year. Although \$142.6 million was allocated, 25% will be used for a weatherization program and administration costs, leaving \$107 million available for energy assistance. Last year, a family of four with income up to \$44,443 qualified for help. This year the cutoff is \$33,075. The state estimates that 388,279 people will be helped while 50,926 more households are expected to need crisis grants. Applications will be accepted from December 1 through January 3, 2010, shortening the aid season by six weeks. Crisis payment requests will not be taken until after January 3, 2010 and the program closes March 15th. Apply soon while funds are available. You can apply on line at

www.compass.state.pa.us, at your local county assistance office or call the PA LIHEAP Hotline at **1-866-857-7095**

Stay warm and healthy this winter! Happy Holidays!

PARA Continues Advocacy for Seniors and Health Care

Adam Swope, Alliance Field Organizer

Throughout 2009, PARA has been fighting to make sure that seniors are not forgotten during the health care reform debate. Of course, covering the uninsured **IS** a seniors issue, because covering the uninsured brings costs down and helps the solvency of Medicare. However, seniors have much more to gain from reform directly, if reform includes critical improvements to Medicare. So far, the Alliance and other seniors' advocates have been successful in including these Medicare improvements to current reform proposals:

- No co-pays for preventative care
- Shrink and then close the Part D “Doughnut Hole”
- More seniors qualify Part D premium subsidies
- Lower prescription drug costs, and more flexibility in changing Part D plans

Furthermore, health reform will reduce costly overpayments to private insurance companies that hurt the solvency of Medicare and increase premium costs for all beneficiaries.

PARA continues to fight against proposals that would tax employer-provided plans worth over a certain amount. Such a provision would unfairly penalize workers who for years have given up wages at the bargaining table to earn high-quality health insurance plans.

We have an unsustainable health care system in America. Without reform that controls costs, Medicare will become insolvent, fewer and fewer employers will provide health care coverage for employees and individual insurance plans will become more and more unaffordable. This is why PARA continues to advocate for a strong public option that individuals can choose from in the new Insurance Exchange. It should be noted, that any public option would be supported by premiums collected, not tax dollars.

Every member of the Alliance, indeed every senior citizen, should reach out to his or her elected representatives in Congress and the Senate to tell them that seniors need health care reform.

PARA Members Rally for Reform in Harrisburg

In addition to supporting Health Care Reform at the federal level, many PARA members support a new plan to create a single-payer system right here in Pennsylvania. On October 20th, several PARA members, including State President Jean Friday and IBEW Vice President John Henrich, attended a large rally at the Capitol to push for this plan. The legislation would set up a Canadian-style system for Pennsylvania residents, supported by tax revenue, which would ensure that every citizen of the commonwealth was covered, while removing the burden of health care coverage from our businesses. For more information, visit www.healthcare4allpa.org.

Pennsylvania finally ends budget stalemate

Adam Swope, Alliance Field Organizer

On October 9th, Governor Rendell signed the 2009-2010 budget into law; months after the state's constitutionally imposed deadline. The budget was the result of compromises between the Republican-controlled State Senate, Democratic-controlled State House and the Democratic Governor.

Overall, this budget reduces state-dollar spending by almost 2 billion dollars. It also increases revenues by increasing the cigarette tax, adding a tax on small cigars. There is no increase in either the state sales or income tax. It should also be noted that \$2.6 billion of federal stimulus money helped to balance this budget.

Of paramount concern to PARA is funding for the Department of Aging, which provides so many critical services to seniors through the many Area Agencies on Aging. Of course, the majority of Aging's funding comes from state lottery proceeds. While it is not clear at this time whether the overall Department of Aging budget received an increase or decrease, PARA will continue to monitor the issue.

Another of PARA's top priorities had mixed results in the new budget. The Pennsylvania Health Care Cost Containment Council, or PHC4, received a 47% cut in funding from the last budget. While this is disappointing, PARA is glad to see that PHC4 was funded at all, after the long battle waged to re-authorize it this year.

Education spending will increase modestly in the new budget. Some budget proposals actually included cuts to basic education funding to school districts, which could have impacted seniors' property tax bills. Fortunately, this did not happen. Funding was maintained at last year's levels for State-owned and State-related Universities, as well as Community Colleges. The budget also increases funding for the Children's Health Insurance Program (CHIP) and avoids cuts to economic development programs.

According to the Governor's office, 142 line items were removed from last year's budget, and administrative costs were decreased as well. The Governor's office is funded at 1997-98 levels, while the legislature is funded at 2003-04 levels. Additionally, legislative initiative grants (commonly known as "walking around money", similar to federal "earmarks") were eliminated from this budget.

Now that the budget fight is over, PARA will continue to fight for seniors issues in Harrisburg, such as the expansion of the PACENET program providing prescription drugs for low-income seniors. Visit our website to read our "State Legislative Priorities".

News from the National Alliance for Retired Americans

Barbara J. Easterling, President

This year Alliance members from all across the country are united in our fight for national health care reform.

The Alliance for Retired Americans supports a health care bill that would lower prescription drug costs, help early retirees afford health care coverage, assist middle-class families with the costs of long-term care, and create a pro-consumer public alternative to private insurance plans.

Right now it is too hard to say what will be in the final health care bill. But I do know that this year we have been reminded of a few important lessons for retiree activists.

First, we must separate fact from fiction. When someone says to you that health reform will be bad for seniors, set the record straight. Tell them how we can help retirees be better able to see a doctor, get a prescription filled, or afford long-term care.

Second, we cannot let the day-to-day travails of governing take away the energy, the creativity, the passion, and the audacity of hope that got us to this moment. Election night is never the end; rather, it is just the beginning.

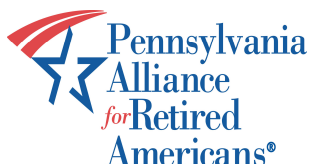
Third, we must realize that the 2010 elections have already started. Next fall, older Americans will make up over one-third of the turnout in key states and congressional districts. That is why we have been the object of a lot of attention – and a lot of misinformation. It is more important than ever that we know the issues and where the candidates stand.

Thank you for all you do for your fellow retirees. You have stepped up to the challenge this year. Together, we can improve health care in America. This can be our lasting legacy, and I know we can do it.

Contributions to the Pennsylvania Alliance for Retired Americans are not deductible as charitable contributions for federal income tax purposes.

VISIT US ONLINE AT:

www.pennretiredamericans.org



**PENNSYLVANIA ALLIANCE FOR
RETIRED AMERICANS**
319 MARKET STREET, 3RD FLOOR
HARRISBURG, PA 17101
717-231-2866

ADDRESS CORRECTION REQUESTED

