

# Retiree Advocate

A State Affiliate of the National Alliance for Retired Americans

MAY 2009 EDITION

## President's Corner

Jean Friday, President of PARA

What a busy schedule our congressmen have had in Washington during the first 100 days of the Obama Administration! Now that the economic crisis seems to be leveling off and the 2010 budget will soon be resolved, our legislators' attention is beginning to shift to healthcare reform, education and global warming.

Healthcare reform is one of the issues that all retirees should keep their eyes on. The insurance and pharmaceutical industries played a major role in the healthcare summit at the White House last month and have been active in lobbying for their interests. One of President Obama's plans was to create a national healthcare exchange that would provide coverage for the uninsured and others who would like to enroll in the resulting system. The question now is whether to insure the uninsured with public (government-run) insurance, private insurance or a combination of both.

Many of our retirees are covered by public plans—Medicare, Medicaid, Tricare (veteran's insurance) and other public plans. Not only are these plans popular with beneficiaries and vital to their well-being, but they are administered with a low overhead of about 2%. They are defined benefit plans that tell beneficiaries what costs will be reimbursed and what costs they are responsible for. Medicare Advantage plans are run by private insurance companies that have contracted to become the Medicare carriers for enrollees and each one offers a menu of plans with varying benefits and premiums, not necessarily in agreement with Medicare payments. Since their inception in 2004, these plans have received reimbursement rates as high as 14 - 19 percent more than required to finance the Medicare program. These rates will be reduced by five percent next year and eventually eliminated, saving about \$177 billion over 10 years. Recently some of the MA plans reported profits as high as 30 percent, and we are all aware of the CEOs' salaries. At the same time, doctors' offices are overwhelmed with the many health care programs they must deal with in billing, processing claims and resolving mistakes. It was recently reported that doctors in the U.S. waste about \$95 billion a year fighting with insurance companies and filling out their paperwork. All of this waste could be eliminated and the extra money put back into the healthcare system to better serve all Americans. Sounds like another case of keep it simple, stupid!

**May is Older American's month.** I encourage all of you to pick up your phone and tell Senator Specter, Senator Casey and your local Congressman to preserve Social Security and Medicare and work to insure that Americans have good, quality healthcare for all. Remind them you live on a fixed income.

## Good news on the fight to protect and strengthen Medicare

Adam Swope, PA Field Organizer

During PARA's successful lobby week this winter, when members met with 13 members of Congress to discuss the challenges facing Medicare, one of the top issues was the 2010 Demonstration Project, a little-known provision in the 2003 Medicare Modernization Act. It provided for a pilot program to move Medicare into a voucher system where seniors would be given a certain amount of money to shop for health care on the open market. This disastrous idea was an attempt to undermine Medicare by opponents of the program. Worst of all, many of the members of Congress we spoke to had not heard of the 2010 Demonstration Project.

Recently, the Government Affairs department at the Alliance for Retired Americans has learned that the 2010 Demonstration project is effectively canceled. The Center for Medicare and Medicaid Services (CMS), the federal agency which administers Medicare, Medicaid and the Children's Health Insurance Program, has issued its "Call Letter" for 2009. The Call Letter spells out how the program will be administered going forward, and it contains nothing regarding the 2010 Demonstration Project. The Alliance has spent time and effort on this issue both in DC and with lobby visits around the Country.

Along with Congress' earlier decision to disable the Medicare 45% trigger, this is yet another step in the right direction toward removing all the impediments to its success that Medicare opponents have placed in the law.

### Alliance Congressional Voting Scores for 2008

Senator Arlen Specter (R) – 80% 2008, 39% lifetime  
Senator Bob Casey (D) – 100% 2008, 100% lifetime

Rep. Brady (D, Philadelphia) – 100% 2008, 99% lifetime  
Rep. Fattah (D, Philadelphia) – 100% 2008, 100% lifetime  
Fmr. Rep. English (R, Erie) – 60% 2008, 18% lifetime  
Rep. Altmire (D, Beaver) – 90% 2008, 90% lifetime  
Fmr. Rep. Peterson (R, Centre) – 63% 2008, 12% lifetime  
Rep. Gerlach (R, Chester) – 90% 2008, 38% lifetime  
Rep. Sestak (D, Delaware) – 100% 2008, 95% lifetime  
Rep. P. Murphy (D, Bucks) – 90% 2008, 85% lifetime  
Rep. Shuster (R, Altoona) – 50% 2008, 11% lifetime  
Rep. Carney (D, Scranton) – 100% 2008, 95% lifetime  
Rep. Kanjorski (D, Wilkes-Barre) – 100% 2008, 100% lifetime  
Rep. Murtha (D, Johnstown) – 100% 2008, 97% lifetime  
Rep. Schwartz (D, Montgomery) – 100% 2008, 100% lifetime  
Rep. Doyle (D, Pittsburgh) – 100% 2008, 100% lifetime  
Rep. Dent (R, Lehigh Valley) – 90% 2008, 35% lifetime  
Rep. Pitts (R, Lancaster) – 22% 2008, 4% lifetime  
Rep. Holden (D, Harrisburg) – 100% 2008, 97% lifetime  
Rep. T. Murphy (R, Pittsburgh) – 90% 2008, 31% lifetime  
Rep. Platts (R, York) – 70% 2008, 23% lifetime

Learn more at [www.pennretiredamericans.org](http://www.pennretiredamericans.org)

## Executive Vice President's Column

Ray Myers, CWA

In looking back at my first month as PARA's Executive Vice President, I can't help but think; "if things get busier I may have to give up retirement and go back to work at the telephone company." NOT A CHANCE! Number one, they would never take me back and number two, I enjoy what I am doing: trying, in my small way, to help other retirees and seniors.

Some of my recent activities include testifying before the House Consumer Affairs Committee, representing PARA at rallies and press conferences and writing articles and letters to the editor supporting the Employee Free Choice Act.

I testified on behalf of HB 20, which if passed would place restraints on Electric Companies' rate increases. It would limit the percentage they are allowed to raise rates during the three years after the rate cap is lifted. I testified that many seniors could not afford even the proposed annual cap of 15 percent increases. Portions of my statements were on the TV news. My remarks included the following:-

"In today's turbulent economics, our seniors are the most vulnerable citizens. They have been forced to stand by as Wall Street's deregulated profiteers have driven their life savings to all time lows. Many seniors now worry they will run out of money before they die. Not a pleasant way to spend your golden years. Now these same Pennsylvania seniors are faced with another deregulation nightmare: electric rates."

I urged the committee to give further consideration in the bill to seniors who may not be able to afford even modest increases.

On April 1<sup>st</sup> I spoke at a rally and press conference sponsored by the Service Employees International Union. The event was designed to encourage the state to support the Consumer Workforce Council. The council's focus would be to find ways to keep seniors in their own homes rather than being forced into nursing homes against their will.

Over 250 Pennsylvanians with disabilities participated in the rally, the march to the capital and press conference. The day was cold with a light rain starting during the rally and increasing to a downpour during the press conference. It was inspiring to look out from the speaker platform and see these folks remaining despite the bad weather because they know their cause is just and they wanted to have their voices heard.

In closing, if you have not called Senator Specter urging his support of the Employee Free Choice Act, please call immediately. If you have called, do it again and again and again.

Thank you,  
Ray

## News from the National Alliance for Retired Americans

### Barbara J. Easterling, President

The skyrocketing cost of health care makes the current debate in Washington critical to the future of retirement in America.

A recent study found that a 65 year-old couple retiring in 2009 will need \$240,000 to cover their health care costs. When you think about all the big companies doing away with retiree health care – and the limits on what Medicare provides – it makes you very anxious about the future. And what about our children and grandchildren? Will we be the last generation that ever gets to retire?

That is why the national health care debate is so important to retirees. We need to make our voices heard in Washington, and here are some ideas for Congress:

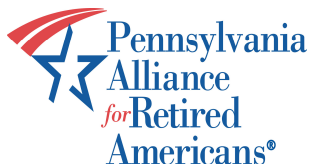
- **Help Early Retirees.** Over five million Americans age 55-64 are uninsured and should be able to buy into Medicare and have regular doctor visits during this critical period of their lives.
- **Lower the Cost of Prescription Drugs.** Allow Medicare to negotiate volume discounts with drug manufacturers. The Veterans Administration can do this and their prescriptions cost 58 percent less.
- **Make Long-Term Care Affordable.** The CLASS Act by Senator Ted Kennedy and Representative Frank Pallone would create an insurance program to help middle class families with the cost of long-term care.
- **Continue Tax-Free Health Benefits.** Eliminating or reducing the tax benefit for employers who provide health insurance would cause many companies to stop offering affordable coverage for workers and retirees.

As our health care crisis sweeps across generations, we must rise to the challenge. Our voices, our experiences, and our passion can help create a nation with quality, affordable health care for all.

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

### UPCOMING EVENTS:

SAVE THE DATE: Alliance for Retired Americans Legislative Conference in Washington, DC June 15<sup>th</sup> to 18<sup>th</sup>, 2009  
Look out for info on PARA Regional Legislative Conferences to follow later in the summer.



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ADDRESS CORRECTION REQUESTED

