

Retiree Advocate

A State Affiliate of the National Alliance for Retired Americans

MARCH 2011 EDITION – HAPPY SPRING

Adult Basic Insurance Program Ends

Governor and Legislature Fail to Take Action

Over 40,000 individuals currently enrolled in the adultBasic program lost their health insurance at the end of February. The funding for this program (through Tobacco Settlement dollars and contributions from the four Blue Cross/Blue Shield plans in PA) has been exhausted and, despite intense advocacy efforts, neither the new administration nor the General Assembly have secured additional funding to allow this important program to continue. Termination notices were recently sent out to affected members letting them know that the coverage was ending and informing people about their options.

Although adultBasic has its limitations (it didn't cover prescription drugs or mental health services), it provided basic health care coverage at a very low cost (\$36/mo) to working Pennsylvanians who have no health insurance available through their jobs, can't qualify for Medicaid and can't afford, or couldn't get other health care coverage through the private market. In addition to the over 40,000 individuals enrolled in subsidized adultBasic, 463,600 people were on the waiting list. AdultBasic recipients, and those on the waiting list, now face the bleak prospect of finding affordable health care coverage through other programs.

The administration was able to get an agreement from the Blue Cross/Blue Shield plans to allow adultBasic members to enroll in Special Care (another plan for individuals with limited income offered by the Blues) without imposing its pre-existing condition exclusion requirement for individuals who enroll by May 2, 2011. However, Special Care can cost up to six times as much as adultBasic (premiums range from approximately \$132/mo to \$192/mo) and offers a more limited benefit package. Special Care only covers 4 doctor's visits per calendar year, limits inpatient hospital care to 21 days per benefit period, and has a \$1,000 maximum on the coverage of outpatient diagnostic services per calendar year (x-rays, radiology, laboratory and pathology tests).

Governor Corbett also asked the federal government to waive the six month "go bare" period for PA Fair Care to give adultBasic members the option to enroll in that program; however, it is unlikely that this request will be granted. PA Fair Care (PA's high risk pool coverage) is available to people with certain pre-existing conditions who have not had health insurance in the last six months. Qualified individuals pay a premium of \$283/mo, a \$1,000 annual deductible and copays for services received. Enrollment in PA Fair Care is limited to 3,500 slots, but PA currently has about 1,000 slots still available. Individuals affected by the termination of the adultBasic program are encouraged to call PHLP's Helpline at 1-800-274-3258 for advice about other health care coverage options. Information about the adultBasic termination can also be found on the Insurance Department's website at www.ins.state.pa.us.

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"Adult Basic enrollees and people on the waiting list for the program will all benefit from the creation of insurance exchanges in 2014 through the federal Health Care Reform enacted by Congress last year. All Governor Corbett needed to do was ask the 'Blues' to fund the program for 3 more years. By donating less than 3% of their combined reserve funds, they could fully fund the program for that amount of time. After all, the 'Blues' are non-profit charitable entities!"

--Jean Friday, President of the Pennsylvania Alliance for Retired Americans

President's Corner

By Jean Friday

Push to Make PA a "Right to Work" (for less) State Must Be Defeated

Recently I wrote our State Legislators urging them not to co-sponsor or support the package of bills that would make Pennsylvania a so-called "Right to Work" state – or as I like to say: "Right to Work for Less". These bills are all designed to undermine collective bargaining units in Pennsylvania. They would basically make forming a union pointless, by allowing the employer to hire new employees who could decline to join the union when they are hired while still benefiting from the union's negotiated benefits – fracturing the workers and weakening the bargaining unit's negotiating position.

These measures would have a decidedly negative effect on the middle class in Pennsylvania, and therefore on our economy. In every measure of economic strength for workers, Pennsylvania fares better than workers in "Right to Work for Less" states. PA workers enjoy higher average wages and higher median incomes thanks in part to all the workers here who have negotiated for higher pay. Our state also enjoys a lower poverty rate and a lower percentage of uninsured adults thanks in part to union bargaining. In addition to pay and benefits, Pennsylvania workplaces are safer than workplaces in "Right to Work for Less" states – workers there are 35% more likely to die on the job than they are in PA! Unions here help to keep employers honest about worker safety.

The Alliance tends to focus on issues that directly impact seniors' quality of life. However, this is an issue where I believe it is important for seniors to stand up for workers. After all, most of the Alliance's members are also members of the generation that fought to organize our workplaces. We remember the difficult battles that brought us and our families out of poverty, into the middle class and within view of the American Dream. We also remember that when workers in a town's major employer became unionized, their higher wages and better benefits helped everyone in town: from the owners of local businesses who benefited from customers with more disposable income, to the workers at companies who raised their wages to keep up.

This is also a seniors issue because we are worried about our sons and daughters, nieces and nephews, neighbors and grandchildren; who are still in the work force. That is why seniors all over Pennsylvania, both Alliance members and the senior population at-large, ought to stand up and oppose legislators who vote to cause workers' wages, benefits and working conditions to suffer by weakening their collective bargaining power. It would be a serious miscalculation to think that seniors only vote on issues that affect their own benefits. We care deeply about our families and our communities, and we won't support politicians who vote to harm either one.

Our generation has always believed in the principle that a rising tide lifts all boats. We need to restore that kind of thinking to the political arena, instead of allowing politicians to pit workers against retirees, union workers against non-union workers, public sector against private, etc. This kind of anti-union legislation is just one more example of politics by division. I hope seniors join me, Democrats and Republicans alike, in opposing "Right to Work for Less". We remember what it was like before and we don't want to go back!

Who Will Defend Social Security?

By Alice Hoffman, Delco Action Seniors

There was a recent gathering of proponents of the most successful government program in our history: Social Security. They dedicated part of the complex outside Baltimore that administers social insurance to the memory of an individual who worked to preserve, extend and protect a program that affects virtually every citizen in this country: Robert M. Ball.

Bob Ball was the longest serving commissioner of Social Security and he remained its staunchest and most successful advocate throughout his life. He began his work at the Newark, NJ office in 1939 at the lowest pay grade given to an employee with a college degree. He made it his business to understand the intricacies of the legislation and explain it in language that was both accurate and so clear that his presentations were referred to as simple enough for even a congressman to understand. Ball served as Commissioner during the administrations of Presidents Kennedy thru Nixon. During his tenure he was instrumental in the enactment of Disability Insurance and Medicare. He also made it his business to frequent meetings of local staff where he would tell them, "Each person you see will have either a better or worse opinion of Social Security and yes, of government, because of the way you treat them. Yours is a great responsibility and a great opportunity."

The group assembled to honor Mr. Ball at the dedication ceremony was painfully aware of how much his expertise and dedication, as well as that of the other architects of the system, is currently missed. They knew that the public is currently deluged with misinformation designed to frighten and beguile us into making drastic and destructive changes in the name of balancing the budget. The Deficit Commission created by the President has managed to largely overlook the enormous sums spent on two dubious wars and the military industrial complex which President Eisenhower warned would be destructive of our democracy. Instead they filed a report that emphasized the need to reduce expenditures on what they call "entitlement programs" like Social Security. Moreover, the Deficit Commission made use of the staff of the Peter G. Peterson Foundation which has a long history of opposition to the basic concepts of the system. Their most recent attempt to derail the system is the provision of \$2.4 million to Columbia University's Teachers College to develop a 24 lesson curriculum. The point of the curriculum is to convince kids of the basic tenets of the Peterson crusade: namely that America's future is threatened because Social Security and Medicare have put us in a hole and created an unsustainable deficit. Helping to drive home their point is a cartoon showing some poor kid loaded down with rocks labeled Health Care Reform, Social Security and Bail Outs while an Uncle Sam figure holds out a penny and says "here's your benefit". We'd best realize that if Bob Ball were among us, he would not be content to have a building named after him, but would urge us to more vigorous efforts to educate and advocate for a system that has for 75 years served the common good. Or as one of those proponents of the system said so eloquently, "Yes, any system may need to be updated to meet changing times, but let it be done by its friends and not by its enemies."

Voucher Bill Under Consideration

By Adam Swope, ARA Staff

The State Senate took the first step toward enacting a "Voucher" program for students in Pennsylvania when the Senate's Education Committee voted favorably on Senate Bill 1 in early March. Senate Bill 1 would phase the program in for three years. In year one, any low-income student currently attending a school in the bottom 5% on state test scores would be able to take a voucher equal to the per-pupil allotment that the state currently sends to the school, and spend it instead on tuition at another school such as a private or religious school. In year two, any low-income student living in the boundary of an underperforming school would be eligible for that same voucher, regardless of whether or not the child attends the underperforming school. In the final year, any low-income student would be eligible regardless of where they live and what school they attend.

Proponents say this will be a "way out" of failing schools for some students, and it will motivate those schools to do better. Critics point out that only a small percentage of the students at an underperforming school would be helped. In order to take advantage of the voucher, a family has to be poor enough to qualify for the program, but still wealthy enough to pay the difference between the private school tuition and the voucher. Another factor limiting participation would be that private schools would be under no obligation to accept any student with a voucher, so it's likely that the vouchers would help only the brightest students get into better schools. After all, private schools maintain their reputation by advertising the high percentage of their students that go onto college. It's doubtful they would be interested in jeopardizing that percentage just to participate in the voucher plan. In light of these factors, critics ask whether it would be better to pursue a solution that helps every child in the underperforming school, rather than just a lucky few.

There is an economic argument against vouchers as well. We are still waiting on the Senate Finance Committee to determine what the cost of this program would be. Whatever the cost, it's certain that in this bleak economy that the money spent on vouchers would come out of the current basic education budget, rather than be added to the budget as new spending. Therefore, school districts will most likely be losing funding from the state. This loss of funding could be drastic, especially because in years two and three of the program students that are not currently attending a public school become eligible for the vouchers. In year three vouchers would be available in every school district in the state, so every community would be impacted. The end result of this funding shortage is quite predictable: **higher property taxes**. Seniors on fixed incomes would be particularly harmed by a proposal that would drive up property taxes. Seniors should contact their State Senators and Reps, and let them know that a voucher program that takes money away from public schools is a bad deal for taxpayers.

SAVE THE DATE:

May 3rd 2011 – Rally and Lobby Day for a sensible State Budget, sponsored by the CLEAR Coalition – more information to follow



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