



Retirees must act to ensure that health care improvements include comprehensive benefit reform and long term care options, and do not solely focus on increasing coverage. Specifically, retirees should focus the reform debate on three areas: Medicare, long term care, and retiree health care.

### **Medicare**

Medicare has provided quality, affordable health care for seniors since its creation in 1965, but recent changes have had a negative impact on the program. Despite efforts to add beneficiary improvements, Medicare still does not cover all health care needs, such as: long term care, dental, podiatry, and vision care. Most changes have actually resulted in the increased participation of private health insurance plans and higher out-of-pocket costs for participants rather than an expansion of benefits. The 2003 Medicare Modernization Act created the Part D prescription drug plan and the Medicare Advantage plans that cost the federal government 13 to 17 percent more than what the same services would cost under traditional Medicare.

### **Retiree Health Care**

The security of employer-based health care plans is a growing concern for current and future retirees who often depend upon them to close the gaps in Medicare and other health care coverage. The percentage of employers offering health benefits for retirees has decreased from 66 percent in 1988 to 35 percent in 2006. Corporate bankruptcies mean many workers are losing the prospect of retiree health coverage, and premiums and cost sharing for retirees with employer-provided plans are rising faster than inflation. Nearly two-thirds of early retirees (between ages 55-64) are now without insurance coverage based on prior employment. Retiree health care benefits do not have the same protections that defined benefit pension plans have under federal law. Many early retirees who are not old enough for Medicare find it difficult or impossible to obtain coverage.

### **Long Term Care and Support Services**

As the percentage of seniors in the United States continues to rise, individuals and families will need viable options for services and care to maintain health and independence, both in the community and in formal residential care settings. Many Americans are unprepared and surprised to learn that Medicare, Medicaid, and private health care programs do not offer adequate comprehensive long term services & support options. Medicare's long term care coverage is limited mainly

to skilled nursing facilities for short periods following hospitalization and to intermittent nursing care at home. Medicaid pays for nearly half of institutional and home-based LTC, but many states consider the expense increasingly unsustainable. Additionally, LTC insurance is not widely available or affordable to retirees, especially those with pre-existing conditions. Therefore, families and individuals are often left responsible for much of the high cost of long term care.



### **Talking Points for Alliance Activists on Health Care Reform**

- The Alliance supports the creation of a high quality, affordable, universal health care system, which provides comprehensive services, including long term care, and is based on a sound financing model similar to Medicare.
- As congress considers a national health care reform program, it is an opportunity to improve Medicare benefits, especially for low-income seniors.
- Health care should be affordable and based on health and physical needs, not income or asset levels. An individual should have the right to choose a provider and where they receive care.
- Retirees want a health care system that provides comprehensive quality care for their children and grandchildren.
- Stop the privatization of Medicare by ending Medicare Advantage subsidies.
- Expand Medicare's benefits to include uncovered services such as dental, vision, podiatry and preventive care.
- Provide for comprehensive extended long term care through Medicare, Medicaid, or another federal plan.
- Ensure that employer based health benefits are not decreased after retirement; even if the company goes bankrupt.

### **Sample Questions to Ask Your Members of Congress**

- What will happen to Medicare in health care reform?
- How will the escalating costs of Medicare and the entire health care system be brought under control?
- Will Medicare's benefits be expanded to include uncovered services such as dental, vision, podiatry and preventive care?
- What is the future for employer-provided retiree health care coverage?
- What measures will be taken to cover early retirees and protect the health plans of workers and retirees of bankrupt companies?



815 16th Street, N.W., 4th Floor · Washington, D.C. 20006 · (202) 637-5399 · (202) 637-5398 (Fax)

[www.retiredamericans.org](http://www.retiredamericans.org)

