

FRIDAY ALERT



Alliance for Retired Americans

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State of the Union and FY '09 Budget Offers Seniors Little

Only 159 words were devoted to health care in **President Bush's** State of the Union address Monday night, in which he asked Congress for new suggestions on Social Security and Medicare. With health care and prescription drug costs on the rise, the failure to offer any new ideas was seen as a missed opportunity. In addition, the President will propose significant cuts to Medicare in the budget he releases this Monday. *The New York Times* reports that Medicare will have \$6 billion less next year, and will be shorted \$91 billion from 2009 to 2013. These cuts do not include any changes the President will propose through new regulations, which do not have to be approved by Congress. The majority of cuts will be in payments to nursing homes, home care agencies, hospitals, hospices and ambulances. While the White House has typically cited the recommendations of the Medicare Payment Advisory Commission (MedPAC) - an independent federal panel - to defend past budgets, the Bush Administration explicitly ignored MedPAC's advice this year. "President Bush is attacking the most vulnerable - seniors who need Medicare to afford to see a doctor - while at the same time giving billions in subsidies to insurance companies to run privatized Medicare plans," said **Edward Coyle**, Executive Director of the Alliance. "While many retirees continue to pay more for their prescriptions, the Administration bans Medicare from negotiating volume discounts with the big drug companies. Is this what Bush meant by being a 'compassionate conservative?'"

Battle Looms Over Stimulus Bill

The U.S. House voted 385-35 on Tuesday to approve a \$146 billion fiscal stimulus package to jolt the economy. Senate Democratic leaders said that they are short of the 60 votes needed to advance their own \$157 billion economic stimulus package, passed by the Finance Committee on Wednesday, and would have no choice but to adopt the less expensive plan approved by the House when the full Senate considers the stimulus on Wednesday, February 6th. Aides predicted two amendments to the House bill would pass in the Senate, however: an increase in funding for the low-income home energy assistance program and rebates for low-income Social Security recipients and disabled veterans. The House stimulus plan would provide tax rebates of up to \$600 for individuals and up to \$1,200 for couples filing jointly. It would provide minimum payments of \$300 to individuals with at least \$3,000 in earned income, and an additional payment of \$300 per child. The rebates would be phased out for individuals earning more than \$75,000 and couples earning more than \$150,000. The Senate bill would provide payments of \$500 each to approximately 20 million low-income Americans older than 62 who are living only on Social Security benefits. Seniors who had \$3,000 in Social Security benefits would also qualify, even if they earned too little to pay income taxes. They would not receive checks under the House plan. The National Committee to Preserve Social Security and Medicare has provided access to their toll-free number, 1-800-998-0180, to generate calls to Senate offices urging support for the Senate

proposal. “Seniors worked hard throughout their lives, and they deserve the same rebate as any current wage earner,” said **Ruben Burks**, Secretary-Treasurer of the Alliance.

Kaiser Documents Prescription Drug Plan Restrictions on Obtaining Medications

The Kaiser Family Foundation has issued two new “Medicare Part D Data Spotlights” focusing on Medicare drug plan formularies and utilization management techniques. The spotlights are available at <http://www.kff.org/medicare/med102507pkg.cfm>. The first spotlight focuses on formularies (the list of covered drugs) of Medicare stand-alone prescription drug plans and differences in how plans cover brand-name and generic drugs. The analysis finds that 91% of drug plans cover a majority of the generic sample drugs, while only 28% of plans cover a majority of brand-name sample drugs. The second spotlight examines three techniques used by stand-alone prescription drug plans to manage enrollees’ use of formulary drugs: quantity limits, prior authorization, and step therapy rules that require enrollees to try one or more specific drugs before covering certain medications. Utilization management restrictions are more common in 2008 than in 2006, with 30% of sample drugs subject to some use restriction in 2008, up from 20% in 2006.

Robert Ball, Social Security Commissioner and Icon, Dies

Robert M. Ball, 93, a major figure in Social Security policy and the disability insurance field for the past 60 years, died on Tuesday in Mitchellville, Maryland. Mr. Ball joined Social Security just four years after President **Franklin D. Roosevelt** created the program in 1935, and ran it from 1962 to 1973. He oversaw the increase of Social Security benefits and the introduction of automatic cost-of-living adjustments. By 1962, he became commissioner, a job he held longer than anyone else before or since. He was appointed by Presidents **John F. Kennedy**, **Lyndon Johnson**, and **Richard Nixon** before resigning in 1973. He worked behind the scenes to defeat President **Ronald Reagan's** first attempt to slash benefits, and headed off proposals in 1996 and 2004 to privatize Social Security. He was also one of the chief architects of Medicare and administered it for its first seven years. “He was the country’s best advocate for seniors and most effective defender of Social Security,” said **George J. Kourpias**, President of the Alliance. “He was truly an American hero.”

National Alliance’s Regional Conferences Coming Up

In a little more than two months, the national Alliance will hold its first regional conference of 2008 in Las Vegas, NV. The Western Regional Conference - March 24-26 - will offer members an opportunity to work with other activists in the region to set the course for the Alliance and a country that cares about workers, retirees and their families. Attendees will learn how to get seniors and retirees registered and voting; increase grassroots advocacy; and educate federal, state and local legislators on issues like prescription drugs, Medicare, Social Security and retirement security. Details for the other regional conferences are as follows: Northeastern Regional Conference, April 17-18, 2008 in Philadelphia, PA; Midwestern Regional Conference, April 28-29, 2008 in St. Louis, MO; and Southern Regional Conference, June 4-5, 2008 in Orlando, FL. For official registration forms for your regional conference, call 1-888-373-6497, email **Joni Jones** at jjones@retiredamericans.org, or visit our website at www.retiredamericans.org.