

FRIDAY ALERT



Alliance for Retired Americans

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Republican Convention Platform Raises Concerns

The Republican Party held its nominating convention in Minneapolis-St. Paul, Minnesota this week, officially nominating Sen. **John McCain** of Arizona for President and Gov. **Sarah Palin** of Alaska to be Vice President. As a U.S. Senator, McCain has a 29% voting record with the Alliance on issues important to retirees, including a score of 0% in 2007. Gov. Palin offended many by mocking community organizers during her speech. "Community organizers help bring food and health care to senior citizens. They educate and mobilize seniors and others who are often forgotten in this country. It was deeply offensive to hear their work belittled and turned into a cheap punch line," said **George J. Kourpias**, President of the Alliance.

The Republican platform mentions Medicare, focusing on its "out of control growth." In citing Social Security, the platform calls for "reform" while touting "personal investment accounts." "Beware seemingly innocent buzzwords that mask true intentions," continued Mr. Kourpias. "Because the wording in their platform does not mention any of the positive developments that Social Security and Medicare have brought, there is reason for seniors to be concerned. Words like 'reform' can be used to mask continuing attempts to privatize Social Security and Medicare."

Drug Company Advertisements Slipping Through FDA Loophole

Pharmaceutical companies such as Sanofi Aventis SA and Pfizer Inc. have been using a loophole in Food and Drug Administration (FDA) rules to promote their drugs without outlining the possible side effects, according to a recent report by *The Wall Street Journal*. Under the FDA's regulations, advertisements that do not explicitly name a drug do not have to include a listing of the product's potentially negative consequences. To avoid paying for longer television commercials that would require these lists, big pharmaceutical companies are airing ads that simply describe symptoms and direct the viewer to a website. There, consumers can find information about the drug, including its brand name and side effects. Called "unbranded product advertising," the technique has recently become more popular with drug makers as they face increased Congressional scrutiny about their marketing practices. "Retirees have played by the rules their entire lives," said **Edward F. Coyle**, Executive Director of the Alliance. "It is up to the FDA to make sure big drug companies do the same so that cheaters don't prosper."

New Report Shows Private Insurers' Marketing Materials Misinforming Seniors

Senate Finance Chairman **Max Baucus** (D-MT) commented on Thursday about a new and alarming report from the Office of the Inspector General at the Department of Health and Human Services that indicates 85% of "marketing" materials presented to American seniors by private insurers selling Medicare benefits do not meet standards set forth by the Centers for Medicare and Medicaid Services. Sen. Baucus, who has held hearings in the Committee on unscrupulous

marketing to seniors by private plans, said action must be taken to improve service to seniors now. The full report is online at <http://www.oig.hhs.gov/oei/reports/oei-01-06-00050.pdf>. “This report reveals a near-total failure by CMS, where officials have insisted that they can regulate the marketing of plans to seniors as well as or better than experienced state insurance agencies. The evidence now shows that’s not the case,” said Sen. Baucus. “It’s unconscionable that CMS has let the insurance industry’s materials – including essential items like pharmacy directories and summaries of benefits – fail to properly inform seniors 85 percent of the time...and you’d better believe the Finance Committee will move to make sure seniors get better service one way or the other,” he continued. The senator’s own Medicare improvement bill, enacted into law this year, contained prohibitions on unscrupulous marketing practices by private plans, including unannounced visits and cold calls by plan agents.

Skyrocketing Number of Older Americans Seeking Bankruptcy

While fewer Americans under 55 are facing bankruptcy, filing rates for older workers and retirees are skyrocketing. According to a Consumer Bankruptcy Project analysis of non-commercial bankruptcies, Americans 55 and over made up only about 8% of filers in 1991; by last year, they accounted for 22%. Moreover, financial situations worsened with age. People ages 55-64 became 40% more likely to go bankrupt, but those 65-74 ended up more than twice as likely, with their filing rate increasing 125%. The bankruptcy rate more than quadrupled for Americans over 75, soaring 433%. The increase is due largely to the difficulty seniors on fixed budgets are having with the rising costs of ordinary goods like food and fuel. A greater number of retirees are facing debt left over from mortgages, some have been victims of financial scams, and for some older Americans below or near the poverty level, one catastrophic medical bill is the catalyst for bankruptcy. “Seniors should never have to choose between seeing a doctor and keeping their homes,” said **Ruben Burks**, Secretary-Treasurer of the Alliance.

Retirees with the Write Stuff

The Letters to the Editor page is often the most widely read section of a local newspaper, and for Alliance members it is a forum to tell our stories and show how deeply we care about the issues. “Retirees with the Write Stuff” is a project of the Alliance for Retired Americans to encourage more retirees to write letters to their local newspaper. Write a Letter to the Editor to your local newspaper, giving a retiree’s perspective on a local, state or national issue. If it runs, send us a copy at letters@retiredamericans.org or fax it to 202/637-5398, and we will send you a “Retiree with the Write Stuff” pen, plus print your name here and at www.retiredamericans.org. Congratulations to **Charlie Averill**, **Shane Fox** and **Charles Rike** on their recent publications!

Did You Know...

On average, health care costs will go up by an estimated 5.7% next year for both workers and their employers. The growth of health care costs has hovered at around 6% since 2005 (*Houston Chronicle*).