

FRIDAY ALERT



Alliance for Retired Americans

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Wyden-Ryan Medicare Plan Would Raise Premiums for Seniors

House Budget Committee Chairman **Paul Ryan** (R-WI), a leader in the fight to privatize Medicare, unveiled a new approach on Thursday in order to save money on the federal health program. According to *Politico*, the proposal has some key differences from the Ryan blueprint that Republicans had rallied around earlier this year — and which Democrats have criticized as the beginning of the end of Medicare. Working with Democratic Sen. **Ron Wyden** (Ore.), Ryan is developing a framework that would allow seniors to choose between staying in traditional Medicare or opting into new, private plan alternatives. Wyden is the first Democrat on Capitol Hill to so strongly embrace a modification of Ryan's approach. Seniors would receive a set amount of money from the government to buy private insurance - vouchers - as they would under the Medicare proposal Ryan included in the budget blueprint that passed the House last year. The new proposal still installs a cap on total Medicare spending; under the Ryan-Wyden approach, seniors would have to pay the difference between the sticker price for care and the premium support or subsidy, although low-income people would get more help.

Ryan and Wyden said they would not draft legislation, since Ryan does not expect action on major issues such as Medicare until a new Congress is seated in 2013. However, they said that by forcing private insurers to bid to provide Medicare coverage and encouraging beneficiaries to choose the plan with the lowest costs, the measure could drive down costs. To see the full *Politico* article on the proposal, go to <http://bit.ly/v ebSnm>. “We’ve been to this rodeo before. Once again, guaranteed benefits would be replaced with vouchers,” said **Barbara J. Easterling**, President of the Alliance. “It’s like handing every senior one single dollar and saying, ‘spend it however you like’ – then bragging about how much money the government is saving.”

Payroll Tax Cut and Doc Fix Update

The focus on the payroll tax cut is shifting to the Senate, now that the House has ignored a White House veto threat and approved a payroll tax cut bill that opens the door for an oil pipeline and spending cuts that Democrats oppose. The House approved the Republican bill Tuesday by 234-193. For a tally of the vote, go to <http://1.usa.gov/ssvp1A>. If the House and Senate don't agree on a plan to approve the payroll tax cut extension by Dec. 31, workers would pay a 6.2 percent Social Security tax on the first \$110,100 of wages, up from 4.2 percent this year. Senate Majority Leader **Harry Reid** says the legislation passed by the House cannot pass in his Democratic-run chamber. Reid and Republican leaders are about \$90 billion apart on a deal to extend the payroll tax holiday, the centerpiece of President **Obama's** jobs agenda, according to a senior Senate aide. In case they are unable to reach a bigger deal, Reid and Senate Republican Leader **Mitch McConnell** (R-KY) are also working on a two-month backstop to save average middle-class families from a \$1,000 tax increase and keep unemployment benefits from running out. According to *The Hill*, the fail-safe measure would also protect doctors from scheduled cuts in Medicare reimbursements.

Early Retiree Health Care Program's Funding to End This Month

The Early Retiree Reinsurance Program (ERRP) is a program run by the Centers for Medicare & Medicaid Services (CMS) which provides reimbursement to eligible sponsors of employment-based plans for a portion of the costs of providing health coverage to early retirees (and eligible spouses, surviving spouses, and dependents of such retirees). However, CMS has decided that, based on the remaining available funds, ERRP reimbursement requests that include claims incurred after Dec. 31, 2011 will be denied in their entirety. The CMS decision is based on the actual availability of remaining appropriated ERRP funds and the rate at which reimbursements have been disbursed, as opposed to the projected amounts of ERRP reimbursements that applicants listed in their ERRP applications. \$5 billion had been available under the program, and that fund has been exhausted.

Fair Pay for Home Care Workers May Be Coming Soon

The 18th initiative in President Obama's "We Can't Wait" campaign against Congress has the Department of Labor proposing a rule that will allow nearly 2 million home care workers to qualify for federal wage and overtime protections. "Home care workers are essential in providing at-home care for our nation's elderly and disabled citizens; their job has evolved to include health care services, such as managing medications and monitoring vital signs," said **Ruben Burks**, Secretary-Treasurer of the Alliance. Yet, the average home care worker earns \$17,000 to \$20,000 a year - more than the \$7.25-per-hour minimum wage, but low enough to put many beneath the poverty line and enable them to qualify for public assistance. This new rule would ensure that home health care workers receive the same minimum wage and overtime protections as virtually all other working people. The nation's over-65 population is projected to grow from 40 million to 72 million by 2030; the government estimates that 27 million Americans will need home care by 2050. By allowing fair pay and overtime, the home care industry will be able to attract new workers while reducing turnover among existing employees.

Voter Suppression Continues to Rear its Ugly Head in Wisconsin, Pennsylvania

A federal lawsuit was filed Tuesday in Milwaukee alleging that Wisconsin's new voter ID law is unconstitutional and will deprive people of the right to vote. The suit, filed by the American Civil Liberties Union of Wisconsin and the National Law Center on Homelessness & Poverty, claims top state officials, including Gov. **Scott Walker**, have created a poll tax and other obstacles that present a "severe and undue burden on the fundamental right to vote." In October, the League of Women Voters of Wisconsin Education Network had filed suit.

For video footage of Pennsylvania Alliance President **Jean Friday** speaking out against voter suppression efforts in her state, go to <http://bit.ly/tx5wJv>.

New Hampshire Alliance Chapter Works to Protect Funding for Seniors

Santa's seniors are making a special holiday delivery to Rep. **Charlie Bass** (R) in New Hampshire today. The New Hampshire Alliance is bringing Rep. Bass post cards, petitions and personal stories that ask him to protect Social Security and Medicare. Volunteers are sitting down with him in order to hold him accountable for being on the wrong side of important senior issues.

Editor's Note: The next *Friday Alert* will be published on Thursday, December 22. Happy Holidays!