

Alliance Clips and Retiree News December 16, 2011

Medicare

Medicare's 'SGR' formula has snowballed to budget-busting juggernaut

N.C. Aizenman

Washington Post

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The sustainable growth rate (SGR) formula was enacted to control spending by Medicare on physician services. It worked when it called for its first pay cut, a 4.8 percent reduction in 2002. But lawmakers have overridden the system every year since. To avoid having to come up with other budget cuts to cover the cost of each short-term delay, Congress promised to make a commensurately larger cut spread out over the following 10 years. This system of "clawback financing" enabled lawmakers to ensure the delay in imposing the cuts would come out as budget-neutral. But it also meant that Congress was expanding the budget hole created by the loss of SGR-mandated savings. Despite long-standing and virtually universal agreement that the SGR formula should be eliminated, attempts to do so have faltered in the face of the daunting price.

http://www.washingtonpost.com/national/health-science/medicares-sgr-formula-has-snowballed-to-budget-busting-juggernaut/2011/12/13/gIQAXaq3wO_story.html

White House blasts new Medicare overhaul proposal as "radical"

Stephanie Condon

CBS News

December 15, 2011

Republican Rep. Paul Ryan of Wisconsin and Democratic Sen. Ron Wyden of Oregon unveiled a new proposal to strengthen Medicare, but the White House rejected the plan, arguing that it would "end Medicare as we know it for millions of seniors." White House Press Secretary Jay Carney said today that the Obama administration is concerned that the new proposal "would undermine, rather than strengthen, Medicare". The Wyden-Ryan proposal could cause the traditional Medicare program to be ignored and wasted because it would raise premiums, forcing many seniors to leave traditional Medicare and join private plans, and it would shift costs from the government to seniors."

http://www.cbsnews.com/8301-503544_162-57343902-503544/white-house-blasts-new-medicare-overhaul-proposal-as-radical/

Social Security

Pelosi: Payroll tax cut shouldn't be 'endless' but 'one more year' won't hurt Social Security
Nicholas Ballas
The Daily Caller
December 15, 2011

Social Security Trustee Charles Blahous, appointed by President Obama, has said that the payroll tax cut extension would be a major step toward moving Social Security from a benefit earned by worker contributions to welfare, since less money would be directly paid into Social Security from workers. However, House Minority Leader Nancy Pelosi told The Daily Caller that the Social Security or "payroll" tax cut should not be endless but it should receive a year-long extension that is needed in an economy of this kind.

<http://dailycaller.com/2011/12/15/pelosi-payroll-tax-cut-shouldnt-be-endless-but-one-more-year-wont-hurt-social-security-video/#ixzz1gj1yLF9>

Politics

Congress reaches deal to avoid government shutdown
Susan Davis
USA Today
December 16, 2011

Congress has reached an agreement to fund the federal government through Sept. 30 of next year — avoiding a government shutdown at midnight Friday — and was considering a deal for a short-term extension of a payroll tax cut and unemployment benefits to American workers. The spending package bundles together nine appropriations bills totaling \$915 billion and funds the government through the end of the fiscal year. Lawmakers agreed to the measure, but it was delayed due to White House objections to two provisions in the bill: to reinstate travel restrictions to Cuba and funding cuts to the Commodity Futures Trading Commission.

As of late Thursday, congressional leaders were discussing a short-term \$40 billion deal for a two-month extension of the payroll tax cut and unemployment benefits in order to buy Congress more time to negotiate how to pay for the measures through the end of 2012.

<http://www.usatoday.com/news/washington/story/2011-12-15/congress-government-shutdown/51984440/1>

Gingrich and Romney on the defensive in GOP debate
Dan Balz & Philip Rucker
Washington Post
December 15, 2011

Newt Gingrich and Mitt Romney found themselves on the defensive in the last Republican debate before the Iowa caucuses. The questions highlighted the choice GOP voters will face as

they start the process of selecting a presidential nominee in January: whether Romney can be trusted to lead a party that has become more conservative in recent years versus whether Gingrich has the discipline and consistency to carry the Republican banner.

http://www.washingtonpost.com/politics/gingrich-on-the-defensive-in-gop-debate/2011/12/15/gIQAJPg8wO_story_1.html

Voting Rights Controversies Wreak Havoc in Texas

Ariane de Vogue

ABC News

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When the latest census came out in February 2011, it revealed that Texas' population had exploded by more than 4 million people, and that the state would get four more congressional seats. The increase in population was dominated by Hispanics and African-Americans. As required by federal law, the state legislature set to work to draw new districting maps for the state's legislative and congressional seats that would reflect the new census numbers. But when the new maps were released last spring, minority groups and Democrats were enraged at the results and charged that the Republican-dominated legislature had drawn up maps that did not reflect the growth in minority representation. As things now stand, there are no approved district maps, and three separate federal courts, including the U.S. Supreme Court, are racing to untangle the mess that threatens to delay the state's March 6 primary.

<http://abcnews.go.com/blogs/politics/2011/12/voting-rights-controversies-wreak-havoc-in-texas/>