

FRIDAY ALERT



Alliance for Retired Americans

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Senators Baucus, Kennedy Offer Different Visions for Health Care Reform

The Senate Health, Education, Labor and Pensions Committee and the Senate Finance Committee have adopted different views on health care reform. The chairs of each committee, Senators **Ted Kennedy** (D-MA) and **Max Baucus** (D-MT), respectively, are spearheading the reform, and it is clear how their committees have shaped their priorities. Kennedy has advocated a separate government entity, one that is closely modeled off Medicare, while Baucus believes this public plan should be used as a last resort if insurance companies are unable to provide affordable coverage within the next few years. “Private insurers have proved to be inadequate in their coverage. More often than not, someone who is in desperate need of care will be turned away because of pre-existing conditions,” commented **Edward F. Coyle**, Executive Director of the Alliance. Hospital executives and doctors appreciate that private insurers can offer them substantially more money than a public insurance option. On Wednesday, Baucus met with single-payer activists, some of whom were arrested last month for disrupting Finance Committee health care hearings. **President Obama** has expressed his support for a public insurance option, working alongside private industries, as a way to expand coverage to all Americans.

Social Security and VA Benefits Inadequately Protected in Banks

A loophole in federal banking rules exists, allowing nefarious creditors to garnish retirees’ Social Security and Veterans’ benefits. While federal law is designed to protect these benefits from most creditors, several bill collectors have legally manipulated banks into temporarily freezing their customers’ accounts while the issue is sorted out. This ploy by creditors has intensified since the substantial increase in direct deposit, which is used by 80% of Social Security recipients. Lawmakers from both parties are calling upon the Obama Administration to issue new, tighter regulations to prevent some banks from seizing funds that were placed in an account via direct deposit. Sen. **Herb Kohl** (D-WI), Chairman of the Senate Special Committee on Aging, and other lawmakers have introduced a bill that would stop further promotion of the direct deposit programs for Social Security and veterans’ benefits until the Treasury Department issues rules to protect the benefits from creditors. “The Alliance recognizes the vulnerability of direct deposit for retirees, and it is imperative that we press the Department of Treasury to close this existing loophole,” said **Barbara J. Easterling**, President of the Alliance, in support of Sen. Kohl’s bill.

Taxing Health Benefits Costly to the Northeast, Middle Class

The red state, blue state divide has once again been exacerbated as a result of the current debate on health care reform. According to *The Washington Post*, the possibility of taxing health benefits to expand coverage to all Americans would largely be at the expense of the more liberal blue states. Private businesses assert that taxing benefits would raise an impressive \$246 billion a year. However, this tax will result in a considerable regional shift, falling primarily on northeast middle class families, who have higher coverage rates and significantly better benefits than the South and

West, due in part to better employment patterns and stronger labor unions. In attempts to deliver a better-balanced plan, proposals to tax benefits for workers above a certain income level have been discussed by Members of Congress. President Obama campaigned against this in 2008 but said he would consider it in a meeting with senators last week. "As coverage is inequitable on a regional scale, taxing benefits will fall almost entirely on middle class workers with good benefits," argues **Ruben Burks**, Secretary-Treasurer of the Alliance. "This is unfair, since many workers gave up other forms of compensation in past negotiations in order to obtain those medical benefits."

California, Pennsylvania Governors Try to Work Around Budget Crises

California's social services, much like every other state, have been negatively affected by the budget crisis. Their Aging and Adult Services Program recently laid off two-thirds of their employees, and this has had dire consequences for seniors, who now lack adequate social service resources provided by the state. For example Contra County, California has been so depleted of its resources that the Adult Protection Program is unable to investigate seniors' complaints of financial and physical abuse. Pennsylvania, on the other hand, has been more successful in aiding retirees during hard financial times. According to the *The Philadelphia Inquirer*, Gov. **Ed Rendell** is working on legislation to raise income eligibility limits for seniors to qualify for PACENET, the state's prescription-drug program. He proposes to fund this not through taxpayers, but through the Pennsylvania Lottery, requiring pharmaceutical companies to provide the state the same drug rebates that it gives to the federal government.

Alliance Polls: Results are in on Stimulus Check Question, New Poll Now Posted

The results of the Alliance's latest on-line poll are in, and with 252 people responding, 74% said they plan to spend their stimulus check. Twenty-six percent plan to save it. Seniors should have received their stimulus checks by yesterday. Go to www.retiredamericans.org to take part in the Alliance's latest poll, "Do you think Congress will pass universal health care in 2009?"

Florida, North Carolina Alliance State Chapters Hold Their Conventions

The Florida Alliance held its annual convention in Orlando this week. Edward Coyle covered health care as well as Social Security. On Wednesday, **Richard Fiesta**, Director of the national Alliance's Department of Government and Political Affairs, spoke about health care at the North Carolina convention in Clemmons, NC.

Alliance Legislative Conference to Include HHS Sec. Kathleen Sebelius as Speaker

Less than two weeks remain until the Alliance's 2009 Legislative Conference, which will take place June 15-18 in Washington, DC at the Washington Hilton. Share ideas with new Administration officials who are friendly on retiree issues! The Alliance has confirmed the Secretary of the Department of Health and Human Services, **Kathleen Sebelius**, as a speaker. Other scheduled speakers include Rep. **Jan Schakowsky** (D-IL) and numerous leaders at the forefront of the labor movement. To register, call 1-888-373-6497, e-mail **Joni Jones** at jjones@retiredamericans.org or go to www.unionvoice.org/retirees/events/conf_2009/details.tcl.

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