

FRIDAY ALERT



Alliance for Retired Americans

815 16th Street, NW, Fourth Floor • Washington, DC 20006 • 202.637.5399

www.retiredamericans.org • aracommunications@retiredamericans.org

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Obama Inaugural Address Includes Support for Protecting Social Security, Medicare

President **Barack Obama** kicked off his second term on Monday, and his ceremonial swearing-in at the U.S. Capitol was filled with pomp and pageantry. The traditional celebrations came a day after he was sworn in on Sunday, on the constitutionally-required date, in a low-key ceremony at the White House. In his inaugural address, Obama insisted that programs such as Social Security and Medicare -- long targets of conservatives seeking to cut the size of government -- remain vital to the maintenance of America's safety net for seniors, the poor and the disabled. "We, the people, understand that our country cannot succeed when a shrinking few do very well and a growing many barely make it," Obama declared, adding that tough decisions on how to address the nation's chronic federal deficits and debt must avoid choosing between "caring for the generation that built this country and investing in the generation that will build its future."

"There is a reason that the Alliance worked to re-elect President Obama," said **Barbara J. Easterling**, President of the Alliance. "That speech would have been very different if **Mitt Romney** had been delivering it. He likely would have used Monday to talk about turning Medicare into a voucher program. "

Debt Limit Vote in House Makes March 1 the Next Moment of Truth

On Wednesday, the House passed legislation to eliminate the nation's statutory borrowing limit until May, avoiding an economic showdown with President Obama. Under the proposal, the Treasury Department would be permitted to ignore the \$16.4 trillion cap on government borrowing in order to pay the nation's bills through May 18. At that point, the debt limit would automatically reset at a higher level. The House measure passed 285 to 144, with 33 Republicans voting no. More than half of House Democrats voted against the legislation, arguing that a longer extension of the debt limit is necessary to bring certainty to the sluggish economy. However, Democrats delivered enough votes to push the measure across the finish line. For a full tally of the vote, go to <http://tinyurl.com/abszl2h>. A Senate vote is expected as soon as next week. The White House has said that President Obama would not stand in the way of the bill.

In an analysis released Wednesday, the Bipartisan Policy Center predicted that the date of potential default would now be postponed at least until the end of July. The House measure also requires senators to adopt their own budget blueprint by April 15 or have their paychecks withheld and placed in escrow until this session of Congress ends in 2015. However, congressional leaders are already looking toward the next budget crisis: deep automatic spending cuts that look increasingly likely to hit the Pentagon and other federal agencies on March 1.

Also on Wednesday, leaders in both parties predicted in *The Washington Post* that cuts, known as sequestration, will take effect at least briefly while policymakers try to restart talks over a far-reaching plan to lower the national debt. After the sequester comes the threat of a government

shutdown on March 27. “Using the debt ceiling to force cuts to Social Security, Medicare and Medicaid is right now off the table,” said **Edward F. Coyle**, Executive Director of the Alliance. “However, Speaker **Boehner** wants to use March 1 as a deadline for taking the economy hostage unless cuts are made to Social Security, Medicare and Medicaid.” For more on this topic from *The New York Times*, go to <http://tinyurl.com/alt3d5q>. For an Alliance fact sheet on the budget showdown, go to <http://tinyurl.com/a8cu68y>.

Conference Call with Alliance Activists Sets the Stage for Next 6-8 Weeks of Action

Alliance leaders hosted a conference call about the budget showdown with nearly 1,000 activists on Thursday. Alliance members discussed plans to use January 30 as a Day of Action, partnering with the AFL-CIO and other progressive organizations to demand that seniors’ programs not be cut and that corporations pay their fair share. Also, Presidents’ Day week will be used by activists to deliver petitions and lobby Members of Congress with a similar message.

“Callers voiced their opinions on several poll questions concerning their use of social media during the budget showdown; lifting the cap on earnings subject to the Social Security payroll tax; and demanding that drug companies provide discounts for low-income Medicare beneficiaries, saving the federal government \$130 billion,” said **Ruben Burks**, Secretary-Treasurer of the Alliance.

GOP Becoming Less Unified in Opposition to Health Law

There is a growing split among Republicans over whether to continue resisting the Affordable Care Act. A critical feature of the health care reform law is creating an online health insurance marketplace that will allow citizens to shop for coverage and find out if they qualify for government subsidies or Medicaid, the state-federal health program for the poor. According to Kaiser Health News, Mississippi, Utah, Idaho, and Nevada are four Republican states - out of 17 overall, plus the District of Columbia - that applied to the federal government in December to establish a state insurance marketplace, or exchange. States that don’t set up a state insurance marketplace will have one created by the federal government. Two months ago, Republican opposition was nearly uniform across the country. But cracks are appearing and they will widen, predicts **Larry Jacobs**, director of the Center for the Study of Politics and Governance at the University of Minnesota.

On January 14, Arizona Gov. **Jan Brewer** (R), one of the health law’s most vocal opponents, backed the law’s optional Medicaid expansion in her state. Brewer became the fourth Republican governor and 23rd overall to embrace extending Medicaid to cover residents earning up to 138 percent of the federal poverty level (\$32,000 for a family of four). As many as 17 million people would become eligible for Medicaid if all states participate. More at <http://tinyurl.com/aqfhxsb>.

Affordable Senior Health Insurance to Supplement Medicare

Affordable insurance supplemental to Medicare is available through the Retiree Health Plan endorsed by the Alliance for union retirees. The Open Enrollment period is currently in effect through February 28, 2013! During this period, these Medicare-eligible retirees and their spouses are guaranteed acceptance with no waiting periods, regardless of preexisting health conditions. If you have questions or would like to enroll in the program, please call 1-866-298-9117. You can also visit www.araretireehealth.com to get more information.

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