

# FRIDAY ALERT



**Alliance for Retired Americans**

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## **Sequester Cuts Will Be Harmful to Seniors**

On Thursday, the U.S. Senate blocked a plan to avert the sequester without harming Social Security, Medicare, or Medicaid. As a result, the cuts imposed by sequestration will be in place as of today and will be gradually implemented. S. 388, the American Family Economic Protection Act - the Democratic alternative to the sequester - would have replaced the cuts and raised revenue by requiring millionaires and corporations to pay their fair share in taxes, including a minimum tax. It would have eliminated tax breaks for corporations that send jobs overseas, recognized savings from scaling back the war in Afghanistan, and cut unnecessary farm subsidy payments. The Alliance supported the measure, but it failed 51-49, with 60 votes needed to cut off debate. For a tally of that vote, go to <http://tinyurl.com/cjrnne5>.

“It is vital that these cuts be reversed as quickly as possible. Among the many crucial programs affected by the sequester are several that are of particular importance to seniors,” said **Edward F. Coyle**, Executive Director of the Alliance.

While Social Security benefits are exempted from the sequester, the Social Security Administration (SSA), which administers the benefits, is not. Cuts to the SSA budget will weaken program oversight and could make it more difficult to pay benefits accurately and for mistakes to be promptly corrected. Cuts to the Food and Drug Administration’s Center for Drug Evaluation and Research will lead to delays in approving new prescription drugs that could help seniors suffering from chronic illnesses. The National Institutes of Health will also suffer sharp cuts, handicapping important medical research. Additionally, as discussed in last week’s Friday Alert, Meals on Wheels will lose a significant portion of its funding, putting homebound and disabled seniors who rely on Meals on Wheels as a vital source of food at risk.

To see the Alliance web page devoted to the sequester, go to <http://tinyurl.com/alsw2jb>. To see the Alliance statement on the sequester, go to <http://tinyurl.com/b5cofrt>. Finally, to see a state-by-state breakdown on what the sequester means for you, go to <http://tinyurl.com/d7skp9l>.

## **What You Can Do Regarding Sequestration**

Alliance members have sent 4,700 letters to their Senators this week trying to prevent the cuts by encouraging the Senate to pass the American Family Economic Protection Act. If you have not yet sent a letter, it is not too late to act – the Senate may vote again on Monday. Go to <http://tinyurl.com/ah6aktv>.

“I would like to thank all of the Alliance activists who have contacted their Senators,” said **Barbara J. Easterling**, President of the Alliance. “It is great to have members who are so engaged.”

## **Alliance Submits Testimony for House Ways and Means Hearing**

On Tuesday, February 26th, the Health Subcommittee of the House Ways and Means Committee held a hearing on “Examining Traditional Medicare’s Benefit Design.” The Alliance submitted written testimony to the hearing. In the testimony, the Alliance explains why several proposed changes to Medicare, would be harmful to beneficiaries. To view the testimony, go to <http://tinyurl.com/bbebeuw>.

One of the proposed changes, charging a combined deductible, would shift the cost of hospital visits to relatively healthy retirees who do not use hospital services. Millions of beneficiaries would see their out-of-pocket spending increase by \$250 a year. Another proposed change, implementing a Medigap supplemental policy surcharge, would impose higher costs on retirees that could lead them to forego necessary treatment. A third proposed change, the establishment of a tiered co-payment for services, would require beneficiaries to pay part of the cost for services that they were not previously charged for.

“Restructuring Medicare could be a positive step if it is done in a way that does not shift costs to beneficiaries, such as allowing Medicare to use its bulk purchasing power to buy prescription drugs at a cheaper rate,” said **Ruben Burks**, Secretary-Treasurer of the Alliance. “However, these proposed changes would all represent a step in the wrong direction. They try to shift costs to Medicare beneficiaries who already paid into the program for their entire working lives.”

## **Impress Your Friends, Learn what the Health Insurance Exchange is!**

To view a link from the U.S. Department of Health and Human Services, go to <http://tinyurl.com/b9odxnb>. It explains the Health Insurance Exchange, an important part of health care reform that takes effect in 2014. It will be a new way for individuals, families and small businesses to get health insurance. Whether you’re uninsured, or just want to explore new options, the Marketplace will give you more choice and control over your health insurance options.

## **Small Business Owners Oppose Cuts to Social Security and Medicare**

Small business owners are adamantly opposed to benefit cuts. Eighty percent of small business owners oppose cutting Social Security benefits, and seventy five percent oppose any cuts to Medicare, according to a recent poll by Small Business Majority. Business owners realize that if these vital programs are cut, their customers will no longer have money to spend, which would hurt their businesses and by extension the entire economy. Respondents said that instead of cutting benefit programs, the government should raise money by closing tax loopholes for large corporations and ending subsidies to oil and gas companies. To see the *Washington Post*’s write up of the poll, go to <http://tinyurl.com/ayf9xm2>.

“These numbers show that small business owners are keenly aware that any cuts to Medicare and Social security would not just be a disaster for seniors,” said Mr. Coyle. “By leaving beneficiaries without a substantial portion of their income, these cuts would also cause great harm to the economy as whole by forcing seniors to sharply reduce their spending.”

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