

# FRIDAY ALERT



**Alliance for Retired Americans**

815 16th Street, NW, Fourth Floor • Washington, DC 20006  
202.637.5399 • [www.retiredamericans.org](http://www.retiredamericans.org) • [arafridayalert@retiredamericans.org](mailto:arafridayalert@retiredamericans.org)

February 29, 2008

## Medicare Advantage Plans Costing Many Seniors More

A report issued yesterday by the Government Accountability Office, Congress' investigative bureau, revealed that out-of-pocket costs for Medicare Advantage beneficiaries are often much higher than for recipients of traditional Medicare, particularly for spending on nursing homes, home health care, and some hospital visits. In 2007, 19 percent of seniors with Medicare Advantage plans were faced with higher overall costs for home health services, and 16 percent were subject to greater expenses for inpatient hospital care and overnight stays. While 48 percent of Medicare Advantage beneficiaries participated in programs with annual limits on out-of-pocket costs, one of the benefits touted by private insurance companies, the report found a number of significant expenses that are not counted toward these limits by many insurers. 21 percent of such plans excluded spending on home health care, 23 percent did not include certain mental health services, and 29 percent would not count the cost of some cancer treatments. After seeking care, many beneficiaries were surprised to learn they paid considerably more than their plans' out-of-pocket maximums indicated they would be charged. According to *Congressional Quarterly*, Democrats in Congress may try to amend the President's Medicare "trigger" bill, which proposes means-testing for Part D and was introduced in Congress on Monday (H.R. 5480 in the House and S. 2662 in the Senate), to target Medicare Advantage plans. "These Medicare Advantage plans are ultimately costing seniors more and failing them in times of need," said **George J. Kourpias**, President of the Alliance. "Private insurance companies are literally profiting at the expense of retirees."

## Prescription Drug Group Spends \$22 Million Lobbying Washington in 2007

The pharmaceutical industry's main trade group spent over \$22 million on Washington lobbyists in 2007, the Associated Press reported. This is a 25 percent increase over 2006. "Retirees need to know what we are up against in Washington. But I still believe that a grassroots army of seniors can take on the giant lobbyists – and win," said **Edward Coyle**, Executive Director of the Alliance. Also, the *Wall Street Journal* reported that prescription prices rose eight percent in 2007, twice the rate of inflation. Some industry analysts, the Journal noted, believe that the increases were aimed to drive drug prices higher before any possible Medicare reforms could be enacted by Congress. Coyle is scheduled to discuss the issue this afternoon on Fox Business News Network.

## Inflation Rising Faster for Retirees Than Other Americans

Inflation figures for older Americans are significantly higher than for the general population. *The Wall Street Journal* reported this week that while the average inflation rate, measured by the Consumer Price Index, is increasing at 4.4 percent per year, most of the products with prices rising most slowly or even falling are purchased by younger consumers. The Bureau of Labor Statistics

(BLS) showed that through January, clothing prices fell an average of 0.2 percent, while costs for information-technology merchandise fell about 6.2 percent. On the other hand, costs for products bought by retirees are rising alarmingly; the BLS estimates home energy expenses to be rising at 5.5 percent per year, the cost of groceries increasing by 5.7 percent per year, and gasoline prices swelling 34 percent. “These statistics prove that retirees have economic and political interests beyond Social Security and Medicare,” said **Ruben Burks**, Secretary-Treasurer of the Alliance. “We must vote for candidates in November that are not only good for the health of seniors but for the health of our economy.”

### **Voter Help Available for Ohio, Other March 4 Primary States**

The non-partisan organization Election Protection is operating a free telephone hotline, where trained legal volunteers are answering questions and helping to fix problems around the March 4 primaries in Ohio, Texas, Rhode Island and Vermont. Voters can call 1-866-OUR-VOTE (1-866-687-8683) or visit the Election Protection website at [www.866OurVote.org](http://www.866OurVote.org) for help before or after voting to ask questions about rules or report problems experienced at the polls. Legal volunteers will provide information about voting in your state, work with local election officials to try to resolve issues and ultimately file emergency lawsuits if necessary. While the voter protection hotline is available for every state voting Tuesday, extra attention is being focused on Ohio in anticipation of widespread troubles. According to a recent article in *USA Today*, almost 20 percent of Cuyahoga County election volunteers did not report in 2006, and poll workers throughout the state that did show up were insufficiently trained. A shortage of poll workers is also expected for Tuesday’s primaries. Additionally, an economic downturn and declining home prices have resulted in many voters being asked to fill out provisional ballots, as those who move close to Election Day may have new polling stations or be unable to show proof of residence. For more information on voting in Ohio, go to <http://www.retiredamericans.org/ht/a/GetDocumentAction/i/6113>.

### **Less than One Month Until First Regional Conference**

In less than one month – March 24-26 – the Alliance will hold its first regional conference of 2008 in Las Vegas, NV. Featuring speakers such as U.S. Rep. **Shelley Berkley** (NV-01), the Western Regional Conference will provide a forum for activists to work together and prepare for November’s Presidential election. Attendees will learn how to get seniors and other retirees registered and voting, increase grassroots advocacy and educate federal, state and local legislators on issues like Medicare, Social Security, prescription drugs, and retirement security. Locations and dates for later conferences are: Northeastern Regional Conference, April 17-18, 2008 in Philadelphia, PA; Midwestern Regional Conference, April 28-29, 2008 in St. Louis, MO; and Southern Regional Conference, June 4-5, 2008 in Orlando, FL. For copies of the official registration form for any of the four regional conferences, call 1-888-373-6497, email **Joni Jones** at [jjones@retiredamericans.org](mailto:jjones@retiredamericans.org), or visit our website at [www.retiredamericans.org](http://www.retiredamericans.org).

#### **Did You Know...**

The average age of the estimated 2 million poll workers in the United States is 72 (*USA Today*).