

# FRIDAY ALERT



**Alliance for Retired Americans**

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## **Northeastern Regional Meeting Coincides with Pennsylvania's Primary**

On Thursday and Friday of last week, the Alliance held its Northeastern Regional Meeting - the second of four regional meetings - in Philadelphia, PA. **Gerald McEntee**, President of the American Federation of State, County, and Municipal Employees (AFSCME), and former first-daughter **Chelsea Clinton** represented U.S. presidential candidate Sen. **Hillary Clinton** at the meeting, while Rep. **Chaka Fattah** (D-PA) represented U.S. presidential candidate Sen. **Barack Obama**. **Ellie Kuhns**, Executive Vice President of the Pennsylvania Alliance, was among the inspiring speakers who addressed the attendees. The following newly-elected sub-regional board members to the Alliance Executive Board were sworn in: **Kevin Lynch**; **Nancy True**; **Carl Pullet**; and **John Bloch**. Locations and dates for later conferences are: 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 forms, call 1-888-373-6497, email **Joni Jones** at [jjones@retiredamericans.org](mailto:jjones@retiredamericans.org), or visit [www.retiredamericans.org](http://www.retiredamericans.org). The Western Regional Meeting took place in Las Vegas, NV in March. Pennsylvanians vote on Tuesday, April 22nd in the presidential primary.

## **McCain Medicare Plan Targets Seniors in Favor of Drug, Insurance Companies**

On April 15, Senator **John McCain** released a plan that would charge many seniors higher prices for their prescription drugs and jeopardize the long-term future of Medicare by means-testing the Medicare Part D Prescription Drug Program. Such a scheme would erode the viability of Medicare, as higher premiums could lead many to opt out of these health plans. Moreover, it would weaken the universal social insurance nature of Medicare. While Sen. McCain proposed charging many seniors more for their prescriptions, he ignored the opportunity to finally end the pharmaceutical industry's sweetheart deal prohibiting Medicare from negotiating bulk discounts from drug manufacturers. Also ignored were the taxpayer subsidies to large insurance companies – estimated to be \$150 billion over the next ten years – to operate privatized Medicare Advantage plans at a cost between 12 and 19% higher than allowing Medicare to serve these same people directly. “This plan – when paired with the Senator’s recent comments in support of a privatized Social Security system tied to the whims of Wall Street – should be of great concern to current and future retirees,” said **Edward Coyle**, Executive Director of the Alliance.

## **Co-Payments for High-Priced Drugs Rise Beyond Reach**

A new insurance company pricing system for prescription drugs means seriously ill patients are being burdened with massive bills. According to a recent report by *The New York Times*, more and more providers are requiring patients to pay thousands of dollars for hundreds of expensive medications that may halt or slow the progression of serious diseases such as cancer, hepatitis C, multiple sclerosis, hemophilia, and rheumatoid arthritis. Under the new structure, beneficiaries no

longer pay a fixed price, such as \$10, \$20 or \$30, to fill a prescription, regardless of the medication's actual cost. Patients are instead charged 20% to 33% of the total drug cost, which can run as high as thousands of dollars per month. As there are no cheaper or generic versions of the prescriptions available, the choice is between paying the exorbitant prices or going without crucial medications. Often called Tier 4, this system has quickly spread from the Medicare drug plans where it originated. While five years ago Tier 4 was rare to nonexistent in private plans, ten percent now have the drug category, with some plans even requiring higher co-payments for the most expensive prescriptions in a Tier 5. These tiers now are now the fastest-growing plans in private insurance. "The sickest patients have enough on their plates without adding new financial worries," said **Ruben Burks**, Secretary-Treasurer of the Alliance. "This trend is bad not just for seniors, but for society in general."

### **2007: A Very Good Year to be a Pharmaceutical CEO**

The current economic downturn has yet to reach the CEOs of the nation's largest pharmaceutical companies. Some annual paychecks, according to the AFL-CIO's newly-released study of executive compensation: Abbott Laboratories, \$31.9 million; Johnson & Johnson, \$29.6 million; Wyeth, \$24.1 million; and Merck, \$19.3 million. "At a time when millions of Americans are struggling to afford their prescriptions, we must educate our fellow retirees about why drugs cost so much," said Alliance President **George J. Kourpias**. The study used data from the Securities and Exchange Commission.

### **Golden Years Really Are the Happiest for Many Seniors**

New research from the University of Chicago finds the happiest Americans are the oldest, with life getting better in an individual's own perception as one ages. Sociologist **Yang Yang's** study found that, despite some drawbacks associated with old age, older people generally have learned to be more content with what they have than younger adults. Some may have learned to lower their expectations and accept their achievements. For example, an older person may realize that it's fine to be a schoolteacher and not a Nobel prize winner, according to one aging expert. The findings are based on periodic face-to-face interviews with a nationally representative sample of Americans from 1972 to 2004. About 28,000 people ages 18 to 88 took part. In general, the odds of being happy increased 5% with every 10 years of age. Overall, about 33% of Americans reported being very happy at age 88, versus about 24% of those age 18 to their early 20s. Baby boomers were found to be the least happy, with higher aspirations than earlier generations. The study appears in April's *American Sociological Review* at [www2.asanet.org/journals/asr/](http://www2.asanet.org/journals/asr/).

### **Florida Alliance Participates in National Health Care Month**

The Florida Alliance is joining labor and community groups to observe April's National Health Care Month. Activities included Florida Alliance President **Tony Fransetta** speaking to a Palm Beach Labor Council meeting on the need for universal health care. To help with advocacy efforts, Fransetta urged workers and retirees to share their personal health care stories with both the public and policymakers. The Florida Alliance is helping to distribute fact sheets and DVDs on the nation's health care crisis.