

NYSUT Retiree Council 22



Presentation by the Barry A. Kaufmann, President New York State Alliance for Retired
Americans
October 4, 2022
Via Zoom



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Prior to 2022 Midterm Elections Serious Senior Issues



“We have arrived at what many people call “silly season” and some people refer to as the most important election in their lifetime. In this election the truth is probably both of the above. For seniors, perhaps more is at stake than at any time in the past and more things that we “assumed” to be secure might not be if some of the people in government and or running for election/re-election are successful in their quest to represent you.”

Barry A. Kaufmann, President NYSARA



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All federal legislation sunsets in 5 years. If a law is worth keeping, Congress can pass it again.”

And

“Force Congress to issue a report every year telling the public what they plan to do when Social Security and Medicare go bankrupt”

Senator Rick Scott (R/FL) in his 11 point plan



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Prominent Republicans Publicly Support Senator Scott

- Senator Marco Rubio (FL)
- RNC Chair Ronna McDaniel
- Senator Mike Braun (IN)
- Senator Tommy Tuberville (AL)
- Senator Joni Ernst (IA)
- Arizona Senate Candidate Jim Lamon
- Pennsylvania Senate Candidate Mehmet Oz
- Senator Ron Johnson (WI) who believes SS and Medicare should be re approved annually



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“Entitlement reform is a must for us to not become Greece.” He said he’s open to tweaking the income cap and eligibility age for programs — and wants to bring in a bipartisan group to study the problems.

Lindsey Graham (R/SC)



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Social Security/Medicare threats in Congress “The Trust Act”

- Establishes “Rescue” Committees for the medicare, social security and highway safety trusts with 12 members and no public input or hearings.
- Committee can consider dramatic changes to SS and Medicare such as benefit cuts, eligibility age, means testing or raising taxes on working Americans
- Congressional standing committees can make suggestions but Rescue committee does not have to accept.
- The bills passed by the rescue committee CANNOT be amended and would go to the House and Senate floor for an up or down majority vote



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Social Security The Facts

Average Monthly Benefit 2020

- Retired Worker \$1,657
- Retired couple \$2,753
- Disabled Worker \$1,358
- Disabled Worker with spouse and child \$2,383
- Widow or Widower \$1,553
- Young Widower with 2 children \$3,187
- Maximum Monthly Social Security \$3,345 (for worker at full retirement age)



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Cost of Living Adjustment 2022

5.9%

Or an average \$92

Of which an increase of \$21.60
will go to Medicare Part B
premium



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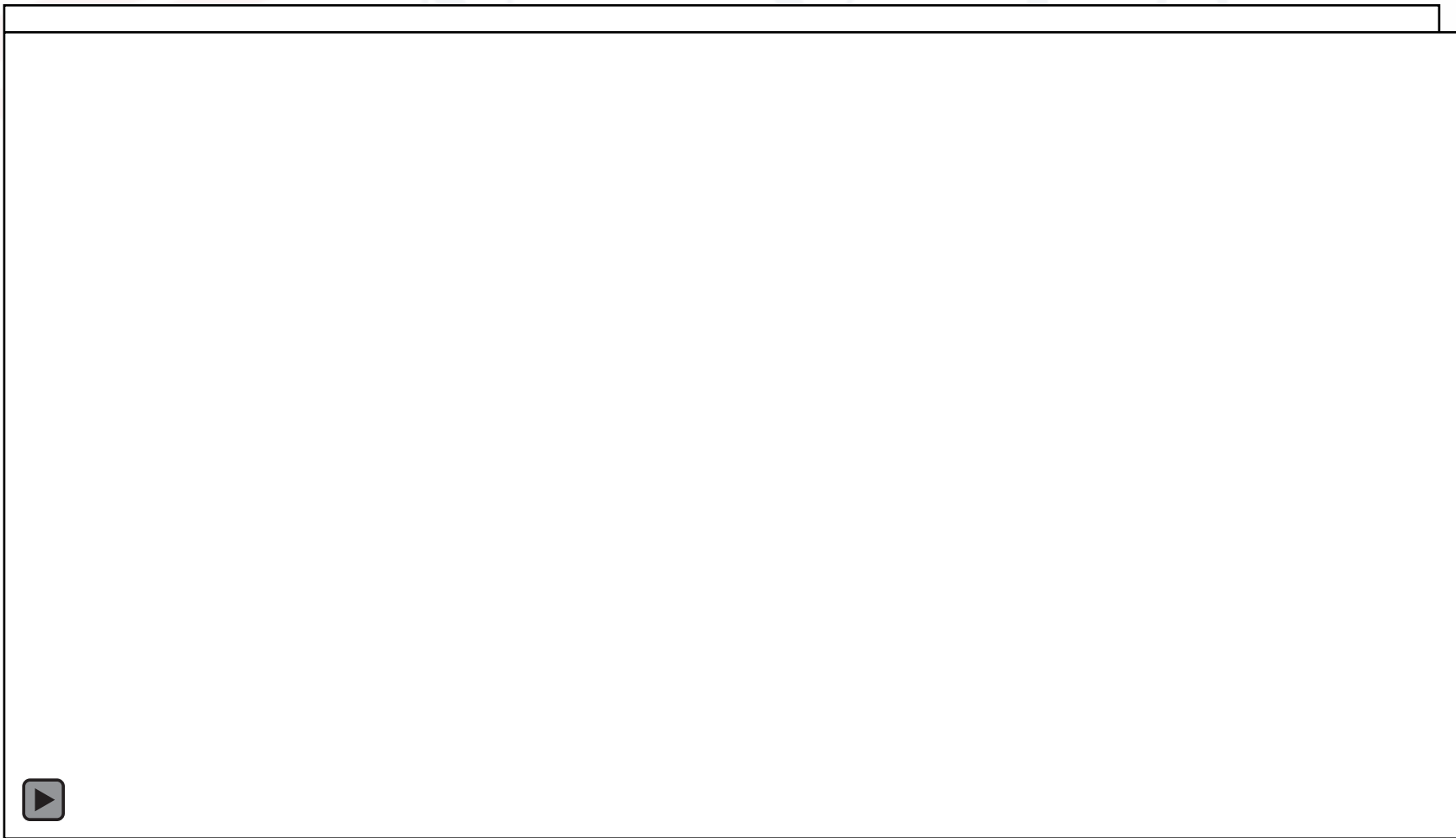
COLA 2023

- Undetermined at this time but projected to be larger than 2022 (Reports are +\$159 per month for average recipient)



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Bills in Congress to Benefit Social Security

Social Security 2100 (Rep. Larson)

- **Increase benefit and improve COLA** – 2% benefit increase from the top and adopting CPI-E as COLA method
- **Improve benefits for Widow(er)s** who would be able to keep 75% of SS household benefits
- **Provide a caregiver benefit** up to 5 years of SS benefit for caregivers who drop out of workforce to care for someone
- **Increase benefits for low wage workers and older retirees** ensures “special minimum benefit” for people who earned low-wages are at least 125% of federal poverty level and provides a 5% benefit increase to those retired over 15 years phased in over 5 years
- **Grandparent benefits** increasing access to benefits for children living with Grandparents.
- **Eliminates WEP/GPO**
- **Charge FICA on all income over \$400,000**



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Larson Social Security 2100 Continued

- **Lower taxes for some seniors** raises threshold from \$25,000 to \$35,000 singles and \$32,000 to \$50,000 for married
- **Repeal 5 month waiting period for disability Insurance**
- **Provide gradual reduction of offsets for disabled with earnings**
- **Extend student benefits to age 25**
- **Social Security Statements** clarifies statements mailed out to all workers 25 and over who are not receiving benefits, unless signed up for electronic delivery
- **Prevents the closure of Social Security hearing and field Offices unless specific criteria are met**



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Bills in Congress Cont.

Social Security Expansion Act

Senator Bernie Sanders Author

- Extend solvency of SS for 75 years – requiring the lifting of the FICA cap to all income over \$250,000 under this bill over 93% of households would see \$0 increase
- Expand Social Security benefits – increased by \$200 per month
- Use CPI-E for COLA
- Require FICA taxes to be levied on investment and business income not covered by the payroll tax
- Improve the special Minimum benefit for Social Security Recipients increasing it to 125% of poverty level and indexing the benefit
- Restore Student benefit up to age 22 for children of disabled or deceased parents (eliminated in 1983)
- Combine Disability Insurance Trust Fund with the Old Age and Survivors Trust fund to help seniors and the disabled



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Social Security/Medicare Trustees Report 2022

- Social Security and Medicare do not face a financing “crisis,” and the programs are not “bankrupt,” as some critics charge. Even if policymakers took no further action and allowed the trust fund reserves to be depleted, Social Security could still initially pay about 80 percent of scheduled benefits, using its annual tax income, and Medicare HI could pay about 90 percent. (Medicare’s programs for physician and outpatient costs and prescription drugs cannot run short of funds because beneficiary premiums and general revenue contributions are specifically set at levels to cover costs.)
- The trustees now project that the reserves of the combined Social Security trust funds will be depleted in 2035 and Medicare’s Hospital Insurance (HI) trust fund in 2028. For HI, that’s two years later than in last year’s report. For Social Security, that’s one year later. These projected depletion dates are uncertain, however, and could easily vary by years, one way or the other.



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Medicare Issues

- Rx Drug costs
- Medicare Part B premiums
- Medicare Advantage Programs disproportionate rewards and insufficient oversight
- Misrepresentation of Medicare pilot programs



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Rx Drug Costs

- **Since 2014, drug prices have increased 35%**, while the cost of all items and services has increased 19%.
- Cost of Name brand biologics dramatically increased costing \$18,000 - \$30,000 per year.
- Various Legislation in Congress fail to be enacted.
- Cost to buy same drug in other countries dramatically lower
- Easiest way of bringing Medicare/Health care costs down. (Price negotiation and capping of costs ie: insulin)



Rx Drug Prices Addressed through the Inflation Reduction Act of 2022

What the Bill Does

For Health Care

- Expands Medicare Benefits (Free Vaccines 2023, \$35 per month Insulin Maximum and a cap on out of pocket drug costs of \$2,000 by 2025).
- Saves the average enrollee in the ACA \$800/year in Marketplace.
- Allows Medicare to negotiate 100 drugs over the next decade.
- Requires drug companies to rebate back price increases that exceed the rate of inflation



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Other Important Provisions of IRA bill

- Makes a historic climate investment of \$369 billion
- Closes Tax loopholes (ie: 15% corporate Minimum tax and a 1% fee on stock buy backs)
- \$124 billion in savings over 10 years according to the CBO
- The IRA is projected to achieve hundreds of billions of dollars in deficit reduction (projected \$1.5 trillion in deficit reduction this year after \$350 billion last year)
- All this while not costing families and small businesses making \$400,000 or less one cent extra



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Issues Causing Part B Premium Rise

And their solution



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Medicare Part B premium

- Aduhelm – Alzheimers drug
- Caused Excess premium
- Cannot be corrected in 2022
- Will be credited in 2023
- Credit in 2023 will be in the form of the first time in a decade seniors will pay a lower Part D Premium® Monthly by 3%
- Most people on Medicare will pay \$164.90 per month a savings of \$5.20. In addition deductible for part B will decrease \$7 to \$226



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Medicare Advantage Programs

- Incentives
- Reporting
- Representations



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Misrepresentations of Medicare Pilot Programs

ie: ACO REACH

- Called Direct Contracting Model under Trump/Kushner and allowed Medicare recipients to be changed, without permission to Medicare Advantage program **Stopped by Biden Administration, to be replaced by ACO REACH in January 2023.**
- Promoted by some and used as a fundraiser for organizations as a privatization of Medicare and expansion of DCE model
- PURPOSE of Model according to CMS is to “improve the quality of care for people with Medicare through better care coordination, reaching and connecting health care providers and beneficiaries, including underserved beneficiaries.”



What is an ACO

- ACO's are not a recent invention, they began in 2012 as part of President Obama's Affordable Care Act.
- Well over 11 million Medicare beneficiaries are part of an ACO today.
- ACO's must be approved by the Centers for Medicare and Medicaid Services, part of the Department of Health and Human Services. ACO's were created as part of an effort to pay health care entities for the **value or quality care they provide** rather than charge a fee for each service.
- The model's goal is to avoid unnecessary duplication of service, increase health services and save the Medicare trust fund money.
- **ACO's differ from managed care plans and Medicare Advantage. While patients can choose to receive care from providers within one ACO, they can also choose care from any provider that accepts Medicare. If the beneficiary's primary care physician participates or joins an ACO, the beneficiary MUST be notified**



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How are ACOs different?

- ACOs are **NOT** a health insurance plan
 - You still receive your health benefits from Original Medicare
 - You do not sign up for or join an ACO
 - Your providers will work together to share information about your care to avoid unnecessary repeated tests and to better coordinate your care



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Who can get care from an ACO?

Anyone with Original Medicare may receive care from an ACO provider
If your doctor is in an ACO, then you are automatically a part of the ACO,
you don't have to join or enroll

If you are in a Medicare Advantage plan, you cannot be in an ACO

How do I know if I am getting care from an ACO provider?

You can always ask your doctor or the staff if they are in an ACO
There may be a notice in the office about the ACO
You may get a letter from your doctor or from Medicare letting you know the
doctor is in an ACO

Do I still have a choice of providers?

Yes, you can still see any doctor or hospital that accepts Original Medicare.
You do not have to choose ACO providers even if referred by your primary
care physician.



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Congressional Voting Records on Senior Issues 2021

- CD 1 Zeldin 0%
- CD 2 Garbarino 20%
- CD 3 Suozzi 100%
- CD 4 Rice 100%
- CD 5 Meeks 100%
- CD 6 Meng 100% - **ARA endorsed**
- CD 7 Velazquez 100%
- CD 8 Jeffries 100%
- CD 9 Clarke 100%
- CD 10 Nadler 100%
- CD 11 Malliotakis 10%
- CD 12 Maloney C. 100%
- CD 13 Espaillat 100%
- CD 14 Ocasio-Cortez 100%
- CD 15 Torres 100%
- CD 16 Bowman 100%
- CD 17 Jones 100%
- CD 18 Maloney S. 100%
- CD 19 Delgado 100%
- CD 20 Tonko 100% - **Endorsed by ARA 2022**
- CD 21 Stefanik 10%
- CD 22 Tenney 10%



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Congressional Voting Records Senior Issues 2021 Continued

- CD 23 Reed 10%
- CD 24 Katko 40%
- CD 25 Morelle 100%
- CD 26 Higgins 100% - **Endorsed by ARA 2022**
- CD 27 Jacobs 10%



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What Can We Do?

- Register to Vote.
- **Get more retirees to vote their true interests, not the rhetoric.**
- Continue to be Activists and encourage others.
- Consider running for office.
- Educate Yourself on the Truth about Social Security, Medicare, Medicaid, Paid Family Leave, Defined Benefit Pensions vs. Defined Contribution pensions
- Explode myths and rhetoric of others including elected officials.
- Become active in one of the Regional Chapters of the New York State Alliance for Retired Americans (NYSARA) and FLARA and continue activism in your NYSUT Retiree council.



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Monday Alert

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