Rhode Island Alliance for Retired Americans ©

RI ARA

"Fighting for the future of our members, NOW, more than ever!!!!"

Affiliated with the Rhode Island AFL-CIO

April 8, 2013 E-Newsletter

President Obama May Include Cuts to Social Security COLA in Budget Proposal

Press reports indicate that President **Obama** will include cuts to Social Security cost of living adjustments (COLAs) and Medicare in his budget proposal next Wednesday http://nyti.ms/14T0YSY. The President will reportedly propose the use of the chained CPI to calculate cost of living adjustments (COLAs) if it is linked to taxes on the wealthy and infrastructure investments. In Medicare, savings would reportedly come from payments to health care providers, such as hospitals and drug companies, but the President may also propose further means-testing benefits.

The Social Security COLA cuts via the chained CPI is troubling because it is an immediate benefit cut to Social Security beneficiaries. **Please send the White House a message – tell the President to protect Social Security and to safeguard benefits using this easy link** http://bit.ly/12kHExe.

The chained CPI is a back door way of attempting to balance the budget on the backs of America's seniors. The chained CPI would hit today's Social Security beneficiaries and is a continuous cut to the benefits Americans have earned each year into the future. "Not only does the current cost of living allowance not keep up with inflation for seniors, it does not accurately account for the large health care cost increases faced by seniors and people with disabilities. The chained CPI would further underestimate the cost of living adjustments for seniors," said **Edward F. Coyle**, Executive Director of the Alliance for Retired Americans. More realistically, we need a more accurate and higher COLA, one that reflects the cost of living for Social Security beneficiaries. **Robert Reich** put out a video this week that clearly explains the chained CPI – watch it here http://huff.to/17fHYxa.

The chained CPI calculation assumes that a lower COLA is accurate because consumers can substitute cheaper products when prices go up but that does not hold true for many of seniors' expenses. Seniors cannot substitute a triple bypass surgery with a double because it is cheaper, for example, and there are no easy substitutions for a hip replacement. According to Social Security Works, an average earner retiring in 2011 at the age of 65 would experience a benefit cut of over $6,000 over 15 years if the chained CPI were adopted. "Social Security benefits are already quite modest for most recipients. The median income of Americans over 65 is less than $20,000 a year and for 70 percent of them, Social Security makes up the majority of their livelihoods. It's very troubling that our President would propose cuts to this critical lifeline," said **Barbara J. Easterling**, President of the Alliance for Retired Americans.

It is doubtful that the chained CPI proposed in the President's budget will become law through the federal budget process, because the House and Senate have already passed very different budget resolutions with little chance of a House-Senate conference to reconcile the differences. However, we must remain very vigilant that the chained CPI could end up in discussions in the so-called "Grand Bargain" on the deficit this spring and summer.

Sign the Petition

"Do Not Cut Social Security"

Seniors React to President's Proposed Social Security Cuts

The following statement was issued today by Edward F. Coyle, Executive Director of the Alliance for Retired Americans.

"The use of the chained CPI to calculate cost of living adjustments is simply not fair. It is not an insignificant tweak; it constitutes a significant benefit cut. Worse, it cuts benefits more with every passing year. It will do real damage to seniors and people with disabilities – in the present and future.

"Not only does the current cost of living adjustment formula not keep up with inflation for seniors, it does not accurately account for the large health care cost increases faced by seniors and people with disabilities. The chained CPI would further underestimate the cost of living adjustments for seniors. We need a higher COLA, one that accurately reflects beneficiaries' costs, not a lower one.

"Our members are very upset that the President is willing to compromise on this issue of Social Security, one that certainly does not belong in budget discussions since Social Security by law cannot contribute to the federal deficit.

"Our 4 million members are watching closely and remaining hopeful that Washington finds a way to do the right thing – that certainly doesn't mean wrongly balancing the budget on the backs of our seniors."

While the CMS reverses course on cuts story on the next page that gives BILLIONS to special interest The story at the top of this page takes money away from the people that can least afford it.

Thank You Mister President For Betraying Social Security & Medicare

Use the link below Telling President Obama: Social Security COLA cut chains seniors and people with disabilities to poorer life:
http://afl.salsalabs.com/o/4055/p/dia/action/public/?action_KEY=6082&tag=6082.states

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CMS reverses course on cuts

By BRETT NORMAN and JENNIFER HABERKORN | 4/3/13

The insurance industry chalked up one of its greatest political victories in recent memory on Monday as the Obama administration reversed course on a proposal to cut Medicare Advantage rates.

After intense lobbying, the agency said Monday that it would change the proposed 2.3 percent cut to those plans to a 3.3 percent boost. That's a significant swing worth billions of dollars to the industry next year alone.

"It's a major victory for health plans," said Dean Rosen, a partner at Mehlman Vogel Castagnetti.

But the decision — and reasoning – are going to have broader implications.

AHIP is strong

The health insurance lobby pulled out all the stops on this Medicare Advantage cut and proved that when it flexes its muscle, it's a formidable force.

America's Health Insurance Plans, the industry trade group, advertised on television in politically significant states and persuaded more than 160 lawmakers to write letters asking the Centers for Medicare & Medicaid Services to reconsider the cuts.

The industry aired ads in New York, Pennsylvania and Louisiana— all of which have big senior populations. And one — Louisiana — is home to what's likely to be a close Senate race.

"That was a political step that the industry hadn't taken in a long time — at least since health reform," said a source familiar with the campaign.

And somehow the Congressional Research Service issued a report that gave CMS the legal cover to change its calculations by saying it is legally acceptable for CMS to do so.

The result is that insurers got what they wanted in the final regulation.

"It's about the best possible result for Medicare Advantage plans," said Ipsita Smolinski, managing director at Capitol Street, a health care consulting firm.

AHIP focused its lobbying push primarily on a long-standing bone of contention: that CMS assumes deep cuts in physician payments — and therefore lower Medicare costs — due to the flawed Sustainable Growth Rate formula. But every year, Congress stops those cuts from happening.

A joint letter by Senate Finance Committee Chairman Max Baucus (D-Mont.) and ranking member Orrin Hatch (R-Utah) was a major turning point, Smolinski said, putting a prominent Democrat in AHIP's corner in the fight over the whether to include the so-called doc fix in the calculation.

In the House, Energy and Commerce Committee Chairman Fred Upton and Ways and Means Committee Chairman Dave Camp, both Michigan Republicans, signed on as well, not to mention scads of members from the rank and file.

"CMS can't not pay attention when there are committee chairmen and ranking members, Republicans and Democrats, lobbying them," Smolinski said.

And then last week came the Congressional Research Service report, which said CMS could assume a "doc fix" if it wanted, discarding the agency's longtime argument that it had to include the pay cuts because they were in the law.

CMS caved and removed the physician pay cuts as a factor.

"The advocacy effort played a major role in a precedent-setting CMS decision," Rosen said.

Read more: http://www.politico.com/story/2013/04/insurance-medicare-advantage-cuts-health-care-89569.html#ixzz2PPzCeGUU

"Turning Age and Experience Into Opportunity" – Jobs for Seniors Filled by Seniors

About 10,000 Baby Boomers turn 65 every day, according to the Pew Research Center. The needs of our aging population are creating millions of jobs to serve and assist seniors, many of which are being filled by seniors. According to NBC News (http://nbcnews.to/12pvwY0), men and women in their fifties, sixties and seventies are filling positions or creating new opportunities to serve our aging population by working in roles such as patient advocates, specialized gym instructors for senior classes, home modification professionals and errand-runners.

Whether directly serving the senior population or not, older workers are pursuing second and third careers. According to the Kauffman Foundation, 1 in 5 new entrepreneurs in 2011 were aged 55-64 and almost half of all new entrepreneurs were between the ages of 45 and 64.

Social Security Warns Senior Citizens to Be Sure They Are on the Official Social Security Website

Countless consumers victimized each year by misleading advertisers who use "Social Security" or "Medicare" to entice the public to use their services

Thinking you are doing business with Social Security can be a costly mistake when you have been mislead to a website posing as the official government site, says Oscar Garcia, Public Affair Specialist with the Social Security Administration. He also advises prompt notification of a beneficiary's death to another question in this Social Security Q&A.

www.socialsecurity.gov

The Social Security web site is absolutely free. These services include updating a Social Security card to show a bride's married name; replacing a Social Security card; and getting a Social Security number for a child.

In the event of his death, please notify Social Security as soon as possible by calling us at 1-800-772-1213 (TTY 1-800-325-0778). This will ensure that we update his record and stop his benefits timely. Social Security will also determine if another person, such as a spouse, may be eligible for survivors benefits based on his record.

The bottom line is **DON'T BE FOOLED BY MISLEADING ADVERTISERS**. Go to the Social Security Web Site **www.socialsecurity.gov** for all information.

Rhode Island Public Pension 'Reform' Looks More Like Wall Street Feeding Frenzy...Forbes.com

According to Institutional Investor, Rhode Island Treasurer, Gina Raimondo is at work solving the nation's retirement dilemma, showing how tough public pension reforms can pay fiscal and political dividends.

Don't believe a word of it. A look behind the curtain reveals her changes to the investment portfolio of the $7 billion Employee Retirement System of the State of Rhode Island will inevitably dramatically increase both risk and fees paid to alternative investment managers, such as hedge funds and private equity firms.

There's no prudent, disciplined investment program at work here—just a blatant Wall Street gorging, while simultaneously pruning state workers' pension benefits. It's no surprise that some of Wall Street's wildest gamblers have backed her so-called pension reform efforts in the state legislature. Former Enron energy trader emerges as a leading advocate for prudent management of state worker pensions? That's more than a little ironic.

What's happened to date in Rhode Island is unprecedented in public pension history and, given the myriad risks involved, should be setting off alarms: A little-known money manager hired by the state's pension to manage a paltry $5 million succeeded in getting herself elected as state Treasurer. That means she's now responsible for overseeing the entire $7 billion.

Essentially, there has been a coup—the foxes (money managers) have taken over management of the henhouse (the pension). To make matters worse, she's an unproven veteran of the "alternative" investment industry—the hallmark of which is a profound lack of transparency.

Here are more concerns I've identified related to the state's pension that should, in my opinion, be keeping Rhode Island taxpayers and state workers participating in the pension awake at night:

Revolving-doors. "Revolving-door" concerns regularly arise with respect to hiring at government agencies and involve an individual from the regulated industry either assuming the position of regulator or a regulator leaving to join the industry he or she formerly regulated. The State Treasurer has her own revolving door baggage, as does the former CIO of the pension who recently left to join an alternative investment manager—following significant hires of alternative managers by the pension. He is being replaced by a former managing director of hedge fund research at JP Morgan. (Full disclosure: I recently reviewed some JPM hedge funds on behalf of two charitable clients and was less-than-thrilled with the out-of-this-world fees and conflicts of interest I discovered.)

Performance of Point Judith II. The pension committed $5 million in 2007 to a Point Judith II venture fund managed by the soon-to-be Treasurer. Someone should take a close look at the merits related to the decision to invest in Point Judith II, e.g. the track record of the venture manager, or fund; how the investment partnership performed (audited financials) after purchase by the pension and how Rhode Island is treated vis-à-vis the other investors in the fund at redemption/liquidation. It appears that the state pension stopped disclosing the names of its private equity holdings on its website after October 2012. That's the last time Point Judith II shows up as a private equity holding.

25% Illiquid Investments. Pension statements I reviewed indicate that 25% of the assets are invested in alternatives that are illiquid, which includes equity hedge funds, real estate, real return and private equity. That's massive risk.

Uncertain Valuations. The 25% of the portfolio invested in alternatives is valued based on mere appraisals, versus readily ascertainable market values. Notes to the financial statements indicate that the pension relies upon the general partners of these alternative investment funds to estimate the value of the partnership investments. Bad idea. What are these assets really worth if they had to be sold quickly—in a forced liquidation? Answer: a lot less. The pension admits, "Fair value is the amount that a plan can reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller – that is, other than a forced liquidation sale."

Of course, since the investment performance of alternative assets quoted by the pension is based upon appraisals provided by the managers themselves—managers who are subject to a conflict of interest since they are paid largely based upon performance—the performance of these alternatives is inherently as unreliable as the appraisals.

Gorging on Opaque, High-Risk, High-Cost Investments. If alternatives assets were 25% of the portfolio at year-end, how high will the allocation to alternatives go over time-40%-50%?

The pension recently hired 18 more hedge fund managers, greatly increasing operational and investment risk, and dramatically increasing investment management fees. Picking a new CIO for the state pension from the hedge fund industry certainly suggests that more hedge fund investing is in the cards. Just how much investment fees are increasing is unclear because, last I looked the asset-based and performance fees weren't being fully disclosed. The operational risks related to alternatives are not well-understood, even by industry veterans. With such a massive allocation to alternatives, the pension had better have a cutting-edge knowledge of these risks and be prepared to handle them. I don't see anything that leads me to believe the pension is rationally assessing these investments.

Reporting of Performance of Alternatives. It appears that a HFRI Fund of Funds Index is being used to benchmark hedge funds—i.e., funds which are not fund of funds. Using a hedge FOF index (that's easier to beat on a net basis because it involves far greater fees than hedge funds) is inappropriate, in my opinion. Hedge fund performance should be compared against a more appropriate benchmark, such as the S&P 500 plus, say, a 5% operational risk premium.

Engage Rhode Island Contributors. Any connection, direct or indirect, between the pension and donors to this tax-exempt political organization backing the Treasurer should be investigated, in my opinion. The lack of transparency and regulation related to alternative investments gives rise to almost endless possibilities for abuse and I've learned to expect anything.

"The cost of public employee benefits in most states and communities is unsustainable," says the foundation's website. Not-so-sure about that; on the other hand, it is well-established that the cost and any short-term outperformance of hedge funds are unsustainable. The cure for unsustainable pensions is unsustainable investing?

Undisclosed or Illegal Placement Agent Fees Related to Alternative Investments. Given the pervasiveness of placement agent fees and the number of alternative investments, it is likely undisclosed placement fees were paid here, in my opinion. For example, D.E. Shaw in which the fund invests discloses, "Placement agent activities of the D. E. Shaw group are conducted in the United States through D. E. Shaw Securities, L.L.C., which is registered as a broker-dealer." Has anyone asked the managers whether any placement agent fees were paid? If so, the SEC might want to know about it.

I'm all for public pension reform—prudent contributing and investing coupled with sustainable benefits. However, when alternative investment managers take control of a state pension and recklessly dump pension assets into high-cost, high-risk alternative investments, while they slash workers' benefits, that's no reform. Call it what it is: a money grab.

The below letter was submitted to the RI ARA from Mrs. Constance Donnelly. The letter was then e-mailed to the Alliance for Retired Americans, RI ARA member organizations & The RI Congressmen and Senators

Dear Mr. Pernorio,

Thank you for your response to my inquiry about the status of the Social Security Fairness Repeal Act. There are many speaking points about the unfairness of the GPO/WEP Laws. Specifically, I would like to advocate for a modification to the Government Pension offset (GPO) for widows and widowers who would be recipients of their spouses' Social Security Benefits.

The GPO was enacted in 1983. The SSA summarizes the GPO to its citizens: "If you receive a pension from a Federal, State or Local Government based on work where you did not pay Social Security taxes, your Social Security spouses' widows or widowers benefits may be reduced." (Source: http://www.ssa.gov/pubs/1007.html)

For twenty-one years, the SSA failed to inform Social Security contributors of the GPO. Indeed, between 1983 – 2004, information on the GPO Legislation was not shared with its affected contributors in any sort of formal documentation (e.g. Social Security Yearly Statement). It was not until March of 2004, when Congress passed the Social Security Protection Act, P.L.108-203 that GPO information was included in all Social Security Yearly Statements and online, as referenced above. Thus, between 1983 – 2004 workers who faithfully contributed to Social Security in non-participating Social Security states were totally unaware and uninformed of Legislation. Clearly, had these affected citizens known of this Legislation, many would have made alternate financial plans.

My husband, David F. Donnelly, Jr. passed away in 2003 at 61 years of age. During his terminal illness, he had dutifully and lovingly planned for my survivorship. However due to the fact that there was no disclosure of information about the GPO-offset until 2004, we had budgeted for me to receive his Survivors' Benefits. Now, as a result of being uniformed, I am suffering financial hardship.

Today I am asking for your help. I know that I speak for widows and widowers around the Nation when I ask you to readdress this egregious error. Please grandfather our benefits so that the GPO Legislation of which we were unaware does not jeopardize the financial well being of faithfully serving citizens.

Sincerely,

Mrs. Constance L. Donnelly

Reply from the Alliance for Retired Americans:

Dear John,

Thank you for forwarding the letter from Mrs. Donnelly. It is Alliance for Retired Americans policy to repeal the unfairness of the GPO/WEP. This policy has been reaffirmed several times by our board and at our national convention.

Here is a link to our Social Security Resolution which calls for the elimination of the GPO and WEP.

http://www.retiredamericans.org/system/storage/24/bf/2/304/2006socialsecurity.pdf

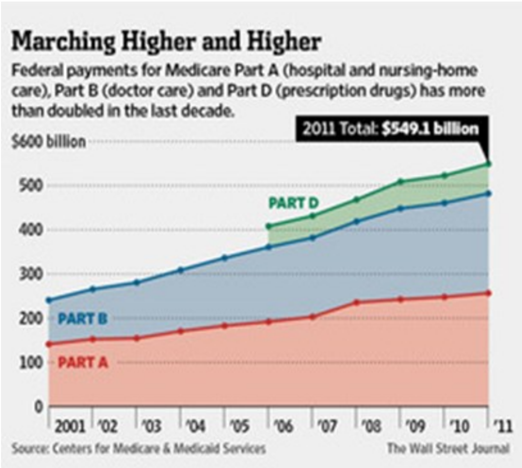
Best, Rich Fiesta
Director of Government and Political Affairs

From Senator Reed: Senator Reed has in the past co-sponsored this and will in the future.
From Senator Whitehouse: John – as Senator Whitehouse has done in the past, he would co-sponsor this bill.
From Congressman Langevin: Congressman Langevin has been a cosponsor of the Social Security Fairness Act for many years and will do so again when it is introduced in the 113th Congress.
From Congressman Cicilline: Congressman Cicilline intends to co-sponsor the Social Security Fairness Act once it is introduced in the 113th Congress.

In the near future we will be holding a meeting to talk about a campaign w/ RI ARA & RIPERC concerning this issue. We are looking for anyone in the same circumstance as Mrs. Donnelly to join in our campaign to try to REPEAL this Social Security injustice.

Common Ground on Medicare Emerges

By LOUISE RADNOFSKY and JANET HOOK



A long-standing idea of combining what consumers pay for their portion of Medicare hospital and doctor treatment costs is gaining new attention as lawmakers search for ways to slow the growth of what the government pays for the programs.

The concept of merging the deductibles for Medicare Part A insurance, which covers hospital stays, and Part B, which covers doctors' services, is one of the few ideas that appeals to both parties. Seniors who have a serious illness could pay less, but for most seniors, the net effect would be an increase in their out-of-pocket expenses.

Senior House GOP aides said it was among the deficit-reduction options the White House and Republicans have discussed in the past. They also said President Barack Obama indicated he was open to the idea when he met recently with House Republicans on Capitol Hill.

Sens. Mark Warner (D., Va.) and Tom Coburn (R., Okla.) have pushed it among their colleagues, and a Democratic aide said many Senate Democrats are open to the idea. House Republican leader Eric Cantor of Virginia touted it in a high-profile speech earlier this year.

Total federal spending for Medicare, including the Part D coverage for prescription drugs added in 2003, has more than doubled in the past decade and is projected to grow significantly in the years ahead.

Payroll taxes and premiums paid by beneficiaries covered around half of the $549.1 billion in expenditures in 2011, the most recent year for which figures are available.

Payroll-tax revenue covers most of the cost of Part A hospital care. The coverage has a $1,184 annual deductible for care, but beneficiaries don't have to pay further cost-sharing on the first 60 days of a hospital stay. Copayment charges increase sharply after that.

The majority of beneficiaries also sign up for Part B coverage of doctor bills, with basic premiums set at $104.90 a month, and a $147 annual deductible and 20% cost-sharing. There are no caps on the amount that they pay out of pocket.

A deficit-reduction panel chaired by Republican Alan Simpson and Democrat Erskine Bowles recommended in late 2010 that the deductibles be combined into a single $550 deductible, with seniors asked to contribute 20% toward the cost of hospital and doctor care until they reach a cap.

Under the cap, beneficiaries would pay a much smaller share after the first $5,500 of costs and no more than $7,500 out of pocket in total.

The combined effect of the changes, the panel predicted, could save the U.S. $10 billion in 2015 and $110 billion through 2020.

That would help seniors who get very sick, but the savings would come because the majority of seniors would pay more out of pocket.

Such a proposal could also lead to the two separate parts of the program merging over time, and changes to their financing. Linking the two more closely also could encourage greater coordination of treatments, fueling cost savings over time.

Supporters of the idea say there are plenty of details that would still have to be worked out, especially how to account for the significant number of low-income seniors who advocates say cannot afford to see their deductible for basic care increase by $400. There isn't consensus about how to do that, and the idea isn't expected to appear in Mr. Obama's budget next week, according to Democratic officials close to the White House.

White House officials said the president hadn't proposed combining deductibles and declined to comment on the content of the budget.

Seniors groups have backed the idea in the past because a cap on out-of-pocket costs could reduce the risk to seniors of incurring high medical bills. But they have raised objections when the proposal is framed as a deficit-reduction measure.

The National Committee to Preserve Social Security and Medicare, an advocacy group, has said it is concerned about the proposals as part of deficit-reduction talks because they would raise costs for most beneficiaries while the catastrophic cap of $7,500 would only help a small percentage of beneficiaries.

But the proposal doesn't face vocal opposition from seniors groups, unlike other ideas that have been floated, such as raising the Medicare eligibility age. AARP, the main seniors' lobby group, has signaled only cautious objections to a combined deductible, and highlighted that its main concern would be shielding low-income beneficiaries.

Huffington Post: Reps. Cicilline and Langevin: Raising the Minimum Wage


Rhode Island families understand better than most the toll that the recent recession has taken on our economy. Nearly five years after the financial collapse on Wall Street, our state still has the highest unemployment rate in the country.

And many families who are able to find work still have trouble providing for their families.

According to Rhode Island KIDS COUNT, an organization that tracks the well-being of children in our state, an estimated 16.7% of all Rhode Island children live in families that are below the poverty threshold.

In the 20th century, we built a strong and thriving middle class that was based on a simple premise - if you worked hard and played by the rules, you could afford to provide for your family, own a home, send your kids to college, and maybe even put a little away for retirement.

It's time that we renew that promise and ensure that working families have a real voice in Washington.

That's why, earlier today, we hosted a roundtable discussion with community leaders, labor leaders, and stakeholders in Providence, Rhode Island, to highlight the work we can do to help lift working families up and put our state and our country back on the right track by passing the Fair Minimum Wage Act (H.R. 1010). - READ MORE

Cholesterol-Lowering Eye Drops Also Fight Blindness in Elderly

Researchers have analyzed the association of blindness and cholesterol accumulation in the eye while also testing possible medications in eye drop form.

***By Justin Caba* / April 2, 2013**

A study conducted by *Cell Press* examined how cholesterol deposits in white blood cells known as macrophages contributed to blindness in the elderly. The team of researchers also probed possible medications for the disorder including an eye drop form that may reduce side effects.

Age-related macular degeneration, AMD, is adisease of the eye that gradually attacks the central vision controlled by the macula. It is the leading cause of blindness in people over the age of 50 and the risk increases as someone gets older. Prior studies have highlighted the buildup of macrophage cholesterol and the abnormal growth of blood vessels that eventually leads to blindness.

"Our increased understanding of cholesterol's role in the growth of ocular blood vessels helped us identify therapeutically modifiable pathways, opening up avenues for new treatments that may help us prevent blindness caused by macular degeneration," says senior study author Rajendra Apte of Washington University School of Medicine.

Apte and his research team took macrophage samples from elderly mice and humans with AMD and scanned their biological makeup and condition. They found that the white blood cells had low levels of ABCA1, a protein used for transporting cholesterol out of the cells. Without the ability to move cholesterol out of the macrophages, blood vessels will develop in larger numbers until it eventually causes blindness.

The older mice with AMD were given two types of cholesterol regulators, Liver X Receptor and microRNAs-33. In an eye solution and injected, both compounds contributed to ABCA1 protein levels which in turn helped decrease cholesterol buildup in white blood cells.

"Abnormal blood vessel growth is a characteristic of not only AMD, but also diverse disease processes outside the eye, including cancers and atherosclerosis, which are both associated with significant morbidity and mortality," Apte says. "Our findings may have significant relevance in our understanding of the pathobiology of these conditions."

The entire study was published in the April 2 edition of the journal *Cell Metabolism*.

Read more at
http://www.medicaldaily.com/articles/14491/20130402/cholesterol-lowering-eye-drops-fight-blindness-elderly.htm#O4j06U2H8AJwqj2o.99

Sequester cuts will slash cancer clinic cash for elderly Medicare patients

By Corky Siemaszko / NEW YORK DAILY NEWS

The mandated federal budget cuts will force three-quarters of the thousands of cancer clinics around the country to refer Medicare patients to hospitals, says the American Society of Clinical Oncology and other groups.

The fiscal crunch is putting the squeeze on some of the most vulnerable Americans — elderly cancer patients.

The mandated federal budget cuts that went into effect on April 1 will make cancer clinics go broke if they give Medicare patients the chemotherapy they need, oncologists claim.

"A lot of us can't believe this is happening," said Jeff Vacirca, chief executive of North Shore Hematology Oncology Associates on Long Island.

Vacirca said he's already alerted a third of his clinic's 16,000 Medicare patients they will have to seek chemotherapy treatments at hospitals, which are not affected by the cuts.

"They are very upset," he said. "They love coming to the clinic because it's unbelievably efficient. They know the cost is fixed and very little compared to a hospital."

The so-called sequester cuts will force three-quarters of the thousands of cancer clinics nationwide to start referring Medicare patients to hospitals, according to the American Society of Clinical Oncology and other cancer treatment groups, which have appealed to the White House and Congress for help.

Elderly cancer patients are being hit hard because their drugs are among the handful of pharmaceuticals that were affected by the sequester cuts.

Medicare reimbursed oncologists for the cost of chemo drugs, plus 6%. But under the sequester, the federal government is now providing only 4% on top of the drugs' cost, which can run $900 to $15,000 for a full course, depending on the cancer.

"We understand the need for cuts," said Vacirca. "But cancer patients should not be punished by partisan politics."

A spokeswoman for Memorial Sloan-Kettering Cancer Center in Manhattan said doctors there have not yet seen an influx of new patients seeking treatment, "but we're paying attention."

"We are aware that doctors in (clinics) are having financial challenges and could be referring those patients to hospitals," said the spokeswoman, Christine Hickey. The NYU Langone Medical Center also reported no influx — yet.

The sequester was the spawn of bitter negotiations over raising the nation's debt ceiling in 2011. The massive, across-the-board cuts are so drastic that they were supposed to provide an incentive for the two parties to reach a comprehensive budget deal.

But the Republican-led House of Representatives refused to compromise with President Obama and the sequester went into effect.

"This is a no-win situation for the patients, the practices and Medicare," said Vacirca.

RIPAYDAY.ORG

From RIPAYDAY.ORG

We made it past a milestone this week-we had a very successful hearing in the Senate Commerce Committee! Thank you to everyone who worked hard to make our testimony strong. The letters of support were fantastic and we were complimented by the chair after the hearing for keeping our testimony brief and submitting a great package for them to review. If anyone wants to watch the hearing, you can find it here: rilin.state.ri.us/CapTV/pages/vo…

We have launched a letter writing campaign with the help of the United Way Young Leaders Circle. They are helping to get letters directly to Senate President Paiva-Weed and Speaker Fox. The sample letter is attached. YLC is also helping to get more signatures on the petition. We are almost there!

Lets help them with letters from the RI ARA members

Sample Letter:

Date

Dear Speaker Gordon Fox / Senate President Paiva-Weed,

As a resident of Rhode Island and a voter, it is saddening and frustrating to know we are the only New England state that permits a payday loan at an annual percentage rate above 36 percent.

State law currently allows lenders to charge as much as 280 percent interest.

The House bill (H-5019) is co-sponsored by 52 of 75 representatives; the Senate version (S260), by 29 of 38 senators. In addition, a broad coalition of over 40 community groups, including AARP, the RI AFL-CIO, the RI State Council of Churches, the United Way of RI, and many of the state's non-profits, support the proposed 36% APR cap on these so-called "payday loans". Sadly, this legislation has never made it out of committee.

Payday loans are deceptively marketed as a short term solution to my neighbors with financial problems. However, a family that couldn't afford to pay living expenses before obtaining a payday loan cannot shoulder the additional burden of triple-digit interest. Once the cycle begins, borrowers typically take out larger loans with larger interest payments. The typical user rolls over the loan eight times before they pay it off, usually by way of borrowing money from friends or family members or by using an alternative that they could have gone to in the first place. The payday loan becomes a long-term obligation where the interest paid far exceeds the loan obtained.

This trap undermines choice and competition in the market and allows millions of dollars to flow out of our economy to large, out-of-state national payday lending chains.

Lobbyists sent by the payday lending industry argue that Rhode Islanders could not survive without payday loans. In truth, we survived for decades without them, just as military families and the residents of every other New England state do today.

It is time to vote on a bill to reduce payday loan rates. Government's primary function is to protect our citizens from harm, from predatory people, businesses and practices. I hope you will do the right thing.

Thank you for your consideration.

Sincerely,

Name

Address *City* *State:* *Zip Code:*