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# RI ARA

*Affiliated with the Rhode Island AFL-CIO*  
*“Fighting for the future of our members”*  
*“NOW, more than ever!!!!”*



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## August 1, 2016 E-Newsletter

### Clinton-Kaine is an Excellent Fit for Retirees



Robert Roach, Jr.

*Ticket is Ultimate Antidote to Worries that Trump-Pence would cut Social Security, Medicare*

**Robert Roach, Jr.,  
President of the**

**Alliance for Retired Americans, released the following statement regarding Hillary Clinton’s selection of Virginia Senator Tim Kaine as her Vice Presidential nominee:**

“Senator Tim Kaine is a superb choice to be Vice President. The Alliance for Retired Americans was already energized about a Hillary Clinton presidency, and Senator Kaine is the icing on the cake. His 93% lifetime score from the Alliance for his pro-retiree votes is proof that he is the right person for the job.

“Secretary Clinton has been a champion for retirees throughout her distinguished career, and Senator

Kaine has been throughout his. As a Governor and as a Senator, he has always had retirees’ best interests in mind. He has stated plainly that ‘we shouldn’t embrace radical reforms like the Ryan Plan or the privatization of Social Security,’ and that is music to our ears. Senator Kaine clearly opposes efforts to cut, privatize or shift Medicare costs to retirees.

“If you go down the list of what retirees want the most, Tim Kaine checks all the boxes. He has pledged to protect Social Security. Like Secretary Clinton, he would rein in prescription drug costs by allowing the Medicare program to negotiate with pharmaceutical companies for better prices, just as the Department of Veterans Affairs does.

“His life’s work exemplifies the Alliance’s mission to enhance the quality of life for all Americans. He will protect our traditional pension

plans from attack.

“On the other hand, Donald Trump’s choice of Governor Mike Pence as his running mate locked in place a team that endangers the things that retirees care about the most: the protection and expansion of their earned Social Security and Medicare benefits. The contrast could not be starker. We are confident that the Clinton-Kaine team will give us the retirement security we need.

“The Alliance’s 4.4 million members and 1600 chapters will do all they can before Election Day to educate seniors on the differences between the Trump-Pence plans for seniors and the Clinton-Kaine plans. We look forward to working with a Clinton-Kaine Administration to expand our earned Social Security benefits.”

### How the Democratic and GOP Platforms Clash Over Social Security Reform

The new Democratic national platform approved this week in Philadelphia includes seismic changes in the Social Security programs. It includes a substantial increase in the average benefits to seniors while requiring wealthier Americans to pay a much larger share of the overall cost.

The platform, heavily influenced by Sanders, who calls it the “most progressive” in the party’s history, in close collaboration with Hillary Clinton’s camp, rejects any notion that Social Security should be restructured to prevent a cash crisis or a federal debt crisis.

Instead, the newly minted campaign

document would extend the Social Security trust fund’s solvency 50 years or more by lifting a cap on the payroll tax to force wealthier Americans to assume a much larger share of the program’s cost. It would also increase average monthly benefits to seniors and recast cost-of-living adjustments to make it more advantageous to seniors with substantial medical expenses.

Although the platform document is fuzzy on the specifics of these changes, Sanders has proposed a \$65 a month average increase in Social Security benefits, higher cost of living adjustments and lifting more seniors out of poverty by

boosting the minimum benefits paid to low-income seniors.



“Democrats are proud to be the party that created Social Security, one of the nation’s most successful and **effective** programs. Without Social Security, nearly half of America’s seniors would be living in poverty,” the platform document states. “We will fight every effort to cut, privatize, or weaken Social Security, including attempts to raise the retirement age, diminish benefits by cutting cost-of-living adjustments, or reducing earned benefits.”... **Read More**

Social Security is our nation's bedrock social insurance program. It protects American workers, their families and their children against the risks of poverty as a result of old age, death of a spouse or parent, or a life-changing disability. At a time of escalating inequality and declining retirement savings, the National Committee Foundation examines Social Security's crucial and often neglected role in the economic life of communities in every state.

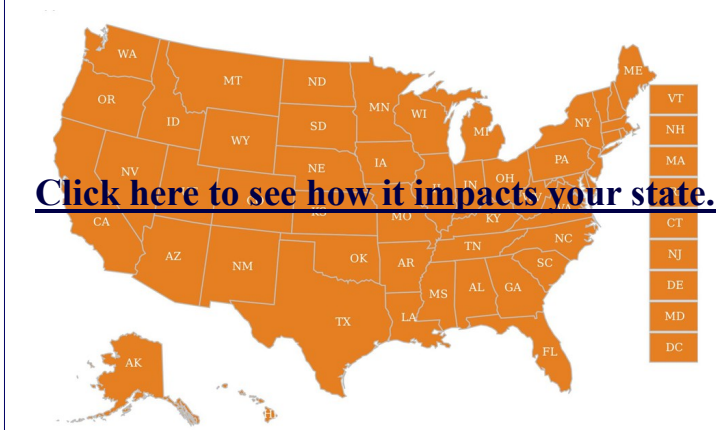
### \$1.6 Trillion

In 2014, Social Security contributed \$1.6 Trillion nationally as benefits are spent and generate additional economic activity in every state. Social Security has an economic stimulus effect and acts as an automatic economic stabilizer because benefits are received even during economic downturns..

### Security As Economic Stimulus

As Social Security benefits are spent and cycle through the economy there is a cumulative impact, which increases

aggregate economic activity as recipients spend their benefit dollars on goods and services (multiplier effect). The total economic output listed below is the product of Social Security benefits adjusted for federal and state taxes and the economic multiplier for each state.



## Feds charge 3 people in record \$1 billion Medicare fraud scheme



The U.S. Department of Justice unveiled its largest-ever criminal healthcare fraud case against individuals on Friday, charging the owner of Miami-based assisted living facilities and two others in a massive \$1 billion Medicare fraud scheme.

Prosecutors alleged that Philip Esformes, 47, "masterminded and executed a sophisticated health care fraud and money laundering" conspiracy that spanned more than a decade, according to court records.

Esformes and his co-conspirators Odette Barcha, 49, and Arnaldo Carmouze, 56, are accused of steering patients who did not qualify for assisted living or skilled nursing into his network of facilities where they received medically unnecessary services that were billed to government health care programs.

The government also alleges that they solicited and extracted kickbacks from pharmacies, home health agencies and other providers.

The kickbacks were disguised as "payments to escorts, charitable donations, and a basketball coach,"

among other things, according to a copy of the government's request to detain Esformes.

This is not the first time Esformes has been in trouble with the law. In 2006, he paid \$15.4 million to resolve civil federal health care fraud claims for what the government called "essentially identical conduct."

To evade detection, the Justice Department said he and his co-conspirators adapted their strategy by employing "sophisticated money laundering techniques."

## Feds Say Health Mergers Would Increase Costs, Threaten Care

The U.S. government is suing to stop two major health insurance mergers, a move regulators say is needed to protect Americans from potential cost hikes and lower quality care.

The Department of Justice said Thursday that the combinations of Aetna and Humana and Anthem and Cigna would hurt competition that restrains the price of coverage and reduce benefits, among other drawbacks.

Aetna Inc. proposed last summer to buy Humana Inc. for \$34 billion, while Anthem Inc. moved to acquire Cigna Corp. for \$48 billion. The companies said Thursday they plan to fight the federal suit. Anthem, the Blue Cross-Blue Shield insurer, called it "an unfortunate and misguided" step backward for access to affordable care.

Consumers have been dealing with rising health care costs for years, a result of several factors. Prices for prescription

drugs and care have risen, and as they have, insurers — who ultimately pay most of the bill — have raised premiums and out-of-pocket expenses like deductibles to shift more costs to consumers and help protect their own bottom lines...[Read More](#)



## Insurers May Share Blame For Some Generics' Price Hikes



This week, I addressed questions from readers about generic drug prices as well as health plans with high

deductibles and those that have grandfathered status under the health law.

**Q. I take levothyroxine, the generic form of Synthroid, to treat a thyroid disorder. This generic has been on the list of drugs that cost \$10 for a 90-day supply at my pharmacy for as long as I can remember. Starting in April, the drug was dropped from the list and the price rose 300 percent. The pharmacist tells me all the generic drug manufacturers are raising prices. How is it possible that this drug increased in price so quickly?**

Generic drug price hikes have come under close scrutiny lately, as reports continue to surface of significant and seemingly inexplicable increases, often for widely used drugs like levothyroxine or digoxin, a heart medicine, whose out-of-pocket costs to consumers have been modest for years.

What gives? Health care professionals like your pharmacist often blame **drug manufacturers**, claiming they raise prices simply because they can, said Dan Mendelson, president of Avalere Health, a consulting firm. There's no question that happens. But there are other reasons that generic drug prices may increase as well.

The most common reason that consumers get a bigger generic drug bill

at the pharmacy counter is simply because insurers change their health plan's benefit design, Mendelson said, moving a drug into a higher cost-sharing tier, for example.

Drug prices may also increase because the cost of manufacturing or distributing a drug has increased.

But consumers don't have to simply pay up. Drug costs may vary widely from pharmacy to pharmacy, so shopping around often makes financial sense. In addition, some retailers like Wal-Mart offer rock-bottom prices on dozens of generic drugs to consumers **who pay cash**. Pony up \$4 in cash instead of a \$30 copay? You do the math....[Read More](#)

## Some Seniors Surprised To Be Automatically Enrolled In Medicare Advantage Plans

Only days after Judy Hanttula came home from the hospital after surgery last November, her doctor's office called with bad news: Records showed that instead of traditional Medicare, she had a private Medicare Advantage plan, and her doctor and hospital were not in its network.

Neither the plan nor Medicare now would cover her medical costs. She owed \$16,622.

"I was panicking," said Hanttula, who lived in Carlsbad, New Mexico, at the time. After more than five hours making phone calls, she learned that because

she'd had individual coverage through Blue Cross Blue Shield when she became eligible for Medicare, the company automatically signed her up for its own Medicare Advantage plan after notifying her in a letter. Hanttula said she ignored all mail from insurers because she had chosen traditional Medicare.

"I felt like I had insured myself properly with Medicare," she said. "So I quit paying attention to the mail."

With Medicare's specific approval, a health insurance company can enroll a member of its marketplace or other

commercial plan into its Medicare Advantage coverage when that individual becomes

eligible for Medicare. Called "**seamless conversion**," the process requires the insurer to send a letter explaining the new coverage, which takes effect unless the member opts out within 60 days....[Read More](#)



## Warning: Government Listing Of Clinical Trials Doesn't Disclose Costs To Patients



Last summer, Linda Smith learned she was losing significant cartilage in her knees, a consequence of her lifelong love of skiing, running and ultimate frisbee.

Diagnosed with osteoarthritis, she wanted to avoid surgery and was eager to consider alternatives.

So the 56-year-old Morgan Hill, Calif., resident embarked on a search for clinical trials, which test potential treatments on

human subjects. She scoured the government-run website, **ClinicalTrials.gov**, focusing on a form of stem cell therapy — a promising but unproven approach for her condition.

She thought she'd scored with StemGenex, a clinic in La Jolla, and called to inquire. The screener asked a long list of questions, then dropped a bomb: If Smith wanted in, she'd have to pay.

Total charge: \$14,000.

"I was outraged," Smith said. Her anger

only grew when the screener suggested she could raise the money, as other callers had, through family and friends in an online **GoFundMe** campaign, she said.

Smith, a retired hospital administrator, knew enough about clinical studies to understand that the \$14,000 price tag was unusual. Most trials are free and some even pay people to participate, in recognition of the possible risks and inconvenience involved....[Read More](#)

## Many Well-Known Hospitals Fail To Score 5 Stars In Medicare's New Ratings



The federal government released its first overall hospital quality

rating on Wednesday, slapping average or below average scores on many of the nation's best-known hospitals while awarding top scores to dozens of unheralded ones.

The Centers for Medicare & Medicaid Services **rated 3,617 hospitals** on a one-to five-star scale, angering the hospital industry, which has been pressing the Obama administration and Congress to block the ratings. Hospitals argue the ratings will make places that treat the toughest cases look bad, but Medicare has held firm, saying that consumers need a simple way to objectively gauge quality. Medicare does factor in the health of patients when comparing hospitals, though not as much as some hospitals would like.

Just 102 hospitals received the top rating of five stars, and few are those considered as the nation's best by private ratings sources such as U.S. News & World Report or viewed as the most elite within the medical profession.

Medicare awarded five stars to relatively obscure hospitals and at least 40 hospitals that specialize in just a few types

of surgery, such as knee replacements. There were more five-star hospitals in Lincoln, Neb., and La Jolla, Calif., than in New York City or Boston. Memorial Hermann Hospital System in Houston and Mayo Clinic in Rochester, Minn., were two of the nationally known hospitals getting five stars.

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Medicare awarded the lowest rating of one star to 129 hospitals. Five hospitals in Washington, D.C., received just one star, including George Washington University Hospital and MedStar Georgetown University Hospital, both of which teach medical residents. Nine hospitals in Brooklyn, four hospitals in Las Vegas and three hospitals in Miami received only one star.

"Consumers can use this trustworthy program to compare hospitals side by side," said Debra Ness, president of the National Partnership for Women & Families, a Washington nonprofit. "This is a huge step forward."

Some premier medical centers received the second highest rating of four stars, including Stanford Health Care in California, Duke University Hospital in Durham, N.C., New York-Presbyterian Hospital and NYU Langone Medical Center in Manhattan, the Cleveland Clinic in Ohio, and Penn Presbyterian Medical Center in Philadelphia. In total, 927 hospitals received four stars... [\*\*Read More\*\*](#)

**The New England ARA state affiliates are actively pursuing these Petitions.**

**Petition Subject: Observation Status: "Current Hospital Issues in the Medicare Program"**

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YOUR  
NAME

**Get The Message Out:  
SIGN THE PETITION!!!!**

**Petition Subject: House Concurrent Resolution 37 and Senate Concurrent Resolution 12 to get power doors installed in Post Offices and other federal buildings.**

ADD  
YOUR  
NAME

**Get The Message Out:  
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**Petition Subject: Elimination of the Unfair GPO and WEP Provisions of the Social Security Act to make sure the Congress of the United States enacts legislation, HR.973 & S.1651**

ADD  
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