



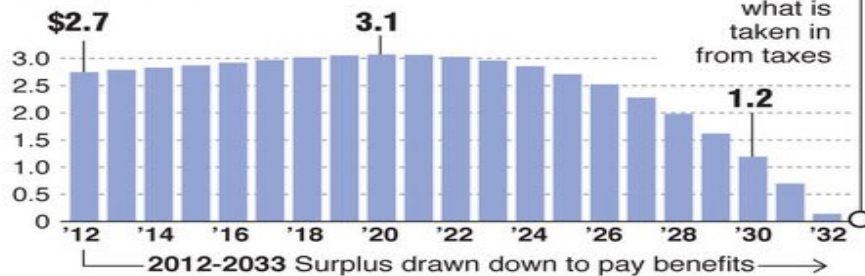
Report: Medicare’s finances improve, Social Security holding steady

Social Security and Medicare

The latest projections from the trust fund trustees for Social Security and Medicare show that the programs still face major funding issues.

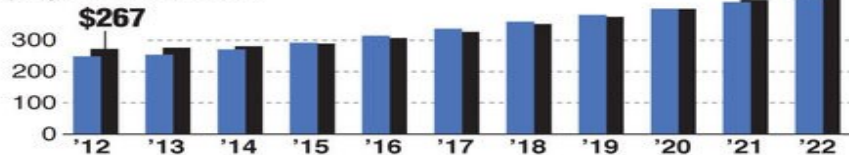
Social Security

The trustees forecast that the Social Security Trust Fund (surplus) will be depleted by 2033, unchanged from last year’s forecast; year-end assets, in trillions



Medicare

Medicare Trust Fund will be depleted by 2026, two years later than projected last year; projected cash flow*



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*Also known as Part A; helps pay for hospital, home health, skilled nursing facility, hospice
Source: Social Security Administration, 2012 Annual Report of the Board of Trustees



have high readmission rates for Medicare patients. From 2011 to 2012, 70,000 fewer Medicare beneficiaries were readmitted because of complications from previous ailments.

At an average cost of \$10,000 per readmission, the decline potentially saved the program an estimated \$700 million, said Brian Cook, a spokesman for the Department of Health and Human Services.

“The Medicare report demonstrates, once again, the importance of the Affordable Care Act, which has strengthened Medicare’s finances by reining in health care costs,” Treasury Secretary Jacob Lew said in a statement. “The health care law has also helped extend the life of the Medicare

Hospital Insurance Trust Fund.”

But the modest improvement in finances was no cause for celebration. The trustees report made it clear that Medicare still faces a rocky financial future.

“The financial projections in this report indicate a need for additional steps to address Medicare’s remaining financial challenges,” the report said. “Consideration of further reforms should occur in the near future. The sooner solutions are enacted, the more flexible and gradual they can be.”

The warnings reflect the coming wave of more than 70 million aging baby boomers, born from 1946 to 1964. They’ll push the number of Medicare recipients 65 and older from 43.1 million in 2012 to 92 million in 2060, federal estimates show.

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The Obama administration credited Medicare’s improved outlook to lower spending for hospital and skilled nursing care and lower projected program costs for Medicare Advantage plans, the private plans that provide Medicare benefits.

Certain provisions of the controversial health care

law, the Patient Protection and Affordable Care Act, also were credited with improving the fiscal outlook of Medicare, the national health insurance program for older people and those with disabilities.

The new law instituted a number of money-saving initiatives, such as cutting payments to hospitals that



THE HUMAN CHAIN AGAINST THE CHAINED CPI

July 2ND, 2013 • 10:30 AM

**Where: Salvatore Mancini Recourse & Activity Center
2 Atlantic Blvd., North Providence, Rhode Island**

**What: *National Day of Action* to create a "HUMAN CHAIN
AGAINST THE CPI" and to thank our Congressional
Delegation for their support.**

**Contact: John A. Pernorio, President, RI ARA
401-722-2770 • riarajap@hotmail.com**

On Tuesday July 2nd, the Rhode Island Alliance *for* Retired Americans along with the National Alliance *for* Retired Americans will sponsor a ***National Day of Action*** in which we focus specifically on elevating grassroots voices in the battle to protect and enhance retirement security. We will work together to create a **HUMAN CHAIN against the Chained CPI** in the **Salvatore Mancini Resource & Activity Center** to **THANK OUR CONGRESSIONAL DELEGATION FOR THEIR CONTINUED SUPPORT FOR OUR MEMBERS TO PROTECT AND PRESERVE SOCIAL SECURITY, MEDICARE & MEDICAID**

The National Alliance will host a media event in Washington, DC with a smaller chain to create powerful symbolism of what the States are doing, spotlighting the national day of action.



Walter Wedler, Croton-on-Hudson

Here we go again! We're going to balance the budget on the backs of senior citizens who had little to do with the present national debt, while corporate America enjoys massive subsidies and tax loopholes.

First the Bureau of Labor Statistics recalculated the Consumer Price Index (CPI) to eliminate food and gasoline because their think tank believes seniors don't eat or travel and called it "core inflation." That wasn't good enough, and now they concocted the latest gimmick to reduce Social Security benefits and call it "Chained CPI."

Economics 101 states there's a propensity not to buy something when it costs too much. The "boys on the hill" jumped on this theory and added, "If seniors are not going to buy things, then they don't need the money," so we'll make another adjustment and call it "Chained CPI." That maybe seniors didn't make purchases because they can't afford it would only get into their way of thinking.

The chained CPI is not a barometer for seniors who have to pay out-of-pocket and have no wiggle room with ever-increasing medical and drug costs. When the Cost of Living Adjustment (COLA) does not reflect actual living expenses, the compounded financial results are devastating over a senior citizen's remaining years.

Without a realistic COLA, many elderly that depend on Social Security cannot make it. What happened to the compassion formulated under FDR?

Study: Medicaid expansion a good deal for states

By Sam Baker

States would save money by accepting the Medicaid expansion in President Obama's healthcare law, according to a new study.

The research, published in the journal Health Affairs, said states that reject the Medicaid expansion will end up paying more for healthcare coverage than states that participate — and covering far fewer people.

Together, 14 states that have rejected the expansion will spend \$1 billion more on uncompensated care than they would under the expansion, and they'll lose out on \$8.4 billion in federal payments, researchers from the Rand Corporation said.

"Our analysis shows it's in the best economic interests of states to expand Medicaid under the terms of the federal Affordable Care Act," said Carter Price, the study's lead author.

The 14 states included in the Rand **analysis** are also passing up a chance to cover 3.6 million uninsured people, the study said.

Several Republican governors have embraced the Medicaid expansion, but others have staunchly refused to implement any part of a healthcare law they strongly oppose.

Governors rejecting the Medicaid expansion often cite the costs to the state, but the Rand analysis said rejecting the expansion will actually raise those states' healthcare costs without covering the uninsured.

"State policymakers should be aware that if they do not expand Medicaid, fewer people will have health insurance, and that will trigger higher state and local spending for uncompensated medical care," Price said. "Choosing to not expand Medicaid may turn out to be the more-costly path for state and local governments."

The federal government initially pays the entire cost of the expansion, dropping to a 90 percent share by 2020.

From disasters to health care, pressing needs are testing GOP's stand on smaller government

By Associated Press,

WASHINGTON — President Barack Obama says a government that works properly can be best-equipped to help and protect the public. Republican believers in a less-is-more government generally disagree.

Yet on a variety of policy fronts, pressing financial and other needs are forcing Republicans to concede more publicly than usual that minimalist government isn't necessarily a one-size-fits-all solution.

Natural disasters batter states. Security threats highlight the need for a robust defense apparatus. Offers of federal dollars for health coverage are tough to reject.

Most conservatives see Obama's presidency as epitomizing overreaching and bloated government. They point to his health law, various bailouts, stimulus spending, universal pre-kindergarten and tough environmental rules as prime examples.... **[Read More](#)**



'Scrap the cap' to keep Social Security fair

By John Burbank

The kids are all right. And so are their grandparents. Why? Because Social Security is there -- for all of us. And we can make that promise even better by making sure we all pay the same tax rate for the same guarantee.

The Social Security Trustees report shows solid funding for the next 23 years. Signed into law by Ronald Reagan, one purpose of the 1982 Social Security reforms was to build up a trust fund to fund the retirement of the baby boomers. As they retired, the trust fund would eventually be spent down. Right now, the trust fund holds \$2.7 trillion and is projected to grow to \$2.9 trillion. After that, it will slowly shrink, as designed. And after us baby boomers fade away, Social Security will continue to be funded through payroll taxes, as it has for much of the past 75-plus years.

We need Social Security more than ever today. Half of private sector workers work for employers who don't have any retirement plans. Only three percent of workers in the private sector have a defined benefit pension. A typical worker between the ages of 55 and 64 with a deferred contribution account has \$40,000 in that account. That's good for a monthly payment of about \$280! So the only thing that soon-to-be retirees can depend upon, without question, is Social Security...[Read More](#)



SOCIAL SECURITY SHOULD BE EXPANDED, NOT CUT

Michael Hiltzik, LA Times



Fear-mongers and other critics of Social Security were silenced — momentarily — by the release last week of the annual trustees' report for the programs. The report showed not only that it's looking pretty good in the near term, but in the long term it's more important to the sustenance of millions of Americans than ever before.

But policymakers and pundits have taken the wrong lesson from these findings. The argument they most often put forward is that Social Security is so important it must be "saved," typically by cutting benefits to bring its outflow in line with its income...[Read More](#)




HOSPITAL CEOS SEE DOUBLE-DIGIT PAY HIKES

Jim Doyle, St. Louis Post Dispatch

ST. LOUIS • Trimming medical costs is the latest mantra among hospital executives, government bureaucrats, insurers and benefit managers as they grapple for ways to contain U.S. health care spending.

But executive compensation in the health care industry shows few signs of hitting a ceiling. One sure bet: The salaries and benefits for hospital administrators will continue to rise.

A recent survey by Equilar, an executive compensation data firm based in Redwood City, Calif., found that — for the fourth time in five years — health care chief executives commanded the highest pay packages last year among publicly traded companies...[Read More](#)

			
Steven Lipstein \$3.3 million (2011) \$2.3 million (2010)	Lynn Britton \$2.2 million (fy. 2012) \$1.9 million (fy. 2011)	William Thompson** \$2.3 million (2011) \$1.8 million (2010)	Anthony Tersigni \$4.0 million (fy. 2012) \$3.6 million (fy. 2011)
40%	15%	26%	12%

PART D, WITHOUT PAYING A DIME

Paula Span, New York Times



Here's a nonhypothetical question: If an older person without much money could receive prescription drug insurance — i.e. Medicare Part D — at no cost, why wouldn't he apply?

Both Medicare and the Social Security Administration have tried to spread the word, to tell low-income seniors about a government-subsidized Part D program called Extra Help, a benefit worth about \$4,000 a year.

Most people who qualify automatically are signed up for Extra Help through their enrollment in Medicaid or Supplemental Security Income. But among those who are eligible but must apply on their own — roughly 2.5 million older adults — only an estimated 35 percent to 40 percent receive it...[Read More](#)

REPORT: ENTITLEMENT CHANGES TO PUT SENIORS AT FINANCIAL RISK

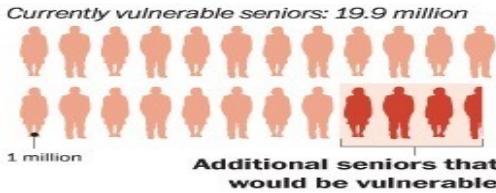
Michael A. Fletcher, *Washington Post*

Why seniors can't afford higher medical expenses

Of all seniors, 19.9 million are economically vulnerable.



If out-of-pocket medical expenses double under proposed changes to Medicare, an additional 3.5 million seniors would become economically vulnerable.



Note: Economic vulnerability is defined as having income less than twice the supplemental poverty threshold (as determined by the U.S. Census Bureau).

Source: Economic Policy Institute | The Washington Post

Nearly half of the nation's elderly population is "economically vulnerable" and would be particularly hard hit by even modest changes in the Social Security and Medicare programs being considered to slow the growth of the nation's long-term debt, according to a new report. The liberal Economic Policy Institute said that 48 percent of the elderly population earns less than double the supplemental poverty threshold, putting those seniors at financial risk if their income is cut even slightly. Older blacks and Hispanics are especially vulnerable, the report said, as the vast majority of them live on the financial edge.

There is no fixed supplemental poverty line for the entire nation, as the measure shifts depending on the cost of living in various parts of the country. The national average for single adults is \$10,652 — but that ranges from \$8,313 for an Iowa homeowner with no mortgage to \$15,079 for a homeowner paying a mortgage in Hawaii, according to David Cooper, an EPI researcher who co-authored the report. The government estimates that about 9 percent of the elderly population lives in poverty.

"After working hard their entire lives, millions of our elderly are struggling to pay for basic needs like food, medicine and housing, even with Social Security and Medicare," said Elise Gould, an EPI economist

and co-author of the report. "As such, policymakers should consider the dire consequences proposals to restructure these programs would have on our parents and grandparents, shifting more costs onto them when many are already barely making ends meet." [Read More](#)

POLICING OF MEDICARE FRAUD EXPLODES OVER TWO YEARS

Kelly Kennedy, *USA Today*



The government has revoked the ability of 14,663 providers and suppliers to bill Medicare over the past two years — almost two and a half times the number that had been revoked in the previous two years, new Department of Health and Human Services statistics to be released Thursday show ...In some states, the number of revocations has quadrupled.

"We have always been doing some of this," said Peter Budetti, Center for Medicare Services deputy administrator for program integrity. "But there has been a special focus under the Affordable Care Act." ...[Read More](#)

Fewer Families in U.S. Say Struggling to Pay Medical Bill

By Shannon Pettypiece

Fewer families are struggling to pay their medical bills, according to a report that suggests the cost of health-care may be starting to slow.

About 20 percent of people under 65 reported being in a family that was having problems paying for medical bills in the first six months of 2012, according to a survey by the National Center for Health Statistics. That's a decrease from about 22 percent in the same period a year earlier, a drop of about 3.6 million people, the report found.

Health-care costs have eased because of increased use of cheaper generic drugs, more efficient care from hospitals and people putting off procedures during the economic downturn, said Peter Cunningham, a senior fellow at the Center for Studying Health System Change. Though the drop in people struggling to pay medical bills isn't related to the health-care law, the trend may continue when insurance coverage is expanded starting in 2014, he said.

"Based on the earlier trends we've noted, this really isn't a surprise and it coincides with moderating health-care costs," Cunningham said. "People just started pulling back on what they are using and spending in terms of health care, which isn't too dissimilar to what we've seen in other sectors of the economy." [Read More](#)

