



2017 - What to Expect – A new President and His Congress

The 1st 100 days – Executive Branch Regulatory Changes and Federal Agency Staffing - Execute as Promised.

Then Conflict and Confusion as Legislative Branch sets the pace – The ACA Challenge -Tax Reform – Will Middle income lose (RE tax deduction bracket losses, Medicare dilemma).

Then Budget Surprises and Conflict – House Legislative Push
Medicare Preservation Tested by Privatization Zeal
Massive Federal Subsidies Needed to Keep Insurers in.
Maybe Social Security Saber Rattling



NRLN Position on ACA Repeal/Replace – Save Retiree Medicare Benefits

- **Save Annual Wellness Examinations**
- **Save Pre-Existing Conditions Protection**
- **Save the Provisions that Preserve Funding to close the Medicare “D” Doughnut Hole**
- **Save 0.9% Medicare Part A payroll tax on earnings over \$200,000**
- **Save 14% Subsidies for Medicare Advantage Plans – Use General Revenue to Pay**
- **Save Medicare Advantage “Community Rated” Premiums & 85% Payout Min.**
- **Save and Support HHS Innovation Center**
- **Save Reimbursements to Insurers & Other providers that improve health outcomes.**

Sources: Congressional Budget Office (CBO) report 50252, KFF issue briefs, MedPac



NRLN Supports Coverage Parity with ACA for over Age 65 Medicare Plan Participants

When the ACA was originally debated in Congress in 2010, the **NRLN did not take a position on the entire bill.** We supported provisions favorable to retirees and opposed provisions of the bill unfavorable to retirees.

NRLN Advocates Extending These ACA Provisions to Medicare Beneficiaries.

Closing the Medicare Part D "donut hole": the difference between what a beneficiary has to pay for after reaching the initial coverage limit and the amount the government pays for "catastrophic" drug coverage.

Adding Catastrophic Coverage to Medicare A & B

Require that all Medigap Plans (C) be "Community Rated" not "Age-Rated"



NRLN
NATIONAL RETIREE
LEGISLATIVE NETWORK



Summary of ‘Premium Support’ & Other Concerns

Speaker Ryan wants House bill that would terminate Traditional Medicare

Federal **Subsidies** Will Force Traditional Medicare A & B Out

Game plan? – use the ACA .9% Tax revenue to hide Subsidies

2023 Payout Cap – 1% over GDP (+ Inflation) will Force A & B Out

Age to 69 Puts Old & Disabled at Risk-25% may Drop Insurance?

CPI-W to **CPI–C (Chained)** instead of CPI-E will cut Benefits for All

Prohibitive A & B **Costs** + Regional Exchanges + Privatizing = **CHAOS**

Trusting Insurers & Pharma to lower Costs and Prices is a Fantasy

WILL THE PRESIDENT VETO PREMIUM SUPPORT?



MEDICARE IS AT RISK !

CBO March 2016 Updated Budget Projections 2016 – 2026

Medicare 2015 Benefit Payments = \$632 billion

Average Annual Medicare Spending Growth

2010-2015 (5 yrs. actual) = 4.4%

2015-2025 (10 yrs. projected) = 7.1%

3.2 % GDP in 2016, to 3.9% in 2026,

5.0% in 2036, to 5.7% in 2046

Medicare Funding – General Revenue 42%, Payroll Tax 27%, Premiums 13%

ADJUST PAYROLL TAX RATE / (SET SUNSET DATE), THEN ATTACK COSTS



SEVEN(7) CHANGES TO SOCIAL SECURITY IN 2017

- 1 - COLA (SSA's press release) to be .3% or ~ \$4.05 / Month
- 2 - Taxable Earnings increase from \$118,000 to \$127,000
- 3 - Max monthly benefit up \$48 / month but some will be taxed
- 4 - Earnings needed to earn 1 Soc. Sec. work credit increases by \$40 (to \$1,300). Can earn 4/yr. max, need 40 credits to qualify.
- 5 - Applicants born after 1955 must be 66 and 2 months to be eligible for full benefit. Add 2 mo./yr. if born after 1960 – age 67
- 6 - Early filers who reach Full Retirement Age (FRA) in 2017 can earn \$44,880 (+\$3,000) before facing the withholding threshold.
- 7 - Minimum earnings needed to qualify for SS disability benefits increases by \$40 & \$130/mo. for non-blind & blind applicants.



SOCIAL SECURITY IS AT RISK

Social Security Fund Carries a Surplus from 1982 through 2019

Social Security Cash Available End of 2015 = \$2.8 Trillion but....

Funding Shortfall by 2035 = \$10.7 - \$11.0 Trillion – **requires 20% Benefit Cut**

Why: - Congress Failed to Raise Payroll Taxes, Owes **\$2 Trillion+ = Got Elected**

Baby Boomers 1946-64; Birth Rate 1950 3.028 to **1.86 in 2015**

Worker/Payee Ratio Drops From **3.4 in 2010, **3.0** in 2016, **2.2** in 2035**

Social/Political Climate:

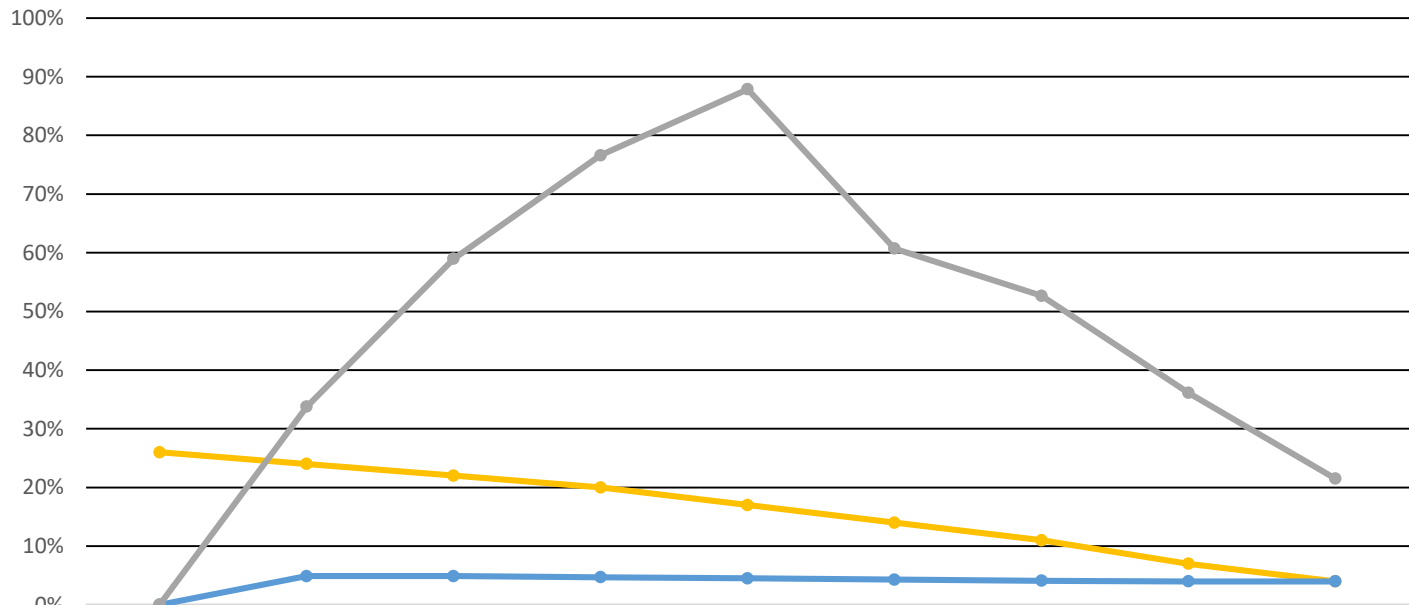
71% of Unmarried Rely on Social Security for > 50% of Their Monthly Income

77% of Today's Workers say they are Worried about Soc. Sec. Going Bankrupt

Sources: CBO March 2016 Report; 2016 Social Security Trustees Report 2016–2026; 2016 TransAmerica Survey; March 19, 2017 Motley Fool Report.



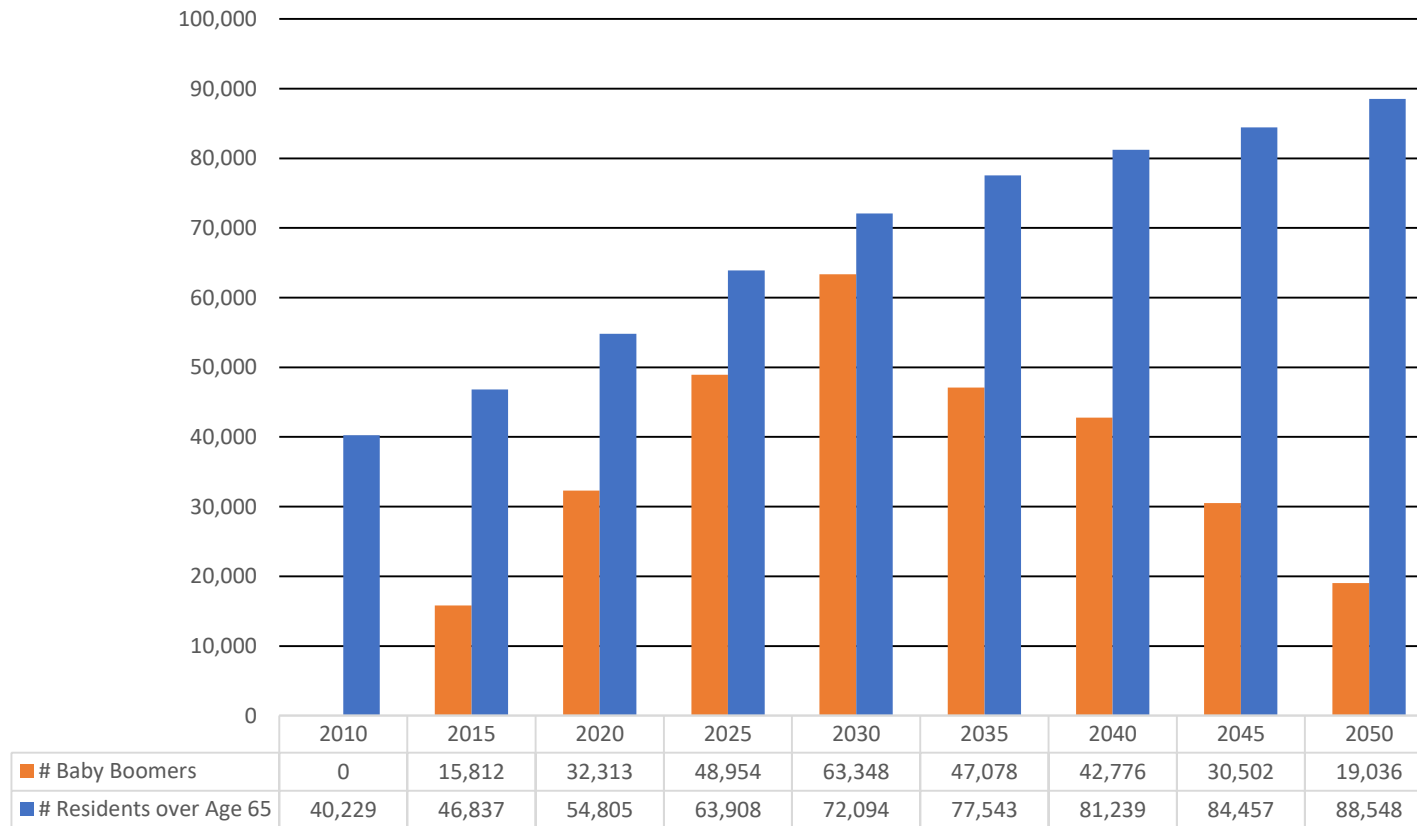
NRLN Analysis of Baby Boomer (BB) Impact on Social Security and Medicare. Source: 2000 Census Data - May 2017



	2010	2015	2020	2025	2030	2035	2040	2045	2050
● % BB of Pop.	26%	24%	22%	20%	17%	14%	11%	7%	4%
● % Annual Pop. Incr.	0.0%	4.9%	4.9%	4.7%	4.5%	4.3%	4.1%	4.0%	4.0%
● % BB over 65	0	34%	59%	77%	88%	61%	53%	36%	21%



NRLN Analysis of Baby Boomer Impact on Social Security and Medicare 2000 Census Data - May 2017





Prescription Drug Price Gouging

> The **Secretary of HHS has the authority** under the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 **to issue an order to begin legal importation from Canada** .

> **Congress should follow the lead of Senators Klobuchar, Grassley and McCain and write letters to the HHS Secretary (as the NRLN has) urging him to authorize the importation of safe, lower priced drugs from Canada.**

Call for Action – Pass These Bills:

> **S. 41 and H.R. 242, Medicare Prescription Drug Price Negotiation Act of 2017**, allow Medicare to negotiate the best price of prescription drugs.

> **S. 92, Safe and Affordable Drugs from Canada Act of 2017**, to allow individuals to import a 90-day supply of prescription drugs from an approved Canadian pharmacy.

> **S. 469, the Affordable and Safe Prescription Drug Importation Act**, would lower cost by allowing importation of safe, low-cost medicine from Canada and in two years authorize the HHS Secretary to import from other advanced countries.

> **S. 124, Preserve Access to Affordable Generics Act of 2017**, to expand consumers' access to cost-saving generic drugs and increase competition to end “pay for delay” deals—brand-name drug manufacturers using pay-off agreements to keep generic equivalents off the market.