

## NRLN Action Alert - Emphasis on Retirees' Health Care Needs

This week the non-partisan Congressional Budget Office (CBO) released a preliminary analysis of the Affordable Health Choices Act, commonly known as the Kennedy Health Bill, that was distributed last week by the Senate Committee on Health, Education, Labor and Pensions (HELP) which is chaired by Senator Edward Kennedy (D-MA).

Here are some of the key CBO findings:

- The bill, if passed, would increase the federal deficit by about \$1.6 trillion over 10 years and still leave millions without insurance.
- There are now an estimated 46 million people in the United States without any health insurance.
- Once the reform plan was fully implemented about 39 million people would get coverage through new insurance exchanges -- a kind of clearinghouse for medical plans.
- The number of people who receive coverage through an employer, currently the main provider for health benefits for most Americans, would fall by about 15 million, or 10 percent.
- The number of people covered by government programs would fall about 8 million as they move into policies offered through exchanges.
- The CBO concluded that under the Kennedy plan, "the net decrease in the number of uninsured people would be about 16 million" -- far short of President Obama's goal to provide healthcare coverage to all Americans.

The CBO's analysis is disturbing to members of the NRLN's Executive Committee just as it is to a number of members of Congress who have commented in news articles on the findings. The CBO's analysis of the Kennedy bill, news reports this week that the U.S. House is drafting a bill expected to include \$600 billion in tax increases and \$400 billion in cuts to Medicare and Medicaid, plus feedback we have been receiving from NRLN Grassroots Network members has caused the NRLN Executive Committee to reexamine the NRLN's position on a Public Plan Option.

The NRLN originally envisioned a Public Plan Option that would **include reforms such as adding catastrophic coverage to Medicare; allowing retirees between ages 50 to 64 who lose corporate coverage to buy in to Medicare at cost; and eliminating the Medicare Part D prescription drug doughnut hole.** However, the term Public Plan has shifted to a battle for public funds and for reshaping markets and has turned health care reform into a series of political and ideological debates. The NRLN agenda for health care reform has been a part of our legislative agenda and remains the focus of the NRLN's mission that is to shape health care reform that benefits retirees.

We have concluded that the NRLN should shift its position from supporting a Public Plan Option, as redefined, to directing our efforts strictly to what is needed by retirees in health care reform legislation regardless of the delivery systems. We still believe there needs to be open and effective competition in the health care insurance industry and we believe there needs to be an overhaul of all cost elements of health care products and services. However, our national health care reform messages will be focused exclusively on supporting the legislative changes mentioned above.

Therefore, the NRLN's "Talking Points" on health care reform legislation at the end of my message have been revised to reflect the NRLN's revised position. You are urged to use these Talking Points when meeting with your Senators and Representatives when they are "back home" during the Independence Day Recess June 29 - July 5. Details of this requested lobbying effort were covered in the NRLN Action Alert emailed to you on June 15.

The NRLN's sample letter posted on the NRLN website has been revised to remove references in support of a Public Plan Option. Please email the NRLN's sample letter to your Senators and Representatives to tell them what retirees want included in health care reform legislation and oppose the taxing of employer-sponsored health care benefits. Please go to <http://capwiz.com/abtr/home/> to access the NRLN Action Alert. Look for the Action Alert headline: **RETIREEES' NEEDS MUST BE INCLUDED IN HEALTH CARE REFORM LEGISLATION**. Click on the "Take Action" button. On the next screen, type in your zip code and click "GO" to identify your elected representatives and access the sample letter. Be sure to personalize the letter with your own comments. If you have a problem accessing the Action Alert with the above link, go to [www.nrln.org](http://www.nrln.org) and click on the "Take Action Now" headline at the top of the NRLN website's home page. Send your email today.

News articles have reported that Senate Finance Chairman Max Baucus, who had planned to release the committee's health care bill this week, is going "to slow things down" in the aftermath of the CBO report. Congressional aides had stated that the aim of the Baucus bill is to raise some of the money needed for health care reform. These measures reportedly include a new tax on some employer-provided health benefits that exceed the value of the basic plan offered to federal employees, currently about \$13,000 a year for a family of four. Another idea is to raise the threshold for taking an itemized tax deduction on personal health costs to 10% of adjusted gross income from 7.5% currently.

Most NRLN members would consider these revenue-raising provisions unacceptable. Given that we will most likely need to fight against a number of elements in the health care reform legislation in addition to lobbying for the issues in our "Talking Points," we need the support of all of our Grassroots Network members. Not only do we need you to email letters to Washington and meet face-to-face with your members of Congress, we also need your financial support through an individual member contribution of \$25, \$50, \$75 or more. Any amount you can contribute will be appreciated. You may make your check or money order payable to **NRLN, Inc.** and mail it along with the Membership Contribution Form at: <http://www.nrln.org/printad.php> . Or, you may make your contribution online with your credit card through PayPal on the NRLN website at <http://www.nrln.org> by clicking on the "Support the NRLN" link on the home page.

By working together we'll have our best chance to shape health care reform legislation in a way that will be beneficial to America's retirees.

Bill Kadereit, President  
National Retiree Legislative Network

**National Retiree Legislative Network  
Agenda on Health Care Reform Legislation**

- Please keep retirees in mind during Congress' deliberations on health care reform. Guard against harming Medicare or company-sponsored health care benefits that retirees have earned.
- Health care reform legislation should prevent broken promises to retirees by providing what the NRLN calls a **Maintenance of Cost Payment (MCP)**. The MCP would establish a fixed monthly payment to retirees equivalent to the dollar value of benefits an employer provided at retirement, prior to the reduction or cancellation of retirement benefits such as health care, prescription drugs, life insurance, long-term care, catastrophic coverage and other benefits. The MCP would be used to purchase replacement coverage for as much of the lost benefits as possible. Under the NRLN's proposal, companies would be entitled to tax credits to encourage them to continue to offer defined benefit plans or provide the MCP.
- Don't tax retirees for the health care benefits they may still receive from their former employer.
- Don't raise the threshold for taking an itemized tax deduction on personal health costs to 10% of adjusted gross income from 7.5% currently.
- There needs to be more open and fair competition in the health care insurance and delivery industry.
- The government should not own clinics and hospitals; should not exercise control over doctors nor ration health care. We believe doctors must be fairly compensated.
- When an employer eliminates its health care plan, retirees usually lose "catastrophic coverage" which limits out-of-pocket medical expenses to a fixed amount, such as \$1,500. Given this loss, the NRLN believes that **catastrophic coverage** should be added to Medicare.
- It is difficult for many men and women age 50 to 64 who have been laid off or retired early—either forced or voluntary—to purchase affordable health care insurance because of their age. They should be allowed to **buy into Medicare at a cost** that does not burden the system.
- Funding should be provided in health care reform legislation to **eliminate the "doughnut hole"** in the Medicare Part D prescription drug plan.
- If Congress is serious about reducing health care costs, it should pass existing bills that call for **importation of prescription drugs, competitive bidding by makers of prescription drugs and funding the FDA to reduce generic drug backlogs**; and **stopping drug companies from making payoffs to generic manufacturers who withhold new generic drugs**.

Go to [www.nrln.org](http://www.nrln.org) and click on the link to read the NRLN's complete Legislative Agenda.