



NRLN Review, Summary for December 2020

The NRLN Review provides a monthly report on National Retiree Legislative Network actions, events in Congress and important retirement news.

NRLN Issues Two Action Alerts

On December 1, the NRLN issued an Action Alert asking NRLN members to email the NRLN's sample letter to their U.S. Representative to request that he or she become a cosponsor of **H.R. 8696, Securing a Strong Retirement Act of 2020**. The bill includes pension recoupment protections for retirees. There were 32 bipartisan cosponsors of the bill. Having more cosponsors is important to getting the bill passed by the House Ways and Means Committee and the entire House of Representatives.

The NRLN has advocated for Section 301 in the bill, which will protect millions of retirees with a pension. H.R. 8696 clarifies that a pension plan sponsor does not have a fiduciary duty to recoup overpayments, but if it chooses to do so, it must be done within three years of the initial overpayment. Currently, there is no time limit for recouping overpayments. Further, the plan sponsor may not recoup more than 10% of the amount of the overpayment per year; the recoupment amount cannot include interest or fees; the future benefit payment cannot be reduced below 90%, and it may not recoup against a beneficiary of a pension plan participant.

On December 3, the NRLN issued an Action Alert asking NRLN members to email the NRLN's sample letter to their U.S. Senators and Representatives to request they take immediate action to once again extend through 2021 the Health Coverage Tax Credit (HCTC) which expired on December 31.

Since 2002, HCTC has helped retirees who lost their health care coverage — in addition to their pensions and other benefits — when their employers either went bankrupt or laid off workers due to foreign trade. This refundable tax credit pays 72.5% of qualified health insurance premiums for eligible individuals between the ages of 55 and 64 (before Medicare eligibility) and their families.

HCTC Extension for 2021 in Legislation Passed by Congress

On December 26, NRLN members were informed in an email that Congress included a one-year extension of the Health Coverage Tax Credit (HCTC) in the \$1.4 trillion federal government fiscal year 2021 appropriations bill and the \$900 billion COVID-19 economic stimulus package passed on December 21. President Trump signed the legislation into law on December 27.

HCTC, which was scheduled to expire on December 31, is a refundable tax credit for individuals, between the ages of 55 - 64, receiving certain Trade Adjustment Assistance benefits or individuals receiving pension plan benefits that have been taken over by the Pension Benefit Guaranty Corporation (for example, NRLN Avaya Retiree Chapter members). The tax credit is for 72.5 percent of the premium amount paid by an eligible individual for health insurance coverage.

The NRLN lead the advocacy charge to lobby for HCTC protection in 2009 and 2010 when it was passed to protect retirees like Delphi retirees whose' pensions were taken over by the PBGC. Younger retirees suffered 20-30% losses from company pensions paid. A bankruptcy court approved termination of the pension plan and cancellation of all healthcare benefits.

The NRLN lobbies for the annual extension of the HCTC but also for permanent statute language that better protects retirees from pension and healthcare losses due to mergers, acquisitions, company spinoffs and pension plan mergers. We will ask for your support to get these proposals passed by Congress in 2021.

Click here to learn more on the IRS website about HCTC in 2021.

<https://www.irs.gov/credits-deductions/individuals/hctc>

NRLN Conference Call on Medicare Advantage

On December 11, NRLN President Bill Kadereit, Alyson Parker, NRLN Executive Director, and John deCastro, NRLN Congressional District Leader, had a conference call with House Speaker Nancy Pelosi's Policy Advisor on Medicare. The meeting was a result of John's efforts in keeping the Speaker's staff informed of the NRLN's concerns with Medicare Advantage (MA) subsidies and the inequity between MA and traditional Medicare.

Speaker Pelosi's staff member was very well informed on the difference in benefits between traditional Medicare and MA plans. He pointed out that H.R. 3, which passed in the House in December 2019 but not by the Senate, would have invested \$358 billion in the traditional Medicare program by adding a robust dental, vision and hearing benefit.

Further, he noted that they agree with the NRLN about the need to reform the MA program and strengthen the traditional Medicare fee-for-service system. We spoke about the need to do away with the subsidies that providers of MA plans receive, which undermines the traditional Medicare system. He did not commit to reducing or doing away with the subsidies and recommended that we pursue this further with Chairman Richard Neal and Ranking Member Kevin Brady on the House Ways and Means Committee.

We have also reached out to President-elect Biden's transition team with a one-page paper on preserving traditional Medicare and eliminating the subsidies to the insurance companies providing MA plans.

NRLN President's Christmas Message

NRLN President Bill Kadereit issued his Christmas message on December 14. He wrote briefly about the history of Hallmark Christmas cards and noted that the late Hallmark CEO Joyce Clyde Hall's favorite words in a card were, "I'd like to be the kind of a friend you've been to me."

Kadereit wrote he believed those words were "appropriate more than ever this holiday season in the throes of the COVID-19 pandemic. We all need to be a special kind of friend at a time when many friends and family members will not be together due to imposed coronavirus restrictions."

NRLN Letter to Federal Trade Commission Chairman

NRLN President Bill Kadereit sent a letter on December 2 to Joseph J. Simmons, Chairman, Federal Trade Commission, to point out that during the Medicare and Medicare Advantage annual enrollment period, October 15 - December 7, 2020, there have been television commercials for Medicare Advantage plans that the National Retiree Legislative Network (NRLN) believes are misleading, or at worst misrepresentations of material facts and deceptive.

The letter cited one commercial that begins by stating that “before the deadline you are eligible to eliminate premiums and co-pays. This is misleading. Whether in original Medicare or Medicare Advantage enrollees, in 2020, pay the Medicare Part B premium of \$144.60 per month. This applies to all enrollees, though costs are higher for individual taxpayers in income brackets above \$87,000. Copays are paid for with federal subsidies, insurance companies pay for neither of these out of their pocket.

The commercial touted that Medicare Advantage participants “get dental care, dentures, eyeglasses, in home aides, prescription coverage, unlimited transportation, and home delivered meals at no additional cost. Plus, your zip code may have coverage with a give-back benefit that adds money back to your Social Security check every month.”

The commercial did not substantiate how or why one could expect that enrolling in a Medicare Advantage plan would add back to one’s Social Security check, but the NRLN said it is clear to those of us who have studied this misrepresentation that this could only mean that the commercial is promising that subsidies (federal rebates) would be used to pay a part of one’s \$144.60 per month Medicare Part B premium that is deducted from Social Security checks.

Kadereit pointed out consumers, in this case vulnerable seniors, get baited into “free” offers easily and could face huge financial losses. If one enrolls in Medicare Advantage at age 65 or is induced to switch from traditional Medicare and a Medigap supplemental plan to a Medicare Advantage plan and encounters a pre-existing condition they cannot switch back and are at risk to be declined Medigap coverage or to pay extremely high premiums after a 12-month period elapses. Those affected are trapped and obligated to pay maximum out of pocket costs every year thereafter or as long as a pre-existing condition exists.

Over the 23-year period from 1997 to 2020, a generation of members of Congress and four presidents have spent over \$400 billion in taxpayer rebates to insurance companies to subsidize Medicare privatization. In 2020 rebates are forecast to be \$122 a month, \$1,464 a year per Medicare Advantage plan enrollees. This is \$38 billion in taxpayer rebates for 26 million enrollees in 2020. This is what pays for Medicare Advantage prescription drug plans and the litany of “free benefits.”

Should these subsidies be discontinued as they were in the 2010 Affordable Care Act (ACA), Medicare Advantage plan premium, deductible, copay and coinsurance costs per enrollees would experience significant increases. This is untold political risk not disclosed in commercials. Instead insurance companies’ ads lead seniors to believe these benefits are courtesy of them, a falsehood. (Click here to read NRLN whitepaper: *A 23-Year Attempt to Privatize Medicare Has Failed; Medicare Advantage Quality Bonus Plan Is a House of Cards.*)

<https://www.nrln.org/flyin%20whthpr/WP%20Medicare%20Advantage%20Quality%20Bonus%20Plan%20Is%20a%20House%20of%20Cards%20Final%20v2%20060520.pdf>

The letter urged the FTC Chairman to immediately investigate the claims in Medicare Advantage commercials and eliminate false and intentionally misleading statements that bait prospective American enrollees turning age 65 and those over age 65 who are enticed into switching coverages to a Medicare Advantage plan. They need accurate information and full disclosure of inherent risks in order to make informed decisions.

Click here to read the letter to the FTC Chairman.

<https://www.nrln.org/BKLETTERS/2020/NRLN%20Ltr%20FTC%20Chairman%20Simmons%20Final.pdf>

CBS Video Addresses Questions on Coronavirus Vaccine

On December 21, the NRLN shared through an email to NRLN members and a website posting a CBS News video by Dr. David B. Agus, professor of medicine at the University of Southern California and medical contributor to CBS News. He answered questions about the coronavirus vaccine. Click here to access the CBS video. <https://www.nrln.org/Video/Do%20you%20take%20the%20vaccine%20or%20not.mp4>

The NRLN is not offering the video for medical advice but thought the video offers coverage that relates to a wide variety of possible situations and questions many of us may have. Consult with your physician and other sources about specific questions as more information develops.

NRLN Legislative Committees

With the 116th Congress ending its 2019-2020 term on December 31, the NRLN's Legislative Affairs Committee (LAC) did not submit bills in December to be considered for action by the Legislative Action Planning Committee (LAPC). The LAC and the LAPC will be considering which bills they will urge bill authors to reintroduce early in the 117th Congress that begins the first week of January 2021.

Campaign Contributions Updated

Bob Martina, NRLN VP - Grassroots, updated the NRLN website with information on contributions as of December 4 from the pharmaceutical / health products industry to politicians during the 2019-2020 election cycle. Click here to view the data from OpenSecrets.Org, Center for Responsible Politics.

<https://www.nrln.org/Pharma%20Contributions%20to%20Congress%202019-20%2012-04-20.htm>

Key News Articles Posted in November

During December, 102 links to news articles related to retirement issues were researched and posted daily IN THE NEWS on the NRLN website home page. The headlines below are text and not links to the articles. To read the articles go to www.nrln.org and under IN THE NEWS in the right column scroll down and click on the headline to access the article you want to read. Below are examples of the headlines.

There's a proposal to pay Social Security benefits at a flat rate. Here's how it would work – Dec. 2

We must act on lowering cost of prescription drugs – Dec. 2

Why America Is In Trouble – 20 Largest Federal Agencies Admit To \$2.3 Trillion In Improper Payments Since 2004 – Dec. 3

Drug industry trade groups sue Trump admin over drug pricing rule – Dec. 4

Opinion: Many Americans don't think Social Security and Medicare will be there for them – Dec 7

Opinion: America is subsidizing Europe's socialist medicine — with higher drug prices here – Dec. 8

How Medicare Premiums Eat Up Retirement Income – Dec. 9

Supreme Court rules that states can regulate pharmacy benefit managers – Dec. 10

CMS proposed rule aims to streamline prior authorizations and make data sharing easier – Dec. 11

Opinion: A 'debacle' — AARP slams entire nursing home establishment – Dec. 12

Social Security Continues To Underpay Numerous Beneficiaries – Dec. 14

Trump's \$200 Medicare Drug Cards Expected to Be Mailed Jan. 1 – Dec. 15

Big Pharma urges judge to block drug pricing rule tied to foreign governments – Dec. 18

Here's What People With Allergies Should Know About COVID-19 Vaccines – Dec. 18

Surprise medical bill prevention included in year-end legislative package – Dec. 20

Opinion: Social Security, Medicare Face Urgent Challenges in 2021 – Dec. 22

Check Out These 10 Medicare Tips For 2021 – Dec. 22

Federal judge blocks Trump administration drug pricing rule – Dec. 23

Could a Universal Social Security Benefit Actually Work? – Dec. 27

Trump reverses on coronavirus stimulus deal, signs package he called a 'disgrace' – Dec. 27

What Seniors Need To Know About The December Stimulus Package – Dec. 29

White House wins ruling on disclosing health care prices – Dec. 29

The Challenges Of Prescription Pricing For Seniors In The U.S. – Dec. 29

Opinion: What will COVID-19 do to Social Security? – Dec. 30

Opinion: Social Security and Medicare: Key things to know in 2021 – Dec. 31

Insurers lose multiyear lobbying fight over surprise medical bills – Dec. 31

Report: Major Pharmaceutical Companies Plan To Raise Prices On Over 300 Drugs Friday – Dec. 31