



Written Testimony to the Democratic Platform Committee Meeting

by Edward F. Coyle

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My name is Edward F. Coyle, and I am the Executive Director of the Alliance for Retired Americans, a 3.5 million-member grassroots advocacy organization that works to unite retired workers and community groups to win a more secure future for ourselves, our families, and future generations. I am also the current Chair of the Leadership Council on Aging Organizations (LCAO.) Together we represent 56 national not-for-profit organizations concerned with the well being of 87 million older Americans. Thank you for the opportunity to be here today to speak about the issues facing older Americans. I offer my written testimony for the record, including programmatic and financing principles documents on behalf of LCAO. Tomorrow, you will hear from Alliance member Bruce Bostick of Ohio who will tell you first-hand what it is like to be a retiree in today's economy.

This hearing coincides with the anniversaries of two landmark moments in American history, the enactment of Medicare and Social Security. Forty-three years ago this week, President Lyndon Johnson signed Medicare into law, paving the way for quality, affordable health care for millions of retirees. On August 14, we will celebrate the 73rd anniversary of Social Security, a lasting legacy of Franklin Roosevelt and one of America's greatest social and anti-poverty programs.

Today, older Americans are at a crossroads. While we look back with pride at these two historic achievements, retirees all across the country are struggling with the skyrocketing costs of health care, prescription drugs, gas, groceries, and home heating costs. Older Americans on fixed incomes are bearing the heaviest brunt of our nation's failed economy.

Many seniors worry that they are the last generation that will ever be able to retire after a lifetime of work. They wonder what the future holds for their children and grandchildren. A nationwide

poll of seniors taken for the Alliance last year found that only 12 percent believed their children would enjoy a life as good as theirs. Clearly, it is time for a change.

In the growing economic uncertainty of retirement, we urge the Platform Committee to call for strong federal oversight of private pension plans, oversight that protects workers' retirement savings from the corruption of corporate lawbreakers. To this end, the Pension Benefits Guaranty Corporation must be given the resources to carry out its important mission.

Additionally, the Alliance urges the Platform Committee to strongly affirm a commitment to Social Security. This includes rejecting the misguided calls by President Bush and Senator McCain to privatize Social Security. Throwing Social Security funds on the roulette wheel of the stock market is a gamble America cannot afford to take.

Studies have demonstrated that privatization would reduce guaranteed benefit levels and spike the federal deficit with new rounds of borrowing from foreign banks. This is one of the reasons why the American public already strongly rejected Social Security privatization schemes.

Retirees were greatly offended to hear Senator John McCain recently comment that Social Security is "a disgrace." Forty two million Americans receive Social Security benefits – these are our nation's elderly, our widows and widowers, and our young children who have seen a parent die. This is not a disgrace.

The Alliance for Retired Americans is deeply concerned about the future of Medicare, a program that has contributed significantly to the well being of older Americans during the last 43 years, and the mounting efforts to privatize it. The next Administration should improve the integrity and viability of the Medicare program by equalizing payments between private Medicare Advantage plans and traditional Medicare, saving billions of taxpayer dollars, improving the solvency of the hospital insurance Trust Fund, and reducing Part B premiums for all beneficiaries. The savings achieved from reducing such private insurance overpayments could be used to enact necessary Medicare beneficiary enhancements.

We urge the Platform Committee recommend repeal of the arbitrary 45 percent limit on general revenue funding of the Medicare program as well as the comparative cost adjustment demonstration project, the so-called "premium support" demonstration, slated to begin in 2010. The premium support demonstration will further weaken traditional Medicare by providing voucher-like payments, ultimately privatizing the program.

Americans pay the highest prescription drug prices in the world - with seniors bearing the greatest burden by far. The 2003 Medicare prescription drug law, which the Alliance strongly opposed, has not offered comprehensive coverage to millions of seniors who pay more and get less, while drug and insurance companies have seen record profits. It is time to eliminate the major flaw of the 2003 law, the so-called "doughnut hole" in which millions of seniors must pay full price for their medications while continuing to pay their monthly premiums. We urge the



Platform Committee to endorse legislation, which would lower drug prices by mandating Medicare negotiate volume discounts from drug manufacturers.

As America ages, the need for affordable and accessible long-term care has become a crisis. Instead of our current fractured system, we call for a social insurance approach that provides a number of services, home and community based whenever possible, based upon medical need not financial resources.

We are deeply concerned that two decades after the passage of the Nursing Reform Act that the quality of care in many of this country's nursing homes remain below what we would want for our own family members because of insufficient staffing and inadequate enforcement. We are also concerned that the current regulatory framework has failed to address questions raised by the new private equity ownership structures in the industry. We need to improve nursing home care by improving accountability of nursing home owners and operators, particularly nursing home chains. Further, please consider a position that would invalidate pre-dispute mandatory arbitration agreements in nursing homes, assisted living, and other long-term care facility contracts. These mandatory arbitration agreements only further a crisis by acting to protect providers from accountability for bad care, leaving the family with little or no hope of obtaining justice for their loved one

The record high prices of gasoline and home heating costs have been devastating for senior citizens. They struggle to afford a trip to the doctor's office, a supermarket, or to see their children and grandchildren. Critical programs such as Meals on Wheels have been cut back because of high fuel costs. We urge the Platform Committee to include strong measures against price gouging, as well as fully fund the Low Income Home Energy Assistance Program (LIHEAP), providing home heating aid for low-income Americans.

By charting a bold future that builds a more secure future for America that supports Social Security and Medicare the Platform Committee can stand up a nation of retirees, and the generations that will soon follow them.

Thank you.

