



Wider Opportunities for Women

Elder Economic Security Initiative™ Program – November 14, 2008

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Inside this EESI Weekly Update...

On The Hill – The 2008 Election results will change the make-up of Capitol Hill. The new House and Senate members will convene in Washington next week. Senate Finance Chairman introduces a health care reform plan.

In The Administration – Chairwoman of the Federal Deposit Insurance Corporation (FDIC) decides to announce foreclosure preventions steps without President Bush's approval.

Resources – The New Change.gov site lets you share your vision for America. Generations United spotlights the new Fostering Connections to Success and Increasing Adoptions Act of 2008. The Kaiser Family Foundation introduces its updated drug plan tracker and produces a fact sheet on state Medicaid programs. The Met Life Foundation and Civic Ventures release their report on non-profit employers and their hiring practices of older (“encore”) workers.

In the News – The Christian Science Monitor gives tips on retiring well in the current economy. Kaiser Family Foundation CEO writes about healthcare reform. The Philadelphia Inquirer does a feature story on a man almost ready to retire. A NY Times article focuses on the narrowing of services provided to Medicaid participants. U.S. News & World Report looks at the relationship between children raised by grandparents and injury risk. The New Haven Register reports on state Medicaid protocol and assuring elders are educated about their healthcare options.

ON THE HILL...

The 2008 election provided a number of changes for the Hill. As of today, the House can expect to have at least 255 Democrats and 175 Republicans; five races are still subject to incoming votes or run-offs next month. In the Senate, Democrats are close to gaining a filibuster-free majority for the 111th Congress. The breakdown currently stands at 57 Democrats (including two Independents) and 40 Republicans. Three Senate races are still undecided: votes are still being counted in Alaska, a recount is underway in Minnesota, and a run-off election is scheduled for Dec. 2 in Georgia because no candidate received more than 50 percent of the vote. Republicans currently hold these three undecided seats. [Read about the new Members of Congress.](#)

The House and Senate return to Washington next week, with new members attending orientation sessions and organizational matters on the agenda. Just today, a plan for moving forward on legislation during the one-week lame duck session also started to emerge. Apparently, the Senate will “go first,” with a pared-down stimulus package that combines an unemployment insurance benefits extension with \$25 billion auto loan rescue measure. The Senate will bring up the measure on Monday with a vote likely on Wednesday. The House is scheduled to start its session on Wednesday, assuming the Senate has acted on the stimulus measure. The fate of the measure is far from certain in the Senate, where many Republicans are said to be cool to the idea of the bailout for automakers. The extension of unemployment insurance benefits passed the House in October on a 368-28 vote.

This week, Senate Finance Committee Chairman Max Baucus (D-MT) released a white paper outlining a health care reform plan that would expand Medicaid and the State Children's Health Insurance Program, includes a mandate that individuals must secure health insurance coverage, and create a national health insurance exchange to improve access and quality while reducing costs. Under the plan, until a national health insurance exchange is established, people aged 55 to 64 would be eligible to buy into Medicare. The plan also would gradually phase out the two-year waiting period for Medicare for younger people who are found to be disabled by Social Security. In addition, the section of the plan on Long-Term Care Services and Supports states that the plan “would consider options to further expand access to home and community-based services in Medicaid. The plan would also encourage states to explore new options that improve access to long-term care services and supports to prevent the progression of disability and to help individuals to remain in their homes. Providing support for family caregivers should also be an important part of any reform plan. Long-term care reform should include options to recruit, train, and retain a robust workforce that can ensure high quality care.” [Read the Baucus plan](#). Senator Baucus already is planning hearings, the first of which will be on November 19th on the topic of health care and the economy.

In multiple hearings this week, lawmakers criticized the Treasury Department for its handling of the bailout plan, for failing to curb executive compensation and spending at firms receiving government assistance, and for not doing enough to curb home foreclosures. Treasury Secretary Henry Paulson announced this week that the Department was sidelining the plan to purchase mortgage-backed securities and other troubled assets in favor of other approaches (including direct infusions of capital into financial institutions).

Business and trade associations are asking Congress to act before the end of the year to delay implementation of several provisions of the Pension Protection Act of 2006 that are scheduled to take effect this year. The law established guidelines to ensure that employers honor pension commitments by meeting certain funding requirements.

President-elect Barack Obama said Thursday that he would resign his Senate seat on Sunday, clearing the way for Illinois Governor Rod Blagojevich to appoint a replacement. Gov. Blagojevich will have 60 days to appoint a replacement for Obama, who will serve out the last

two years of the term. Vice President-elect Joe Biden has not given any indication of when he will resign his Senate seat.

IN THE ADMINISTRATION ...

Sheila Bair, Chairwoman of the Federal Deposit Insurance Corporation (FDIC) took the surprising step of announcing today foreclosure prevention steps without first getting the approval of the Bush Administration. The plan, which would be funded under the \$700 billion financial rescue package, would reduce first line mortgage payments to as low as 31 percent of monthly income, and the modifications would be based on interest rate reductions, extension of term and principal forbearance. Bair estimates that the plan could reach as many as 2.2 million loans.

RESOURCES...

Change.Gov: Share Your Vision for America

The new President-elect and Vice President-elect website allows you to share with Barack Obama and Joe Biden your vision for the country. Please share your vision on economic security for all today! Click [here](#).

Generations United: Fostering Connections to Success and Increasing Adoptions Act of 2008

GU looks at the new child welfare and foster care law that recognizes the contribution of grandparents in raising children. The bill summary, fact sheet, and more information can be found [here](#).

The Kaiser Family Foundation: Medicare Health and Prescription Drug Plan Tracker

The Kaiser Family Foundation updated its online tool, the Medicare Health and Prescription Drug Plan Tracker, with new 2009 data about Medicare Advantage and Medicare Prescription Drug Plans and with 2008 enrollment data. Check out the updated resource [here](#).

The Kaiser Family Foundation: Fact Sheet on State Medicare Programs and the Economic Downturn

The Kaiser Commission on Medicaid and the Uninsured released a fact sheet looking at the impact on state budgets and Medicaid programs as part of a larger package of resources and how an economic downturn affects health coverage in the United States. View the full fact sheet [here](#).

MetLife Foundation/Civic Ventures Survey of Nonprofit Employers

This new survey found that seven out of 10 nonprofit employers rated the experience that encore workers bring to the job as a significant benefit. And nonprofits with experience in hiring late-career or recently retired workers were the most positive about hiring more. However, some of the 427 nonprofit employers surveyed expressed concerns about entering this uncharted territory. Read the [full report here](#) and [more information here](#).

IN THE NEWS...

Rightsizing Your Retirement

Christian Science Monitor, Kathleen Connell, November 10, 2008

With continued volatility in the stock market, 6.5 percent unemployment (a 14-year high), and October consumer confidence numbers at their lowest ever recorded, Americans are grimly facing what economists predict will be an extended recession.

Of immediate concern to Main Street investors is the tremendous drop in their portfolio values, depleted approximately 18 percent in the year preceding Sept. 30, 2008, according to the Urban Institute.

Applying an 18 percent loss to a \$500,000 retirement portfolio would net a deficiency of \$90,000. Assuming a \$6,000 annual contribution invested at 4 percent, it would take nearly five years to regain the dollars lost.

Immediate retirement losses, as painful as they may be to individual investors, become magnified when a harsh light is cast on the broader issue of retirement security. According to the Employee Benefit Research Institute (EBRI), roughly a third of workers had less than \$10,000 in total assets, not including the value of their primary residence; 1 out of 4 workers had saved \$10,000 to \$50,000; 12 percent had set aside \$50,000 to \$100,000; and 27 percent had over \$100,000.

With low investment returns predicted several years into the future, it will be challenging for workers who have not already accumulated a sizeable nest egg to build sufficient wealth by the time of their expected retirement.

Few Americans have actually calculated the amount of dollars they'll require to live comfortably during retirement, particularly given extended longevity projections. One out of 3 American women and a little over 1 out of 5 men now age 60 are expected to live to 95, according to TIAA-CREF, a financial-services company in New York.

Many Americans near retirement today will be unable to increase their retirement contributions as they pay down credit-card debt or manage higher mortgage payments. But financial advisers strongly urge those who can afford it to max out their 401(k) contributions. For 2008, the maximum amount is \$15,500. Those over 50 can contribute as much as \$20,500.

"It is absolutely essential to take full advantage of 401(k) contributions, if you are over 50," comments Hal Burnstein, a CPA with Burnstein & Associates in Gaithersburg, Md. "It is a sound investment strategy to set aside maximum tax-free dollars if you are to regain the losses you have suffered as a result of a declining financial market."

Take a moment to review your own portfolio, examining your most recent investment statement. Utilizing the retirement savings calculator from T. Rowe Price (troweprice.com/ric), calculate

the probability of your portfolio extending until age 95 given a specific withdrawal rate, an asset mix, and a 3 percent inflation rate.

Consider a 65-year-old retiree with a \$500,000 in retirement assets allocated to 25 percent stocks, 50 percent bonds, and 25 percent cash/money markets. Drawing down \$5,000 a month, they would have a 0 percent chance of their savings lasting until age 95. Reducing their monthly draw to \$2,000, the probability of their savings extending to 95 increases to 53 percent.

In a portfolio with 75 percent bonds and 25 percent cash/money-market funds, which generates a lower return, drawing down that reduced \$2,000 a month cuts the probability to almost a third that the money would last until 95, significantly less than the higher return equity-weighted portfolio.

The four lessons from this much-simplified retirement savings analysis are stark:

- Withdraw less than 4 percent of your retirement savings initially and, perhaps, less than the 3 percent average inflationary rate, extending funds for your entire retirement.
- Work longer. The Urban Institute estimates that working an additional year would increase a typical retiree's Social Security benefit by 9 percent. Delaying retirement by five years would increase total benefits by 56 percent.
- Earn higher returns on your investment portfolio, translating into greater retirement security. Those over 50 should carefully examine their investment allocation to confirm their risk tolerance. If you can rely on other funding sources early in retirement, or plan to work longer, a heavier allocation in equities would allow your stock portfolio to gradually rebound as market conditions improve.
- Save more. As the principle value of your portfolio increases, your retirement security is extended.

Target your retirement date with at least two years notice to perform careful tax and estate planning and a rigorous comprehensive review of your projected post-retirement budget. Make certain you have included sufficient dollars for escalating health costs, insurance, and extended longevity.

- Dr. Kathleen Connell is a professor at Haas Graduate Business School, University of California, Berkeley.

Keeping the Health Reform Coalition Together

Kaiser Family Foundation, Drew Altman (CEO), November 11, 2008

We could be headed for a new schism in the debate about health reform. Not the familiar gulf between advocates of the market and government, or the predictable one between deficit hawks and spenders, but a new one that crosses traditional partisan and ideological lines between advocates of long-term reform of the health care delivery system, and immediate help for the uninsured and insured struggling with health

care costs. This new rift is most likely to develop if tight money and a crowded agenda force the focus to shift from comprehensive to incremental reform and choices need to be made about what goes into a smaller, cheaper legislative package. It's a rift that could stand in the way of progress on health reform if care is not taken to avoid it.

For one group, I will call them the "Delivery System Reformers," true health reform lies in making the actual delivery of care more cost effective over the long term. Delivery System Reformers champion health IT, comparative effectiveness research, practice guidelines, and payment incentives to encourage more cost-effective care such as pay for performance. They believe that only if we can weed out unnecessary care, promote more cost effective and scientifically proven therapies, and distinguish between new technologies that produce new benefits and not just new profits will we be able to get a handle on health care costs and produce value for the health care dollar. The recent op-ed in the New York Times by baseball executive Billy Beane, Newt Gingrich, and John Kerry exemplified the delivery system reform movement, and notably did not mention the uninsured once. Indeed some delivery reformers believe it would be a mistake to put more money into the current system through expanded coverage until more fundamental changes in the system are made.

The other group, I will call them the "Financing Reformers," is focused on an entirely different set of problems. Its major concern is the problem of the 46 million Americans without health insurance coverage and the serious problems all Americans are having today paying for health care and health insurance. For these reformers the health care crisis is fundamentally a problem of economic security and ensuring that everyone has access to affordable health care. Financing Reformers may differ on solutions -- tax credits, expanding public programs, building on the existing employment based system, single payer -- but their primary objective is to fix what they see as a growing crisis in the health insurance system that harms people's economic well-being and access to care.

Obviously many in our field advance both agendas simultaneously, but there are also two very distinct camps. They think about different problems and often attend different conferences. The health reform field is like a Venn diagram with circles that intersect (though not by a lot).

The two agendas clearly fit nicely together in almost any comprehensive health reform plan and in fact elements of each were included in virtually every candidate's plan and are advanced by many organizations. If major health reform legislation becomes the subject of serious debate next year, there's no doubt that it will include expanded coverage for the uninsured, financial relief for many of the middle-class insured, and efforts to make the delivery of health care more efficient and improve quality. Over the long term both financing reform and delivery reform are needed.

But, let's assume that money is very tight in the new Congress and that choices have to be made about the makeup of an incremental health reform package. For example, assume that the President and Congress operate under so-called "pay go" rules where every new program has to be tied to a way to pay for it. Assume that the Congressional Budget Office will not score savings for delivery reforms in the short term, which will make it tougher to pay for a health reform plan. And assume that Congress will have to find money for other health care priorities too such as to reauthorize SCHIP and restore Medicare physician payment cuts. It is in a tight money environment like this where the focus shifts to an incremental health reform package that the schism could develop. Delivery System Reformers might advance an incremental package that focuses on their long-term agenda. They would have an advantage in pressing their case because the reforms they favor are much cheaper than expanding or subsidizing coverage. But Financing Reformers would be completely unsatisfied with a plan that did not offer coverage expansions and substantial help to consumers struggling with health care costs. Elected officials might be tempted to go with the delivery reform agenda: it's critical to do; it could be sold as a first step;

and its price tag will be very appealing compared to the much higher costs of coverage subsidies. But politicians would have to worry that such an agenda responds more to the interests of health care experts than of the public, which is mostly worried about its own costs and the affordability of health care and not the quality of care.

We deal with similar tensions in other areas of health. One example is HIV, where it has long been a challenge to keep those who champion HIV treatment and those who champion HIV prevention under the same tent when resources are being allocated. When I was a state welfare commissioner I dealt with a similar tension in poverty policy between advocates for the poor who favored services strategies - providing job training and child care for example - and those who favored direct income transfers. These differences in social policy are not unique to health reform and always emerge when it comes down to allocating money through legislation when money is scarce.

The old gulf between left and right on how to reform health care, about government vs. the market, has not gone away and will remain a challenge in crafting health reform legislation. But now that Democrats are in control of the White House and the Congress and will be trying to advance a health reform agenda in an environment where new money will be scarce, the health community needs to be on guard for this new rift which could undermine the chances for action. If it does come to an incremental effort it will be important to preserve elements of both health reform agendas to keep the health reform coalition together and to advance the twin causes of short term consumer relief and longer term delivery reform in tandem. And if it comes to it, it will also be important to plan an incremental effort carefully and not stitch it together as a last minute fallback if more comprehensive legislation collapses. Little attention seems to be directed to that challenge today for fear of undermining a broader effort, but that's a subject for another column.

New U.S. Rule Pares Outpatient Medicaid Services

New York Times, Robert Pear, November 7, 2008

In the first of an expected avalanche of post-election regulations, the Bush administration on Friday narrowed the scope of services that can be provided to poor people under Medicaid's outpatient hospital benefit.

Public hospitals and state officials immediately protested the action, saying it would reduce Medicaid payments to many hospitals at a time of growing need.

The new rule conflicts with efforts by Congressional leaders and governors to increase federal aid to the states for Medicaid as part of a new economic action plan.

President-elect Barack Obama has endorsed those efforts. At a news conference on Friday, he said that legislation to stimulate the economy should include "assistance to state and local governments" so they would not have to lay off workers or increase taxes.

In a notice published Friday in the Federal Register, the Bush administration said it had to clarify the definition of outpatient hospital services because the current ambiguity had allowed states to claim excessive payments.

"This rule represents a new initiative to preserve the fiscal integrity of the Medicaid program," the notice said.

But John W. Bluford III, the president of Truman Medical Centers in Kansas City, Mo., said: “This is a disaster for safety-net institutions like ours. The change in the outpatient rule will mean a \$5 million hit to us. Medicaid accounts for about 55 percent of our business.”

Alan D. Aviles, the president of the New York City Health and Hospitals Corporation, the largest municipal health care system in the country, said: “The new rule forces us to consider reducing some outpatient services like dental and vision care. State and local government cannot pick up these costs. If anything, we expect to see additional cuts at the state level.”

Carol H. Steckel, the commissioner of the Alabama Medicaid Agency, said the rule would reduce federal payments for outpatient services at two large children’s hospitals, in Birmingham and Mobile.

Richard J. Pollack, the executive vice president of the American Hospital Association, said these concerns were valid.

“The new regulation,” Mr. Pollack said, “will jeopardize important community-based services, including screening, diagnostic and dental services for children, as well as lab and ambulance services.”

Herb B. Kuhn, the deputy administrator of the Centers for Medicare and Medicaid Services, defended the rule.

“We are not trying to deny services,” Mr. Kuhn said. “We want to pay for them more accurately and appropriately. Payments for some services were way higher than they should be.”

The rule narrows the definition of outpatient hospital services to exclude those that could be provided and covered outside a hospital.

In May, the White House said it wanted to avoid the rush of “midnight regulations” that had occurred at the end of other administrations. But Bush administration officials said this week that they still intended to issue, or relax, many economic, environmental, health and safety rules before they leave office on Jan. 20.

Medicaid, financed jointly by the federal government and the states, provides health insurance to more than 50 million low-income people. Services can often be billed at a higher rate if they are performed in the outpatient department of a hospital rather than in a doctor’s office or a free-standing clinic. Hospitals generally have higher overhead costs.

Matt D. Salo, a health policy specialist at the National Governors Association, said, “The new rule is consistent with the administration’s effort to squeeze, shrink and flatten Medicaid spending.”

In a recent letter, the governors urged Congress to increase the federal share of Medicaid for at least two years. With state tax revenues plunging, many governors are considering cuts in Medicaid and other programs. Such cuts, they say, would further depress economic activity.

Ann Clemency Kohler, the executive director of the National Association of State Medicaid Directors, said: “The new rule is a pretty sweeping change from longtime Medicaid policy. Since the beginning of the program, states have been allowed to define hospital outpatient services. We have to question why the rule is being issued now, three days after the election, with a new administration coming in.”

The rule was proposed in September 2007. It takes effect on Dec. 8, six weeks before Mr. Bush leaves office.

Ms. Kohler said the rule would cut “money going to the states, to safety net providers, at a time when states are really being stressed.”

“More and more people are coming onto Medicaid,” she said. “People are losing their jobs and running out of unemployment benefits. Some employers can no longer afford to provide health insurance to their workers.”

In the last 18 months, Congress has imposed moratoriums on six other rules that would have cut Medicaid payments. But the administration says Congress did not block the rule issued on Friday.

Larry S. Gage, the president of the National Association of Public Hospitals, said, “We will urge Congress to extend the moratorium to this rule, and we will ask the Obama administration to withdraw it.”

Dashed Dreams of Retirement

Philadelphia Inquirer , Jane Von Bergen, November 9, 2008

Popping open a beer at his dining room table, Sunoco refinery worker John Read signed the last document, slipped his retirement paperwork into an envelope, and began to dream about the future.

"All the things I could do, all the things I wanted to repair, just being home, playing with grandkids."

But something kept Read, 58, from mailing in the forms he had signed Sept. 15.

On Monday, joining others around the nation backtracking on plans to retire because of the plunging stock market, Read called his boss and officially canceled his retirement.

"I started watching the market," recalled Read, who lives in Millville in Cumberland County. "Things really started going down."

His stash of \$1.1 million, built up after 36 years of working overtime in all kinds of weather, began to slide.

With retirement set to start at the end of the month, Read said he "could see the end of the tunnel - that you are finally done. If I was in a job I really didn't like, I would be really disappointed."

Cherry Hill salesman Tom Baldwin also watched his investments fall. That's why he and his wife will be working at least one more year. They had planned to retire in May.

Airline pilot John Golly and his flight attendant wife, Mary, of Wilmington, cannot afford to stop working.

Neither can nurse Bobbi McClay of Garnet Valley in Delaware County. She had planned to retire next August, when she turned 62.

Not now.

Her pension would have given her enough to live on, but she wanted to count on a 401(k) for emergencies. "I lost 30 percent," she said. "I'm not retiring because I will not have enough backup."

Amtrak electric-traction worker Gary Jester's home in Langhorne didn't sell for a year, delaying his retirement.

"Your body gets beat up," said Jester, 60, who worked outdoors 35 years for Amtrak.

When retirement expert Richard W. Johnson looks at U.S. Labor Department statistics, he spots the glimmering of a trend - more men, still the traditional principal breadwinners, are continuing to work past age 65.

A year ago, about 33 percent of men aged 65 to 69 in the labor force - meaning they wanted to work, rather than be retired - actually had jobs. This year, it's around 36 percent. Ten years ago, it was about 25 percent.

Beyond the numbers, Johnson is hearing the stories of people who simply cannot afford to quit.

"When we see \$2 trillion in losses in retirement funds, we think people will not be able to retire as early as they might have been," said Johnson, at the Urban Institute, a Washington think tank.

Here's what he's seeing:

From Sept. 30, 2007, to Sept. 30, 2008, retirement accounts lost \$1.6 trillion, or 18.3 percent of their value, he said, citing government studies. The situation has worsened since then.

The median value of retirement accounts dropped from \$105,800 in 2007 to \$89,300 in 2008 - as of Sept. 30 in both years - wiping out most gains since September 2005.

A decline in housing prices may affect seniors who hoped to finance their retirement by selling their homes. However, because many bought their homes decades ago, they can still benefit from a rise in real estate prices despite the recent drop.

Staying employed, if you can, is the best hedge: One in four workers employed between the ages of 51 and 55 typically gets laid off within 14 years, according to one study. Such individuals take longer to find new jobs and return to work at lower wages.

Unemployment, which has increased, hurts retirement saving for those in their 50s and 60s. That's when, after years of child-rearing expenses, they are using peak earnings to finally build retirement nest eggs.

"This is primarily a middle-class problem," Johnson said. "People at the bottom don't have much savings to begin with, so they won't be hit with declines in the stock market."

Compounding the problem is the shift toward 401(k)-funded retirements based on investments and away from traditional employer-funded pension plans - many insured by the federal government.

The erosion of employer-funded pensions is partly why US Airways pilot John Golly, 60, and his wife, Mary, 56, a flight attendant, are still working and haven't retired to Florida, as planned.

In bankruptcies in 2002 and 2004, judges allowed US Airways Group Inc. to terminate pension plans, leaving the Gollys with the minimum fallback pension from the U.S. Pension Benefit Guaranty Corp. After the second bankruptcy, "I lost the postretirement benefits that were going to get us from 60 to 65," said John Golly, sitting with his wife at their kitchen table.

"We were both very angry," Mary Golly said. "You have to overcome it and move on."

Even so, he expected they'd be able to manage - particularly since he had invested heavily in Washington Mutual Inc., one of the nation's biggest savings banks. That had to be a sure bet.

On Sept. 25, Washington Mutual, with \$307 billion in assets, collapsed - the biggest bank failure in U.S. history.

"We are down about 30 percent," Golly said, describing his investment portfolio.

Luckily, last November, seven months before Golly turned 60 in June, federal aviation rules that mandated pilot retirement at age 60 changed to allow pilots to fly until 65. "It's a catch-22," said Golly, who now figures he'll fly until he is 65. "Yeah, I get to work five more years, but yeah, I have to work five more years."

Meanwhile, the Pension Benefit Guaranty Corp., with assets of \$68 billion, has lost \$4.8 billion since the start of the year, \$1.7 billion in September alone, according to congressional reports.

Albert Einstein Hospital nurse practitioner Carol Hutelmyer, 66, is relying on her two employer-based pensions, augmented by a 401(k) plan. She retired on Sept. 30 after 42 years on the job - just in time for the market free fall.

"It happened within a week after I retired," said Hutelmyer, of Center City.

"I thought, 'I can't look at my investments and I haven't,' " she said. She hadn't planned to tap into the 401(k) for several years anyway, so she's hoping the market will rebound enough for her to stay retired.

"I'm taking an art history course in the museum," she said. "I made the decision that I am going to expand other parts of my brain."

Fortunately, nurses can always get work. "The profession gives you a lot of flexibility," she said.

Philadelphian Linda Washington, 59, retired last month - and not exactly by choice.

In September, fearing she'd be laid off from a major local pharmaceutical company, she raised her hand to accept an early-retirement package.

"That was the week before the stock market crashed," she said. "But the economy made me pause."

In the end, she said, she continued with her plans, taking her pension in a lump sum along with a severance package. Her former company will cover health insurance for her family at a discount.

Washington knows that she will have to work before Social Security kicks in at 62, but she is confident she'll find a job. Meanwhile, she's making jewelry, hoping to sell some to holiday shoppers.

"Practically speaking, I needed a rest," she said. "Now I have an opportunity to do other things that I would like to do."

Grandparent Caregivers Cut Kids' Injury Risk in Half

U.S. News & World Report, HealthDay News, November 3, 2008

When grandparents act as caregivers for children of working parents, the risk of childhood injury is reduced by about half, says a U.S. study that challenges the widespread belief that children are more likely to suffer an injury while being cared for by grandparents.

Compared to organized day care or care by the mother or other relatives, having a grandmother take care of the children was associated with a decreased risk of injury, said Johns Hopkins Bloomberg School of Public Health researchers.

"Recent growth in the number of grandparents providing child care has some observers concerned they don't adhere to modern safety practices. To the contrary, this research tells us not only is there no evidence to support this assumption, but families that choose grandparents to care for their children experience fewer child injuries," study author Dr. David Bishai, a professor in Bloomberg's department of population, family and reproductive health, said in a news release.

"As injuries are the number one cause of death for children in the United States, it's critical we continue to determine risk and protective factors," study co-author Andrea C. Gielen, director of the Center for Injury Research and Policy in Bloomberg's department of health policy and management, added.

"Additional studies of how households choose relatives to watch their children and the actual caregiving style of grandparents are warranted, because the protective effect of grandparents may depend on choosing the right grandparent," Gielen said.

For this study, the researchers analyzed data from the National Evaluation of the Healthy Steps for Young Children Program, which includes more than 5,500 newborns enrolled in 15 U.S. cities, with follow-up for 30 to 33 months.

In addition to caregiving, the researchers studied the association between family structure and injury risk. The likelihood of injury was higher among children whose parents never married than among children whose mothers stayed married throughout the child's life. Children in homes in which the father didn't reside were also more likely to suffer injuries. These associations were independent of family income.

The study was published in the November issue of Pediatrics.

CMS Wants Connecticut To Make Sure Medicaid Beneficiaries Know They Do Not Have To Switch Insurers

New Haven Register, November 11, 2008

[CMS](#) has asked Connecticut health officials to clarify to [HUSKY Health](#) beneficiaries that they are not required to switch to new insurers by the end of December, the *New Haven Register* reports. HUSKY is the state's Medicaid program (O'Leary, *New Haven Register*, 11/11). Last month, Gov. Jodi Rell (R) announced that she has postponed until February 2009 the mandatory switch for 345,000 low-income HUSKY beneficiaries to new insurers. Rell's administration proposed the switch as a way to encourage insurers to participate in the new [Charter Oak Health Plan](#) for adults. However, [Aetna Better Health](#) and [AmeriChoice](#) -- two of the new insurers that would cover the HUSKY beneficiaries -- have had difficulties in setting up adequate provider networks (*Kaiser Daily Health Policy Report*, 10/27).

Mary Kahn, a spokesperson for CMS, said, "Our concern is that people not be given the impression that they have to switch to networks we don't think are ready." Kahn said that while the insurers' provider networks are improving, they are not yet sufficient. She added that a key concern is the loss of [Anthem BlueCare](#), which will stop providing services in the state on Dec. 31. "With Anthem [BlueCare] bailing out, there are no out-of-network options for [HUSKY clients]," she said. Kahn said that CMS will continue to observe the situation, adding that if HUSKY beneficiaries do not have sufficient network options to choose from by the end of the year, "we will deal with it then. We just have to take it a day at a time."

As of Friday, 14,476 beneficiaries had moved to Aetna Better Health; 3,027 had moved to AmeriChoice; and 25,437 had moved to the [Community Health Network of Connecticut](#), according to David Dearborn, a spokesperson for the state [Department of Social Services](#).

Meanwhile, Sheldon Toubman, an attorney with New Haven Legal Aid Assistance, in a letter to CMS called on the agency to stop the voluntary switching of beneficiaries until the new networks are in place. He wrote that federal rules require insurers to document adequate provider networks at the time of enrollment with no distinction made between voluntary and mandatory enrollment.

The state's health care advocate Kevin Lembo also has asked the state to allow beneficiaries to switch from their new insurers to their previous coverage and said the popularity of CHNCT is unfair to the other insurers and fails to provide real choices for beneficiaries. He added that Charter Oak is unable to provide "timely and geographical access to care" because fewer physicians and hospitals participate in that program than in HUSKY.

If you haven't already, please subscribe to the Initiative listserv for weekly updates by sending an email to: EESI-NATL-subscribe@yahoogroups.com

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