



Wider Opportunities for Women

## ***Elder Economic Security Initiative™ Program - September 26, 2008***

We have recently added a storyboard function to the EESI portion of the [WOW website](#). As you can see our first story hails from Wisconsin. As you continue to engage seniors and their caregivers in the Initiative, please let us know if individuals would be willing to share their story. **Be sure to check out our first entry today!** Thanks Betsy!!

### **Inside this EESI Weekly Update...**

We are pleased to share that as of this week, Alisha Howell has joined WOW to serve as our new Elder Economic Security Initiative Program Assistant. Alisha recently joined WOW after completing an internship with the Capital Area Asset Builders here in DC and graduating from the University of Illinois at Urbana-Champaign with a Bachelor's degree in Journalism. When you get a chance, please by the [EESI blog](#) to read her first post!

This week's update includes detail on the following:

**[On The Hill](#)** – Bailout & Economic Stimulus Package; Supplemental funding for the Medicare Qualifying Individual (QI) Program; National Sliver Alert Act; Elder Justice Act; and Poverty Hearing

**[Resources](#)** – GAO on asset and income limits for Extra Help; Pensions from GAO and Urban Institute; and Assets Agenda

**[In the News](#)** – Boston Globe: Poverty by Outdated Numbers; Baltimore Sun: Medicare Rules; MI FreePress: Discounted services threaten fiscal health; and Newsday: Oldsters think feds should do more to help

**Read on for more detail.**

### **ON THE HILL ....**

The week was dominated by the frenzy created by the need to bail out Wall Street and preserve America's credit markets. Meanwhile, measures to help the unemployed and lower income people limped to the floor in the waning days of the 110<sup>th</sup> Congress, originally scheduled to end today. The Senate and House appeared unable to agree on whether or not to pay for extending tax provisions, including an extension of the child tax credit. While leaders continued negotiating terms of the bailout in the spotlight of presidential politics, the Senate failed to shut off debate so it could vote on an economic stimulus package to create jobs, increase utility and food assistance, and help states forestall Medicaid cuts. Debate began this afternoon on the

House economic stimulus package. The bill would provide about \$60 billion for infrastructure, extending unemployment insurance, food stamps and more. WOW will have a roundup of final Congressional action next week after Congress adjourns.

All that said, Congress did squeeze a few items in this week relevant to those working on elder economic security. For instance, on Thursday, September 25<sup>th</sup> the Senate passed by unanimous consent bill [S. 3560](#) introduced by Senate Finance Committee Chairman Max Baucus (D-MT) and Ranking Member Chuck Grassley (R-IA) to provide supplemental funding to the **Medicare Qualifying Individual (QI)** Program within the Medicare Savings Program. The bill is set to be considered by the House of Representatives soon.

On September 17, 2008 the House passed [H.R. 6064](#), the **National Silver Alert Act**, which was introduced by Rep. Lloyd Doggett (D-TX). Under the legislation, the Attorney General would establish a national Silver Alert communications network within the Department of Justice to assist in regional and local search efforts. A coordinator will be named within the DOJ with responsibilities, including: 1) developing protocols in the states for efforts to recover missing seniors and reduce the number of seniors who are reported missing; 2) establishing an advisory group to assist states, local governments, law enforcement agencies, and other entities in the communications network; and 3) acting as the nationwide point of contact for the development of the network and regional coordination of alerts for missing seniors. Rep. Doggett and others are currently working to find a co-sponsor for similar legislation in the Senate.

The **Elder Justice Act** (S. 1070) has moved to the point where it is being circulated among Senators to try and get it to the Senate floor under unanimous consent this week. The process is called hot lining. If no objection is registered over the coming days, then the bill could be eligible for a Senate vote at any time. In the House, a related elder justice bill, H.R. 5352, the Elder Abuse Victims Act of 2008, is scheduled for a vote by the full House this week.

**Hearing on Poverty:** Witnesses at a [Joint Economic Committee hearing](#) Thursday said the policy strategies needed for a 21<sup>st</sup> century anti-poverty agenda are the same as those that would help the current economic crisis on Main Street – jobs created through infrastructure investment, an increased minimum wage, guaranteed child care assistance, improvements in the Earned Income Tax Credit and child tax credit, and increased spending for food stamps, energy assistance, and the Community Services and Community Development Block Grants. Committee Co-Chair Caroline Maloney (D-NY) said the ailing Sen. Edward Kennedy had requested the hearing before the close of the 110<sup>th</sup> Congress to establish “new priorities” for fighting poverty in the 21<sup>st</sup> century. She noted the 490,000 workers now receiving unemployment benefits has exceeded the 400,000 usually associated with a recession.

Rebecca Blank of the Brookings Institution testified that an expanded EITC would help attract men with less than a high school degree back to the labor force. Their participation has been falling for 30 years, she said. In addition to the child care needs of working women, she testified said it is time to re-open the conversation about the size and structure of the safety net for “disconnected women” and others unable to hold stable employment.

**RESOURCES...**

## **Government Accountability Office: Assets and Income are Both Important in Determining Low-Income Status**

In this report, the GAO [highlights](#) the fact that most people who are denied the low-income subsidy for prescription drug coverage through a private Medicare drug plan, have incomes above the limits. Read the full report [here](#).

## **The Urban Institute: [Distributional Analysis of Pension and Social Security Reforms](#)**

This new study by the Urban Institute looks at Social Security funding issues as it relates to the retirement of the baby boomer generation and provides relevant solutions. Read the full report [here](#).

## **Government Accountability Office: Pension Benefit Guaranty Corporation, Improvements Needed to Address Financial and Management Challenges**

The GAO [highlights](#) improvements for the Pension Benefit Guaranty Corporation in [testimony](#) before the Subcommittee on Oversight, Committee on Ways and Means, House of Representatives.

**Women’s Policy, Inc.** (WPI) sponsored a briefing, “Expanding the Middle Class: Expanding Path to Self-Sufficiency for Women and their Families,” with the co-chairs of the Congressional Caucus for Women’s Issues. Ray Boshara, Director of the Asset Building Program of the New America Foundation, gave an overview of federal policy options to expand savings and asset ownership by low- and moderate-income women and their families. (See [The Assets Agenda: Policy Options to Promote Savings and Asset Ownership by Low- and Moderate-Income Americans](#) from the Asset Building Program and Margarita Alvarez Gomez, director of the Family Development Network of New Economics for Women (NEW) in Los Angeles, The Latina economic development organization stresses housing development and homeownership for women with incomes at 30 to 60 percent of area median.

## **IN THE NEWS...**

### **Poverty by Outdated Numbers**

#### **The Boston Globe, September 19, 2008**

It was the 1960s when Mollie Orshansky, a federal government worker, used the price of food to come up with an estimate for the minimal cost of living. This work became the basis for the federal poverty line.

The world has changed, but the official definition of poverty is woefully antiquated. This year, the federal poverty level for a family of four is \$21,200. That’s a pittance for many parents who are trying to provide for themselves and their children — especially in Boston and other high-

cost cities. The price of housing, healthcare, transportation, and child care — which have soared over the years — are not included.

Fortunately, efforts to modernize federal measures of poverty are percolating in Congress. A bill filed Thursday by Representative Jim McDermott, a Washington state Democrat, calls on the US Census Bureau to work with the Bureau of Labor Statistics to devise new ways to measure poverty.

This approach would include the costs of housing and clothes as well as food. It would account for the ways that prices of goods and services vary across states. And rather than letting a new poverty tool gradually wizen into uselessness, the bill calls on the two agencies to review and improve the measurement on a regular basis.

Getting an accurate poverty level is critical because it triggers eligibility for many federal aid programs, from Head Start to heating assistance. And the more Americans understand about 21st-century poverty, the more pressure there will be to fight it by modernizing antipoverty programs.

This won't be easy. In Boston, for example, the Crittenton Women's Union, a local nonprofit, uses a self-sufficiency standard to estimate that a family of four with one toddler and one school-aged child actually needs \$62,000 a year to pay for housing, healthcare, food, transportation, child care, and other costs.

Implicit in this calculation is a daunting challenge: Government shouldn't just try to push people out of poverty. Instead, public policy should push people above the line of self-sufficiency. This could mean helping hard-working people find higher-paying work. It also means helping people who can seem hard to help, including single mothers, high school dropouts, former drug addicts, and people mired in several generations of poverty.

The first step, however, is to update federal poverty guidelines, so that the country can see what poverty actually looks like today. Then efforts can be made to pave new roads to prosperity.

**Oldsters think feds should do more to help**

Newsday.com by Saul Friedman, August 30, 2008

One could almost hear the sad sigh in the words of Herbert Ris, of Farmingdale, when he replied to my request of a few weeks back that readers tell me how they're making out in these troubled days and what they see in the near future: "I tell my kids I'm glad I'm old and I feel sorry for the young of today. I feel I lived in the best times this country has seen."

Herb, now retired, is only 67, and his wife is 65, and he says, "we are better off than some others," although the rising prices of everything from food to fuel and health care are closing in on them and they're making do with less. But he worries that Iraq is "ruining this country and the economy, and "no one in Congress appears to care enough."

World War II Navy veteran John T., of Hauppauge, who is 89 and lives with his wife, 92, wonders why "we who are struggling to make ends meet" get so little help with food stamps and heating bills. He writes: "When I look out my window at the American flag I fly, I see a splotch on it. We spend all kinds of money on countries like Iraq. And this is the help they offer Americans? Those people in Washington ought to [be] ashamed of themselves for thinking they are our leaders. I've lived through the Great Depression and will live through this ungrateful period."

These were two of dozens of replies to my questions and most of them shared at least two conclusions: Older Americans recall the Depression struggles of their parents and their youth and they are doing with less to survive hard times again and even helping their kids. But they have soured on the nation's direction, they worry about their immediate future and have little faith in the government's ability or will to act as it did in the crises of the past.

Coincidentally, the letter writers' feelings were reflected in an extensive survey of more than 2,000 Americans over the age of 18, published last month by Time magazine and the Rockefeller Foundation. It found, first of all, that "the social contract of the 20th century, an agreement between government, employers and society that affords Americans with the basic necessities of the American dream appears to be unraveling."

Specifically, the survey found, eight of 10 Americans agree the social contract has been broken; only 52 percent still believe the American dream is attainable if they work hard and play by the rules, and 78 percent say they are facing greater financial risk than in the past.

Why? Nearly 90 percent of Americans believe the economy is headed downhill; only 24 percent say Congress and 21 percent say the president are helping; on the contrary, most Americans say George W. Bush and Congress are hindering economic recovery. Last month, even as the president reluctantly signed the housing bill, Republicans blocked a proposal in Congress to give added help on heating and air-conditioning costs to the poor.

As a result, in addition to cutting vacation and entertainment expenses, Americans are forgoing health insurance, visits to doctors and medicines. And still, a third of Americans are failing to pay their bills on time. But these problems are not confined to older Americans.

Half of Americans between the ages of 18 and 29 fear they may become another "depression-era generation," for they wonder, like Herb, if the nation's best days have come and gone, and they are worried about their own financial security. Despite the pessimism and the impatience with politicians, each generation still looks to the federal government for solutions.

William Huebsch of Stony Brook, who is over 70 but still working and happy that he's getting Social Security and its annual increases, says "the politicians should finally accept the responsibilities of their office to get things done, similar to John F. Kennedy's commitment to get to the moon."

Jay A., 61, of Baldwin,, says he can no longer afford to live on Long Island and intends to move south, but he hopes the next president and Congress "will show bold leadership and force major changes to save the country from a severe recession or a worse, a depression. The war must be stopped, the ceiling must be lifted on Social Security payroll taxes, we should follow an energy plan like Jimmy Carter proposed and, oh yes, how about single-payer health insurance?"

Jane A., of Commack, whose stockbroker-husband has been sickened from the stress of the market that's sapping the value from millions of retirement savings plans, says her family is holding its own. But she's worried about where the country is headed and she asks, "Why are we standing by for this? Why aren't we clamoring for solutions? I'd like to challenge your readers to make change happen ... and force our elected officials to take the necessary radical steps to fix everything that we've allowed to become broken."

The Time-Rockefeller survey also suggests that Americans want government solutions. Despite the attacks on and belittling of big government by recent administrations, the survey found that 70 percent favor government and employers providing better health care and retirement programs.

And upward of 80 percent favor universal health care, massive public works programs, like those of the New Deal to create jobs, and methods, like those proposed by Al Gore and T. Boone Pickens, to improve energy efficiency while imposing strict limits on pollution. And large majorities support government mortgage aid to besieged homeowners, expanded unemployment benefits and government-funded child care for working parents.

We'll publish more of your responses in coming columns. But the last word today belongs to Paul Gergenti. 60, of Lindenhurst, a retired truck driver, who recalls gloomy predictions that the country will be "divided between rich and poor, and the middle class will be gone. I think that time may be here."

## **Medicare Rules Ban Insurers from Cold-Calling, Offering Free Meals During Sales Pitches**

**Baltimore Sun, Kevin Freking, September 15, 2008**

WASHINGTON (AP) \_ Medicare issued new rules Monday that restrict insurance agents' contact with the elderly and disabled when selling prescription drug plans and more comprehensive health coverage called Medicare Advantage.

The regulations will go into effect Oct. 1, which is when insurers can begin marketing their plans for 2009. Among the changes mandated by Congress are:

—No unsolicited contacts with beneficiaries, such as visiting their home or calling them. The prospective customer must initiate the contact.

—No selling of other insurance products, such as annuities or life insurance, to beneficiaries.

—No free meals at promotional or sales events.

—New requirements for training or testing of agents.

Lawmakers and the Centers for Medicare and Medicaid Services acted after beneficiaries and advocacy groups complained of high-pressure sales tactics that led some people to sign up for plans that didn't meet their health care needs. For example, some signed up for plans that didn't cover their medicines, or required them to change doctors.

Medicare officials said enforcement of the regulations would include more surveillance of insurance agents' presentations through a "secret shopper" program, as well as a review of a plan's print and broadcasting ads.

Insurers will also be subject to penalties of up to \$25,000 for each enrollee affected or likely to be affected by illegal marketing tactics.

Federal officials recommend that all Medicare enrollees review their drug and insurance coverage going into the new enrollment season, which begins Nov. 15. Plans typically adjust which medicines they'll cover in the coming year, as well as how much they'll charge.

### **Area hospitals take a hit to care for patients: Discounted services threaten fiscal health**

FreePress by Patricia Anstett, September 15, 2008

Michigan's slumping economy and population changes that are leaving the state with older, poorer, sicker residents are taking a big hit on Michigan hospitals.

The hospitals spent an unprecedented \$2.6 billion last year providing free and discounted care, writing off uncollected patient debts and making up for losses from Medicare, Medicaid and other government programs.

The figures, to be released today by the Michigan Health & Hospital Association, a group reporting information for 132 of the state's 146 nonprofit hospitals, climbed from \$1.7 million in 2006 and continue rising this year, underscoring the growing call nationwide for health reform, industry leaders say.

"This is one of the most important issues confronting the health care industry today," said Jim Connelly, chief financial officer of the Henry Ford Health System. "If we want to keep health systems financially viable, we have to find a solution to this problem."

Tim Eckels, vice president of public policy for Trinity Health, a large Novi-based Catholic health system, added: "The numbers are unsustainable" and "speak to the way we need to change health care delivery in southeast Michigan to keep more people out of the emergency department and the hospital."

Trinity has teamed up with the University of Michigan in a program to shift people from emergency department care to primary care doctors. The program serves 9,000 previously uninsured people.

With 1.1 million uninsured people in Michigan, another 1.8 million on Medicaid, and 1.5 million on Medicare, hospitals and free clinics are stretched thin trying to provide care. Many clinics have waiting lists.

"The safety net has big holes in it," said Sister Mary Ellen Howard, director of Cabrini Clinic in Detroit, the nation's oldest free clinic. She tries to refer some patients closer to their home, but "the response I often get is: 'I already called there and they are not accepting new patients.' So I tell them to come."

New patients are accepted several times a year at a clinic on Detroit's east side, run by St. John and Trinity Health, but every time open enrollment begins, "we're maxed out within 30 minutes of opening the telephone lines," said Kevin DiCola, manager of corporate communications for Trinity Health.

Faced with some of the leanest times in years, which administrators blame in part on higher free-care costs and losses from government programs, hospitals are cutting staff and consolidating programs for potential savings.

Earlier this year, St. John Health laid off 300 staffers and froze 100 other vacant positions. In July, it began charging patients \$15 for visits to two Detroit clinics it funds for uninsured people.

St. John spent \$15.2 million on free care last year, mostly for emergency department and inpatient care for uninsured people. It lost \$65 million on under-reimbursement from care for Medicaid patients. St. John is the second-largest provider of care to Medicaid patients, after the Detroit Medical Center.

Medicaid pays less than any other insurance, as made clear in the state's only comparison of hospital charges versus insurance payments compiled by the Grand Rapids-based Spectrum Health System. For example, the hospital charges \$74.61 for a routine chest X-ray. Medicaid paid \$26.97; Medicare, \$45.62, and other insurers, \$63.07.

The DMC last year lost \$86.9 million on Medicare and Medicaid services, \$4.7 million for uncollected debts and \$69 million for free care, according to spokeswoman Lori Mouton.

Oakwood Healthcare Inc., based in Dearborn -- with \$40 million in bad debt and free care and \$15.6 million in Medicaid losses -- continues to review staffing and other issues to offset losses, said Douglas Welday, executive vice president and chief financial officer.

Hospitals with lower operating margins "have to make up the difference somewhere else," said Tom Marks, senior finance director and revenue cycle officer for the University of Michigan Hospitals and Health Centers in Ann Arbor.

Often, that means higher charges to insured people, he said.

Lower margins also "diminish our ability to invest in our future, including facility and equipment improvements, new technology and expansion," Marks said.

Statewide, most hospitals are seeing a 25% jump in costs for free care, losses on uncollected patient debt and care for people with government insurance, said David Seaman, senior vice president of the hospital association.

Even once financially robust health systems such as Beaumont Hospitals, based in Royal Oak, are feeling the pinch. Beaumont lost \$68 million last year on care to Medicare patients, for example, and an additional \$25 million on Medicaid. Beaumont sees more Medicare patients than any U.S. hospital, except for one in Florida.

"It's not just the uninsured, but the underinsured, causing this problem," said Nick Vitale, senior vice president for financial operations at Beaumont.

Faced with \$25 million in losses from uncollected debt from patients, Beaumont this year increased discounts on care to uninsured people up to 40% of a bill, from 15%. A decade ago, many hospitals charged uninsured people the full charge for a hospital service.

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