



FRIDAY ALERT

Alliance *for* Retired Americans

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Headlines:

Doc Fix Prevents Cuts to Medicare Providers for a Year
Kellogg's: Frosted Flakes®, Froot Loops®, and a Worker Lockout
See Hidden Camera Footage of American Legislative Exchange Council in Action
NAFTA at 20: AFL-CIO Reports on Legacy of the Trade Deal
Fiesta Speaks at NEA Conference
Alliance's National Convention is April 28 – May 1, 2014 at Bally's Hotel Las Vegas

Here is your March 28 edition:

Doc Fix Prevents Cuts to Medicare Providers for a Year

On Thursday, the House approved a so-called “doc fix” bill that serves as a temporary solution to an ongoing structural problem in the formula used to determine Medicare funding levels. After hours of uncertainty over whether the bill would have sufficient support to pass, House Republican leaders moved quickly to approve the measure by voice vote. The legislation, which is also expected to be taken up and passed by the Senate on Monday, prevents a 24 percent cut in reimbursements to physicians under Medicare. The Washington Post reported that many House Democrats criticized the bill -- insisting that Congress should have voted on a permanent fix to the Sustainable Growth Rate, as the doc fix is known.

“This is a band-aid,” declared House Minority Leader Nancy Pelosi (D-Calif.). “There are so many things that are wrong with this bill, but the simple fact is that the clock is ticking and on March 31, it's bad news for our seniors and the doctors that treat them.” She voted in favor of the year-long fix despite its shortcomings, after considering the consequences of not doing so.

This “doc fix” is the latest incarnation of a bill passed frequently by the House -- sometimes multiple times per year -- that avoids a sharp drop-off in Medicare payments. In 1997, Congress created the Sustainable Growth Rate, a system that pegged the amount of money budgeted for Medicare payments to projected growth of the economy. However, within a few years, health care costs far outpaced economic growth -- creating a multibillion dollar shortfall in funding.

“While we really need a permanent fix, we can at least breathe a sigh of relief that seniors will not have trouble getting doctors to accept patients on Medicare next week,” said Barbara J. Easterling, President of the Alliance.

Kellogg's: Frosted Flakes®, Froot Loops®, and a Worker Lockout

Kellogg Company, the \$14 billion global snack food giant, has embarked on a perilous path that threatens the very principles and values that its founder W.K. Kellogg envisioned a century ago. Under the guise of another restructuring program and led by its CEO, John Bryant, Kellogg is closing factories, cutting production lines, locking out workers, taking uncompromising and unreasonable stands at collective bargaining tables throughout the world and is even turning its back on its hometown of Battle Creek, Michigan.

More than 220 workers have been locked out of their jobs at Kellogg's Memphis, Tenn. cereal plant since October 22, 2013. The workers, members of Bakery, Confectionery, Tobacco Workers and Grain Millers International Union Local 252G, who make Frosted Flakes®, Froot Loops® and other breakfast favorites, were locked out as part of the drive by the company to replace steady, middle-class, full-time jobs with casual part-time employees who would make significantly lower wages and substandard benefits.

"We need to stand with these Kellogg's workers in order to help save the middle class," said Rich Fiesta, Executive Director of the Alliance. To tell Kellogg to stop the global destruction of middle class jobs, go to <http://www.kelloggsgreed.com>.

See Hidden Camera Footage of American Legislative Exchange Council in Action

Check out the Alliance's new web page <http://tinyurl.com/nqr4g2g>, which features a story about a hidden camera in an American Legislative Exchange Council (ALEC) meeting in Arizona with state legislators and corporate lobbyists. The page also has action links (updated for all browsers!) and resources.

NAFTA at 20: AFL-CIO Reports on Legacy of the Trade Deal

The AFL-CIO's new report "NAFTA at 20" outlines what workers have learned from 20 years of NAFTA. The report, available at www.aflcio.org/NAFTAat20, argues that NAFTA-style agreements prove to be a vehicle to increase corporate profits at the expense of workers, consumers, farmers, communities, the environment and even democracy itself.

"The report is particularly relevant in the context of Trans-Pacific Partnership (TPP) negotiations, wealth inequality, and the jobs deficit," said Ruben Burks, Secretary-Treasurer of the Alliance.

Insurers Benefit More from Additional Medicare Reimbursements than Seniors do
The National Bureau of Economic Research (NBER) has released a paper looking at the Medicare Advantage (MA) program, through which the federal government contracts with private insurers to coordinate and finance health care for more than 15 million Medicare recipients. NBER found that additional reimbursements to Medicare providers lead more private firms to enter the market and to an increase in the share of Medicare recipients enrolled in MA plans. The findings revealed that only about one-fifth of the additional reimbursement is passed through to consumers in the form of better coverage. A somewhat larger share accrues to private insurers in the form of higher profits. There was also evidence suggesting a large impact on advertising expenditures. The results have implications for a key feature of the Affordable Care Act that will

reduce reimbursement to MA plans by \$156 billion from 2013 to 2022. The paper is available at <http://tinyurl.com/qy6yanp>.

Fiesta Speaks at NEA Conference

Mr. Fiesta traveled to Houston for the NEA Retired Organizing Conference on Wednesday. The conference was devoted to training retired members of the National Education Association to organize their communities to advance the cause of public education.

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It is not too late to register for the Alliance for Retired Americans 2014 National Membership Convention in Las Vegas, Nevada, April 28 through May 1. More info is at <http://bit.ly/1hYpj0g>. Retirees will take home all the information they need to fight for retirement security and help fellow Americans retire with dignity. Convention attendees will have time to network with activists from across the country, share experiences, and gain helpful tips. Delegates registered to attend may offer or second a resolution for consideration. It must pertain to a statement of the Alliance's position or policy on a specific matter and be sent to Resolutions2014@retiredamericans.org. Resolutions and seconds must be received by the Alliance by April 8, 2014.