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THE SOCIAL SECURITY & MEDICARE
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Social Security Recipients to Get $1,200 Stimulus Check

The $2.2 trillion coronavirus stimulus package has been signed into law, and Social Security recipients will be included among the millions of Americans getting a $1,200 stimulus check. While there have been promises that the checks will start going out very soon, in reality the one-time payments may take several months before they actually show up in your bank accounts.

Under the plan, individuals with incomes below $75,000 will receive $1,200, while married couples with incomes below $150,000 can expect to get $2,400. Parents with children under the age of 17 would receive $500 for each child. Payments for people with incomes greater than $75,000/$150,000 start phasing down, and would phase out entirely for those with incomes higher than $99,000/$198,000.

The payments, which will be distributed by the IRS, are technically advance tax credits for 2020. Anyone who has already received a tax

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Medicare's Home Health Care Benefits Become Harder to Get

The decision can be abrupt and arbitrary. A home health worker tells you, "Your husband (mom, dad, sister, brother) isn't getting any better, we've done all we can do, and now we can't continue services, because Medicare isn't going to pay for it."

According to a recent story by Judith Graham, a journalist for *Kaiser Health News,* abrupt terminations of home health therapy services are hitting families across the nation. The

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IN THIS ISSUE:

Where Are All the Medical Masks?

By Mary Johnson, editor

Why is the United States running out of medical masks for healthcare workers and patients? How did our healthcare system fail to provide the most basic and inexpensive protective equipment needed to deal with the coronavirus?

Today's drastic shortage of protective medical gear is particularly troubling to me, considering I spent a mere $3.98 for a batch of 50 paper face masks just two years ago. In my area of Virginia, local primary care clinics and hospitals kept boxes of inexpensive paper medical masks, along with Kleenex, at the front door, for patients and visitors to help themselves.

As cases of the coronavirus surged here in Virginia, that changed dramatically. Medical masks are hard to find, at any price. The shortage is so drastic that hospitals are emailing patients asking for donations, and doctors are posting articles begging employers to share surplus supplies. Nurses are frantically sewing their own masks and posting YouTube videos to show the rest of us how to make them for our local hospitals.

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RETIREES' BIGGEST CONCERN ABOUT SOCIAL SECURITY

A $300 Benefit Cut

By Rick Delaney, Chairman of the Board

Rick Delaney, Chairman of the Board, TSCL

There's a discussion about Social Security that we haven't yet heard much about from the candidates yet. What's their plan to address Social Security's financing issues? The answer is critical because, according to the independent Congressional Research Service (CRS) which advises Congress, massive cuts are looming for Social Security unless Congress makes changes, and fairly soon. The CRS estimates that those cuts would cost the average retiree a stunning $300 per month ($3,600 a year) in Social Security benefits if Congress fails to make changes to the program in time.

The Social Security Trustees estimate that the Trust Fund will become depleted just 15 years from now in 2035. According to the CRS, if the Social Security Trust Fund runs out, *the law effectively prohibits full Social Security benefits from being paid on time."* If that were to occur, benefits would be reduced about 20% in the first year to match the amount of payroll taxes coming in. That would be the equivalent of a $300 per month benefit cut for someone with an average benefit of $1,500.

I don't need to tell you cuts that deep simply could not be absorbed by the average retiree. According to TSCL's Senior Survey, forty-five percent of you said that that your net monthly Social Security benefit grew by less than $10 in 2019, despite receiving the highest Cost-of-Living Adjustment (COLA) in years. The lack of growth in net Social Security benefits will affect considerably more people in 2020 because retirees received a much lower COLA this year, and Medicare Part B premiums grew more quickly than in 2019.

To bring Social Security into balance without cutting benefits, Congress would need to increase payroll taxes by about 3.2%, or lift the amount of wages subject to taxation from $137,700 and apply the Social Security payroll tax to a greater portion of earnings. TSCL is working to build support for passage of legislation that would provide this revenue boost.

TSCL is going door to door meeting with Members of Congress asking their support for H.R. 860 and S. 269, Social Security "boost" legislation that would provide solvency through increasing revenues, while modestly boosting benefits and providing a more generous annual COLA.

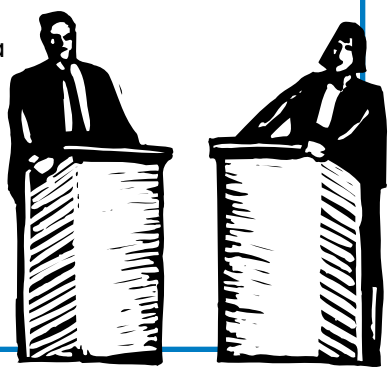
Fifty percent of participants in TSCL's recent Social Security survey say their biggest concern is that benefits will be cut. Thirty-four percent worry that benefits will continue growing more slowly than their expenses. With the average retiree benefit at just $1,500 and healthcare costs taking more than one quarter of their checks—retirees simply could not survive long with a $300-a-month benefit cut. But one thing is certain, taking no action at all and letting Social Security funds run out would be the equivalent cutting benefits by 20%.

With so much at stake this election year, we encourage all of you to learn what your candidate's plan is for Social Security. No plan at all is the same as a benefit cut! ■

WHERE DO THE 2020 PRESIDENTIAL CANDIDATES STAND ON SOCIAL SECURITY?

The non-partisan Center for Retirement Research at Boston College has released a comparison to help you learn where the candidates stand on Social Security.

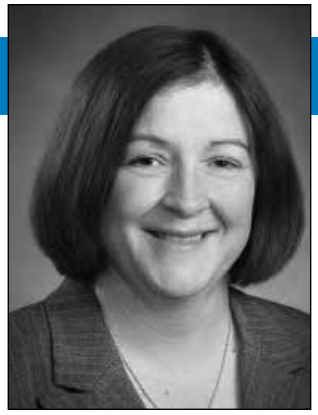
You can access the comparison chart here: https://crr.bc.edu/newsroom/2020-presidential-candidates-views-on-social-security/



Legislative Update

Will Legislation to Reduce Drug Prices Make it into Law?

By Shannon Benton, Executive Director



Shannon Benton, Executive Director

The affordability of prescription drugs is a key issue for older Americans. A survey by the non-partisan Kaiser Family Foundations has found that one-in-four people can't afford to pay for their medications. This is especially true for Medicare beneficiaries, many of whom must take multiple prescriptions every day.

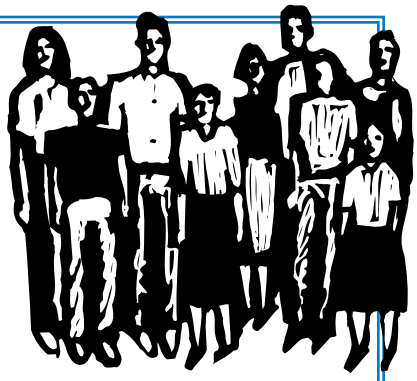
Americans often pay at least two times more than patients in other developed countries for the same drug, according to an October 2018 report from the Department of Health and Human Services. House legislation, The Lower Drug Costs Now Act (H.R. 3), would allow Medicare to negotiate drug prices by tying prices to an international drug reference price. The bill passed in the House but is awaiting further action in the Senate. In addition to lowering drug prices, the bill would provide an out-of-pocket spending limit on prescription drugs for beneficiaries, starting at $2,000.

The Senate has its own bill that would require rebates from drug makers if prices exceed the rate of inflation, and would set a Part D annual out-of-pocket spending cap for patients starting at $3,100. The bipartisan Senate bill passed the Senate Finance Committee and is awaiting a vote by the full Senate, but the Majority Leader, Senator Mitch McConnell, (KY) has not scheduled it for a vote. With public pressure, that could change, so please contact your Senators and ask them to help move this legislation!

Of the provisions to cut prescription drug costs, we think that capping out-of-pocket spending for Medicare beneficiaries appears to be the most likely to be added to other government spending bills this year. The Pharmaceutical Research and Manufacturers of America is lobbying hard against provisions that would allow Medicare to negotiate drug prices though, especially using an international reference price system, and the outcome of that provision is more uncertain.

In coming days, TSCL will continue to work with Members for enactment of prescription drug legislation that will help lower costs for Medicare recipients. For progress updates on our work, follow The Senior Citizens League on Twitter or visit our homepage at www.SeniorsLeague.org. ■

Your Opinion Counts!



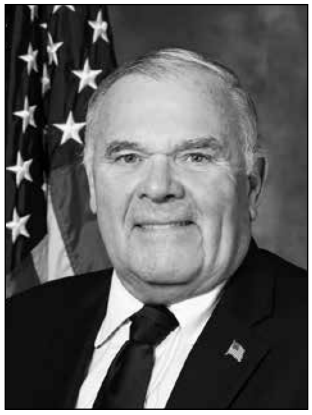
We can strengthen Social Security, Medicare and Medicaid programs without the need for deep cuts and higher out-of-pocket costs. The Senior Citizens League needs your opinions and ideas to share with Members of Congress on the issues. Make sure they hear your concerns. Take a survey, sign a petition, read about the latest legislative action in Congress, or send us an email. Visit The Senior Citizens League's website at www.SeniorsLeague.org.

The Social Security & Medicare Advisor © 2020 is published by The Senior Citizens League (TSCL). TSCL is an organization of active seniors concerned about the protection of their earned Social Security, Medicare, military, and other retirement benefits. TSCL's supporters participate in a number of grassroots lobbying and public education campaigns to help ensure governmental bodies live up to their commitments. Current active contributors to The Senior Citizens League are entitled to receive *The Social Security & Medicare Advisor* for no additional charge. Readers wishing to contact TSCL should address correspondence to The Senior Citizens League, 1800 Diagonal Road, Suite 600, Alexandria, VA 22314. TSCL website: www.SeniorsLeague.org. Editor: Mary Johnson.

CONGRESSIONAL CORNER

Capping Drug Costs Could Negatively Impact Rural Health Care Systems

Representative Jim Baird (IN-4)



Representative Jim Baird (IN-4)

Americans from all walks of life agree, drug pricing is out of control. The most adversely impacted by the rising costs are over the age of 65. We must address the issue of affordable drug costs. In a time when it seems every significant issue is used to play politics; we must ensure that our seniors get the healthcare they deserve. This should and can be a bipartisan effort for Congress. Many of my colleagues across the aisle agree we can improve affordability of prescription drugs through a variety of approaches.

In Indiana's 4th Congressional District I hear from constituents who are having to make tough decisions on which medicine to buy on any given week. Many seniors are living on fixed incomes and yet they are falling prey to a broken system that costs too much and underdelivers. Unfortunately, H.R. 3, a current proposal in the House of Representatives from my colleagues across the aisle is not the answer. This partisan legislation is a one-size-fits-all, top-down, government-run approach to health care. In order to "reduce" prices, this legislation would place a cap on the maximum price, effectively ensuring that maximum price will be charged for drugs in Medicare Parts B and D.

This provision, which is a core part of the legislation, will lead to rural physicians, already operating on thin margins, having to close their practice or sell to a hospital network. Both outcomes will result in seniors being forced into expensive hospital care that in rural areas may not even be available. Additionally, this legislation would hurt innovation; capped prices mean less money going towards research and thus fewer new cures. H.R. 3 allows the government to completely set pricing, resulting in a level of control that could be catastrophic.

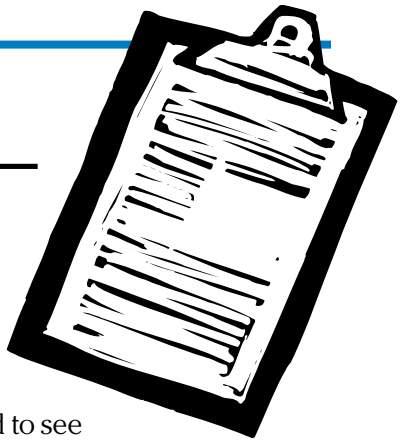
Comprehensive reform is needed, and we can begin this process by passing meaningful legislation that will positively impact the livelihood of our seniors. Let's not delay. There is tremendous support for legislation that helps get generic drugs to the market quicker, which will result in affordable pricing without jeopardizing the resources needed for costly innovative and research. We can meaningfully address this issue without giving federal government more power over the market. ■

The opinions expressed in "Congressional Corner" reflect the views of the writer and are not necessarily those of TSCL.

BEST WAYS TO SAVE

Forget Medicare's "Free" Annual Wellness Exam—We Need Medicare to Cover Annual Physicals

By Mary Johnson,editor



Despite being our nation's largest healthcare program, Medicare doesn't always operate in a way that makes sense. True fact: Medicare doesn't cover an annual check-up with your doctor.

Federal law actually prohibits Medicare from paying for annual physicals, and patients can be responsible for the entire cost if they get one. This could mean hundreds of dollars in unexpected costs. Because of this, many patients go without regular annual checkups, and serious health conditions can get worse between doctor visits. If you take prescription medications on a regular basis, doctors do need to see you at least once a year, if for no other reason than to review the medications you are taking and update prescriptions.

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Forget Medicare's "Free" Annual Wellness Exam—We Need Medicare to Cover Annual Physicals; continued from page 4

Although annual physicals aren't covered, Medicare does provide an Annual Wellness Exam with a nurse that is fully covered with no co-pay or co-insurance. The exam is ostensibly designed to help prevent disease and disability by helping your provider develop a "personalized prevention plan" based on your medical history and current needs. The visit does NOT include any face-to-face time with the doctor though, or much more than a height, weight, and blood pressure check from a nurse. If an Annual Wellness Exam veers away from the specific questions or discusses treatment, whether at the urging of the nurse or patient, Medicare beneficiaries can wind up with co-pays or out-of-pocket costs for the exam.

What it does include are questions—11 pages (!!) of surprisingly invasive questions that Medicare is collecting about you. After filling out all 11 pages on behalf of my 70-year old brother who has cognitive issues, I have questions about the questions. Why is Medicare collecting this specific type of information, when Medicare doesn't cover many of the conditions that the questions flag? Will the patient be referred to services in the community that may help?

In the case of my brother, we did not need the wall chart vision test to learn that his eyesight is diminished. Because my brother's income is so very limited and because he can't read or manage belongings without high risk of loss and breakage, he's never opted to get a pair of glasses. But since having the annual exam, so far there has been no effort to refer my brother to any local programs that could help fit him for a free or low-cost pair of glasses.

The following list gives you an idea of the type of questions that you can expect from Medicare's Annual Wellness Exam:

- **Ability to perform tasks of daily living.** These are similar to, if not the same criteria used to determine the need for long-term care services and supports. Routine long-term care services are not covered by Medicare. 2 pages.
- **Physical and aerobic activity level.** 2 pages.
- **Nutrition.** 1 page.
- **Hearing.** Hearing services are not covered by Medicare. 1 page.
- **Fall risks.** 1 page
- **Sleep habits.** 1 page
- **Behavioral health, tobacco use.** 1 page
- **Alcohol use.** 1 page
- **List for you to fill in of your medical providers and suppliers.** 1 page

I question how most of the information collected from these exams would be used. The questions do not directly address actual health conditions or medical history. The information collected, however, appears to be of potential interest to private insurers like Medicare Advantage plans, because the information could be used to determine the patients' "risk scores" which are used to adjust the level of reimbursement from Medicare. The sicker the patient, the higher the reimbursement from Medicare.

In fact, before my brother's exam was even over, the nurse fished out a packet of information and a free pill organizer from my brother's Medicare Advantage plan—Humana. His plan is offering gift cards of $25 to $50 for making "healthy choices" such as walking regularly or getting an Annual Medicare Wellness Exam.

According to a recent study published by the journal *Health Affairs,* in 2015, less than 19 percent of eligible beneficiaries received an Annual Wellness visit. That, in my opinion, is plenty. Congress needs to rethink the Medicare Annual Wellness Exam. These exams are not "free" to Medicare, and the increased cost to Medicare drives up Medicare Part B premiums for all of us. Meanwhile, without linking patients to services and programs in the community, the benefits from these exams, if any, are extremely hard to identify and quantify. On the other hand, the benefits to insurance companies for adjusting rates upward is great.

Instead, I'm far more interested in Medicare coverage for an annual check-up with our primary care doctor. Annual exams help catch changes in our health earlier, when they are easier to treat and can perhaps reduce spending for bigger health problems later on. Even if we still pay our typical co-pay or co-insurance for the visit, that would be a much more valuable new benefit, one with a known track record for helping patients stay healthier, longer.

To learn more about the Annual Medicare Wellness Exam, talk to your primary care doctor, before making an appointment with a nurse. Ask your doctor if the exam would help uncover any new information that he or she doesn't already know. ■

ASK THE ADVISOR

I'm Entitled to a Pension for Work as a Cop… Should I Continue to Pay into Social Security for Other Work?

Q: I worked in a California city police department for 30 years and I'm now entitled to a pension. For the past 8 years, I've also paid into Social Security for self-employment earnings from a small company that I own. My accountant tells me that in order to qualify for Social Security benefits, I should continue to work at my company and send in in two more years' worth of taxes. Will this be worth it?

A: It's hard to say until you crunch the numbers. You may qualify for Social Security benefits with as little as ten years of work through your self-employment. But even if you do, you will be subject to the Windfall Elimination Provision (WEP) which reduces Social Security benefits when you receive a pension based on non-covered government employment.

The WEP affects people who worked for a state or local government employer that did not withhold Social Security taxes from salary. When you claim the pension for your work as a police officer, the WEP can reduce your Social Security benefit by as much as half of the amount of your pension.

In addition, your Social Security benefit is likely to be small anyway. When Social Security calculates the initial benefit, the amount of total earnings would be averaged over a 35-year (420 month) period to determine your average monthly earnings. While you become eligible with as little as ten years of earnings total, the SSA will still average your earnings over the 420-month period. This would produce a low average initial benefit amount. Then the WEP adjustment would reduce your initial benefit formula by scaling back the amount of average monthly earnings that would be credited toward your benefit.

Congress first approved the WEP in 1983 as part of a large package of Social Security reforms that included increasing the full retirement age. The stated intent was to remove an unintended advantage for workers who collect non-covered pensions, but also did some work in jobs covered by Social Security.

TSCL supports legislation that would repeal the WEP such as H.R. 3934, the Equal Treatment of Public Servants Act of 2019, bipartisan legislation introduced by Representative Kevin Brady (TX-8).

To learn more about the WEP, download the Social Security Administration Publication No. 05-10045 here—https://www.ssa.gov/pubs/EN-05-10045.pdf. ■

Social Security Recipients to Get $1,200 Stimulus Check; continued from page 1

refund for 2019 will likely be among the first to receive these "tax rebate checks. It will take longer to set up the system for physical checks to be mailed—perhaps several months, so be patient and watch for a notice about the payments that will be coming in the mail.

With significant losses in the stock market, retirement account holders are worried about having to sell assets at a loss to satisfy required minimum distribution (RMD) rules. We were relieved to learn of provisions that waive the RMD requirements from retirement accounts for 2020.

The enormous stimulus bill contains numerous provisions that affect your healthcare coverage and out-of-pocket costs. We will be sending you more details about these soon as information become available. Please watch your email. ■

Source: "Show Me The Relief Money—No Promises On when Coronavirus Checks are Coming," Vanessa Romo, NPR, March 26, 2020.

Medicare's Home Health Care Benefits Become Harder to Get; continued from page 1

terminations are in response to a January 1, 2020 change in how Medicare pays for home health services. Some home health agencies are suggesting that Medicare no longer covers certain home health services. But please note: *That is NOT the case.*

Physical, occupational and speech therapy services for some patients, especially those who have long-term severe illnesses, are the services that have been impacted the most. Under a new Medicare reimbursement system, home health agencies now have a stronger financial incentive to treat patients who need short-term therapy after a stay in the hospital or rehabilitation facility. Payments under the new reimbursement system are higher for people who are discharged from an institution and have services provided within the first 30 days—and get lower after that.

The new payment system applies to traditional fee-for-service Medicare and not to Medicare Advantage plans which have their own system. If you are told that Medicare's home health benefits have changed, don't believe it. Coverage requirements haven't changed, and Medicare beneficiaries are still entitled to the same type of home health services.

If a therapist or home health agency says that Medicare does not cover a service any longer, that's a red flag because Medicare hasn't changed benefits, or the qualifications to receive benefits, but only the payment structure. To be eligible for Medicare home health benefits you must meet *all* of the following conditions:

- You are homebound. This means you are unable to leave home without considerable effort and you require help doing so.
- You need skilled nursing services, and/or skilled therapy care on an intermittent basis.
- You have a face-to-face meeting with a doctor within 90 days before starting home healthcare, or 30 days after the first day you receive care.
- Your doctor signs a home health care certification, confirming that you are homebound and need intermittent skilled care. The certification also must state that your doctor as approved a plan of care for you and that the face to face meeting requirement was met.
- You receive care from a *Medicare-certified* home health agency (not all home health agencies are).

If you have questions or experience billing issues, contact an advocate such as your doctor, and your area agency on aging. Multiple home health agencies operate in many areas of the country, and you may be able to find services through a different agency. For information on where to find help in your area, check the Eldercare Locator 1-800-677-1116. ■

Source: "Why Home Health Care is Suddenly Harder to Come By for Medicare Patients," Judith Graham, Kaiser Health News, *February 3, 2020.*

SOCIAL SECURITY & MEDICARE QUESTIONS

How Much May I Earn in the Year I Turn Full Retirement Age?

Q: I turn 66 in August of next year, and plan to start Social Security retirement benefits. How much may I earn in 2021 without reducing my benefits?

A: It depends on whether you can wait just a little bit longer to start benefits. The Social Security retirement age for full, unreduced benefits is rising, and because you were born in 1955, your full retirement age is not 66, but 66 and 2 months. You would hit that age in October 2021. When you begin retirement benefits *during or after the month that you reach your full retirement age,* 66 and 2 months, your earnings no longer reduce your benefits no matter how much you earn.

The same is not true when you start benefits sooner than your full retirement age. There's a special earnings limit for the year in which you turn full retirement age. In 2020, that limit is $48,600 (it may be slightly higher in 2021). If your entire annual earnings will be under this amount by the time you file in 2021, then you should be OK to start benefits in August. But if you earn more than that, this is one of those times when it will be worth the wait.

Here's an example of how it works: Assume you start Social Security benefits in August of 2021, and you are entitled to a monthly benefit of $1,500. Let's assume the 2021 earnings restriction for individuals turning full retirement age will be $50,000. Assume that you work and earn $70,000 during

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How Much May I Earn in the Year I Turn Full Retirement Age? continued from page 7

the year and you receive $40,833 through July. Your earnings through July are $9,167 in excess of the limit ($50,000 – $40,833 = $9,167). Your Social Security benefit would be reduced by $1 for every $3 over the limit or $3,055.60 ($9,167 ÷ 3 = $3,055.60). Your excess earnings would completely eliminate your benefits for August and September and the balance of $55.60 would come out of your October check.

The rising eligibility age will trip up the unsuspecting. In addition to the fact that your earnings would reduce your benefits temporarily, your benefits would be permanently reduced from the full amount for starting two months early. Plan to file your claim for benefits in October 2021 or later.

To learn more about getting benefits while working, visit the Social Security website at www.SSA.gov. ■

Where Are All the Medical Masks? continued from page 1

The Centers for Disease control has warned for years about the threat of a pandemic like the Covid-19 corona virus, and the Department of Health and Human Services estimates that the U.S. will consume 3.5 billion face masks fighting it. Yet the reasons behind today's shortage have done little to soothe my growing agitation.

We are running out of protective gear to battle the corona virus for two reasons:

- The rise of low-cost overseas manufacturing of such items and,
- The failure of both government-funded and private healthcare systems to seriously address the growing vulnerabilities of relying so heavily on such a limited number of overseas trading partners for these critical supplies.

The New York Times reports that over reliance on China has led to the current shortage of face masks. China made half of the world's supply of medical masks before the coronavirus started there, and that has grown to as much as 80% of the world supply since.

Although China has not specifically halted exports to the U.S., it has effectively been able to do so, by requiring manufacturers to sell masks straight to the government of China for distribution, leaving none for export. This includes the N95 masks—so desperately sought by medical workers here in the U.S. Those masks are made by 3M, a U.S.-based company with a factory in Shanghai. In addition to restricting exports, China appears to have cornered the market by purchasing a vast portion of the global supply of medical masks from other nations as well, and even obtaining some through donations. Thus, at this point purchasers, including city, state and the federal government will be bidding against each other for the masks.

Now worries about our nation's shortage of medical masks have reached a crisis point. Emergency room doctors and healthcare workers have been hospitalized with the coronavirus, and our nation's hospitals and health systems risk being overwhelmed, endangering us all.

Supporters of reducing reliance on China say that reliance leaves the U.S. dangerously short of medical supplies and pharmaceuticals. China also manufactures much of the world's penicillin, antibiotics and pain medicines. Of course, there are legitimate questions about how much big government can and should compel private companies to reorganize a global supply chain that is heavily invested in China, and how quickly companies in the U.S. could do so, even if they want to. Expanding U.S. manufacturing is likely to require a lot more work, and to take a lot more time to be able to accomplish fairly and cost efficiently. But our nation needs to explore a far wider safety net of supply sources starting now.

If the shortage of medical supplies bothers you as much

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Where Are All the Medical Masks? continued from page 8

as it bothers me, I urge you to contact your U.S. Representative and Senators. Ask what measures he or she favors to address the current shortage of medical supplies, and what plans they support to address future emergencies.

For those of you who want to help, contact your local hospitals, health clinics, or nursing homes to learn how you can donate protective medical gear. For those of you who know how to sew and have fabric sitting unused, your local medical workers need you! Watch some YouTube videos and join the fast-growing national effort to sew and donate medical face masks to local hospitals. Here's a video about how one grandmother and her two granddaughters got involved in my area: https://www.nbc29.com/2020/03/24/greene-county-family-makes-face-masks-donate/. ■

Sources: "The World Needs Masks. China Makes Them—But Has Been Hoarding Them," Keith Bradsher and Liz Alderman, The New York Times, *March 13, 2020. https://www.nytimes.com/2020/03/13/business/masks-china-coronavirus.html. "Coronavirus Spurs U.S. Efforts to End China's Chokehold on Drugs," Ana Swanson,* The New York Times, *March 11, 2020.*