THE SENIOR CITIZENS LEAGUE
An Affiliate of TREA The Enlisted Association

TSCL—Defending Your Earned Benefits For Over 26 Years

THE SOCIAL SECURITY & MEDICARE
ADVISOR©

June 2021, Volume 26, Number 5

How Much Income Do Retirees Actually Have? Is It Enough?

How has the COVID-19 pandemic exacerbated concerns among older Americans about maintaining a secure retirement? Social Security alone was never originally intended to be the only source of income in retirement. It is frequently referred to as one of the legs of a "three-legged retirement income stool." Savings and pensions are the two other major sources of income for retirees. But few retirees these days have access to a defined benefit pension, and the pandemic has affected many retirees' savings for the worse. This leaves an increasing number of beneficiaries reliant on Social Security for most, or even all of their income in retirement.

In 2019, the income of people aged 65 and up was about $47,357 for those whose incomes are right in the middle. But how well did these same people do in 2020? Half of all participants in TSCL's recent Senior Survey (conducted from January through March of this year) report that their retirement savings had not recovered to the December 31, 2019 level, as of December 31, 2020, despite the stock market ending at record highs.

Various sources indicate that the number of retirees with income from pensions has declined dramatically over the past decade and, instead,

continued on page 9

Backdoor Medicare Cut Could Raise Your Out-of-Pocket Costs

A new Medicare cost-saving rule that was launched late in 2020 will cut payments to hospitals for some surgical procedures, and could potentially raise costs for Medicare recipients. According to an article by Susan Jaffe, of *Kaiser Health News,* the Centers for Medicare and Medicaid Services (CMS) has for years classified 1,740 surgeries and other services as "so risky" for

continued on page 10

NEW! TSCL'S 2021 Retirement Survey— starting on page 4

IN THIS ISSUE:

"Flo" Was Wrong. I DO Want Big Government In My Medicine Cabinet.

By Mary Johnson, editor

Remember "Flo"? In 1999 she was the blond, perky, mature lady who came onto our TV screens telling us that she was here "to tell seniors about changes that affect our medicines." She would end by saying "I don't want big government in my medicine cabinet." Flo implied that, if Medicare provided a drug benefit for seniors, it would stifle research and development of new life-saving drugs coming to market and restrict access to drugs a patient was already taking.

It turned out that Flo was working for the deep pocketed pharmaceutical industry. They successfully used her ad to sink major legislation proposed by President Bill Clinton to add a voluntary drug benefit to Medicare. It wasn't until 2003 that the Medicare Prescription Drug, Improvement and Modernization Act, which added the Part D drug benefit to Medicare, was finally signed into law by President George W. Bush. But, although the bill provided a drug benefit, it specifically prohibited Medicare from negotiating prices with drug manufacturers,

continued on page 11

Benefit Bulletin

Rick Delaney,
Chairman of the Board, TSCL

As COVID-19 Cases and Deaths In Long-Term Care Facilities Drop, Families Look Forward to Changing Visitation Rules

By Rick Delaney, Chairman of the Board, TSCL

For more than a year, assisted living facilities and nursing homes have been mostly closed to visitors to protect vulnerable older patients from COVID-19. Long term care facilities have been the site of 173,000 COVID related deaths, accounting for 35% of the nation's total. The Centers for Medicare and Medicaid Services instructed nursing homes to lock down on March 13, 2020, as the pandemic accelerated, and the Centers for Disease Control said that no one, except relatives making end-of-life visits, should be let in.

> The nursing home industry has set a goal of having 75% of their staff vaccinated by the end of June…

But nursing home patients and staff, along with other healthcare workers, were among the first in the nation to receive COVID-19 vaccines. Now, new data indicates that, with the roll out of vaccines, COVID cases among nursing home patients and staff plummeted by 83% from December 20, 2020 to the week ending February 14, 2021. The nursing home industry has set a goal of having 75% of their staff vaccinated by the end of June—this month.

Long term care experts, caregivers, and doctors are asking that long term care facilities relax visitation restrictions and grant special status to "essential caregivers," family members, or friends who provide critical hands-on care, so they can better tend to relatives. But reopening nursing homes will be complicated and must be done very carefully.

Expect to find that the facilities require some expanded rules for visitors. Plan to schedule visits, to be screened for symptoms, and the facility may even require a negative COVID test before entry. In addition, facilities may limit the number of visitors at any time, may send visitors to designated visitor sites (perhaps outdoors) instead of patients' rooms, and require the use of face masks and protective plastic gloves.

TSCL feels that the careful re-opening of nursing homes is a necessity for the well being of older Americans in nursing homes, to relieve residents and caregivers of the crushing isolation. We call on everyone with family members in such facilities to prepare for visits by learning visitation policies in advance, and calling ahead before visits.

How has COVID-19 affected you? Please take TSCL's 2021 Retirement Survey, starting on page 4. ■

Source: "Reopening of Long-Term Care Facilities Is 'an Absolute Necessity for Our Well Being'," Judith Graham, Kaiser Health News, *March 4, 2021. "COVID Cases Plummet 83% Among Nursing Home Staffers Despite Vaccine Hesitancy," Melissa Bailey and Shoshana Dubnow, March 15, 2021.*

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.

Legislative Update

Shannon Benton, Executive Director

Congress May Consider Legislation Ending Two Provisions That Reduce Social Security Benefits of Public Employees

By Shannon Benton, Executive Director

Two provisions of law, known as the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) unfairly reduce, or even completely eliminate, the Social Security benefits of millions of Americans who have devoted their careers to public service, in addition to having worked other jobs that withheld payroll taxes for Social Security.

TSCL strongly endorses this legislation and we encourage you to ask your Representative to support it.

In December of 2020, about 1.9 million people, or about 3% of all Social Security beneficiaries, were affected by WEP. This provision applies to workers who are entitled to both Social Security benefits as well as to pension benefits from employment not covered by Social Security. School teachers and firemen are two good examples. Before 1983, those whose primary employment wasn't covered by Social Security could still receive the full amount of any Social Security benefits they may have earned, assuming they had worked long enough to qualify (usually 10 years of work credits). Today though, people affected by the WEP must have their benefits calculated using a different benefit formula. The WEP can reduce Social Security benefits by up to half the amount of the individual's pension from non-covered work.

The GPO reduces the Social Security benefit received by spouses and surviving spouses who also collect a government pension. Nine out of 10 public employees affected by the GPO lose their entire spousal benefit, even when their spouse paid Social Security taxes for many years. According to the Congressional Research Service, in 2018 approximately 6.6 million state and local government workers (28%) were in non-Social Security covered jobs. About 83% of all affected by the GPO are women.

The rationale for both the WEP and the GPO—that the Social Security benefit formula is overly generous to these individuals and that they are reaping unintended benefits—is very hard to justify today. In fact, Social Security benefits are quite modest when compared to the national pension systems of other developed nations. The modified benefit formulas used under each of these two provisions substantially reduces the benefit that workers were counting on, but these are benefits that were earned and paid for by Social Security taxes.

In January of 2021, bipartisan legislation, the Social Security Fairness Act (H.R. 82), which would eliminate the WEP and the GPO, was introduced by Rep. Rodney Davis (IL). To date, the bill has 136 co-sponsors including BOTH Democrats and Republicans. TSCL strongly endorses this legislation and we encourage you to ask your Representative to support it. Public service employees deserve to get all the Social Security benefits they rightfully have paid for. ■

***The Social Security & Medicare Advisor* © 2021** 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.

You can help inform the public and members of Congress about issues affecting older Americans. Your response to this survey helps The Senior Citizens League (TSCL) bring you better services to meet your needs and priorities. Your responses help us craft TSCL's legislative agenda and to represent your interests on Capitol Hill. Your answers are vitally important to us and will be kept anonymous.

Thank you!

Please fill out this survey on pages 4–8.

If you want to save money on postage, TSCL's 2021 Retirement Survey may be taken online at seniorsleague.org/2021-retirement-survey

TSCL 2021 Retirement Survey

1. Which of the following statements most closely characterizes your age and benefits at the time of your retirement? Please check just one.

- ☐ *You were younger than your full retirement age and your benefits were reduced because you receive benefits over a longer period of time.*
- ☐ *You were at full retirement age and you received your full benefit.*
- ☐ *You were older than full retirement age and you received a higher benefit because you will receive benefits over a shorter period.*
- ☐ *Uncertain which statement applies.*
- ☐ *Not applicable. Haven't started benefits yet.*

2. What sources do you have available for retirement income? Please check all that apply.

- ☐ *Social Security.*
- ☐ *Pension from former employment.*
- ☐ *Retirement savings accounts, such as a 401(k), Keogh, SIMPLE, IRA or Roth.*
- ☐ *Taxable individual stock or mutual fund investments.*
- ☐ *Equity in your own home.*
- ☐ *Earnings from a job or business.*
- ☐ *Annuities or insurance payouts.*
- ☐ *Inheritance.*
- ☐ *Rent and royalties.*
- ☐ *Other.*

3. If you have retirement savings how is it invested? Please check all that apply.

- ☐ *Money market or CDs.*
- ☐ *Bonds or bond mutual funds.*
- ☐ *Stocks or stock mutual funds.*
- ☐ *Family business.*
- ☐ *Savings Account.*
- ☐ *Does not apply, don't have any retirement savings.*

continued on page 5

4. Which of the following financial actions have you taken during the COVID-19 pandemic? (March 2020 to present.) Check all that apply.

☐ *Spent emergency savings.*

☐ *Drew down retirement savings more than usual.*

☐ *Made changes to my retirement savings investments.*

☐ *Refinanced a home mortgage.*

☐ *Went back to work or have taken a new job.*

☐ *Applied for a pharmacy assistance program for one or more expensive prescription drugs.*

☐ *Applied for Medicare Savings Program or Medicare Extra Help to assist with medical and/or prescription drug expenses.*

☐ *Visited a food pantry or applied for SNAP benefits.*

☐ *Applied for rental assistance.*

☐ *Applied for assistance with heating and cooling costs.*

☐ *Provided room and board, child care or other assistance for adult children and grandchildren.*

5. Do you agree or disagree the following issues make it harder to manage your retirement income?

Rising cost of healthcare and prescription drugs.
☐ *Agree* ☐ *Disagree* ☐ *Unsure*

Inadequate Social Security benefits at retirement.
☐ *Agree* ☐ *Disagree* ☐ *Unsure*

Low annual Cost-of-Living Adjustments (COLAs) that don't adequately keep pace with rising costs.
☐ *Agree* ☐ *Disagree* ☐ *Unsure*

Fewer people have pension benefits through employers.
☐ *Agree* ☐ *Disagree* ☐ *Unsure*

Rising debt in retirement.
☐ *Agree* ☐ *Disagree* ☐ *Unsure*

Rising cost of long-term care, and lack of affordable senior living options.
☐ *Agree* ☐ *Disagree* ☐ *Unsure*

People are living longer and spending more time in retirement.
☐ *Agree* ☐ *Disagree* ☐ *Unsure*

Lack of retirement savings.
☐ *Agree* ☐ *Disagree* ☐ *Unsure*

6. *Since the start of 2021,* which of the following budget categories increased the fastest in your household? Please check only one.

☐ *Housing (rent or costs associated with owning, repairs and maintenance)*

☐ *Transportation* ☐ *Medical* ☐ *Food*

☐ *Recreation* ☐ *Communication* ☐ *Apparel*

☐ *Other*

continued on page 6

7. How have you responded to rising prices for meat, poultry, seafood and dairy products over the past 12-month period? Please check all that apply.

- ☐ *I've spent a larger portion of my budget on these food items.*
- ☐ *I've reduced the amount that I consume of these food items.*
- ☐ *I've relied more on food pantries, SNAP, or senior meal programs.*
- ☐ *I've gone without.*
- ☐ *My family or friends help.*

8. Have you been vaccinated for COVID-19? What was your experience like? Please check the answer that most closely corresponds with your situation.

- ☐ *Very positive—no or only mild temporary side effects.*
- ☐ *Good—some uncomfortable side effects that disappeared after a few days.*
- ☐ *Experienced a bad side effect.*
- ☐ *Have not gotten the vaccination yet, but I probably will.*
- ☐ *I don't plan to get the COVID-19 vaccine.*

9. Did you pay income taxes on a portion of your Social Security benefits for the 2020 tax year? (The April 15, 2021 deadline was extended to May 17, 2021.)

☐ *Yes* ☐ *No* ☐ *Uncertain*

☐ *Does not apply. Haven't started benefits yet.*

10. In 2020, many healthcare providers and patients had to cancel appointments due to COVID-19 restrictions. After comparing your medical expense records for 2019 against medical expenses in 2020, which of the following most closely reflects what happened to your medical expenses? Please DO NOT GUESS and select just one.

- ☐ *Uncertain, don't have complete medical expense records.*
- ☐ *Medical expenses in 2020 were about the same as 2019.*
- ☐ *Medical expenses in 2020 were higher than in 2019.*
- ☐ *Medical expenses in 2020 were lower than in 2019.*

11. If your medical expenses in 2020 *were lower than* in 2019, which of the following percentages most closely represents how much your spending dropped? To determine the percentage, take your total medical expenses for 2020 and deduct them from your 2019 total expenses. Then divide the answer by the 2019 total. Example: Total in 2019 = $10,000. Total in 2020 = $5,500. $10,000-$5,500 = $4,500. $4,500/$10,000 = .45 x100 = 45%. Please DO NOT GUESS and select just one.

☐ *Does not apply, my medical expenses were higher in 2020 than in 2019.*

☐ *Less than 20%* ☐ *20%–39%* ☐ *40%–69%*

☐ *More than 70%* ☐ *Uncertain*

continued on page 7

12. What portion of your Social Security benefit do you spend on total healthcare costs? Please compare your healthcare spending over the past 12 months vs. your total gross Social Security benefits from June of 2020 to May of 2021.

- ☐ *Less than 15%*
- ☐ *15%–29%*
- ☐ *30%–44%*
- ☐ *45%–59%*
- ☐ *Over 60%*
- ☐ *Uncertain*
- ☐ *Does not apply. Haven't started benefits yet.*

13. Which of the following levels of monthly Social Security benefits is the closest to the gross amount that you receive before deduction for Part B premiums?

- ☐ *Less than $749.90*
- ☐ *$750.00–$1,249.90*
- ☐ *$1,250.00–$1,749.90*
- ☐ *$1,750.00–$2,249.90*
- ☐ *$2,250.00–$2,599.90*
- ☐ *$2,600.00 or more*
- ☐ *Does not apply. Haven't started benefits yet.*

14. Medicare currently has Medicare Savings Programs that help beneficiaries with low incomes and assets by paying Medicare premiums on their behalf. The programs also pay out-of-pocket costs for those with the lowest incomes. A proposal under discussion would expand the eligibility for this program to individuals with incomes up to 200% above the poverty limit, and would eliminate (or not count) savings and assets in order to qualify. The proposal would affect individuals with incomes of $25,760 or less, and $34,840 or less for couples, and would help an estimated 12 million beneficiaries. Based on this general description, which of the following statements describes your potential level of support for this proposal. Please select only one.

- ☐ *Support*
- ☐ *Oppose*
- ☐ *Uncertain*

15. A feature of the Social Security benefit formula can result in lower benefits for certain retirees that turn age 60 in years when the Average Wage Index (AWI) which is used in the benefit formula, drops due to high unemployment. One such drop is expected for people who attained age 60 in 2020. The Chief Actuary of the Social Security Administration estimates that benefits of these future retirees may be as much as 9% lower for this age group when they start collecting benefits in 2022. The exact amount of the reduction will not be known until the end of this year. Legislation has been proposed to prevent the reduction. What should Congress do? Please select just one answer.

- ☐ *Congress should make a one-time correction to prevent this reduction affecting people born in 1960. The AWI should be frozen at the 2019 level when it was higher and used to calculate retirement benefits for people born in 1960. People who previously experienced similar, but very small, reductions in 2009 would NOT receive any boost to their benefit.*
- ☐ *Congress should enact comprehensive legislation that would permanently fix this flaw in the benefit formula preventing the 9% reduction for those born in 1960 and similar reductions in the future. In addition, Congress should include a retroactive benefit boost for those affected by the 2009 recession (which resulted in a drop of 1.5%) affecting people born in 1949 who attained age 60 in 2009.*

continued on page 8

TSCL 2021 Retirement Survey; continued from page 7

16. Bipartisan legislation has been introduced to address the approaching insolvency of the Medicare and Social Security Trust Funds. The legislation would not directly change the programs, but would create "Rescue Committees" for each Trust Fund. Congressional leaders would appoint 12 members to serve on each Rescue Committee to draft legislation that extends long term solvency and otherwise improve each program. At least two members of each party would be required to report legislation out of the Rescue Committee. If a Rescue Committee reports a qualifying bill it would receive expedited consideration in both the House and the Senate. Sixty votes would be required for final passage in the Senate, only a simple majority would be needed for the motion to proceed. Which of the following statements most closely reflects how you think about this legislation?

- ☐ *Support. Congress needs a process to get started on fixing Social Security and Medicare and provisions of the legislation needs to come from both Democrats and Republicans.*
- ☐ *Oppose. I want more information about the details of Social Security and Medicare legislation. I need to understand how provisions would affect my Social Security and Medicare benefits before any bill is given expedited consideration. We need Congress to use the normal open legislative process for legislation, including the holding of hearings.*
- ☐ *Uncertain.*

17. How would you characterize your political leanings?

☐ *Democrat* ☐ *Republican* ☐ *No party affiliation* ☐ *Uncertain*

You're almost finished.

TSCL's 2021 Retirement Survey may be taken online at SeniorsLeague.org/2021-retirement-survey.

Or you may print and complete the survey.
Put it in an envelope, add first-class postage and mail your responses directly to us at:

The Senior Citizens League
1800 Diagonal Road, Suite 600
Alexandria, VA 22314.

ASK THE ADVISOR

What Is Congress Doing to Prevent My Benefits From Being Reduced?

Q: I read your story about a potential Social Security benefit cut affecting people who were born in 1960. Has Congress taken any action yet to correct this?

A: The COVID-19 recession of 2020 may potentially result in permanent benefit cuts for about 4 million people who were born in 1960 but, so far, Congress has not taken any action to prevent these cuts. The problem is caused by a glitch in the way Social Security benefits are calculated. The amount of your initial retirement benefit is tied to your highest 35 years of earnings. But before those years are selected, the Social Security Administration adjusts your earnings based on the average wage index (AWI) to account for changes to the value of wages in the past to a current measure.

This index is susceptible to variations due to changes in employment, including drops in years when there is drastically high unemployment. The AWI is determined on the ratio of wages paid in the year (in this case 2020) to the total number of workers in the year. The number of workers includes all workers who were employed at any time during the year, regardless of the amount of time they were employed. The amount of wages in any given year are not reported until the following calendar year. Thus, the AWI for 2020 will not be known until late this year, and it would not be used for Social Security benefit calculation prior to 2022.

In July of 2020, the Chief Actuary of the Social Security Administration Stephen Goss estimated that people born in 1960 who become newly eligible for retirement or disability benefits in

continued on page 12

How Much Income Do Retirees Actually Have? Is It Enough?
continued from page 1

more retirees depend on earnings from jobs. Yet one out of four, 25%, of participants in TSCL's Senior Survey conducted earlier this year said they lost earnings in 2020 due to COVID-19 illness or business shut downs. In fact, some retirees are reporting that they are planning on working longer in retirement to make up for losses in savings due to the pandemic.

The COVID-19 pandemic has brought home an important fact. Social Security benefits are less affected by recessions or pandemics than are retirement account savings, pensions, or jobs. Social Security is our nation's most important source of retirement income. Its beneficiaries have paid for it during their working careers. In turn Social Security pays benefits as long as they live.

There are still some policy makers who falsely argue that Social Security "overpays" retirees because annual Cost-of-Living Adjustments (COLAs) are *too generous.* And there are still some who argue that Social Security benefits must be cut because the system faces a long-term funding shortfall.

Social Security benefits and COLAs are not overly generous. They are only modest at best. In fact, when compared with Social Security systems in 35 other developed nations, the U.S. ranks in the lowest one third. Two thirds of other developed countries have more generous public pensions than the U.S., according to the Organization for Economic Cooperation and Development.

How are retirees changing plans and household budgets in response to the pandemic's impact on retirement savings and jobs? Please take TSCL's new 2021 Retirement Survey at www.SeniorsLeague.org. Your answers help Members of Congress understand the importance of strengthening the three-legged retirement stool: Social Security, keeping our economy strong to provide growth in retirement savings, and to ensure jobs are available for all who want to work, run a business, or otherwise contribute to our economy in retirement. ■

Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic (ASEC) Supplement, *March 2021.*

Backdoor Medicare Cut Could Raise Your Out-of-Pocket Costs; continued from page 1

older adults that Medicare would pay for them only when people were admitted to the hospital as inpatients. But under the new rule, CMS is beginning to phase out that requirement. By the end of 2023, these "inpatient only services" which include complicated procedures such as heart and brain operations, are scheduled to be gone.

A new Medicare cost-saving rule that was launched late in 2020 will cut payments to hospitals for some surgical procedures, and could potentially raise costs for Medicare recipients.

CMS said in a press release that this change is to provide patients and their doctors more options and to lower costs by promoting more competition among hospitals and independent surgical centers. But while these surgeries will be removed from the inpatient-only list, *the government did not approve any of them to be performed anywhere else.* Patients will still have to get care at hospitals but, because these services have been reclassified, they will be billed under Medicare Part B as outpatient services, instead of Medicare Part A for hospital services. Medicare beneficiaries pay a bigger share of the costs under Part B, than under Part A for an inpatient stay, and those costs would also drive up Medicare Part B premiums in the future.

Even though Medicare recipients getting these services may stay in the hospital overnight or longer, getting the same nursing care, lab tests and drugs as they would if inpatients, their bill will be calculated very differently. Patients admitted for in-patient stays usually are responsible for the Medicare hospital deductible of $1,484 for a stay of up to 60 days. They may also pay 20% of doctor charges. Many people have Medigap or Medicare Advantage plans that cover much or even all of this expense. Outpatient services, on the other hand, are charged differently, with the patient paying 20% of the Medicare approved amount for each service. In addition, the new billing changes would hit patients with "facility fees" that can run up to several thousand dollars to cover hospital overhead charges. And since, prescription drug plans don't cover medication for hospital patients, beneficiaries would be charged 100% of the full retail cost of drugs they need, even those they normally routinely take at home.

The CMS rule change would also make it more difficult to qualify for nursing home and even home health care coverage after leaving the hospital. To qualify for nursing home coverage, one must spend three days as an inpatient. Outpatient stays do not qualify for Medicare coverage of nursing home stays. Without a qualified hospital inpatient stay, patients may even have trouble finding home health care agencies that would serve them due to Medicare's lower Part B reimbursement rates.

While the policy will mean that Medicare would spend less, patients will spend more—often, a lot more, and the charges would broadside most beneficiaries, coming as a complete surprise. TSCL is strongly opposed to this type of backdoor benefit cut, and has written a letter to President Biden urging him to rescind this CMS rule. Please sign our petition! ■

Sources: "Under New Cost-Cutting Medicare Rule, Same Surgery, Same Place, Different Bill," Susan Jaffe, Kaiser Health News, March 23, 2021.

"Flo" Was Wrong. I DO Want Big Government In My Medicine Cabinet. continued from page 1

even though Medicare negotiates prices for almost every other service and for Part B drugs. High drug prices put patient's lives at risk every day when people can't afford to fill their prescriptions.

It took the pandemic to demonstrate what our nation can achieve when our government gets into the medicine cabinet and "partners" with drug manufacturers.

Now, 18 years later, TSCL is hopeful that 2021 will be the year when Congress finally enacts legislation to allow Medicare to negotiate drug prices with pharmaceutical companies. This change is supported by about 85% of participants in TSCL's Senior Surveys. In 2019, Congress came very close to passing such a bill. In 2019, the House passed legislation, that would have allowed Medicare to negotiate drug prices, but was loathed by the pharmaceutical industry. It stalled in the Senate late in 2019 when Senate leadership refused to take up the bill.

But in 2020 COVID-19 dramatically proved Flo wrong. It took the pandemic to demonstrate what our nation can achieve when our government gets into the medicine cabinet and "partners" with drug manufacturers. We witnessed the record setting development and production of not just of one, but multiple, life-saving new vaccines from several pharmaceutical manufacturers.

It required a mix of financial incentives, unprecedented world-wide need, and government prodding. But drug companies stepped up, and based on their performance in the stock market, they appear to be prospering. The federal government negotiated not only prices, but also it purchased hundreds of millions of doses of vaccines, made the vaccines available to the public at no charge, and has overseen the distribution of the vaccines to states. Those vaccines are saving lives, helping to get workers back on the job, and allowing those of us who are fully vaccinated to carefully start to resume pre-pandemic activities, such as visits with friends, family and grandchildren.

Getting the COVID-19 vaccine was one of the most unforgettable experiences of my life. It was emotional for a lot of people who were there. I cried when I got both of my shots—not because it hurt, (I never felt either one) but from the overwhelming sense of relief, joy and gratitude. "Mo," the chief of our local Emergency Medical Services who gave me my second dose, teared up too. He said he was relieved for the opportunity to save lives "this way" rather than making so many grim ambulance calls.

Giving COVID vaccines in school gymnasiums and community centers has been just as healing for those giving the shots as for those of us getting them. Our vaccine hall was bubbling with excited happy voices and laughter. The moment I entered I was struck by how strange and rare that laughter had become and how much I had missed that sound!

Mo soberly told me that it has been a grueling experience for "a small-town emergency medical worker" who, before COVID, was used to mainly pushing paper, and just going on only a few calls a week for the "random" auto accident or over-dose. Day after grueling day, Mo and his crew have answered calls to hundreds of homes in my county. And sadly, they are still at it. If you haven't gotten one yet, please consider getting a COVID vaccine! Contact your local health department or doctor.

So how can we best use this momentum from our vaccine experience to build relationships with drug manufacturers and lower costs for consumers? TSCL is closely watching for drug price negotiation provisions to be included in legislation this year.

What portion of your Social Security benefit do you spend on healthcare costs? Please take TSCL's 2021 Retirement Survey starting on page 4. ■

Source: "TV Ad's Flo Speaks for Drug Companies," Harry F. Rosenthal, The Associated Press, *October, 30 1999.*

SOCIAL SECURITY & MEDICARE QUESTIONS

Q: I'm turning 65 later this year. I currently receive my healthcare insurance through my wife's employer. How does Medicare work with this insurance? May I delay enrolling in Medicare?

A: This is a great question to ask, because working under the *wrong assumptions* about Medicare and your current group health insurance could wind up costing you a lot out-of-pocket. Once you turn 65, if you are entitled to Medicare and currently covered by employer insurance, you are subject to what are known as "primary payer" rules.

The "primary payer" pays what you owe in medical bills first, and then sends the rest to the "secondary payer" to pay some or all of the remaining costs. Here's the key thing to know: Size matters! The primary payer is determined by the size of the employer. Medicare is the primary payer if your spouse's employer has *fewer than* 20 employees. Medicare is the secondary payer if your spouse's employer *has 20 or more* employees.

Your spouse's employer plan pays first, and Medicare pays second when ALL the following apply:

- You're 65, but your spouse is still working;
- You're covered by your spouse's current group health plan coverage;
- Your spouse's employer must have 20 or more employees.

When your group health plan doesn't pay all of your bill, the healthcare provider should send the bill to Medicare for secondary payment. Medicare may pay based on what the group health plan paid, what the group health plan allowed, and what the doctor or health care provider charged on the claim. You may have to pay any remaining costs that Medicare or the group health plan doesn't cover.

If your group health plan is the primary payer (at least 20 or more employees) then you may be considering whether you can delay enrollment in Medicare if it would be more cost effective for you. (You can.) If you delay Part B enrollment, you will have a Special Enrollment Period (SEP) to enroll in Medicare at any point while covered by the employer plan OR up to eight months after the first month you are without that employer coverage.

Regardless, it's a good idea to compare the cost of what you currently pay for your group health premiums, deductibles and co-pays, compared to dropping your group health coverage and getting Medicare. When comparing you will need to include the cost of Medicare Part B premiums, as well as a Medigap supplement and prescription drug coverage or Medicare Part B and a Medicare Advantage plan to replace your group health plan. It's a different calculation for everyone, depending on your health and the prescription drugs that you take, and the generosity of your current benefits.

Free one-on-one counseling is available to do this through your state's health insurance assistance program (SHIP). You can locate the contact information for your area at http://Shiptacenter.org. People who make appointment with these counselors frequently tell us how very helpful these sessions are! ■

What Is Congress Doing to Prevent My Benefits From Being Reduced?
continued from page 9

2022 would a receive a benefit that's about 9.1 percent lower than expected. The reduction would be permanent and it would also affect the spouse and dependent benefit based on the account of someone born in 1960. TSCL estimates that people retiring with an average benefit of $1,565 in 2022 would lose more than $55,000 in Social Security income over a 25-year retirement.

Legislation negating the drop in the AWI would be needed to avoid the benefit reduction. One approach discussed last year would not allow the AWI to decline from one year to the next for benefit computation and other purposes. Instead the highest AWI level determined for any prior year would be used.

TSCL supports legislation that would prevent reductions in the AWI. What do you think Congress should do? Please take TSCL's 2021 Retirement Survey at www.SeniorsLeague.org. ■